NHS
Lincolnshire Partnership
NHS Foundation Trust

Annual Report and Accounts for the year 2019/20

Lincolnshire Partnership NHS Foundation Trust

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

Contents

Introduction

Welcome to Lincolnshire Partnership NHS Foundation Trust's Annual Report and Accounts for 2019/20. This report contains a summary of the Trust's performance and key achievements and sets out its priorities for the year ahead.

Whilst we are required by law to include technical and financial detail, we have tried to make this overview of the information about our Trust, the services we provide and what we do as easy as possible to read and understand.

For this purpose, we have separated the report into two parts. Part one is a summary of who we are, what we do, what we achieved in 2019/20, what your money was spent on, and other summary financial information.

Part two is set out in a slightly different manner as it contains our quality accounts, which lists the priorities for quality improvement, including local indicators for patient safety, clinical effectiveness and patient experience, as well as a number of national targets. This section also contains a range of other technical details, statements and financial information, which we are required to produce by Parliament and our legal regulators, NHS England / Improvement.

We hope you will find this report easy to read and understand as well as interesting and informative. If you would like extra copies of this document, or want to make any comments about it, please contact us by telephoning 01522 309194 or send an email to LPFT.communications@nhs.net

You can also use these same contact details if you would like a copy in an alternative format.

Part one

This part of the report is a simple summary of who we are, what we do and what happened in 2019/20.

Our Trust is a large and complex organisation serving the needs of people with mental health problems and/or learning disabilities living in Lincolnshire.

We are also commissioned to provide children and adolescent mental health services in North East Lincolnshire.

Part Two of this report contains more detail and particular requirements specified by Parliament and our regulator, NHS England / Improvement.

Foreword from our Chair and Chief Executive

Paul Devlin has been Chair of Lincolnshire Partnership NHS Foundation Trust since May of 2015, and Brendan Hayes Chief Executive joined the Trust on 1 May 2019.

Welcome to the annual report and accounts for Lincolnshire Partnership NHS Foundation Trust. Whilst this report is mainly a reflection on the twelve months ending on 31 March 2020, we would also take this opportunity to outline some of our exciting plans for the future.

To begin with we would like to express our sincere thanks to each and every person in our organisation, for their outstanding contribution to keep our services functioning during these very challenging times as we deal with the COVID-19 pandemic. Now more than ever we are so incredibly proud and impressed with the commitment and passion of our staff, volunteers, members and partners. The COVID-19 pandemic has undoubtedly been the biggest challenge we have faced, and we know that without this unfaltering dedication, our organisation would not be where it is today.

Although we are still facing challenging times now and for the foreseeable future, our organisation has also seen some fantastic highlights during 2019/20 that cannot go unnoticed.

This past year many colleagues within the Lincolnshire health and care system have worked to successfully secure over £6million of national investment to transform community mental health services over the next two years for people with severe mental illnesses in Lincolnshire. This includes monies to pilot a community rehabilitation service and support for people with personality difficulties and complex trauma in Lincoln and Gainsborough. Lincolnshire is one of 12 early implementer sites across the country to receive the funding and test a new four week waiting target for community mental health services and for that we are grateful.

Brant Ward in Lincoln, our older adult mental health ward, has benefitted from a £4million refurbishment to improve privacy and dignity for our patients. To allow the refurbishment to take place, the ward was temporarily closed and the inpatient team used this as an opportunity to adapt and change ways of working to provide a successful and innovative home treatment service.

Lincolnshire also received a £1.2m funding boost to further support crisis services, including the development of a new 24/7 mental health crisis helpline. This helpline has

proved invaluable during the recent COVID-19 pandemic, enabling people to access support and advice over the phone during these unprecedented times.

Our vision, values and behaviours were developed in partnership with our staff and stakeholders, and serve as a constant reminder that quality improvement for our patients and our staff remains at the heart of all we do.

The Trust and its staff continue with unwavering commitment to put patient care first and foremost in all that we do each and every day, and to not compromise on clinical quality. Our strong clinical performance has been maintained and improved upon even further during the year, and throughout this report there are examples of the difference we have been able to make to our patients, their families and their carers.

We are delighted to report that during the course of the past year several of our staff colleagues and teams received national, regional and local recognition and accreditation. The Trust and local commissioners were shortlisted in the Health Service Journal (HSJ) Value in Healthcare Awards for a project which has reduced the number of patients receiving treatment outside of Lincolnshire.

The Trust was also shortlisted as a finalist in the Nursing Times Workforce Awards 2019 in the category ‘Best Employer for Staff Recognition’. Our Senior Data Warehouse Developer Laura Forster received a double award shortlisting in the Women in IT Excellence Awards 2019 for the ‘Rising Star of the Year category’ and the Unsung Hero Awards 2020 for the ‘IT and Digital category’.

There were also several accreditations, with the Individual Placement and Support (IPS) Employment Service Team retaining the prestigious Centre of Excellence status following review from the Centre for Mental Health. Also received was the Trust’s second star of achievement in the national Triangle of Care accreditation programme, recognising the support we provide to carers.

We continue to appreciate the support of our partners, including several charities and voluntary organisations, Lincolnshire Police, Lincolnshire County Council, district and borough councils, clinical commissioning groups and other NHS organisations.

External inspection and accreditation are welcomed as further ways for us to continue to improve the services for our patients, and during the year the Care Quality Commission visited us to carry out the inspection of one core service to be followed by a well-led

review. The core inspection occurred but due to the COVID-19 pandemic, the well-led review was postponed. We are expecting the report on the core service inspection of inpatient rehabilitation services to be received in June 2020.

Over the past year our staff and our volunteers remain our most important asset, and we are grateful for their never-ending commitment and dedication to patients, families and carers, as well as to other staff colleagues across the Trust and wider. We are also grateful for the continued support we receive from our governors and our members, helping us to continue to listen to and serve the people in our local communities. We also take this opportunity to acknowledge and thank those who give us their support in other ways, including our staff side representatives, commissioners, local MPs, and local government and of course the stakeholders in the local and regional health and care community.

Now, more than ever we are proud of the Trust and its staff and stakeholders as an organisation with an absolutely driven focus on providing high quality care each and every day for our patients, their families and carers and of course our staff and volunteers.

Kind regards

Paul Devlin,
Chair

Brendan Hayes,
Chief Executive

Who we are

Lincolnshire Partnership NHS Foundation Trust was established on 1 October 2007 under the National Health Service Act 2006 – it was the first NHS mental health organisation to become a foundation trust in the East Midlands.

Being a foundation trust means it does not report directly to the Department of Health; instead, it reports to the local people through its Council of Governors and is regulated by an independent body called NHS England / Improvement.

The most important part of being a foundation trust is that it brings the organisation closer to the people who matter most. It wants local people, service users and carers and those who support and represent them, to have much more influence over how it goes about planning and delivering services.

It now has approximately 10,000 members, drawn from the local community and its own staff. It has elected governors to act on its behalf and those governors play a crucial role in everything the Trust does, including appointing its Chair and non-executive directors.

There are also many other benefits of becoming a foundation trust, such as greater financial freedom. Foundation trusts are able to invest and borrow funds and can reinvest surpluses too. This allows the Trust to plan better for the future, and to take decisions about how services are run, knowing the level of available funding.

The Trust can also enter formal partnerships and joint ventures with other organisations outside the NHS – such as voluntary organisations or housing providers.

What we do

The Trust provides specialist health service for people living in Lincolnshire with mental health problems and/or learning disabilities, and a range of specialist mental health services to some areas outside the county boundary. Apart from some very specialist services that can only be provided by other organisations outside the area, the Trust provides the full spectrum of mental healthcare and wellbeing services across Lincolnshire; these include:

- Primary mental healthcare, treating common mental health problems such as anxiety or depression, in GP practices, pharmacies, health centres and other settings within the local community

- More specialist services, including some social care for adults, children, families and older people, such as eating disorders
- Hospital services including low secure, psychiatric intensive care, acute and rehabilitation
- Specialist health services for people with learning disabilities
- Psychological therapies
- Occupational therapy
- Mental health and learning disability liaison which provides support to those people in an acute hospital setting.

The Trust also provides some services in neighbouring areas of the country, these include:

- Child and adolescent mental health services in North East Lincolnshire.

The work of the Trust is increasingly community-based. It provides a wide variety of mental health, learning disability and social care services in close partnership with colleagues in local councils, clinical commissioning groups, charitable and voluntary organisations, as well as with service users, carers and their representatives. The Trust always aims to provide people with alternatives to admission and where appropriate, to provide treatment, care and support outside a formal hospital setting.

Summarised below is a snapshot of who we are and what we do captured into a few key facts.

For the 12 months leading to 31 March 2020, we:

- Supported some 50,000 people who have accessed our services over the last year by:
    - Attending outpatient clinics or appointments
    - Receiving contact from one of our community teams, crisis and home treatment teams or specialist services
    - Being admitted to one of our 15 inpatient wards
- Operated from some 49 sites providing services in:
    - Lincolnshire to a population of 756,000* across an area of 2,646 square miles.
    - North East Lincolnshire to a population of 160,000** across an area of 74 square miles.
- Supported people in more than 217 inpatient beds, the majority of which are on our main sites in Lincoln, Grantham and Boston.

- Employed 2547 staff, of which 2034 were female and 513 were male.
- Had a membership of circa 9800.
- Worked with an annual expenditure budget of circa £110 million.
- Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purpose. The Trust has met this requirement.

*Source: ONS 2018 Mid Year Population Estimates/ GP Registrations April 2019 (NHS-HSCIC)

** Source: North East Lincolnshire Data Observatory ONS 2018

Highlights of the year

A snapshot of a busy year.

From innovative service transformations to national awards and recognition, the past year has seen many highlights for the Trust:

Annual Report – Highlights of the Year

Achievements

- As part of a Lincolnshire health and care system bid, the county secured over £6m to transform community mental health services over the next two years for those with severe mental illnesses. This includes monies to pilot a community rehabilitation service and support for people with personality difficulties and complex trauma in Lincoln and Gainsborough. Lincolnshire is one of 12 early implementer sites across the country to receive the funding and test a new four week waiting target for community mental health services.
- Reopened the Trust's older adult mental health ward in Lincoln, Brant Ward, following a £4million refurbishment to improve privacy and dignity for patients.
- Awarded a joint contract with Lincolnshire Action Trust to deliver a new Criminal Justice Liaison and Diversion service. Providing early mental health support and intervention for people as they come to the attention of the criminal justice system.
- Secured £200,000 of funding from Lincolnshire County Council and South West Lincolnshire Clinical Commissioning Group to develop a new autism support network.

Supporting local community groups and organisations to deliver activities and groups for people of all ages with autism across Lincolnshire.

- Began a pilot home treatment service for young people as a way of preventing hospital admission.
- Perinatal mental health services received £133,000 funding to further expand their specialist mental health service.
- Received funding to further expand the Trust's Individual Placement and Support Service.
- Secured on-going funding to provide mental health support in Lincolnshire's Police Control Room.
- The county received a £1.2m funding boost to further support crisis services. Supporting the development of a new 24/7 mental health crisis helpline, extended crisis vehicular response and monies for third sector organisation to set up and offer more crisis cafes.
- Received over £200,000 additional investment from NHS England for the Veterans' Transition, Intervention and Liaison Service (TILS) which supports veterans in the county.
- Lincoln received around £300k to employ dedicated health professionals to better support the city's rough sleepers with their mental health, substance misuse and physical health concerns.
- Expanded older adult services by taking on the contract for Lincolnshire's Dementia Support Service. Providing additional support to those living with dementia and mild cognitive impairment.
- Expanded mental health liaison services at Pilgrim Hospital in Boston to cover the full 24hr period. The team at Lincoln County Hospital also received temporary funding to extend their hours of operation over the busy winter period.
- Implemented new mental health support teams within schools. Expanding early intervention and support for young people.
- Lincolnshire system received £400,000 funding to further develop the transforming care agenda for adults with a learning disability in the county. Preventing hospital admission for people who have a learning disability and/or autism. In addition to developing additional support for the diagnosis of autism and support following a diagnosis.
- Launched a new initiative for carers where all Trust carer leads now wear orange lanyards to be more easily identifiable to carers visiting local services.

- Recruited two new Patient Research Ambassadors, with support of the National Institute for Health Research.
- The annual staff flu vaccination programme vaccinated 80 per cent of the Trust's frontline healthcare workers, exceeding previous performance and national targets.
- The Managed Care Network continued to provide local community groups with a share of £300,000 in funding to support people with mental health problems and dementia.
- The Trust now support Leicestershire Partnership NHS Trust by providing their payroll and pension services.
- The Trust made further improvements in its national staff survey results, improving in seven of the eleven key themes and maintaining a positive performance In the other four. The organisation also benchmarks amongst the best mental health and learning disability trusts in four of the themes. The survey's staff response rate also improved to 64 per cent.
- The Trust became part of the Royal College of Psychiatrists national sexual safety project for inpatient settings.
- Became the first local NHS organisation to join the Lincoln Social Responsibility Charter.
- The Trust is supporting the first cohort of medical students at the University of Lincoln, helping to develop the psychiatry modules of their studies.
- Launched the Mental Health helpline, an emotional support service available 24/7 offering support for anyone who is feeling low, anxious or stressed.
- Launched an emotional wellbeing helpline which runs across seven days of the week, for staff to access support during the time of the COVID-19 pandemic.

Awards

- The Trust once again celebrated the fantastic achievements of staff at the annual staff excellence awards. Recognising the hard work of the 17 individuals and 12 teams shortlisted.
- Polly Blaydes, the Trust's Allied Health Professionals Lead and Recovery Services Advisor, was a finalist in the HEAT (healthcare, education and training) Awards.
- 34 long service awards were presented to individuals marking 20, 30 or 40 years with the NHS.
- A project to develop the CAMHS Crisis and Home Treatment Service with LPFT and Lincolnshire County Council won at the Healthcare Transformation Awards in the Innovation Mental Health Care category.

- The Trust, alongside local commissioners were shortlisted in the Health Service Journal (HSJ) Value in Healthcare Awards for a project which has reduced the number of patients receiving treatment outside of Lincolnshire.
- Shortlisted as finalists in the Nursing Times Workforce Awards 2019 in the category 'Best Employer for Staff Recognition'.
- For the thirteenth consecutive year the Trust received recognition in the Care Coordination Association (CCA) Good Practice Awards for the work of the Deputy Medical Director Dr Jaspreet Phull who received an award in the 'Innovation to Support Service Development' category for his mobile electrocardiogram (ECG) device.
- Lyndsay Khan, Team Manager for the Trust's Mental Health Transition, Intervention and Liaison Service (TILS) was shortlisted for an English Veterans Award in the Role Model of the Year category.
- The Older Adult Home Treatment Team was shortlisted as Clinical Team of the Year at the Lincolnshire Health Awards for its high level of support and care.
- In the Lincolnshire Health Awards, shortlisted were: Clinical Team of the Year and Research, Innovation and Education Award Older Adult Home Treatment Team – Brant Ward, Nurse of the year – Lyndsay Khan, Healthcare Assistant of the year – Sarah Eyett, Support Staff of the Year –Learning Disabilities Experts by Experience Team, and Rising Star of the Year – Kerry Swift.
- CAHMS was shortlisted as a finalist at the Children and Young People Now Awards 2019 in the 'Mental Health and Wellbeing Award' category.
- Senior Data Warehouse Developer Laura Forster received a double award shortlisting in the Women in IT Excellence Awards 2019 for the 'Rising Star of the Year category' and the Unsung Hero Awards 2020 for the 'IT and Digital category'.

Accreditations

- Individual Placement and Support (IPS) Employment Service Team retained the prestigious Centre of Excellence status following review from the Centre for Mental Health.
- The Trust achieved its second star of achievement in the national Triangle of Care accreditation programme. Recognising the support we provide to carers.
- Community mental health teams in Grantham, Sleaford, Lincoln North and South, and Stamford achieved Accreditation for Community Mental Health Teams (ACOMHS)

from the Royal College of Psychiatrists. All nine community teams are signed up and working towards the ACOMHS accreditation programme.

- steps2change received an accreditation in the Accreditation Programme for Psychological Therapies Service from the Royal college of Psychiatrists, which commemorates the quality of its service, scoring 100 per cent in all essential standards.
- Spring Lodge, the county's Sexual Assault Referral Centre (SARC) received accreditation for Independent Sexual Violence Adviser (ISVA) services, demonstrating the commitment of the team.

Performance

This brief overview provides a short summary of the Trust's purpose, explains where information on the key risks can be found and comments on the Trust's achievements and performance in the year.

In addition to the Chief Executive's comments in the foreword to this report, the Chief Executive is pleased to summarise the following key performance areas. In 2019-20 the Trust produced a financial outturn of a £1.5 million surplus (see Annual Accounts) and, maintained its NHS Oversight Framework segmentation of 1, further detail on the Segmentation is included in part two of this report. NHS England / Improvement place trusts in the appropriate NHS Oversight Framework segment across five themes of quality of care, finance and use of resources, operational performance, strategic change and leadership and improvement capability.

Segment 1 is given to trusts that have maximum autonomy, with no support needs and the lowest level of oversight required.

The Trust has for the fourth year running achieved a significant improvement on its national NHS staff survey, placing the Trust in the top five mental health and learning disability trusts for sustained improvement and performance on staff satisfaction. This level of performance places the Trust amongst the highest performing mental health and learning disability trusts in the country.

The key risks for the organisation are reported in a risk register at every Board of Directors' meeting and as part of the Annual Governance Statement later in this report. The Board monitors its key performance indicators (KPIs) via an integrated performance report received at every meeting of the Board of Directors. The Board's governance

structure is established to enable each theme in the NHS Oversight Framework, including performance indicators, to be scrutinised and assurance to be gained. There has been no material breach in KPIs during 2019-20.

Some challenges have remained throughout the year, some of which are due to the limitations of much of our estate. We are working with our partners to eradicate out dated dormitory style inpatient environments and to reduce the number of patients who are cared for outside of Lincolnshire. Our estates strategy will address our medium and long term estates issues, and we have already commissioned work to develop plans for replacement of all our remaining dormitory style wards and to increase the number of patients who can be cared for in Lincolnshire without the need to travel further afield.

An effective Board Assurance Framework has been maintained to provide the Board with assurance that the risks have appropriate controls and mitigations in place.

Quality priorities

In 2019 the Trust Board agreed six key quality priorities for 2019/20 and 2020/21, two in the domain of patient safety, two in the domain of patient experience and two in the domain of clinical effectiveness. The quality priorities were selected taking account of a number of sources including the following:

- Extensive engagement with patient/service users, carer, governor and staff.
- Department of Health and Social Cares national priorities.
- CQC inspection 2018 and MHA visits feedback.
- The NHS Long Term Plan.
- National patient and staff surveys.
- NHSI reporting requirements.
- Commissioners' requirements and feedback.
- Sustainability and Transformation Partnership (STP).
- Equality Delivery System 2.
- Healthwatch Lincolnshire feedback.
- Serious incidents, complaints, coroner and serious case review feedback (local and national).

Stretch targets for performance in respect of all the quality priorities were developed collaboratively; and have been closely monitored throughout 2019/20. Revised targets for 2020/21 will be developed using data from 2019/20 as the baseline where identified for

continuation. Ongoing measurement throughout the year will assist in monitoring our progress; and in developing the understanding and embedding from ward/team to Board of the Trust's quality priorities.

Ongoing support for the agreed quality priorities started in December 2019, with key engagements taking place with each operational division, quality priority leads and the Council of Governors.

Progress to achieve the identified quality priorities for 2020/21 will be monitored through the quality and safety team; and reported three times a year to the Patient Safety and Experience Committee a sub-committee of the Quality Committee.

In response to the changing health and social care context presented by the ongoing management of COVID-19 it is anticipated that the Trusts Quality Priorities will change to support revised ways of working and caring for our patients/service users, carers and staff.

A review of the 2020/21 Quality Priorities is planned to be held with key members of the Trusts Patient Safety and Experience Committee, any changes will have oversight as described above and also clearly described within the 2020/21 Annual Quality Report.

CQC inspections

The Trust had an inspection of some of its core services followed by a Well-Led inspection between 15 October and 8 November 2018; the published ratings grid and key areas described in the report are presented in the table on the next page; the full report is available on the CQC website at: www.cqc.org.uk

The core services inspected by the Care Quality Commission at that time included acute wards for adults of working age and psychiatric intensive care unit; community-based mental health services for adults of working age and community mental health services for people with a learning disability or autism.

The Trust retained the overall rating of Good and was rated Outstanding for Well-led.

The two areas which remain as Requires Improvement for Effective were areas which were not part of that core inspection and so their rating remains the same as for the previous inspection.

The CQC did not identify any "must do" actions for the Trust. Thirteen "should do" actions from the report were included in a comprehensive action plan as part of our continuous quality improvement. A clear process was in place to monitor the action plan and check

progress, working with operational managers and clinical leads. The action plan was presented monthly, in the public session, to the Board of Directors. The actions highlighted have been addressed and work continues to improve services through the Trust's continuous quality improvement programme.

In February 2020 the Trust's rehabilitation wards for adults were inspected, however before the subsequent well-led review could take place all CQC inspections were postponed due to the COVID-19 pandemic. The Trust's current rating chart is below:

2019-2020

How we measure performance

For 2019-20 the Trust has achieved the clinically operational Single Oversight Framework Metrics. We have also achieved the national targets specifically for Children and Young People accessing mental health services. In addition to the national and contractual KPI's the Trust monitors a range of measures to gain greater insight on all information relating to service performance and effectiveness.

Statistical Process Control Charts (SPC's) are utilised for the majority of performance measures in all services across the Trust. These enable performance to be tracked and suggest further investigation where there are exceptional data points. Measures that are monitored via SPC charts include: Staff vacancies, access and waiting time targets, mandatory training and serious incidents.

The Board gains assurance against these measures through the Integrated Performance Report (IPR) on a monthly basis. Mandated KPI's are presented alongside internally monitored measures, with those falling outside of statistically applied control measures providing an exception report. The narrative describes the driver for the issue, what actions are being put in place and when this is expected to be resolved. Responsible Service personnel and Executive Director Leads are named within the report for enhanced accountability.

More detailed performance reporting is reviewed through the Finance and Performance Committee and the Quality Committee. These forums enable greater levels of investigation into specific service areas that are identified as higher risk of non-compliance or poor performance. It also enables areas of excellent practice to be described and modelled throughout other areas in the trust

The ability to triangulate information and identify the drivers for when metrics are off track is a key enabler to linking the KPI's to risk and risk management. Dashboards which capture and monitor all areas of services information are accessible by all staff, ward to Board and provide a culture of open transparency where information assists performance and is not a barrier to its successful delivery.

Analysis and explanation of the development and performance during the year

During 2019-20 LPFT began building a data warehouse which is an on-going development. Completion of Phase one enabled information from RiO, Electronic Staff Records and Datix to be included. This enables dashboards to display information from a variety of sources, so that operational performance can be triangulated with staffing, serious incidents etc. Longer term developments include daily feeds from health roster, financial information and IAPTUS. The available information allows links to be made between staffing requirements on the ward – through to financial impact of additional bank and agency within the financial accounts. Utilisation of these dashboards and the underlying SPC charts, demonstrate where staffing will have a significant impact on finances for example areas of high vacancies. Early identification of issues allow for proactive management and control, supporting the trust to gain financial balance as early as possible within those identified areas.

Environmental sustainability performance

Throughout 2019/20 the Trust has continued to implement its key environmental and sustainable priorities as detailed in the Trusts 'Sustainability Development Management Plan'. A summary of the key actions within the plan are detailed below:

- **Healthy, sustainable and resilient communities** - The Trust's estate supports the principles of sustainability; it has a range of owned and leased properties of varying ages and conditions. The Trust is rationalising its estate, disposing of old inefficient properties, upgrading inefficient buildings and commissioning new, high sustainability/low carbon properties. Through operational reviews and collaborative initiatives with local NHS and other third parties, the Trust has been able to maximise opportunities for shared use of buildings. The Trust is working with the Greater Lincolnshire One Public Estate and the Lincolnshire Sustainability and Transformation Partnership to develop medium and long term strategic estate plans, it is also actively involved in the Greater Lincolnshire Local Enterprise Partnership's energy strategy. A formal partnership agreement between Lincolnshire Community Healthcare NHS Trust and Lincolnshire Partnership NHS Foundation Trust has been in place since April 2019; this allows one Estates and Facilities team to support both Trusts and facilitates the use of shared office estate. It demonstrates the efficient partnership working of the Trust and has expanded to deliver security support services to ULHT with additional opportunities to support the wider NHS community in future.
- **Commissioning and procurement-** The Trust's sustainability and environmental policies apply to its commissioning and procurement of properties, equipment and services. All 'offers of tender' include clauses to cover ethical procurement, carbon reduction policies, sustainable supply chain sourcing, use of local services and are in accordance with the Social Value Act 2012. 'Procure 22' is administered by the Department of Health for the development and delivery of NHS capital schemes; it meets all the governments' environmental and sustainability requirements. The Trust utilised the 'Procure 22' contract for the successful Brant Ward refurbishment project, converting patient dormitory accommodation to single ensuite room accommodation. A 'local bidder's' day for the provision of Estates services took pace in February 2020 to encourage local suppliers to tender for contracts supporting the local NHS services across LPFT,LCHS and ULHT – the response was excellent with new local suppliers now registered with NHS procurement framework agreements. The Trust has agreed to the NHSE/I pledge to reduce plastic waste in support of the environment and NHS

Long Term Plan ; by April 2020 no longer purchase single use plastic stirrers and straws (specific needs excepted), by April 2021 no longer purchase single use plastic cutlery, plate or single use cups made from polystyrene or plastics. By April 2021 go beyond previous commitments in reducing single use plastic food containers and other plastic cups for beverages – including covers and lids.

- **Carbon hotspots** - To minimise the impact of staff travel on the environment, mileage is monitored through a claims approval process. The Trust has implemented mobile working and hot desk arrangements across the county, as well as efficient workload planning. The Trust has invested in technology which allows staff to join meetings virtually which often eliminates the need for them to travel and attend meetings in-person. Low carbon travel such as; cycling, walking, electric vehicles and car sharing is encouraged and incentives have been introduced. The Trust works in partnership with a vehicle lease company to incentivise staff to select electric and low emission hybrid vehicle as opposed to larger engine diesel or petrol vehicles. The Trust intends to support electric vehicle (EV) technology by investing in EV charging points at its sites. Due to the diverse geography of Lincolnshire the Trust endeavours to provide local services in each population centre and tries to develop a service presence in each locality. Partnership working with other providers and the local community helps to progress this initiative.
- **Energy and carbon management** - The Climate Change Act 2018 commits the UK Government by law to reducing greenhouse gas emissions by at least 80% of 1990 levels by 2050. The Governments Committee on Climate Change has recently advised that :
  - The UK must reduce its greenhouse gas emissions by at least 100% compared to 1990 levels (up from a previous commitment of 80%).
  - Must review the first five ‘carbon budgets’, which set legally-binding targets for emissions reductions between 2008 and 2032; these have been legislated in line with the Committee’s advice. (They require a reduction in UK emissions of 57% from 1990 to 2030 and, if delivered, will keep the UK on track to meeting the 2050 target).

  As the largest public sector emitter of carbon emissions, the National Health Service has a duty to respond to meet these targets which are entrenched in Law. LPFT has agreed to this challenge and is now working towards it. The Trust has continued to investigate and implement the use of sustainable and energy efficient equipment. This is achieved by on-going work relating to: utility bill analysis, sub

metering, property insulation, double glazing, low water usage systems, inverter drives, LED lighting, gas boiler replacements as well as more complex technologies such as ground or air source heat pumps and combined heat and power systems, which may be ‘stand-alone’ systems or developed into district energy/heating solutions. These technologies are incorporated into all refurbishment and new build projects whenever possible. The Trust purchases the majority of its energy from the national source of NHS Crown Contracts. This ensures the Trust has a ‘value for money’ procurement route, which includes an element of cost for renewable energy as part of the tariff.

The Trust is actively involved in the ‘Lincoln Climate Commission’ which has been implemented to examine, consider and scrutinise carbon reduction and climate resilience issues across the city of Lincoln. The Commission provides a strategic forum for setting and championing Lincoln’s transition to a zero carbon and climate resilient future by driving positive action, developing communication strategies, and creating the space of collaboration and cooperation between stakeholders, interest groups and partnerships.

In order to support the delivery of the Trusts SDMP plan in 2020/21, the Trust intends to appoint an ‘Energy Environmental and Sustainability Manager’. The new appointee will work within the partnership agreement to support Lincolnshire Partnership NHS Foundation Trust and Lincolnshire Community Health Services. This new position will lead on environmental and energy management proposals, generating feasibility studies, performance specifications and instigating step change which will also align with the NHS agenda for sustainability and Carbon Dioxide reduction targets. The role will lead on managing internal energy data and provide support for the Trusts capital investment aspirations.

- **Waste and recycling** - The Trust maximises the recycling of waste and minimises the impact on the environment for the disposal of other waste streams. Wherever possible Trust waste is segregated by staff, collected and processed by competent waste contractors. Where waste cannot be segregated at source, it is processed by waste management contractors to minimise its environmental impact. Auditable processes are in place to ensure compliance through contract monitoring and spot audits. All staff members have a duty of care to assist and support this regime by carefully segregating their waste and this is being developed as part of the Trust induction process for new employees. Initiatives such as the re-use of surplus furniture and

equipment within the NHS are in place and local arrangements such as the surplus furniture storage and reallocation facility is fully operational.

Important events during financial year

COVID-19 pandemic

The Trust has made additional disclosures later in this report and within the Annual Governance Statement in regard to the impact of and the actions taken in response to the COVID-19 pandemic.

Brendan Hayes **21 May 2020**

Chief Executive and Accounting Officer

Accountability report

Board of Directors

The Trust Board consists of the Chair, executive and non-executive directors, including the Chief Executive. They are collectively responsible for the performance of the Trust.

The role of the Trust's Board of Directors is to consider strategic, managerial and performance issues facing the Trust. Directors are accountable for meeting national standards, performance targets, and governance and financial targets. The executive directors are responsible for the day-to-day running of the organisation working with the non-executive directors to translate the Trust's strategic vision into operational practice. The non-executive directors provide an independent view on strategic issues, performance, key appointments and hold the executive directors to account.

The Trust Board is made up of the Chair, five non-executive directors, the Chief Executive and five executive directors. In order to maintain stability the overall numbers can be increased slightly at time of transition. During 2019/20 a number of transitions took place and are shown in the directors' profiles on the next page.

The Board's business is conducted through eight meetings a year of the Board of Directors, which are held in public. The minutes and other papers from these meetings are published on the Trust's website: www.lpft.nhs.uk/boardpapers. In addition the Board has a range of Committees to provide further scrutiny and assurance.

The people who served on the Board of Directors for the year ending 31 March 2020 are as follows.

Paul Devlin

Chair

Appointed to Board May 2015

Second term expires May 2021

Paul has had a varied career with a number of senior leadership roles within the third sector for organisations such Action for Children, Age Concern and Headway, the brain injury association.

Paul is a self-employed organisational development consultant and was previously Chief Executive of Healthwatch Birmingham, with non-executive director experience at NHS Derby and Derbyshire County Cluster PCT.

Brendan Hayes

Chief Executive

Brendan joined the Trust as Chief Executive in May 2019.

He has a successful track record in leading service and organisational improvement and developing models of care.

As a qualified nurse with a strong mental health and operational management background, Brendan brings with him a wealth of experience gained over a number of senior NHS roles.

Most recently Brendan was Chief Operating Officer and Deputy Chief Executive of Birmingham and Solihull Mental Health NHS Foundation Trust, a role he held for five and a half years.

Executive directors

Jane Marshall
Director of Strategy and Performance
Appointed to Board February 2012
Permanent contract with six month notice period

Jane is responsible for leading the strategic development of Trust services, developing partnerships, ensuring the Trust meets all national and local standards and for developing services.

She has held board level director posts in mental health, acute services, commissioning and service development in the NHS and has a strong commitment to improving services for patients.

Ananta Dave
Medical Director
Appointed in May 2019

Her previous management experience included being Clinical Director for Quality and Safety and interim Clinical Director for Child and Adolescent Mental Health Services.
Ananta is a Fellow of the Royal College of Psychiatrists, holds an MD in Psychological Medicine and a Masters in Medical Ethics and Law, and is also an experienced clinician and medical educator who has established and led new services.

Dr Jaspreet Phull

Interim Medical Director

Appointed 1 October 2018 until 30 April 2019

when he became the Deputy Medical Directory

Clinical Director Adult Inpatient Services since 2015

Experienced in all aspects of general adult and forensic psychiatry, and has worked for the NHS in high, medium and low secure units; open rehab unit; community forensic services, as well as a prison visiting psychiatrist.

Jaspreet has also authored a book on psychiatric diagnoses, including a number of peer reviewed publications. Specific interests in service improvement, clinically relevant research and teaching. Jaspreet is an approved clinician, as recognised under the Mental Health Act 1983.

Sarah Connery

Director of Finance and Information from September 2017

Permanent contract with three month notice period

Sarah joined the Trust from Nottinghamshire Healthcare NHS Trust as Deputy Director of Finance in April 2015.

She has worked in the NHS for 14 years in various senior finance roles and has wide business management experience from working in the retail and audit sectors.

Anita Lewin

Director of Nursing, Allied Healthcare Professionals and Quality

Appointed on 1 December 2018 on an interim contract

Appointed on 1 October 2019 on permanent contract

Anita joined the Trust in 1986 and has been qualified as a nurse for 30 years.

Anita has senior management experience of leading clinical teams within the Trust and has led the implementation of numerous innovative projects including triage car, health based place of safety and the psychiatric clinical decisions unit (PCDU).

She has recently been awarded Lifetime Achievement Award at the Lincolnshire Health Awards for services to mental health.

Christopher Higgins

Director of Operations

Appointed 1 March 2019 on an interim contract

Appointed on 1 October 2019 on permanent contract

Chris joined the Trust in 1998. Has been qualified as a mental health nurse for 20 years with additional clinical and health leadership qualifications.

He has held a range of clinical and non-clinical roles in the Trust including nursing, business development, strategy and operations.

He has led the implementation of a number of service improvements including service redesign, advancement of integrated neighbourhood working, trialling older adult home treatment services and reducing of out of area mental health placements.

Anne-Maria Newham (formerly Olphert)
Director of Nursing, Allied Health Professionals (AHPs) and Quality
Appointed to Board January 2016
Interim Chief Executive from 1 December 2018 to 30 April 2019
Accounting officer from 1 January 2019 to 30 April 2019
Interim Deputy Chief Executive from 1 May 2019 to 31 May 2019

A qualified nurse with more than 30 years' NHS experience, Anne-Maria draws on a wealth of expertise from a number of senior healthcare roles including Children's Intensive Care Manager and Director of Children's Community Services.

She most recently worked as Chief Nurse for Erewash Clinical Commissioning Group and has worked extensively across the UK, qualifying in Canterbury and training in Cardiff and at Great Ormond Street Hospital.

Anne-Maria acted as the Interim Chief Executive between 1 December 2018 and 30 April 2019 and remained in post as Interim Deputy Chief Executive until the end of May 2019. This provided a transition between Dr Brewin leaving at the end of December 2018 and the new Chief Executive Brendan Hayes commencing on 1 May 2019.

Anne-Maria has obtained the post of Director of Nursing and Quality at Leicestershire Partnership NHS Trust but agree to extend her contact with the Trust to cover the interim period between Chief Executives.

Non-executive directors

Malcolm Burch

Appointed June 2013.

Second term commenced June 2016

Term expired May 2019

Deputy Chair from 1 February 2019 to 31 May 2019

Prior to joining the Trust Board, Malcolm worked as a non-executive director for Cambridgeshire and Peterborough Primary Care Trust.

Malcolm is currently the Chief Executive for the Office of the Police and Crime Commissioner for Lincolnshire which requires him to oversee Lincolnshire Police and their private sector partnership with G4S.

Malcolm has enjoyed a long career in public services working in local government, universities and health, in addition to running his own company. With a wealth of board level experience in leading and managing organisations, Malcolm is particularly experienced in change management and ensuring services are held properly to account to deliver cost effective outcomes for the public.

Mary Dowglass

Appointed June 2013.

Second term commenced June 2016

Term expired May 2019

As a registered nurse of 40 years, Mary’s nursing experience included clinical community roles, teaching and senior management in the acute sector where she was Director of Nursing in a large district general hospital.

She has gained particular experience in service redesign and patient involvement. Mary has also worked as regional Chief Executive of an international development organisation setting up health systems and hospitals in central Asia and Africa. Mary has worked in the voluntary sector for Macmillan Cancer Support on service development in the East of England.

Philip Jackson

Appointed June 2016

Deputy Chair since 1 June 2019

Second term expires May 2022

Senior Independent Non-Executive Director 1 August 2018 to 31 May 2019.

A Chartered Chemist and Chartered Health and Safety Practitioner with over 20 years' experience in technical and managerial roles. He is currently a freelance health and safety consultant specialising in chemical safety and the transport of dangerous goods.

Philip has previously held a non-executive director role for Northern Lincolnshire and Goole NHS Foundation Trust for ten years, four as Deputy Chair.

He has also previously held roles as Chair of Humberside Probation Trust and Non-Executive Director of West Yorkshire Community Rehabilitation Company, as well as being an elected member of North East Lincolnshire Council.

Hugh Howe

Appointed May 2018

Term expires April 2021

Senior Independent Non-Executive Director since 1 June 2019.

Hugh Howe has a long and successful career in education including previous roles as Head of School and Head of Academy chain.

He has worked with boards of governors, often having to negotiate local political issues and has dealt with financial and complex personnel issues.

Hugh was awarded a CBE for his significant contribution to education in Sheffield.

He has also undertaken the NHS England / Improvement NExT Director programme.

Sharon Robson

Appointed 1 February 2019

Term expires January 2022

Sharon Robson is a registered nurse with 37 years' experience. She has a wide variety of clinical leadership positions within NHS commissioning organisations, including board level executive nurse roles. Sharon has led a range of portfolios at board level and since retiring from the NHS in 2015, Sharon has worked independently and was appointed as an Independent Nurse for Nottingham clinical commissioning groups' (CCGs) governing body.

Adrian Carridice-Davids

Appointed 1 February 2019

Term Expires April 2021

During Adrian's career he has held a range of senior level positions, including non-executive director, executive director and consultant.

Adrian is a social entrepreneur he has spent over 10 years running a business that was mission driven with social change at its core.

He has worked in and for the voluntary and public sectors offering strategic oversight and development, working on initiatives with communities delivering, managing and overseeing projects.

Andy Spring

Appointed 1 February 2019

Term Expires January 2022

Andy is a qualified accountant and experienced director with over 23 years' experience at board level within NHS commissioning organisations.

His experience as an executive director has also provided the opportunity to work with a wide range of colleagues and non-executive directors

Over the last few years, been working with a variety of organisations on governance and sustainable transformation.

He has the ability in strategic thinking, influencing, leadership and communication skills, in order to maximize the benefits for all stakeholders

Changes to Board membership

During 2018/19 and into early 2019/20 the Board experienced significant change due to a combination of directors attaining promotion to roles in larger trusts, retirement and end of non-executive director's terms of office.

The changes have wherever possible been supported by overlapping posts or interims to ensure continuity of accountability and decision making. The changes are listed below:

Executive directors

- On 31 September 2018 Dr Sue Elcock, Medical Director left the Trust to take up an appointment as the Medical Directors at Leicestershire Partnership NHS Trust. On 1 October 2019 Dr Jaspreet Phull was appointed as the Interim Medical Director. The post will be filled substantively by Dr Ananta Dave who will commence in post on 1 May 2019.

- On 31 December 2018 Dr John Brewin, Chief Executive left the Trust to take up appointment as the Chief Executive of Nottinghamshire Healthcare NHS Foundation Trust.

- On 1 December 2018 Anne-Maria Newham took up the position of Interim Chief Executive (taking on the Accounting Officer role from 1 January 2019). On taking up the Interim appointment Anne-Maria was in the process of securing the post of Director of Nursing, Allied Health Professionals and Quality at Leicestershire Partnership NHS Trust. Anne-Maria agreed to extend her notice period to cover the transition to the appointment of a new Chief Executive in the Trust. Anne-Maria remained with the Trust as interim Deputy Chief Executive for a period of one month after the appointment of Brendan Hayes as the new Chief Executive, until 31 May 2019.

- On 1 December 2018 Anita Lewin was appointed as the interim Director of Nursing, Allied Health Professionals and Quality, after competitive external recruitment processes, on 1 October 2019 she was appointed into the substantive role.

- On 1 May 2019 Brendan Hayes was appointed as the Trust's Chief Executive.

- On 31 March 2019 Ian Jerams retired from the Trust. On 1 March 2019 Chris Higgins was appointed as the interim Director of Operations. A one month overlap was implemented to assist in the transition of the role; after competitive external recruitment processes, on 1 October 2019 she was appointed into the substantive role.

Non-executive directors

- On 31 May 2019 Malcolm Burch and Mary Dowglass reached the end of their second three year term as Non-Executive Directors. They were replaced by Adrian Carridice–Davids who commenced on 1 February 2019 with a term of two years and two months and Sharon Robson who commenced on 1 February 2019 with a term of three years. The variation in length of terms was decided in order to spread the future changes.

- The dates of appointment and terms for Deputy Chair and Senior Non-Executive Director appointments are set out in each of the mini-biographies above.

All the Trust's non-executive directors are considered independent. The non-executive directors constructively challenge the executive team and work together to develop proposals on strategy. The Board and its committees scrutinise the performance of the Trust's management in meeting agreed goals and objectives, and monitor the reporting of performance. They satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. The non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary, removing executive directors, and in succession planning.

Essentially the non-executive directors are the custodians of the Trust's governance process. Whilst they are not involved in the day-to-day running of the organisation, they do monitor the executive activity and contribute to the development of strategy.

The Senior Independent Non-Executive Director, provides a sounding board for the Chair and serves as an intermediary for the other directors when necessary. The Senior Independent Non-Executive Director is available to governors if they have concerns that contact through the normal channels has failed to resolve, or for which such contact is inappropriate.

The Board of Directors ensures that adequate systems and processes are maintained to deliver the Trust's annual plan, measure and monitor its effectiveness, efficiency and economy, and delivery high quality healthcare. The Board Assurance Framework and performance reports enable continuous and comprehensive review of the Trust's performance, against agreed plans and objectives.

Board members' other commitments and interests

Company directorships and other significant commitments held by Board members are outlined above. The Chair is a Director of Because it Matters Ltd. This is not considered to be a significant commitment, and is declared in the register of directors' interests. On the 1 January 2020 the Chair of the Trust also became the Chair of Nottinghamshire Healthcare NHS Foundation Trust, robust governance processes to manage the two roles and any potential conflicts of interest have been established and approved by the Board of Directors and the Council of Governors. All Board members are required to disclose their relevant interests in the register of directors' interests which is formally received by the Board of Directors at the beginning of each of the meetings. The full register is available from the Trust Secretary and is publicly listed on the Trust's website www.lpft.nhs.uk.

Appointment and removal of Board members

In accordance with the requirements of the NHS Act 2006, the Foundation Trust Constitution outlines the respective responsibilities of the directors and governors in appointing and removing Board members.

The Council of Governors is responsible for appointing, and if necessary, removing the Chair and non-executive directors, as well as approving the appointment of the Chief Executive. The Council of Governors' Nominations and Remuneration Committee is in place to make recommendations to the Council on the appointment and remuneration of these positions, including identifying suitably qualified candidates for appointment. These duties were effectively carried out throughout all of the appointment carried out in 2018/19, and processes are underway to appoint a new Chair with effect from May 2021.

The Nominations and Remuneration Committee:

- Paul Devlin
- Debbie Abrams
- Milly Allinson
- Linda Lowndes
- Ron Oxby
- Jacky Tyson
- Daniel Fleshbourne – from 01/10/19
- Pauline Mountain – from 01/10/19
- Liam Cheevers – until 17/07/19
- Lisa Leonard – until 02/04/19
- David Bray – until 30/09/19
- Michael Regan – until 30/09/19

Well-led reviews

Foundation trusts are required to undertake a Well-led governance review every three years. The Trust commissioned a Well-led review to be undertaken between January and March 2017. This commenced with a self-assessment against the ten questions set out under the four domains of the Well-led review in place at that time. The reviewers undertook extensive visits, document review and observations and interviews with a range of directors, commissioners, service users/patients, carers and staff. The Trust received the final report in June 2017. The Board of Directors undertook a further self-assessment

in June 2018 ahead of the Care Quality Commission (CQC) undertaking a Well-led-Review in December 2018. The CQC assessed the Trust as Outstanding for Well-led. In February 2020 the Care Quality Commission returned to undertake a review of one core service and were due to return to undertake a well-led review in March 2020. This was postponed due to the restrictions imposed as a result of the COVID-19 pandemic. In preparation for the planned inspection the Board had conducted a self-assessment using he CQC's current well-led criteria. The self-assessment did not identify any areas of concern.

Stakeholder relations

The Trust is a full and active participant in the Lincolnshire Sustainability and Transformation Partnership (STP), the Trust's contribution to the partnership is both financial and in terms of staff and other resources. The Trust leads on the mental health and learning disability work stream within the STP and has delivered on the objectives of those work streams.

The Trust operates a Section 75 agreement with the local authority and delivers delegated mental health social care duties on behalf of Lincolnshire County Council. The agreement is monitored on a commissioner/provider basis, but with a strong emphasis of shared working. This enables integrated and effective service provision for people with some of the most enduring mental health needs.

The Trust maintains a Managed Care Network (MCN) of third sector providers funded through the local Mental Health Promotion Fund provided by Lincolnshire County Council. This initiative established as a result of the Council of Governors' interventions in social care funding some years ago is now in its eighth wave of funding. Academic research has demonstrated a 9:1 ratio of return on investment (ROI).

The Trust has contributed to the Health and Wellbeing Boards' Joint Strategic Needs Analysis (JSNA) and has ensured the needs of people experiencing mental health problems have been included in the analysis.

The Health Scrutiny Committee for Lincolnshire has invited and received regular updates from the Trust.

The COVID-19 pandemic had resulted in an urgent need for robust and effective multi-agency working both within the health and social care environment and the wider Lincolnshire Resilience Forum (LRF).

The impact on patient and community need the application of restrictions to contain the pandemic and changes to services have all been managed at pace and with the full knowledge and co-operation of the Trust's stakeholder partners.

Involvement activity

During 2019/20 the Trust worked with service users and carers to co-produce and implement an involvement charter setting out the principles by which the Trust will engage with and involve service users and carers.

The Council of Governors has been keen to work with the Board of Directors to maximise the opportunities for involvement. The inclusion of local authority Councillors from the Health and Wellbeing Board; as well as stakeholder governors from Healthwatch, commissioners and the SHINE Network have made the Council a strong and influential involvement group. The Council of Governors' Representation Committee also offers a useful vehicle to hear from the membership and wider public.

Service users and carers are actively encouraged to become involved in Trust activities, including the selection and recruitment processes for staff. As well as active engagement in service redesign across many of the Trust's services.

The Trust has invested in the development of peer support workers across a range of services. Peer support workers are enhancing the care provision available to service users by introducing a greater sense of empathy and understanding. The Trust continues to invested in the employment of a Carers' Lead.

Freedom to speak up

The Trust has in place a full-time Freedom to Speak-Up Guardian (FTSUG) who reports directly to the Chief Executive. The Board has a non-executive lead (Adrian Carridice-Davids) who provides further independent scrutiny and support. All staff are encouraged to speak up where they identify any concerns. The FTSUG is part of the first session on the staff induction program alongside the Chief Executive and Director of Nursing, AHPs and Quality emphasising the import the Trust places in speaking up and its commitment to cultural change. The FTSUG also contributes to leadership programs within the Trust, which have become a mandatory development for all the Trust's leaders as a direct result of a concern that was raised.

The Guardian is also an attendee at the Audit Committee where they present quarterly reports demonstrating the impact of Speaking up and are able to have direct contact with

all other independent parties including internal and external auditory, counter-fraud specialist, trust secretary and non-executive directors.

Episodes of speaking up have increased since the appointment of the full time FTSUG during 2017/18. The appointment process was done in consultation with the staff and this has contributed to the profile of the role and its acceptance and accessibility. All staff who speak-up are supported by the FTSUG, their concern is investigated and acted upon. They receive a personal thank you letter from the Chief Executive with the outcome of their speaking up.

All staff are asked to complete a feedback form, which has indicated more than 95% are satisfied and would speak-up again.

An annual FTSUG report is presented to the Board of Directors in the public session of the Board of Directors meeting and is made available on the Trust's website as part of the Board papers.

Statement of compliance with cost allocation and charging guidance

The Trust complies with the cost allocation and charging requirements set out in the Managing Public Money guidance from HM Treasury and the Office of Public Sector Information.

Financial best practice codes and ethics

The Trust has signed up to the Better Payments Practice Code, which aims to encourage and promote best practice between the organisation and its suppliers. It aims to pay all suppliers within clearly defined terms, and also commits to ensuring there is a process for dealing with any issues that may arise. This helps the Trust to build stronger relationships with its suppliers. Details of compliance with the code are given in note 3.8 of the accounts. Furthermore, the organisation also abides by a Prompt Payment Code which aims to ensure suppliers are paid on time and as per agreed terms and conditions of the contract to trade.

Fees and Charges

Details of payments made in accordance with the Late Payment of Commercial Debts (Interest) Act 1998 are as per note 3.7 of the accounts.

The Trust complies with the cost allocation and charging requirements set out in the Managing Public Money guidance from HM Treasury and the Office of Public Sector Information.

Political donations

No political donations were made in either 2019/20 or 2018/19.

Income disclosure

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

Brendan Hayes **21 May 2020**

Chief Executive and Accounting Officer

Part two

As mentioned earlier, part two is set out in a slightly different manner to part one. Part two contains our quality accounts, which list the priorities for quality improvement, including local indicators for patient safety, clinical effectiveness and patient experience, as well as a number of national targets.

Part two also contains a range of other technical details, statements and financial information which we are required to produce by law and our legal regulators, NHS England / Improvement. More about what NHS England / Improvement is and why we need to report to it is explained in the first part of the report.

If you would like to have any of the detail in this part of the report explained, please contact us on 01522 309194, or send an email to: communicationslpft@lpft.nhs.uk

Remuneration report

The Trust's definition of senior managers is its voting directors and details of these persons, who have the authority or responsibility for directing or controlling the major activities of the Trust, are set out in this report.

Remuneration for executive directors

These individuals are employed on contracts of service and are substantive employees of the Trust. Their contracts are permanent which have termination of notice clauses by either party of three to six months (dependent upon individual's contractual terms). There are no compensatory arrangements for senior managers in the event of their termination by the Trust other than those specified within the Agenda for Change national terms and conditions. The Trust's normal disciplinary policy applies to senior managers, including the sanction of summary dismissal for gross misconduct. The pay costs incurred on members of the Trust Board is included in the employee expenses note 4.1 of the Annual Accounts.

The levels of remuneration for executive directors and non-executive directors were established in line with national salary surveys obtained from the then Foundation Trust Network and Capita on first becoming a foundation trust on 1 October 2007. Subsequent annual uplifts for executive directors are determined by the Appointments and Terms of Service (ATS) Committee. The Trust did not award any annual uplifts between 2010/11 and 2013/14 to reflect the national pay restraint within the NHS. In 2014/15 following the award of a national inflationary uplift of one per cent across the NHS, the Trust's executive directors also received the same increase following approval by the ATS Committee. No further award was made in 2015/16. In 2016/17 and in 2017/18 a one per cent increase was applied in line with other NHS pay awards and public sector pay restraint. The Trust continues to benchmark against the NHS Providers annual benchmarking data. The Trust has not sought any consultation with employees in regard to senior manager remuneration. The ATS committee has in place an executive directors' remuneration policy which provides for inflationary uplifts in line with those awarded to staff on Agenda for Change pay scales (where differential awards are made, the Band 9 award will apply to the executive directors). In line with the Executive Directors' Remuneration Policy; in 2019/20 the executive directors were awarded an inflationary uplift in line with the Agenda for Change conditions.

All executive directors (with the exception of the medical director), receive an annual salary which does not include an option for performance related pay.

All senior managers with the exception of executive directors are remunerated on national Agenda for Change terms and conditions. The Trust deems this to be economically appropriate to the prevailing employment conditions with the NHS.

The medical director had a job split between a clinical role and the medical director role, and receives nationally applied enhancements to her Trust Salary.

The names of the Chair and members of the Board committees and their regularity of attendance at meetings are disclosed in the table on page 85.

Remuneration for non-executive directors

The Council of Governors approved a one per cent inflationary award for non-executive directors in 2014/15. This was the first uplift in remuneration since 2009/10. No annual uplifts were awarded in 2010/11, 2011/12 and in 2012/13 the non-executive directors declined the offer and retained the remuneration rates established in 2010. In 2015/16 and in 2016/17 no inflationary uplift was awarded, in 2017/18 a 1 per cent uplift was awarded. In 2018/19 following review of national benchmarking data for comparable trusts the Council of Governors approved no inflationary up lift award to non-executive directors and a 2.3 per cent uplift to the Chair's remuneration. No awards were made in 2019/20. The Trust has received the mandatory guidance on Non-Executive Director remuneration and will move to follow this over the next three years. The current remuneration levels are very close to those set out n eth new guidance.

The components for remuneration for non-executive directors are set out in the table below:

Description	£000's
Fees payable to non-executive directors	118
Any additional fees payable for any other duties undertaken on behalf of the Trust	0
Any other items considered to be remuneration in nature	0

There are no obligations on the Trust which relate to senior manager service contracts.

Future policy table: performance remuneration and contractual arrangements

The salary of executive directors and the remuneration of non-executive directors have no element of performance related pay, with the exception of the medical director's clinical excellence award (CEA). The salary or remuneration represents a single component of the package for each of the directors, with the exception of the medical director who is a psychiatrist who has clinical duties as part of their role, and the above mentioned CEA, which is classed as a performance related pay. The medical directors' clinical duties are an integral part of their salary and are not remunerated in addition to the base salary.

The Trust has not introduced any other elements of performance related pay, at any level within the organisation. There is no specific policy on duration of contracts, notice periods and compensation as these are the same as for other staff and are in line with the national terms and conditions of service for NHS staff, known as Agenda for Change.

With the exception of salary, executive directors' (non-medical) terms and conditions mirror the appropriate national terms and conditions, which is Agenda for Change. The Trust's medical director was employed on medical and dental terms and conditions of employment for consultants. All other senior managers are employed on Agenda for Change.

The Trust does not have a policy for executive directors or senior managers for loss of office. Executive directors and senior managers have a notice period in their contract which is invoked if the individual resigns or the Trust terminates the contract. In the event of a resignation, the Trust has discretion, like all employers, to vary the notice provision if requested by the employee. The only exception to this is where there is a dismissal for gross misconduct in which termination would be without notice.

Compensation scheme and benefits in kind

There were no payments to senior managers in respect of loss of office in 2019/20 (2018/19: nil). None of the executive directors serve in a non-executive capacity for other NHS trusts and no payments have been made to third parties for the services of a senior manager. Costs for benefits in kind relate to the provision of lease cars.

Remuneration disclosures

Accounting policies for pensions and other retirement benefits are set out in note 1.5.2 of the accounts and details of senior employees' remuneration can be found on the following page, all of which is subject to audit

Remuneration disclosure	2019/20	2018/19
Band of highest paid directors total remuneration (£000's)	180 - 185	140 - 145
Median total remuneration	27,260	23,363
Ratio	6.75	5.99

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation’s workforce.

The banded remuneration of the highest paid director in the Trust in the financial year 2019/20 was £180,000 - £185,000, (2018/19, £140,000 – £145,000). This was 6.75 times (2018/19 – 5.99 times) the median remuneration of the workforce, which was £27,260 (2018/19, £23,363). The significant increase in the ratio is due to the fact that the current medical director is in receipt of a silver clinical excellence award, compounded by the lower comparative number. There was no substantive medical director as at 31 March 2019 on which the calculations are based, as a result the highest paid director in 2018/19 was the Chief Executive. The current year figures are more comparable with previous years. Ratios are based on full time equivalent staff at the reporting period end date to arrive at an annualised salary. Staff includes temporary and agency staff.

In 2019/20, 0 employees (2018/19, 6 consultant psychiatrists) received remuneration in excess of the highest-paid director. Two employees were paid over £150,000. They consisted of 1 medical director and 1 consultant psychiatrist (on- payroll) (2018/19, 3 consultant psychiatrists). Remuneration ranged from £8,483 to £177,791 (2018/19, £9,488 - £192,179). These figures are based on actual payments, not annualised salary and do not include temporary or agency staff.

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

Directors' remuneration (excluding pension contributions) fell within the following ranges: The information in the table below is subject to audit

NAME	DATES	Salary (bands of £5,000)		Taxable Benefits (rounded to £'00s)		Performance Pay and Bonuses (bands of £5,000)		Long-Term Performance Related Bonuses		Pension Related Benefits* (bands of £2,500)		Termination Benefits (rounded to £'000s)		Single Total Remuneration* (bands of £5,000)	
		2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
		£'000	£'000	£'00	£'00	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dr John Brewin, Chief Executive	9 months to 31/12/2018		120-125		0		0		0		0		0		120-125
Brendan Hayes, Chief Executive [1] & 7	11 months from 01/05/2019	130-135		42		0		0		190-192.5		0		325-330	
Anne-Maria Newham, Interim Chief Executive [2]	2 months to 31/05/2019	20-25	110-115	2	73	0	0	0	0	0	42.5-45	0	0	20-25	160-165
Jane Marshall, Director of Strategy	Full Year	100-105	100-105	0	1	0	0	0	0	17.5-20	7.5-10	0	0	120-125	105-110
Dr Susan Elcock, Medical Director	6 months to 30/09/2018		65-70		11		0-5		0		22.5-25		0		95-100
Sarah Connery, Director of Finance and Information	Full Year	105-110	100-105	10	13	0	0	0	0	22.5-25	22.5-25	0	0	130-135	125-130

Ian Jerams, Director of Operations	12 months to 31/03/2019		100-105		13		0		0		0		0		100-105
Chris Higgins, Interim Director of Operations [3]	Full Year	100-105	5-10	12	3	0	0	0	0	92.5-95	45-47.5	0	0	195-200	50-55
Anita Lewin, Acting Director of Nursing & Allied Health Professional Services [4 & 7]	Full Year	95-100	25-30	3	1	0	0	0	0	242.5-245	117.5-120	0	0	340-345	145-150
Dr Jaspreet Phull, Acting Medical Director [5]	1 month to 31/04/2019	10-15	70-75	0	3	0	5-10	0	0	42.5-45	75-77.5	0	0	55-60	155-160
Dr Ananta Dave, Medical Director [6]	11 months from 01/05/2019	130-135		41		40-45		0		197.5-200		0		375-380	

Supporting notes

2018/19 published figures

*Following a review of the calculation method, 2018/19 pension related benefits have been restated to remove employee contributions and inflate the pension and lump sum numbers. This has resulted in a downwards change to the 2018/19 published figures for 'pension related benefits' and 'single total remuneration'. Some negative figures have resulted for some directors regarding the 'pension related benefits' column and these are published as zero in the table above, in accordance with the Greenbury pension guidance.

2019/20 published figures

1. Brendan Hayes was appointed as Chief Executive on 1st May 2019.
2. Anne-Maria Newham left the Trust on 31st May 2019.
3. Chris Higgins became Director of Operations on 4th March 2019 therefore his comparative figures represent only 1 month.
4. Anita Lewin became Acting Director of Nursing & Allied Health Professional Services on 17th December 2018 therefore her comparative figures represent only 3.5 months
5. Dr Jaspreet Phull ceased as Acting Medical Director on 31st April 2019 after 7 months in the role, his current year figures represent only 1 month.
6. Dr Ananta Dave was appointed as Medical Director on 1st May 2019. She received a performance related payment, a clinical excellence award, in year. Approximately 1 day per week is spent performing clinical duties.
7. Directors that have Mental Health Officer status receive two years' worth of pension benefits for every one year after 20 years within the 1995 Section. These individuals therefore have significantly greater pension benefits accruing than those without Mental Health Officer status.

The pension related benefits disclosed arise from membership of the NHS Pensions defined benefit scheme. They are not remuneration paid, but are the value of pension benefits accrued during the year, calculated as the real increase in pension multiplied by 20 (the HMRC methodology multiplier) , 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. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.

Salaries and allowances: non-executive directors The information in the table below is subject to audit

Name	Dates	Salary (bands of £5,000)		Taxable benefits (rounded to £'00s)		Performance Pay and Bonuses (bands of £5,000)		Long-term performance related bonuses		Pension related benefits (bands of £2,500)		Termination benefits (rounded to £'000s)		Single total remuneration (bands of £5,000)	
		2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
		£'000	£'000	£'00	£'00	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Paul Devlin, Chair	Full Year	40-45	40-45	43	41	0	0	0	0	0	0	0	0	45-50	45-50
Alan Lockwood, Deputy Chair	4 months to 31/07/2018		5-10		5		0		0		0		0		5-10
Malcolm Burch	2 months to 31/05/2019	0-5	10-15	0	1	0	0	0	0	0	0	0	0	0-5	10-15
Mary Dowglass	2 months to 31/05/2019	0-5	10-15	29	0	0	0	0	0	0	0	0	0	0-5	10-15
Tim Ludlow, Deputy Chair from 01/08/2018	10 months to 31/01/2019		10-15		29		0		0		0		0		15-20

Philip Jackson, Deputy Chair from 01/05/2019 [1]	Full Year	10-15	10-15	18	27	0	0	0	0	0	0	0	0	15-20	15-20
Hugh Howe, Senior Independent NED from 01/05/2019 [2]	Full Year	10-15	10-15	16	22	0	0	0	0	0	0	0	0	15-20	10-15
Andrew Spring, Audit Chair [3]	Full Year	15-20	0-5	3	0	0	0	0	0	0	0	0	0	15-20	0-5
Sharon Robson [4]	Full Year	10-15	0-5	0	0	0	0	0	0	0	0	0	0	10-15	0-5
Adrian Carridice-Davids [5]	Full Year	10-15	0-5	0	0	0	0	0	0	0	0	0	0	10-15	0-5

1. Philip Jackson became Deputy Chair on 01/05/2019.
2. Hugh Howe became a Non Executive Director on 1st May 2018, his comparative figures are therefore not a full year.
3. Andrew Spring became a Non Executive Director on 1st February 2019, his comparative figures are therefore not a full year.
4. Sharon Robson became a Non Executive Director on 1st February 2019, her comparative figures are therefore not a full year.
5. Adrian Carridice-Davids became a Non Executive Director on 1st February 2019, his comparative figures are therefore not a full year.

Pension benefits of Trust senior managers

None of the Trust's senior managers are members of a different pension scheme.

Name	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March (bands of £5,000)	CETV at 01/04/19 (rounded to nearest £'000)	CETV at 31/3/20 (rounded to nearest £'000)	Real increase to CETV during the year (rounded to the nearest £'000)
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Brendan Hayes	7.5-10	25-27.5	60-65	185-190	1,122	1,378	230
Anne-Maria Newham	0	0-2.5	40-45	125-130	934	938	-
Jane Marshall	1.75-2.0	0	35-40	75-80	649	704	53
Sarah Connery	1.75-2.0	0	20-25	45-50	324	360	42
Chris Higgins	2.5-5	10-12.5	25-30	55-60	304	386	89
Anita Lewin	10-12.5	47.5-50	45-50	140-145	746	1,002	252
Dr Jaspreet Phull	0-2.5	0-2.5	25-30	45-50	331	364	4
Dr Ananta Dave	7.5-10	7.5-10	45-50	100-105	689	898	202

Information in the above table is subject to audit.

Supporting notes

Members of the 2015 Section of the NHS Pension Scheme have no lump sum entitlement

None of the Trust senior managers are part of a different pension scheme.

CETV is Cash Equivalent Transfer Value.

The method used to calculate CETVs changed, to remove the adjustment for Guaranteed Minimum Pension (GMP) on 8 August 2019. If a director was entitled to a GMP, this will affect the calculation of the real increase in CETV. This is more likely to affect members of the 1995 Section and the 2008 Section pension schemes.

NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in 2015. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgement.

Remuneration report declaration

Brendan Hayes
21 May 2020
Chief Executive and Accounting Officer

Staff report

The Trust recognises that providing high quality services requires an appropriately skilled and motivated workforce.

These disclosures were previously made within the financial statements but have now been moved to the staff report section of the Annual Report.

As of the 31 March 2020 the Trust employed a total of 2179 (excluding bank staff) (up from 2095 in 2018/19). Of which 1742 (1677 in 2018/19) were female and 437 (418 in 2018/19) were male. The gender profile of these staff is:

- Directors, including non-executive directors 4 female (7 in 2018/19) and 8 male (8 in 2018/19).
- Senior managers: 71 females (57 in 2018/19) and 31 male (29 in 2018/19).
- All employees (including bank staff) 2547 (2392 in 2018/19): 2034 females (1911 in 2018/19) and 513 males (481 in 2018/19).

Staffing takes up around two thirds of the Trust's expenditure. Subject to audit, in the last 12 months this was as follows.

Staff costs ***(The information in this table is subject to audit)***	**2019/20**	**2019/20**	**2019/20**	**2018/19**	**2018/19**	**2018/19**
	Permanent	**Other**	**Total**	**Permanent**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Salaries and wages	67,542	2,002	69,544	62,515	1,848	64,363
Social security costs	6,504	-	6,504	6,047	-	6,047
Apprentice levy	323	-	323	298	-	298
Employer's contributions to NHS pensions	8,299	-	8,299	7,822	-	7,822
Employer's contributions to NHS pensions paid by NHS England on provider's behalf*	3,627	-	3,627	-	-	-
Pension cost – other**	32	-	32	27	-	27
Termination benefits	431	-	431	121	-	121
TOTAL GROSS STAFF COSTS	**86,758**	**2,002**	**88,760**	**76,829**	**1,848**	**78,677**
Recoveries in respect of seconded staff	-	-	-	-	(4)	(4)

TOTAL STAFF COSTS	**86,758**	**2,002**	**88,760**	**76,829**	**1,844**	**78,673**
Of which						
Costs capitalised as part of assets	(135)	-	(135)	(89)	-	(89)
TOTAL EMPLOYEE BENEFITS EXCLUDING CAPITALISED COSTS	**86,623**	**2,002**	**88,625**	**76,740**	**1,844**	**78,584**

*Employer's contributions to NHS pensions paid by NHS England on provider's behalf relate to an increased pension rate as a result of revaluation of public sector pension schemes which is funded by NHS England.

**Pension cost – other relates to employer contributions towards the National Employment Savings Trust (NEST) scheme.

Average number of employees (WTE basis) ***(The information in this table is subject to audit)***	**2019/20 Permanent**	**2019/20 Other**	**2019/20 Total**	**2018/19 Permanent**	**2018/19 Other**	**2018/19 Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Medical and dental	77	14	91	77	12	89
Administration and estates	515	19	534	504	15	519
Healthcare assistants and other support staff	436	69	505	374	63	437
Nursing, midwifery and health visiting staff	491	26	517	489	24	513
Scientific, therapeutic and technical staff	329	12	341	325	18	343
Social care staff	75	1	76	36	-	36
TOTAL	**1,923**	**141**	**2,064**	**1,805**	**132**	**1,937**
Of which						
Number of employees (WTE) engaged on capital projects	2	-	2	2	-	2

Exit packages

The table below, which remains subject to audit, summarises the total number of exit packages agreed during 2019/20, with 2018/19 information included in brackets for

comparison. Included within these are compulsory redundancies arising through the Trust's operational efficiencies and other exit packages paid.

Exit package band cost *(The information in this table is subject to audit)*	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**
	2019/20 (18/19)	**2019/20 (18/19)**	**2019/20 (18/19)**
Less than £10,000	1 (1)	19 (27)	20 (28)
£10,000 - £25,000	2(0)	3(0)	5(0)
£25,001 - £50,000	3(0)	1(1)	4(1)
£50,001 - £100,000	0(1)	3(0)	3(1)
£100,001 - £150,000	0(0)	0(0)	0(0)
> £150,001	0(0)	0(0)	0(0)
Total number of exit packages by type	6(2)	26(28)	32(30)
Total resource cost	£136,175 (£54,867)	£295,326 (£68,188)	£431,501 (£123,055)

Exit package information for executive directors is now included within this note. Further information can be found in the Directors' Remuneration Report where applicable.

Exit packages: non-compulsory departure payments

Payments are disclosed in the following categories:

(The information in this table is subject to audit)	Agreements number	Total value of agreements £000
Mutually agreed resignations (MARS) contractual costs	5	201
Contractual payments in lieu of notice	20	57
Exit payments following employment tribunals or court orders	1	38
TOTAL	**26**	**295**

A single exit package can be made up of several components, each of which will be counted separately in this note; the total number in this table will not necessarily match the total numbers in the exit packages note above, which will be the number of individuals.

The Remuneration Report provides specific details where applicable of exit payments payable to individuals named in that report.

Reporting high paid off-payroll arrangements

The Trust occasionally uses off-payroll arrangements to obtain services where normal search and selection processes are unable to find suitably and immediately available candidates. Such arrangements are carefully considered and reviewed before engagement. Before such off-payroll arrangements are started checks are made, in accordance with government guidance, to provide assurance to the Trust that individuals or companies providing such services are compliant with tax legislation. All off-payroll payments are reported to and monitored by the Audit Committee.

‘Highly paid’ is defined as the threshold used by HM Treasury in the tables overleaf.

Off-payroll engagements existing at 31 March 2020, for more than £245 per day and that last for longer than six months	No of engagements
Number of existing engagements as of 31 March 2020	0
Of which…	
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

New off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months	No of engagements
Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	1
Of which:	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	1
Number engaged directly (via PSC contracted to trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

There were no cases where the Trust has engaged without including contractual clauses allowing the Trust to seek assurance as to their tax obligations. There were no cases where assurance had not been obtained.

For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020	No of engagements

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	16

Details of service contracts for each director who served during the year are detailed previously from page 25.

Expenditure on consultancy

During the year, the Trust spent £209,000 on consultancy (2018/19:£393,000).

Our staff

The Trust introduced a new four year People Strategy on 1 April 2017 concentrating on the following areas:

Leadership and culture	Equality and diversity	Reward and recognition
Recruitment and retention	Learning and development	Engagement and communication
Workforce planning	Talent management	Health and wellbeing
Organisational change	People management	Sustainability and Transformation Partnership (STP)

Engagement

Staff's perception of engagement and involvement remained static at 7.3 (National Staff Survey result 2019) in 2019/20 with the Trust being above average (6.9) .

Leadership

With respect to leadership, the Trust's programme consisted of the following:

Leadership B2-B4s	Change management	Local Mary Seacole programme
Management skills	Coaching	Appraisal
NHSI culture and leadership	Strengths deployment inventory	Team development

Staff Survey 2019

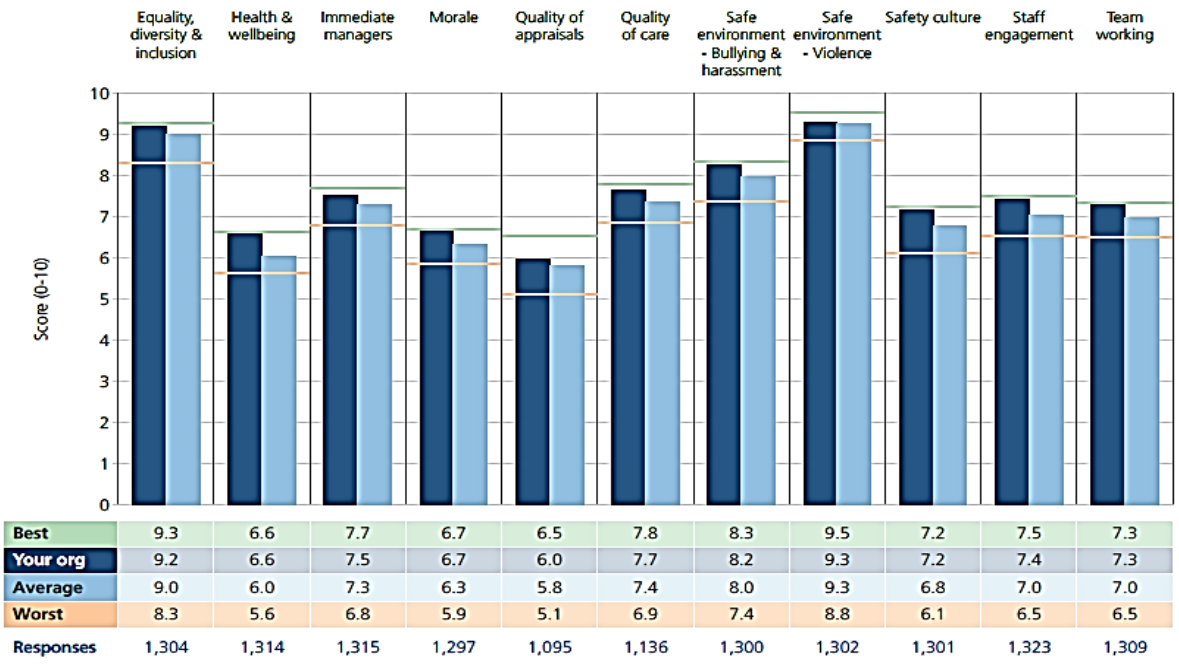
The feedback of the results has changed in 2019 with the removal of the 32 key findings to ten overall themes.

The Trust received a 64% response rate, which is above the national average of 54% and 3% higher than 2018.

The results of the staff survey were excellent and demonstrate that the Trust was 'above average' on 7 themes; with the best performing trust on 4 themes with none being average or below.

		2019		2018		2017	
		Trust	Benchmark	Trust	Benchmark	Trust	Benchmark
1.	Equality, diversity and inclusion	9.2	9.0	9.2	8.8	9.2	9.0
2.	Health and wellbeing	6.6	6.0	6.3	6.1	6.4	6.2
3.	Immediate managers	7.5	7.3	7.5	7.2	7.2	7.2
4.	Morale	6.7	6.3	6.5	6.2	Data not previously available	
5.	Quality of appraisals	6.0	5.8	5.8	5.7	5.7	5.5
6.	Quality of care	7.7	7.4	7.4	7.3	7.5	7.3
7.	Safe environment – bullying and harassment	8.2	8.0	8.2	7.9	8.4	8.0
8.	Safe environment – violence	9.3	9.3	9.3	9.3	9.3	9.2
9.	Safety culture	7.2	6.8	7.0	6.2	6.8	6.7
10.	Staff engagement	7.4	7.0	7.3	7.0	7.1	7.0
11.	Team Working	7.3	7.0	Data not previously available			

Improvements and deteriorations



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of appraisals	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.3	6.6	7.7	6.7	6.5	7.8	8.3	9.5	7.2	7.5	7.3
Your org	9.2	6.6	7.5	6.7	6.0	7.7	8.2	9.3	7.2	7.4	7.3
Average	9.0	6.0	7.3	6.3	5.8	7.4	8.0	9.3	6.8	7.0	7.0
Worst	8.3	5.6	6.8	5.9	5.1	6.9	7.4	8.8	6.1	6.5	6.5
Responses	1,304	1,314	1,315	1,297	1,095	1,136	1,300	1,302	1,301	1,323	1,309

Given the positive outcomes in the majority of the themes, there were no clear areas for action however the Trust has monitored the qualitative responses from staff. The People Strategy work plan for 2019/20 will therefore focus on comments around a variation in leadership practices, along with issues around flexibility, work-life balance, bullying and harassment and support for staff experiencing violence at work (by service users).

Trade Union facility time

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017 and the facility time in accordance with Schedule 2, Regulation 8 was as follows:

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
11	9.8

Percentage of time spent on facility time

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

Percentage of time	Number of employees
0%	0
1-50%	9
51%-99%	0
100%	2

Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.	Figures
Provide the total cost of facility time	£39713 £3962 £7,790.89 total £51,465.89
Provide the total pay bill	£86,760,381
Provide the percentage of the total pay bill spent on facility time, calculated as: (Total cost of facility time ÷ total pay bill) x 100	0.06%

Paid trade union activities

As a percentage of total paid facility 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 facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	65%

Health and wellbeing

Staff sickness absence data

	2019/20	2018/19	2017/18
Total days lost	39,630	18,251	18,946
Total staff	2,179	1,827	1,696
Average working days lost (per WTE)	18	10	11

The Trust's sickness absence data for 2019/20 can be found here: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

The Trust has continued to offer a variety of health and wellbeing activities co-ordinated by the Staff Wellbeing Service. During the year the Trust has provided yoga, mindfulness, sleep groups, zumba, pilates, steps challenges (Spring into Action and Virgin Corporate Challenge), conferences, workshops and physiotherapy treatment, in addition to the existing service. This is reflected in the staff survey

showing the Trust as ‘above average’ nationally for the organisation and management interest in health and wellbeing.

The number of referrals for the Trust’s Staff Wellbeing Service up to 31 March 2020 is demonstrated below which is a slight reduction from the previous year however there has been an increase in people self- referring into the service.

	Total number of referrals	Self-referral	Manager referral
2019/20	349	181	168
2018/19	398	208	190

The Trust has continued to be proactive using its Managing Attendance Policy to support staff with disabilities by ensuring that they have the appropriate workplace adjustments to enable them to return or remain in work. This is further supported through the Trust’s staff network, mental and physical lived experience (MAPLE) group.

Prior to the COVID-19 pandemic the Staff Wellbeing Service was piloting a new Absence management pathway where staff who are absent or experiencing “presenteeism” are offered a triage assessment with an Occupational Therapist within 7 days.

This intervention recognises not only the issue of sickness absence for the NHS but the wider issue that employment is one of the most important determinants of life expectancy and quality of life and understands the relationship between health and work, and what good quality work looks like e.g. safe working environment, job security, involvement in decision making, positive social connection (Marmot, 2010).

The intervention focuses on the functional impact of a person’s health issue with the aim of supporting them to maintain work or to return to work as soon as is appropriate and in a way which supports their health and wellbeing.

The Trust has made a number of amendments to the Return to Work form to ensure managers support discussions around any adjustments and policy requirements.

The Staff Wellbeing Service has also provided a telephone help line for staff to provide emotional support during the COVID-19 pandemic which is available 7 days per week.

Staff Benefits

A number of new staff benefits have been launched in the last 12 months to increase our retention of employees. This has been promoted through various forums and a dedicated intranet page has been set up. These include a white goods scheme (to purchase white goods such as laptops and electrical items and pay via their salary on a monthly basis), a saving scheme (for staff to save through salary deduction with a credit union) with financial education available and promotion of salary deduction car lease scheme open to all staff.

Employee information, consultation and engagement

The Trust has a positive commitment to work with staff and unions to deliver improvements for the benefit of employees and patients, enhance engagement, manage change, promote health and safety, deliver training and management development and develop policies and best practice.

The Trust regularly discussed and consulted with staff representatives regarding significant change management processes and has a positive working relationship with union colleagues.

There are various established communication channels operating regularly throughout the Trust, aimed at keeping all staff up-to-date with news and developments. These utilise a number of different mediums which reflect the community based nature of the Trust's services and include:

- Better Together - members' magazine provides an update on service developments and the activities of governors, staff and volunteers.
- Staff intranet - updated daily to share news and information with all staff.
- Weekly Word - weekly electronic bulletin sent to all staff promoting that week's top news and forthcoming activities. This includes a summary of key messages from the executive team.

- Annual Nursing conference - respected clinicians from across the country are invited to share their views on the latest developments in mental health and learning disability care with Trust staff.
- Video blogs - filmed messages from the Chief Executive, Director of Nursing and Chair on specific issues. These are posted on the staff intranet and closed Facebook group.
- Inspirational Leadership Programme –development events held quarterly and involve a briefing from the Chief Executive and Chair.
- Staff Closed Facebook Page
- Live Team Brief – monthly meeting chaired by a member of the Executive team and attended by senior managers to cascade key messages and share Divisional updates

There is a programme of corporate and local induction for all new employees, to ensure all staff are sufficiently trained to national NHS requirements. This programme is mandatory and includes elements to enable all staff to perform their role at a basic level. This may then be supplemented with additional training according to specific service need.

Staff recognition

In addition, to national NHS pay terms and conditions, the Trust recognises and celebrates staff who demonstrate its values through a number of different recognition and reward initiatives. These are:

- **Staff Excellence Awards** - an annual award ceremony took place in June 2019. The Trust received over 200 nominations for staff, volunteers and teams and the final shortlist recognised 19 individuals and 11 teams shortlisted in the available 10 categories.
- **Long Service Awards** – a monetary award and certificate is presented to employees with 20,30 and 40 years NHS service to acknowledge their commitment to the NHS.
- **Discretionary staff rewards (LPFT hero awards)** - managed at a local level to acknowledge individual pieces of work. Staff and teams receive small gifts for their work through an electronic nomination process and are considered as part

of the Trust's quarterly LPFT Heroes going forward for shortlisting at the next annual award ceremony.

- **Formal 'Thank you'** – The Trust has produced thank you cards for staff and managers to send to each other in recognition of positive pieces of work.

Annual Equality Report

Lincolnshire Partnership NHS Foundation Trust recognises the importance of ensuring its services are fair and equitable to all. The diversity of staff, service users, partners and any visitors to our services is celebrated. We expect everyone who visits any of the sites, comes into contact with any Trust services, or works for the Trust to be able to participate fully and achieve their full potential in a safe and supportive environment. The organisation welcomes all service users and members of staff inclusive of race, disability, sex, sexual orientation, gender reassignment, marriage and civil partnership, pregnancy and maternity, age, religion or belief.

The Trust meets all of its requirements from within the Public Sector Equality Duty (which forms part of the Equality Act 2010). The requirements and how these are met is detailed below.

	Requirement	How evidenced
Public Sector Equality Duty *(introduced 2011)* Employers and employees in the public sector, and in private or voluntary	**General duty** 1. Prevent and eliminate discrimination, harassment and victimisation. 2. Establish and promote equality and equal opportunities. 3. Foster good relations.	• Equality Strategy in place. • Collection of equality monitoring information for service users/ staff. • Equality analysis process in place. • Equality staff networks.

organisations carrying out work on behalf of a public sector employer, have a legal duty in the workplace to:	**Specific duty** 1. Publish information to demonstrate compliance with the general equality duty. 2. Prepare and publish one or more equality objectives to achieve any of the things from the general equality duty.	• Equality Annual Report. • Analyse and publish staff and patient equality monitoring data annually. • Published equality objectives. • Carry out equality analysis on key decisions.
NHS standard contract	**Equality Delivery System 2 (EDS2)**	• Equality Delivery System 2 review of grading and actions on an annual basis. • Implementation of actions.
	Workforce Race Equality Standard (WRES)	• Results collated and submitted to NHS England annually. • Action plan in place and being implemented.

Interpretation and Translation Service

The Trust has a duty to provide a whole range of interpretation and translation services to patients and service users.

As of 1 April 2018 following an extensive procurement process, the Trust now has two providers for interpretation and translation services depending on what type of requirement you have.

One provider provides the Trust with:

- Telephone Interpretation
- Face to face interpretation

- Document translation

Another specialist provider provides the Trust with:

- Sensory impairments interpretation and translation e.g. British Sign Language/ Sign Supported English/ Braille/ audio/ text relay/ SMS.

Stonewall membership

The Trust is in its eighth year of being a Stonewall Diversity Champion. Stonewall is the UKs leading lesbian, gay, bisexual and transgender (LGBT) equality charity and has been instrumental in changing the national legislative environment for people who consider themselves to be LGBT+ and taking forward the agenda.

This year has seen the Trust reach the Top 100 in the Stonewall Workplace Equality Index benchmarking assessment, ranking 77th out of a record 400+ entries. This puts the Trust among an elite group of organisations which are the most inclusive employers in Britain for LGBT+ staff. The Stonewall rating is often seen as an indicator of an organisation's approach to equality and inclusion overall and can further increase all diversity in the workplace.

Part of the Trust's work for LGBT+ equality has included hosting a successful multi-agency (health, police, local authority and voluntary sector) LGBT+ conference in February 2019, which was attended by 220 people from over 60 organisations, and providing sponsorship to the Lincoln Pride event in September 2018.

Staff networks

The staff networks provide a platform for staff to voice their opinions and support the Trust to improve working practices and services. It has been a resource that has been invaluable and led to the development of a number of positive outcomes.

There are currently three active staff networks:

- MAPLE (mental and physical lived experience) and allies disability staff network.
- LGBT (lesbian, gay, bisexual and transgender) and allies staff network.
- BAME (black, asian and minority ethnic) and allies staff network.

- Allies - these networks are open to all staff who have an interest in supporting these areas. They do not have to identify with the area, just have a desire to champion within their own working area.

Meetings take place quarterly and a standard template agenda format has been introduced for consistency so that any new members are supported and accommodated.

To allow an opportunity for peer support a pre-meeting takes place for the first 30 minutes for those members who identify as a protected characteristic, followed by a break of 15 minutes, followed by the meeting with all members and guests attending.

Each staff network has an executive sponsor, whereby an executive director has committed to championing that group at Board level. They attend at least one meeting a year to understand the issues being raised by the group.

Staff networks also have visible leaders. Visible leaders are people who identify with that equality area and are willing to champion that area and talk about their own experiences.

Equality and diversity training

In 2019/20 the Trust's compliance rate for mandatory equality and diversity training was an increase to 95.43% (from 88.66% in 2018/19).

Training in equality and diversity is a mandatory e-learning module for all staff and a key component of the new staff induction process. Following a review of all mandatory training, equality and diversity training will now be a three-yearly refresher training ensuring that all employees are equipped with the appropriate knowledge and awareness to provide consistently fair treatment towards colleagues and patients/service users alike.

Attendance at any of the equality and diversity conferences the Trust hosts is also counted towards mandatory training requirements.

In addition, team sessions are offered by the equality and diversity lead for services who would like further information and training around equality and diversity. This has particularly focused on the issue of equality monitoring data collection.

Gender Pay Gap

Due to the COVID-19 pandemic, the Government Equalities Office has suspended the enforcement of the reporting deadlines on the gender pay gap. See link to Trust website for more information on the previous gender pay gap report;

https://www.lpft.nhs.uk/application/files/9315/6991/9056/Gender-pay-gap-report-2019-snapshot.pdf

Health and safety

The Trust continues to set the highest standards of health and safety through its Health and Safety Strategy for all staff in the workplace, members of the public, patients and service users and others who come into the organisation.

By signing the Health and Safety Executive (HSE) pledge in 2010, the Trust acknowledges its responsibilities under the NHS constitution towards health, wellbeing and safety of its staff, service users and the public.

The Trust has a management group, consisting of specialist lead clinicians, managers and staff side representatives from across the organisation, which facilitates health and safety implementation and planning. The group meets on a regular basis and provides the Board of Directors with reports on health and safety issues and performance during the year.

Health and safety forms part of the Trust's mandatory annual training programme, with all new staff receiving health and safety training during their induction. All staff receive an annual refresher via e-learning.

It is a key priority of the Trust to ensure that health and safety is fully embedded into the operational management responsibilities for all services, supported by effective working relationships between operational staff, health and safety officers and estates functions.

During the reporting period, there were a total of 5 incidents reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) to the HSE. These were all investigated internally and appropriate measures put in place to prevent incidents of a similar nature recurring. None of the incidents reported led to any further action being taken by the HSE.

Modern Slavery Act 2015

In accordance with the Modern Slavery Act 2015, the Trust ensures that Modern Slavery for example, slavery and human trafficking, is not taking place in any part of its business or any of its supply chains. This is achieved through ensuring that services are procured through approved providers only, or tendered through robust procurement processes.

NHS Foundation Trust Code of Governance

Lincolnshire Partnership NHS Trust was authorised as a foundation trust and became Lincolnshire Partnership NHS Foundation Trust on 1 October 2007. The existing services transferred to the Trust.

The Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance is based on the principles of the UK Corporate Governance Code.

The Board of Directors has established governance policies in the light of the main and supporting principles of the Code of Governance; these are detailed on the Trust website, www.lpft.nhs.uk.

The Board of Directors receives quarterly reports allowing it to monitor compliance with governance statements and on an on-going basis to identify areas for further development. These reports and the Board Assurance Framework are scrutinised by the Audit Committee before being considered by the Board to ensure compliance with the provisions of the Code of Governance for NHS Foundation Trusts and the NHS Overview Framework.

Governance and constitutional powers

The Trust's Constitution sets out the requirements of governance and in 2019/20 it was compliant with the NHS Foundation Trust Code of Governance. The Trust's Constitution is supported by standing orders for the Board of Directors, standing orders for the Council of Governors and codes of conduct and responsibilities documents for each.

The Trust's Constitution and standing orders set out the powers of both the Council of Governors and Board of Directors. These are further described in the standing financial instructions and scheme of delegation, all of which are publicly available on the Trust's website www.lpft.nhs.uk.

Register of interests

Governors and directors are required to, and have signed to say that they will comply with their respective codes of conduct and declare any potential conflict of interest. Registers of interest are maintained of the governors' and directors' interests. These

registers can be accessed on the Trust's website www.lpft.nhs.uk, and copies can also be obtained by members of the public by writing to the Trust Secretary at Trust headquarters.

Compliance with the Code of Governance

The NHS Foundation Trust Code of Governance has been applied to all clauses of the Trust's Constitution. The processes to ensure a successful and constructive relationship between the directors and governors are set out in detail in Annex 8, section 2 of the Trust's Constitution.

Care Quality Commission (CQC)

The Trust is required to register with the CQC and its current registration status is fully registered. The Trust has no conditions on registration.

The Trust has been registered to carry out the following regulated activities:

- Treatment of disease disorder or injury
- Assessment and medical treatment of persons detained under the Mental Health Act 1983
- Diagnostic and screening procedures
- We are not registered for personal care

The CQC ensures health and social care services provide people with safe, effective, compassionate, high quality care and they encourage care services to improve.

The CQC's role is to monitor, inspect and regulate services to ensure they meet fundamental standards of quality and safety; they publish their findings, including performance ratings to help people choose care. They have a surveillance model which is built on a suite of indicators that relate to the five key questions inspectors ask all services – are they safe, effective, caring, responsive, and well-led.

The Trust had a comprehensive inspection in April 2017 and received an overall inspection rating of Good. This was a substantial improvement over the previous inspection in November 2015, with a particularly marked improvement in the safety domain from Inadequate to Good. The inspection highlighted many examples of good practice. The Trust's specialist community and adolescent mental health

services (CAMHS) received an Outstanding rating for their commitment to young people and families. Community and inpatient services for adults of working age and learning disabilities services were rated as requiring improvements. The Trust has robustly implemented an action plan to address those areas of further improvement; these are also linked to the Trust's continuous quality improvement programme. In March 2020 the CQC inspected Long Stay /rehabilitation wards mental health wards for adults of working age; the report is awaited from the CQC. Key line of enquiry 'are services well led' was due to be inspected in March/April 2020 but due to the COVID-19 pandemic was postponed.

The Trust was then subject to a further core services inspection of some of its services and as Well-led review in November 2018; in January 2019 the Trust received its report showing a further improvement with all elements of all services inspected receiving a rating of Good or above. The Trust was rated overall Good with an Outstanding rating for Well-led. The reports are available on the CQC website www.cqc.org.uk/provider/rp7 .

The Trust is also subject to periodic Mental Health Act (MHA) reviews by the CQC and a number of units have been visited during 2019/20. Any actions identified are monitored and assurance given to the CQC on completion of these actions. All teams report on and are monitored against the action plans following these visits.

During 2018/19 the Trust received the following CQC visits:

Mental Health Act Visits	
Site visited	**Date of inspection**
Ash Villa	25/04/2019
Maple Lodge	02/05/2019
PICU (Hartsholme Centre)	09/05/2019
Manthorpe	21/05/2019
Ward 12	09/07/2019
Langworth Ward	10/09/2019
Charlesworth Ward	06/01/2020
Conolly Ward	13/01/2020

The Trust is fully compliant in respect of MHA visits and has promptly addressed any feedback and actions identified. CQC visit related action plans are monitored through the Trust's operational governance and quality group, with assurance reported to the Quality Committee.

The Trust's compliance assurance mechanisms include a schedule of 15 steps/mock CQC visits to clinical areas in both inpatient and community settings and are represented by commissioners. Non-executive directors and directors also carry out scheduled and non-scheduled visits to clinical areas throughout the year, reporting findings to the Board of Directors.

Council of Governors

The Trust is accountable to its members and the wider public through a Council of Governors. Statutory responsibilities of the Council of Governors in 2019/20 have included:

- Holding the Board to account, via the non-executive directors, for the performance of the Trust.
- The appointment / re-appointment of all of the Non-Executive Directors and determining their remuneration and allowances. This duty is performed via a Nominations and Remunerations (NOMs) Committee of the Council of Governors, which consists of seven governors and the Trust Chair (Where appropriate) as set out in the para 28.8 of Constitution of the Trust
- Representing the members and wider public through a range of engagement events and stakeholder organisations.
- Representing the members and the wider public through the maintenance of an ideas, innovations and issues log (the iLog), managed by the Council of Governors' Representation Committee.
- Providing their view to the Board of Directors on the Trust's forward plans.
- Approving the performance indicators within the Quality Report.
- Preparing for the appointment of the next Chief Executive

The Council of Governors has a collective responsibility to disseminate information about the Trust, its vision and its performance to the constituents or organisations

that appointed them. Equally the governors play a vital role in communicating the views and comments of the membership and the wider public to the Board of Directors to ensure that members contribute to the forward plans of the organisation. The Council of Governors' agreed way of working for the year includes:

- Formal joint meetings with the Board of Directors to agree strategy.
- A Standards Committee to oversee codes of conduct and responsibilities.
- A Representation Committee to represent the membership and public and allow for detailed discussions on issues raised with the governors.
- Active participation in the recruitment of key staff.
- Active participation in external forums, such as Healthwatch Lincolnshire and clinical commissioning groups patient participation forums.
- Maintaining and developing an iLog to capture any process ideas, innovations and issues.

Further information regarding the work of these groups and committees and future plans for them can be found in the membership section of this report.

During the course of 2019/20 the Council of Governors has met regularly to discharge its duties and exercise its powers by:

- Holding the Board to account by receiving reports on the performance of the Trust.
- Receiving reports on the performance of the non-executive directors and approving the remuneration for the Chair and non-executive directors.
- Contributing to the preparation of the forward plan for 2020/21 and beyond.
- Receiving the Trust's Annual Accounts from 2018/19.
- Representing the views and opinions of their respective constituents and the public.
- Undertaking training for their duties.
- Engaging with the Care Quality Commission during its preparation for the core and subsequently cancelled Well-led inspection in 2020 and receiving reports on progress in addressing any areas that require improvement.
- Receiving and considering any other appropriate information required to enable it to discharge its duties.

The Council of Governors has a policy for engagement with the Board of Directors, (located in Annex 8, section 2 of the Constitution). This policy ensures that there is appropriate and effective interaction between the Council and the Board.

Led by the Chair, the Council of Governors annually assesses their collective performance using a formalised appraisal process. The Council regularly communicates to members and the public detailing how they have discharged their responsibilities through public meetings, updates and announcements on the Trust website, articles in the local and trade press, and through the Trust's magazine, Better Together.

Trust Chair

The Trust Chair is responsible for leadership of both the Board of Directors and the Council of Governors. However, the governors have a responsibility to make the arrangements work and take the lead in inviting the Chief Executive to their meetings and inviting attendance by other executives and non-executives, as appropriate. The Chair ensures that the views of the governors and members are communicated to the Board as a whole.

Elected members

To become a member of the Council of Governors you must be over 16 years of age and a member of the Trust's public, service user, carer or staff constituencies. Further eligibility criteria for governors are stated in the Trust's Constitution which can be found on the Trust's website www.lpft.nhs.uk.

Governors are required to declare any relevant interests which are then entered into the publicly available register of governors' interests. This register is formally reviewed annually by the Council of Governors and is available on the Trust's website.

A by-election and an election were both facilitated by the Electoral Reform Service; the details in relation to each are as follows:

Detail	Constituencies affected
Election Closing date of election: 30 July 2019 Commencement date: 1 October 2019	Eleven Service User and Carer governors including: • Seven service users • Three general carers • One young people carer
By-election Closing date of by-election: 30 July 2019 Commencement date: 1 October 2019	• One staff specialist services • One public city of lincoln • One public surrounding area • One public west lindsey

Membership of the Council of Governors from 1 April 2019 to 31 March 2020 is set out in the table overleaf and changes to its membership due to an election and by-election are indicated.

Name of governor	Constituency or organisation represented	Term of office information	Attendance at Council of Governors' meetings 4 per annum
Public: 8 seats			
Paul Kenny	Borough of Boston	Ended Term 11 November 2019	2/3
Thomas Ellis	City of Lincoln	Elected 14 August 2019	1/2
Alan Gurbutt	East Lindsey	Elected 1 October 2018. Resigned 2 September 2019	2/2
Giles Crust	East Lindsey	Started 3 September 2019	2/2
Linda Lowndes	North Kesteven	Elected 1 October 2018	3/4

Vanessa Browning	South Holland	Elected 1 October 2018	0/4
Debbie Abrams	South Kesteven	Elected 1 October 2018	3/4
Mark McKeown	Surrounding Areas	Elected 14 August 2019	1/2
Giles Crust	East Lindsey	Ended Term 30 September 2018	2/2
Alan Gurbutt	East Lindsey	Elected 1 October 2018	2/2
Janet Guest	North Kesteven	Ended Term 30 September 2018	0/2
Linda Lowndes	North Kesteven	Elected 1 October 2018	2/2
Michelle Wiggins	City of Lincoln	Ended Term 30 September 2018	0/2
Stephen King	West Lindsey	Left Trust 10 April 2019	-

Name of governor	Constituency or organisation represented	Term of office information	Attendance at Council of Governors meetings 4 per annum
Service user and carer: 13 seats			
Milly Allinson	Service user	Re-elected 1 October 2019	2/4
David Bray	Service user	Max term ended 30 September 2019	2/2
Emma Reilly	Service user	Elected on 19 June 2018 (by-election) didn't re-stand so term ended on 30 September 2019	0/2

Pauline Mountain	Service user	Elected 1 October 2019	2/2
Mark McKeown	Service user	Finished 13 August 2019	0/2
Evelyn Nicholls	Service user	Term finished on 30 September 2019	1/2
Michael Regan	Service user	Not re-elected -term finished on 30 September 2019	2/2
Jane Avison	Service user	Re-elected 1 October 2019	4/4
Simon Hallam	Service user	Elected 1 October 2019	2/2
Thomas Dunning	Service user	Elected 1 October 2019	1/2
Zachary Kellerman	Service user	Elected 1 October 2019	1/2
Rachel Higgins	Service user	Elected 1 October 2019	2/2
Tracey Roberts	General carer	Elected 1 October 2019	1/2
Daniel Fleshbourne	General carer	Elected 1 October 2019	2/2
Susan Swinburn	General carer	Re-elected 1 October 2019	1/4

Ingrid Gill	General carer	Not re-elected finished 30 September 2019	0/2
Pauline Mountain	Carer, young people	Finished 30 September 2019 as Carer, Young People	1/2
Jennifer Saxby	Carer, young people	Elected 1 October 2019	1/2

Name of governor	Constituency or organisation represented	Term of office information	Attendance at Council of Governors meetings 4 per annum
Staff: 9 seats			
Joby Gostelow	Adult inpatient	Elected 1 October 2017	0/4
Dr Leela Monti	Adult inpatient	Died in service May 2019	1/2
Christine Coupar	Adult community	Re-elected 1 October 2017	0/4
Liam Cheevers	Adult community	Resigned on 17 July 2019	0/2
Dr Mithilesh Jha	Adult community	Commenced 29 July 2019	0/2
Sophie Ford	Corporate	Re-elected 1 October 2017	3/4
Susanne Ridley	Older adult	Re-elected 1 October 2017	2/4
Jacky Tyson	Older adult	Re-elected 1 October 2017	3/4
Lisa Norris	Specialist services	Elected 1 October 2017	1/4
George Badiali	Specialist services	Elected 1 October 2019	2/2

Name of governor	Constituency or organisation represented	Term of office information	Attendance at Council of Governors meetings 4 per annum
Stakeholder: 7 seats			
Dr Kevin Hill	Clinical Commissioning Groups in Lincolnshire	Appointed 12 January 2017	2/4
Cllr Ron Oxby	Lincolnshire County Council	Appointed 1 October 2009	4/4
Sharon Black	University of Lincoln	Commenced on 4 September 2019	1/2
Cllr Kate Cook	Lincolnshire County Council	Resigned on 18 September 2019	2/2
Lisa Leonard	SHINE Network	Resigned 4 April 2019	-
John Bains	Healthwatch Lincolnshire	Resigned on 20 September 2019	2/4
David Gaskell	Healthwatch Lincolnshire	Appointed 15 November 2019	1/2
Donald Rodd	Volunteers	Commenced on 17 May 2019	2/3

There is a clear policy and a fair process agreed by the Council of Governors, for the removal of any governor who consistently and unjustifiably fails to attend the meetings of the Council, or has an actual or potential conflict of interest which prevents the proper exercise of their duties. A Standards Committee is established to maintain this process.

Lead Governor

In line with the Foundation Trust Code of Governance, the Council of Governors elects one of the governors to be the Lead Governor. The main duties of the Lead Governor are to:

- Act as a point of contact for regulator should they wish to contact the Council of Governors on an issue for which the normal channels of communication are not appropriate.
- Be the conduit for raising with the regulator any governor concerns that the Trust is at risk of significantly breaching the terms of its licence, having made every attempt to resolve any such concerns locally.
- Chair such parts of meetings of the Council of Governors which cannot be chaired by the Trust Chair or Deputy Chair due to a conflict of interest in relation to the business being discussed.

Lead and Deputy Lead Governors for the year ending 31 March 2020 were:

- David Bray, Lead Governor April 2018 to September 2019;
- Pauline Mountain, Lead Governor since October 2019;
- Michael Regan, Deputy Lead Governor April 2018 to September 2019, and;
- Millie Allinson, Deputy Lead Governor since December 2019.

Trust support for governors

All prospective governors are invited to a presentation to receive information on the role and its responsibilities. Newly elected governors receive a formal induction and a range of support materials to assist them in their new duties. Throughout the duration of their appointment they are supported by a team of Trust staff to ensure they are kept up-to-date with any legislative changes that may affect their duties and powers to carry out their statutory duties. This support includes:

- Joint Council of Governors and Board of Directors meetings to strengthen their relationship to make decisions together to enable the transparency of information.
- Access to the benefits of the Trust's membership of NHS Providers which includes admission to national conferences, events such as the annual governor forum, training and online learning materials to further strengthen their knowledge.
- The provision of both in house and externally provided training identified through the Council of Governors' appraisal processes and training needs analysis.

- Membership of external Network facilitated by NHS providers and other bodies.

Expenses

Governors are entitled to claim reasonable expenses; these are detailed below for the year ending 31 March 2020.

Constituency	Name	£
Public Governor	A Gurbutt	71.39
	D Abrams	99.00
	G Crust	189.00
	M McKeown	42.30
	P Kenny	30.60
Public Governor Total		**432.29**
Service User & Carer Governor	D Bray	801.95
	D Fleshbourne	250.03
	E Nicholls	51.75
	J Avison	147.60
	M Allinson	526.30
	M Regan	195.30
	P Mountain	303.75
	Z Kellerman	70.00
Service User & Carer Governor Total		**2,346.68**
Stakeholder Governor	D Rodd	42.30

Stakeholder Governor Total		**42.30**
Grand Total		**2,821.27**

Training

The Trust has identified the required skill set to enable the governors to undertake their general duties to represent the membership and the wider public and to hold the Board to account via the non-executive directors. The importance of specific skill sets to enable governors to undertake recruiting, analyse data and understand reports is also recognised.

The governors' training programme has been maintained with the needs of individual governors being identified through induction, appraisal and informal routes.

The governors have had access to the Govern Well training and other conferences and workshops provided by NHS Providers.

It is of note that a number of the Trust's governors have not only attended but have also presented at regional and national governor events.

Meetings

Meetings of the Council of Governors were held on a quarterly basis in April 2019, July 2019, October 2019 and January 2020.

The Trust Chair chairs every meeting of the Council of Governors and each meeting is open to scrutiny by members of the public, who can ask questions. All meetings are advertised in advance through the local press and on the Trust's website. A range of observers from the CQC, Health Watch and other trusts have sat in on Council meetings during 2019/20.

The Council of Governors receives regular performance assurance reports from the Non-Executive Directors along with updates from the Board of Directors at their meetings and reports concerning Trust performance, finance and membership.

The governors can use their statutory duties to exercise their powers and challenge the Board of Directors when necessary.

Updates are also received at the Council of Governors' meetings from the committees and groups that the governors are involved with. This involvement and other activities are detailed in the Trust's magazine, Better Together, and on the Trust website. Governors attend a number of Trust and wider stakeholder events with members and the public. These forums provide the opportunity for members to raise issues with governors which are recorded and managed through the use of an issues log and when appropriate, these can be escalated within the Trust for resolution.

Contacting governors

Any member of the public wishing to make contact with a member of the Council of Governors or the Board of Directors can do so by:

- Corresponding in writing via the Governor and Membership Officer at Trust headquarters.
- Through the Trust website, www.lpft.nhs.uk
- Email to: info@lpft.nhs.uk.

Board of Directors

The Board of Directors consists of a balance of executive directors with defined portfolios and non-executive directors drawn from a range of backgrounds who bring rigorous and constructive challenge to the Trust.

The Board of Directors is a unitary board that makes corporate decisions. The executive posts are occupied by appropriately qualified professionals able to discharge the functions expected from those professions and as defined in the Trust's constitution.

The Trust does not have any non-voting directors; all the members of the Board of Directors have equal voting rights on all Board matters. Only those directors listed in the terms of reference for a committee can vote on matters dealt with by that committee. The only exception to this is when a vote is being cast by a substitute director agreed prior to the meeting.

Full-time executive directors are not permitted to take on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity. During 2019/20 none of the executive directors held any such additional appointment.

The Trust has in place director and officers' liability insurance as part of the NHS Resolution membership scheme.

Performance assessment

The Chair uses performance assessments and evaluations as a basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as Board members.

The effectiveness of the Board of Directors and individuals is assessed annually using an appraisal tool (Evalu8). The tool was chosen to enable the views of all governors and directors to be collected and included into the process. The information gathered from Evalu8 is then used to report back to the Board of Directors, and in the case of individuals, informs their one-to-one appraisal with their line manager. The use of the two methodologies enhances the validity of the appraisal.

The Board committees provide an annual report on their performance to the Board of Directors.

The Chair is appraised annually jointly by the Senior Independent Non-Executive Director and the Lead Governor. The appraisal is informed by an Evalu8 questionnaire which was completed by governors and directors in 2019/20. The appraisal is reported to the governor's nominations and remuneration committee before being reported to the full Council of Governors.

The Chair appraises the Chief Executive's performance each year. The Chair conducts the appraisal taking into account the observed performance of the Chief Executive and the performance results achieved by the Trust.

It is within the powers of the Council of Governors to remove or suspend any non-executive directors. The process is set out within the Trust constitution. These powers have not been required in 2019/20.

Challenge and assurance

The Board, and in particular non-executive directors, are able to challenge assurances received from the executive management. Information is presented in such a manner to ensure that there is sufficient understanding and information to enable challenge and to take decisions on an informed basis.

Members of the Board of Directors can access independent professional advice at the Trust's expense, where they judge it necessary to discharge their responsibilities as directors.

The Board has a duty to notify the regulator, and the Trust's Council of Governors, and also must consider whether it is in the public's interest to disclose any major, or potential new developments in the Trust's sphere of activity (which are not currently public knowledge), which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, financial position or on the general course of its business, to a substantial change to the organisation's financial wellbeing, healthcare delivery performance or reputation and standing. In light of the COVID-19 pandemic there have been, and are continuing to be, a number of emergency

changes being implemented at pace. These are additional disclosures listed in the section below.

Additional disclosures: emergency and temporary service changes

The Trust has in place an emergency temporary closure of its in-patient Child and Adolescent Mental Health Services (CAMHS) Unit. The service is being provided by an assertive outreach Community Team, with small numbers of in-patients being managed in an in-patient unit in a neighbouring county.

The Trust had in place a temporary closure of one of its older adult wards. This allowed for the development of Brant Ward into a new single room facility in 2019/20. During the closure a very successful home treatment team was instigated. This has now been extended and the temporary closure of Rochford Ward is now continuing.

The restriction measures implemented to manage the impact of the COVID-19 pandemic have led to a number of emergency changes to services across the Trust. A focus on social distancing and community service provision has led to significant changes in face to face contacts and a substantial reduction in referrals in the last few weeks of 2019/20 and into 2020/21.

The Trust has worked alongside, patients, carers, NHS statutory bodies and partners as well as local authority and third sector partners and the Local Resilience Forum to manage the impact of these changes. The full implications of the changes made and the lessons to be learnt in the configuration of future services will be managed by the Trust in partnership with eth wider Community and will undoubtedly lead to a number of future consultations and long term service changes which will accelerate the delivery of the NHS Long Term Plan (LTP).

The Trust implemented emergency procedures to enable its services and governance arrangements to be amended and to continue during the COVID-19 social distancing restrictions and to ensure adequate capacity for urgent and exceptional actions and activity. The Trust put in place a major incident response in accordance with its major incident and business continuity plans. This included moving all Council, Board and Committee meetings to an online (Microsoft Teams) platform. All Council, Board and Board Committee forward agendas have been reviewed and either maintained or formally adjusted to ensure continued effective

governance arrangements. Board meetings have been held in public using Microsoft Teams live meetings.

Attendance at Board and Board committee meetings

To support the Board in carrying out its duties effectively, a number of committees have been formally established. Each committee receives a set of regular reports as outlined in their respective terms of reference and each provide highlights and exception reports to the Board after each meeting.

The following table outlines Board members' attendance at Board and committee meetings during 2019/20 against the total possible number of meetings for which an individual was a member. Committee attendance is shown in relation to those committees of which a director was formally a member.

Committee / Meeting	ATS	Audit	Board of Directors	Council of Governors	Joint Board	Finance & Performance Committee	Quality	Strategic Change Committee
Name member C = Committee Chair	**Number of meetings during 2019/20**					IA = attendance only, not full committee		
Paul Devlin Trust Chair	2/2	--	8/8	5/5	3/3	--	--	2/3
Brendan Hayes Chief Executive **Joined the Trust 01/05/19**	2/2	1/1 (IA)	6/7	2/4	2/3	2/2 (I/A)	1/1 (IA)	2/2 (IA)
Anne-Maria Newham Interim Chief Executive Officer **Left the Trust 31/05/19** (formerly Director of Nursing, AHPs & Quality)	--	--	1/2	1/1	--	--	--	--
Sarah Connery Director of Finance & Information	--	5/5 (IA)	8/8	3/5	2/3	4/4	--	5/6 (3 IA)
Anita Lewin Director of Nursing, AHPs & Quality	1/2	--	8/8	3/5	2/3	--	4/6	1/3 (1 IA)
Dr Ananta Dave Medical Director **Joined the Trust 01/05/19**	0/2	--	6/7	1/4	2/3	--	4/6	1/2
Dr Jaz Phull Interim Medical Director **Up to 30/04/19**	--	--	1/1	0/1	--	--	--	--
Chris Higgins Director of Operations	--	--	7/8	2/5	1/3	4/4	5/6	5/6
Jane Marshall	--	--	8/8	2/5	2/3	--	5/6	6/6

Director of Strategy								
Committee / Meeting	**ATS**	**Audit**	**Board of Directors**	**Council of Governors**	**Joint Board**	**Finance & Performance Committee**	**Quality**	**Strategic Change Committee**
Name member C = Committee Chair	**Number of meetings during 2019/20** IA = attendance only, not full committee							
Non-Executive Directors								
Malcolm Burch **Left the Trust 31 May 2019**	1/1	2/2	2/2	0/1	0/0	--	--	1/1 (C)
Mary Dowglass **Left the Trust 31 May 2019**	1/1	2/2	2/2	1/1	0/0	--	1/1 (C)	1/1 (IA)
Hugh Howe	2/2	--	8/8	4/5	3/3	4/4	1/1	6/6 (5 x C)
Philip Jackson	2/2	1/1 (IA)	7/8	5/5	2/3	4/4 (C)	4/6	--
Adrian Carridice-Davids	1/2	4/5 (1 x IA)	7/8	3/5	3/3	--	6/6	6/6 (1 IA)
Sharon Robson	2/2	4/5 (1 x IA)	8/8	5/5	3/3	--	6/6 (C)	2/2 (IA)
Andy Spring	2/2	5/5 (C)	8/8	4/5	3/3	4/4	1/1 (Proxy)	5/5 (2 IA)

The non-executive directors, as required, hold meetings without the executive directors being present. These provide an opportunity for non-executive directors to consider the performance of the executive team in the delivery of Trust priorities. If directors were to have concerns that could not be resolved about the running of the Trust or a proposed action, these concerns would be documented and recorded in the minutes of the Board meeting.

Joint Board meetings

The Council of Governors and the Board of Directors continue to work together to develop an effective working relationship. The Board of Directors meets with the Council of Governors three times a year to discuss particular issues. These Joint Council and Board meetings provide a valuable tool in helping the governors to discharge their responsibilities for assessing the performance of the Board of Directors. In turn, this enhances their overall governance responsibility and accountability to the people of Lincolnshire.

At every meeting of the Council of Governors, the Chief Executive delivers a report in relation to the Trust's strategic position and plans. In addition, a performance assurance report is presented by the non-executive directors. During the course of the year the governors have not had cause to take a vote on the directors' performance. The Trust has a policy to underpin the power and influence of governors to ensure the directors participate in meaningful engagement.

No individual is permitted to hold, at the same time, positions of director and governor. All the directors on the Board of Directors and the governors on the Council are assessed to ensure they meet the 'fit and proper persons test' as described in the provider licence. This assessment for directors is undertaken on appointment and includes references, enhanced Disclosure and Barring Service checks, Companies House Register and documentation checks. Directors, at appointment and reappointment, are subject to Disclosure and Barring Service and document checks.

Annual public meeting and members' meeting

Every September, the Trust holds an annual public meeting (APM) at which members of the Board of Directors set out the organisation's financial, quality and operating priorities for the forthcoming year and disclose sufficient information, both qualitative and quantitative, of the organisation's achievements and operation, to allow governors, staff and members of the public to evaluate its performance.

At the APM, the Lead Governor gives an account of governor activities and the Trust Secretary provides an update on membership demographics.

The 2020 meeting is planned to be held on 17 September at the Trust's Centre for Learning, Development and Research in Sleaford. A copy of the meeting programme will be published on our website nearer the date of the event.

To register your attendance, please contact us on 01522 309202 or email: info@lpft.nhs.uk.

Trust Board committees

In 2016/17 the Board of Directors revised its committee structures to address the changing demands of the health economy driven by the Lincolnshire Sustainability and Transformation Partnership, the then NHS Five Year Forward View and a change in the regulatory framework. The committees listed below have had their terms of reference reviewed and have been meeting effectively throughout 2019/20:

- Audit
- Quality
- Finance and Performance
- Strategic Change, and
- Appointment and Terms of Service

The work of the committees is evaluated on an annual basis against agreed work programmes, with summary reports and minutes provided to the Board of Directors. Each committee has a specified membership from within the Board of Directors, however on occasion other directors will attend in relation to an agenda item and their attendance is duly recorded.

Each committee of the Board is provided with suitable and sufficient support, technical advice and resources to effectively deliver its terms of reference.

Audit Committee

The Audit Committee is an independent non-executive committee of the Trust Board, and has no executive members. It is responsible for monitoring the externally reported performance of the Trust and providing independent and objective assurance on the effectiveness of the organisation's governance, risk management and internal control; the integrity of the Trust's financial statements, in particular the Trust's annual report and accounts; and the work of internal and external audit and local counter fraud providers and any actions arising from that work.

The Trust has invested in a Freedom to Speak Up Guardian. To enable independent access to the non-executive directors, auditors and counter fraud service the Freedom to Speak Up Guardian is formally in attendance at the Audit Committee.

The committee met in ordinary session four times during the course of the year, and in one extra-ordinary session to receive and scrutinise the 2018/19 annual reports and accounts on behalf of the Board of Directors. The names of the Chair and members of the Audit Committee and their regularity of attendance at meetings are disclosed in the table above.

The Chair of this committee is responsible for its effectiveness; all other members collectively have the necessary business, reporting, auditing and governance skills to fulfil their responsibilities which ensure the committee's effectiveness. The Trust is satisfied that the committee is sufficiently independent.

The Trust has ensured one or more members of the committee have had recent and relevant financial experience. This is important as these individuals are best equipped to make rigorous challenge on any financial reports presented to the committee which contain financial key performance indicators and strategic financial risks.

The Audit Committee's overriding objective is to independently contribute to the governance framework and ensure an effective internal control system is maintained. The committee reports to the Board of Directors and it is authorised to:

- Oversee the establishment and maintenance of an effective system of internal control, and management reporting.
- Ensure that there are robust processes in place for the effective management of clinical and corporate risk to underpin the delivery of the Trust's principal objectives.
- Oversee the effective operation and use of internal audit.
- Encourage and enhance the effectiveness of the relationship with external audit.
- Oversee the corporate governance aspects that cover the public service values of accountability, probity and openness.
- Ensure that there is an effective counter fraud function that meets the standards for providers for bribery and corruption.

A copy of the full terms of reference for this committee, which have been approved by the Board of Directors and agreed with the Council of Governors, is available on request from the Trust Secretary.

Auditors

Audit services are retendered for up to five years on a three, plus one, plus one basis – the duration of the tender allows the auditor to develop a strong understanding of the Trust's finances, operations and forward plans. The Council of Governors, following a tendering process, reappointed Deloitte as the Trust's external auditor from 1 April 2017 for up to five years. The Council of Governors approved a policy for additional services (renewed every two years), for the procurement of such services from the Trust's external auditors, which is to provide external audit and quality audit.

The Director of Finance and Information agrees a plan of additional services to be commissioned for consideration by the Audit Committee. The Audit Committee considers the plan, considers any potential threats to the objectivity and independence of the auditors, and determines whether it is satisfied that the auditors' independence is not jeopardised, and takes into account the scope of the audit work to be carried out.

The Trust has an internal audit function which complies with NHS audit. Its three-year plan is developed through working with the Board of Directors to assess risk to controls and is then refreshed by the Audit Committee to gain assurance of the controls in place at the Trust.

The Trusts internal Auditors for 2019/20 were Grant Thornton. Who commenced a new three year contract to provide the service on 1 April 2019.

The Director of Finance and Information has the responsibility for preparing the Accounts. The Accounts are presented to the Board of Directors for approval following an external audit review. The Accounts and Annual Report are presented to the Council of Governors.

During 2019/20 the Audit Committee has scrutinised the key financial, operational and strategic risks and has maintained the Board Assurance Framework (BAF). It

reviewed progress reports and evaluated the findings of significant internal and external audit work. As part of its responsibility for assuring other functions, the committee has received annual assurance via the Quality Committee that the overall quality of care provided by the Trust was satisfactory. The Audit Committee has received regular reports on counter fraud activity at the Trust, ensuring appropriate action in matters of potential fraudulent activity and financial irregularity. It has fulfilled its oversight responsibilities with regard to monitoring the integrity of financial statements and the Annual Accounts, including the Annual Governance Statement (AGS) before its submission to the Board.

The Audit Committee regularly reviews its arrangements that allow staff or other parties to raise, in confidence, concerns about possible improprieties in matters of financial report and control, clinical quality, patient safety, and other matters. This now includes having the Freedom to Speak Up Guardian in attendance at Audit Committee meetings.

The Audit Committee prepared a report for 2019/20 which was submitted to the Board of Directors and will be presented to the Council of Governors. The report provided additional assurance to the Board of Directors in the preparation of the Annual Governance Statement.

Quality Committee

The Quality Committee exists to provide assurance to the Board that appropriate and effective governance mechanisms are in place for all aspects of quality including service user experience, health outcomes and compliance with national, regional and local requirements.

The Quality Committee membership consists of three non-executive directors and four executive directors. The names of the Chair and members of the Quality Committee and their regularity of attendance at meetings are disclosed in the table above.

The committee is authorised by the Board of Directors to:

- Shape quality improvement, culture and organisational development within the Trust.

- Provide assurance to the Board that appropriate and effective governance mechanisms are in place for all aspects of quality including patient experience, health outcomes and compliance with national, regional and local requirements.

The committee and its sub-committees provide a focused set of assurance reports. The committee's agenda includes deep dives into a particular area of concern or challenge have been identified.

The committee reported after each meeting to the Board of Directors and provided an assurance report to the Audit Committee.

Finance and Performance Committee

The names of the Chair and members of the Finance and Performance Committee and their regularity of attendance at meetings are disclosed in the table above.

This committee exists to:

- Oversee and give detailed consideration to all aspects of the financial arrangements of the Trust, providing the Board with assurance that the financial issues of the organisation including capital expenditure are being appropriately addressed.
- Have oversight of the Trust's performance management framework, including the incorporation of quality and workforce metrics, undertaking detailed consideration of specific issues where performance is showing deterioration or there are issues of concern.
- Scrutinise the Information Management and Technology Strategy, policy, plans and performance, undertaking detailed consideration of specific issues where performance is showing deterioration or there are issues of concern.

The committee undertook its duties and ensured that the Trust's finance and performance enabled the Trust to remain a going concern.

The committee reported to the Board of Directors after each of its meetings.

Strategic Change Committee

The names of the Chair and members of the Strategic Change Committee and their regularity of attendance at meetings are disclosed in the table above.

The committee exists to provide assurance to the Board of Directors that appropriate and effective plans are in place to deliver system wide changes in Lincolnshire for the benefit of patients, carers and families.

The committee also provides assurance that the Trust's planning processes deliver a safe, effective transition and transformation plan for existing Trust services, in the context of strategic changes.

Appointment and Terms of Service (ATS) Committee

The Appointment and Terms of Service Committee is responsible for the appointment and nomination of executive directors. It reviews the size, structure and composition of the Board to ensure that there is an appropriate balance of skills, experience, knowledge and independence.

Chaired by the Trust Chair, the names of the other members of the Appointment and Terms of Service Committee and their regularity of attendance at meetings are shown in the table above.

There is a formal, rigorous and transparent procedure for the appointment of directors which is subject to scrutiny by the Appointment and Terms of Service Committee. In considering appointments to the Board of Directors, the committee:

- Takes into account the Trust's recruitment and selection policy.
- Considers the balance of skills, knowledge and experience already in place.
- Includes governors as patient representatives and colleagues in the recruitment process.

Non-executive directors are separately recruited and appointed by the Nominations and Remuneration Committee of the Council of Governors.

The Nominations and Remuneration Committee:

- Paul Devlin
- Debbie Abrams

- Milly Allinson
- Linda Lowndes
- Ron Oxby
- Jacky Tyson
- Daniel Fleshbourne – from 01/10/19
- Pauline Mountain – from 01/10/19
- Liam Cheevers – until 17/07/19
- Lisa Leonard – until 02/04/19
- David Bray – until 30/09/19
- Michael Regan – until 30/09/19

There are no performance related elements of the remuneration of executive directors.

Foundation trust membership

As a foundation trust, members are able to elect representatives to the Council of Governors, stand for election to the Council of Governors and apply for positions as non-executive directors of the Trust.

Through governors, members receive information about the Trust, and are consulted on plans regarding the future development of the Trust and its services.

Membership is open to anyone aged over 12 years, living in Lincolnshire and the other localities where the Trust provides services. Staff who are permanently employed by the Trust or hold a fixed term contract of at least 12 months, or who have been continuously employed by the Trust for at least 12 months are automatically registered as members unless they choose to opt out. During 2019/20 no members of staff opted out of Trust membership. Eligibility to become a member of the Trust is based on criteria as described below:

- Public member: based on local authority area in the immediate vicinity.
- Service user or carer member: open to anyone who has been an inpatient or outpatient within the previous five years, or a carer of such a former service user.

- Staff member: currently employed by the Trust on a contract.
- Stakeholder member: represents the interests of a key partner.

The Trust strives to ensure that its membership reflects the full diversity of the local population in terms of age, gender, sexual orientation, disability, ethnic background, religion and belief. As on 31 March 2020, there were 9,835 members of the Trust.

The Trust will continue with its approach to ensure it is truly representative of the community it serves. The membership catchment area is made up of constituencies representing the local population, service users, carers and staff. For details, refer to following table. Members in each constituency vote for governors to represent them.

The following table highlights the Trust's membership figures for 31 March 2020:

Constituency			
Public		**Carers**	
Borough of Boston	460	Carers class	492
City of Lincoln	1230	Young peoples – carers class	18
East Lindsey	801	**SUBTOTAL**	**510**
North Kesteven	1064		
South Holland	330		
South Kesteven	963		
Surrounding Areas	697	**Staff**	
West Lindsey	721	Adult inpatient division	533
Out of Trust area	2	Adult community division	565
Rest of England	0	Older adults division	313
SUBTOTAL	**6269**	Specialist division	399
		Corporate division	280

Patient	
Service user – patient class	966
SUBTOTAL	**966**

SUBTOTAL	**2090**

Membership development and engagement strategy

The strategy describes the Trust's objectives for the membership and the approach to be used to ensure the organisation develops and engages with a representative membership. It outlines plans for raising awareness about membership and for the recruitment, retention and involvement of members. The strategy was developed with guidance and input from the Council of Governors. A more detailed action plan to deliver the strategy has been developed and is monitored by the Council of Governors' Representation Committee.

The Trust is committed to recruiting members from the diverse population served by the Trust. Membership is open to all those eligible to be a member, regardless of gender, race, disability, ethnicity, religion or any other groups covered under the Equality Act 2010.

The membership base is regularly reviewed to ensure that the membership is representative of those eligible to be members. Specific groups that appear to be under represented are targeted in recruitment campaigns in order to seek to increase membership representation in these areas.

The membership strategy is reviewed and monitored by the Representation Committee and approved by the Council of Governors.

Membership engagement

A dedicated membership officer supports the Representation Committee and the Council of Governors to service the needs of the membership. Pre-induction, induction training and development sessions are offered to governors to enhance their effectiveness in working with members and the general public.

The Representation Committee logs, addresses and responds to ideas, innovations and issues raised by members and its work is publically reported at the Council of

Governors meetings and is published on the Trust website. The Council of Governors and Board of Directors have a public question time scheduled as part of their respective meetings where members of the public can openly voice questions. Minutes from both meetings are published on the Trust's website. Through its governance structures the Trust will continue to be responsive to the needs of the membership and wider community.

Public events, which are attended by governors, provide information about local mental health and learning disability services. They also create a forum for both members and the general public to speak with governors about any service and related issues. Over the past 12 months, governors have also had the opportunity to represent the Trust and interact with their respective constituents at Healthwatch Lincolnshire and Commissioning Forums and Trust site visits.

To ensure regular communication with members, the Trust implements a number of feedback mechanisms, these include the Trust magazine Better Together, website, membership events, the annual public meeting and the media. Staff members are kept up-to-date with the activities of the staff governors through updates on the Trust's intranet.

Service user and carer involvement

Service user and carer involvement in the Trust has taken many forms, however all are geared for one purpose: to help shape and improve local services and the care environment.

Service users and carers attend and contribute to a wide range of activities including staff selection, meetings, committees and working groups, bringing their particular expertise to both team level decision making and also to an organisational wide level; some of these involvement activities are detailed as follows:

- **Staff employment** - service users and carers are regularly involved in the recruitment and selection processes for staff - from shortlisting applicants, interviewing potential candidates to assisting with the subsequent appointment of a new staff member.

- **Group of 1,000** - individuals (not necessarily Trust members), are canvassed for their opinions through focus groups, research studies, working parties and surveys.
- **Governor election information sessions** - information sessions held for prospective new governors.
- **Member recruitment events** - range of events held throughout the county to actively promote the Trust and mental health services with a view to recruiting new members.
- **New governor induction sessions** - designed to support newly appointed governors immediately following their election, to help familiarise them with the workings of the Trust.
- **Annual public meeting and annual members meeting** - a large scale, one day public event held every September that shares information about the Trust's performance from the previous 12 months and its proposed activities for the immediate future. The Board of Directors and Council of Governors talk openly about the opportunities and challenges that will influence the organisation over the coming year, (as detailed in this annual report). This event also facilitates the formal presentation of the Annual Report and Accounts.
- **PLACE inspections**– Patient Led Assessments of the Care Environment (PLACE) are annual inspections of inpatient premises in terms of cleanliness, food, privacy, dignity, wellbeing and the environment.

Benefits of being a member of the Trust

The benefits to being a member of the Trust include:

- Receiving regular updates on enhancements to local mental health and learning disability services, particularly relating to conditions of personal interest.
- Receiving copies of the printed magazine, Better Together, which contains news from Lincolnshire and further afield and a one page e-bulletin update containing important Trust news.
- Being invited to attend member interest events, open days, governor drop-in sessions and lectures on mental health topics.

- Being able to comment, through questionnaires and meetings, on plans for local mental health services.
- Voting for someone to sit on the Council of Governors, or standing for election as a Trust governor.
- Having direct contact with governors, to ensure views are taken into account when decisions are made on the future direction of services.

Membership information can be downloaded from the Trust's website or by contacting:

- Telephone: 01522 309176
- Email: info@lpft.nhs.uk
- Post: FREEPOST RTXR-BAGA-KHYJ, Membership Office, Lincolnshire Partnership NHS Foundation Trust, Trust Headquarters, St George's, Long Leys Road, Lincoln, LN1 1FS.

Additionally, members can contact their respective governor directly via the Trust's website.

Compliance with the Code of Governance

The Board considers itself compliant with all provisions of the NHS Foundation Trust Code of Governance and has made the required disclosures in this annual report.

NHS Oversight Framework: Disclosure

NHS England and NHS Improvement's Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led).

Based on information from these themes, providers are segmented from 1 to 4, where 4 reflects providers receiving the most support, and 1 reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

Segmentation

Throughout the majority of 2019/20 the Trust has been in segment 1 of the framework, however due to the agency cap for the majority of the year the finance use of resources metric has been a 2. The Trust being in segment 1 indicates that no targeted support has been required.

This segmentation information is the Trust's position as at 31 March 2020. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England / Improvement website.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from 1 to 4, where 1 reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the NHS Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2019/20 scores				2018/19 scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial sustainability	Capital service capacity	2	2	2	1	1	2
	Liquidity	1	1	1	1	1	1
Financial efficiency	I&E margin	1	1	2	2	1	1
Financial controls	Distance from financial plan	1	1	1	1	1	2
	Agency spend	2	3	3	3	1	1
Overall scoring		**1**	**2**	**2**	**2**	**1**	**1**

Statement of the Chief Executive's responsibilities as the Accounting Officer of Lincolnshire Partnership NHS Foundation Trust

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

NHS England / Improvement, in exercise of the powers conferred on Monitor by the NHS Action 2006, has given Accounts Directions which require Lincolnshire Partnership 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 Lincolnshire Partnership 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 / Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and accounting estimates on a reasonable basis.
- State whether applicable accounting standards are 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 him to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 the 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.

Brendan Hayes **21 May 2020**

Chief Executive and Accounting Officer

Important events

The Board confirms the approval of its Annual Report and Accounts at its annual public meeting. The 2019 meeting took place on 19 September and accepted the Trust's annual report and accounts for the year ending 31 March 2019. The 2020 meeting at which this document will be approved is set to take place on 17 September 2020. A copy of the meeting programme will be published on our website nearer the actual date of the event. To register your attendance, please contact us on the telephone number or email address detailed below.

There were no other important events affecting the Trust, since the end of the financial year that requires any further disclosure than has been made in the Annual Governance Statement included in the report.

Additional copies of the Annual Report and Accounts

Additional copies of the Annual Report and Accounts for the period from 1 April 2019 to 31 March 2020 can be obtained by writing to the Trust at the address below. Alternatively copies of this document can be downloaded from the Trust's website. If you would like a copy of this document in an alternative format or another language, please contact the communications team on:

- Tel: 01522 309194
- Email: LPFT.communications@nhs.net

Additional comments

If you would like to make comments on the annual report or would like any further information, please write to:

FREEPOST RTXR-BAGA-KHYJ,

Trust Secretary

Lincolnshire Partnership NHS Foundation Trust

Trust HQ, St George's

Long Leys Road

Lincoln, LN1 1FS

Annual governance report

Annual Governance Statement: 1 April 2019 to 31 March 2020

Organisation name: Lincolnshire Partnership NHS Foundation Trust

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

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 Lincolnshire Partnership 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 Lincolnshire Partnership NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

The Audit Committee and the Board annually reviews the effectiveness of the Trust's governance arrangements (system of internal control). This review covers all material controls, including financial, clinical, operational, organisational development and compliance controls and risk management systems. The review is confirmed in the Board papers and minutes which are published on the Trust's website.

Capacity to handle risk

The Chief Executive has overall responsibility for the management of risk by the Trust. The other members of the executive team exercise lead responsibility for specific types of risk as follows:

- Clinical risks: Director of Nursing, AHPs and Quality and the Medical Director.
- Financial and capital planning risks: Director of Finance and Information.
- Contractual risks: Director of Strategy, Planning and Partnerships.
- Workforce risks: Director of Strategy, Planning and Partnerships.
- Information governance risks: Director of Finance and Information.
- Operational and service risks: Director of Operations.
- Medical workforce risks: Medical Director.
- Estates risks: Director of Operations.

The role of each executive director is to ensure that appropriate arrangements are in place for the:

- Identification and assessment of risks and hazards.
- Elimination or reduction of risk to an acceptable level.
- Compliance with internal policies and procedures, and statutory and external requirements.
- Integration of functional risk management systems and development of the assurance framework.

These responsibilities are managed operationally through divisional and service managers supporting the executive directors and working with designated lead managers within operational divisions.

The Trust has a Board Escalation and Assurance Framework to sit alongside the Trust's risk management policy, both of which are reviewed annually and approved by the Board of Directors. The framework and policy defines risk and identifies individual and collective responsibility for risk management within the organisation. It also sets out the Trust's approach to the identification, assessment, scoring, treatment and monitoring of risk.

Staff are equipped to manage risk in a variety of ways and at different levels of strategic and operational functioning. These include:

- Formal in-house training for staff as a whole in dealing with specific everyday risk, eg clinical risk, fire safety, health and safety, moving and handling, infection control, information governance and security.
- Training and induction in incident investigation, including documentation, root cause analysis, steps to prevent or minimise recurrence and reporting requirements.
- Developing shared understanding of broader business, financial, environmental and clinical risks through collegiate clinical, professional and managerial groups (such as professional advisory groups, the Board quality committee and the sub-committee structure that sits in place to support the delivery of quality).

The risk and control framework

The system of internal control is based on an ongoing risk management process designed to identify the principal risks to the achievement of the Trust's objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.

The key elements of the risk management strategy are that:

- Risk is a key trust wide responsibility.
- All staff accept the management of risks as one of their fundamental duties.
- All staff are committed to identifying and reducing risks.

This promotes a duty of candour in which there is transparency and openness where mistakes are made. Untoward incidents are identified quickly and dealt within a positive and responsive way and lessons learnt are communicated throughout the organisation and best practice adopted.

The Trust uses the '5 x 5' matrix for risk quantification. Risks may be identified on an ongoing basis via incident reporting procedures, complaints, claims, freedom to speak up, control audits, and risk assessments. These processes are monitored to ensure that any risks are identified and acted upon in a timely manner.

Risks that are assessed as low are managed through routine procedures. Moderate risks require specific management responsibility and action. High risks require senior management attention. Extreme risks require immediate action and necessitate informing the Board of Directors.

Assurance on how effectively the risk management system is working is monitored through inspections – such as, environmental, infection control, security and workplace safety – and through health and safety and clinical governance activities, which include:

- Display screen equipment awareness.
- Control of Substances Hazardous to Health (CoSHH) regulations.
- Awareness raising of the management of violence and aggression.
- Clinical risk assessment.
- Moving and handling training.
- Lone working.
- Record keeping audits.
- Incident reporting and reviews.
- Infection control.
- Safeguarding children and adults.
- Key equality legal requirements.
- Information governance.
- Health and safety, and fire inspections.

These all form part of the Trust's induction programme for all new members of staff, training updates and individual training as a result of needs assessments. The Trust's performance management framework includes the effective management of risk as a key element. The organisation undertakes equality impact assessments on all functions it carries out to ensure that service delivery and employment practices comply with legal requirements.

The Trust involves key stakeholders in the management of risks; these include:

- Service users and their carers.
- Members of the Trust and the general public through consultations.
- Council of Governors and foundation trust members.
- Health and social care commissioners through performance management of contracts.
- Staff and management joint consultative negotiation committee.
- Local negotiating committee for consultants.

- Health and safety committee.
- Lincolnshire health scrutiny and overview committee.
- NHS England / Improvement.
- Care Quality Commission (CQC).
- The Lincolnshire Resilience Forum
- Other system providers in primary care, secondary care and the third sector.

The Board of Directors determines the strategic objectives of the Trust. These are monitored by performance management through the Board's committee structure. Strategic risks, which potentially threaten the achievement of strategic objectives, are identified and key controls put in place to manage these risks. The Board of Directors either directly or via its committees is provided with reports to enable it to monitor the effectiveness of each element of the assurance framework.

The Board of Directors considers the key controls in place to identify risks, and assesses whether these are adequate. Where gaps in controls have been identified, action plans are put in place to address any weaknesses.

In February 2020 and escalating from then onward the Board of Directors put in place extra-ordinary measures to manage the Trust's response to, and support the whole community's response to, the COVID-19 pandemic. These measures included the adoption of a command structure in line with the recognised best practices defined within the Civil Contingencies Act and related guidance. These measures included the use of the Emergency Powers set out within the Trust's Constitution and standing orders. The normal governance process was modified to address critical need, support social distancing and other government enforced restrictions. Time was prioritised to enable officers of the Trust to focus on essential matters. Records of deferred business are being maintained to ensure control of governance process is maintained.

Board committee structures and terms of reference are reviewed annually to improve assurance. The committee structure is aligned with the requirements set out in the Single Overview Framework. The Board approved the structure to address the Trust's strategic direction in line with the Sustainability and Transformation Plan and to strengthen its finance and performance monitoring. The current structure has been in place for over three years and has been evaluated as effectively providing

the required levels of assurance to the Board of Directors. However, the Board of Directors are cognisant that changes in the construct of national regulation could lead to future change in the coming year.

The Trust uses external bodies to provide assurance, where necessary, and targets the internal audit programme at specific areas where a gap is identified and no other source of assurance is available. The Board of Directors recognises that this will and does result in a number of “limited assurance” reports which then enable robust action plans to be identified and implemented to produce improvements in control and assurance.

The Trust ensures a strong relationship is maintained between the assurance framework and risk register. The two documents are cross referenced, with the assurance framework including strategic risks, and the risk register operational risks.

Sections of the Assurance Framework have been assigned to the Board and its committees to ensure that there is clear oversight of all areas. Where lack of assurance, or gaps in control are identified, these are escalated to the Board of Directors. The Audit Committee is responsible for maintaining an overview of the framework, and considers this document, and makes recommendations to the Board, at every meeting.

Throughout 2019/20 the Board of Directors has reviewed and approved the assurance framework each quarter to provide assurance that the Trust is compliant with the Regulatory Framework. The Assurance Framework is aligned to both the risks to the Trust’s strategic objectives and to the compliance risks against the CQC Key lines of Enquiry and to NHS England / Improvement’s Single Oversight Framework.

The directors are required to satisfy themselves that the Trust’s annual quality report is fairly stated. In doing so the Trust has established a system of internal control to ensure that proper arrangements are in place. The Director of Nursing, AHPs and Quality leads and advises on all matters relating to the preparation of the Trust’s annual quality report. To ensure that the quality report presents a properly balanced view of clinical performance over the year, the Trust has an established Quality Committee that is accountable to the Board of Directors to provide scrutiny and

challenge over Trust clinical performance. The Trust also has quarterly quality meetings with its main commissioner, and is sharing the draft quality report with governors, commissioners and the Lincolnshire health scrutiny and overview committee and Healthwatch Lincolnshire for comment.

The Board of Directors receive safe staffing reports that describe the safe staffing levels required and achieved in accordance with the Developing Workforce Safeguards. The reports enable the Board to receive assurance that safe and effective specialist mental health services staffing levels have been created, reviewed and sustained.

The Deputy Director of Nursing leads a process to make the link between the decisions on staffing that the Board makes and the knowledge and expertise of the clinical teams within the divisions. The Trust applies the systematic approach set out in the Developing Workforce Safeguards for identifying the organisational, managerial and environmental factors that support safe staffing in order to ensure improved service user outcomes.

The top risks faced by the Trust in 2019/20 and going forward into 2020/21 are set out in the table below:

Risk	What are we doing about it?	How do we know?
COVID-19 pandemic impact	A command and control structure to manage the response to the pandemic has been put in place. The Trust is fully co-operating with the Local Resilience Forum, the health Community and all Health Regulatory Bodies to comply with national guidance and support the nationwide COVID-19 pandemic response. The Board is cognisant of the enforced changes to, and uncertainty surrounding, the financial and contracting	The Trust has in place daily monitoring and reporting. The Trust has in place a Clinical Advisory Group to independently advise on service changes and decisions which contain any ethical matters. The integrated performance and financial reports to the Board of Directors will provide oversight and determine the levels of assurance available. Revised commissioning

	regimes imposed as a result of the pandemic. The Trust is proactively engaging with NHSE/I and the local health and social care community to operate effectively within the temporary financial and contracting arrangements.	arrangements will be supported and monitored by the Trust.
Workforce Risks	The Trust has a People Strategy which is in place and is being refreshed for 2020/21 in line with a new overarching Trust Strategy. The Trust is working with partners on an attraction strategy and with Health Education England on determining future workforce needs	The Trust has in place workforce key performance indicators presented to the Board in the Integrated Performance Report.
Privacy and dignity, and dormitory accommodation	The Board is aware of the limitations imposed by much of the estate. An estates strategy has been produced to address medium and long term estates issues. Each inpatient unit has been reviewed using the NHS England same-sex accommodation toolkit and improvements made as far as is possible in the existing estate. Work has been completed on Brant Ward to provided single en-suite accommodation. The Board has commissioned work to develop plans for replacement of all remaining dormitory style in-patient wards. Service design options linked to community care provision and the STP are also being pursued for services.	The Board and its committees are receiving reports on the options available to address the Estate issues. The Board visited units, listened to service users, carers, staff and a range of regulators, commissioners and advocates. The Board has considered facilities and practices against national best practice guidance and award winning services. The Board received reports through committees of the Board and considered and approved business cases for the developments. Sought and received commissioner support and investment in a plan to reduce the number of out of area referrals.

Information and data	The Trust has invested in and is in the process of installing O365. The Trust is piloting a new Electronic Prescribing system. The Trust has implemented Rio and is now progressing with Phase 2 implementation. The Trust has put in place Information Governance and Cyber security audits and testing and is investing in training and software to reduce the risk. The Trust is investing in the implementation of IG Toollkit requirements and staff training in cyber security	The Board receive, scrutinise and approve business cases for IT developments. The Trust is continuing to develop data quality benchmarking on future performance reports.
Single System Plan Operating in a challenging community	The Trust is actively contributing resources and key individuals into the Sustainability and Transformation programme in Lincolnshire. The Board is ensuring that the Trust's Clinical Strategy and Forward Plans are aligned to the single system plan.	The Board receives regular reports on the progress of the STP, considers all of the plans and contributes to their development and approval.
Board Turnover	The Council of Governors and Board of Directors carried out robust processes for recruiting replacements of Directors.	The business of the Board continued effectively throughout the year. Improvements in staff and patient survey results were seen.

Financial pressures and Cost Improvement Programme (CIP)	Robust financial planning processes are in place to identify the available resources to deliver services within the control target. However, the full CIP plan for 2020/21 had not been identified before the submission of the Forward Plan.	Work will continue on the identification of CIPs and reporting to the Board will provide monitoring and enable decision making.

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission.

The foundation trust has published on its website 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 twelve months as required by the "Managing Conflicts of Interest in the NHS" guidance.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme 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 foundation trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP 2018). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Care Quality Commission (CQC)

In November and December 2018 the Care Quality Commission inspected four of the Trust's core services and conducted a well-led review. The Overall rating of the Trust remained Good, with a significant number of key lines of enquiry in each of the core services improving from Requires Improvement to Good. The provision of safe

services in every core service was rated as Good. The Trust achieved an overall Outstanding rating for “well-led”.

The CQC was very positive about the continuing strengthening of a positive culture and leadership within the Trust. The evidence of significant, consecutive improvement from the 2016/17, 2017/18, 2018/19 and again 2019/20 staff surveys supported this observation.

The Board of Directors approved and oversaw the completion of an action plan to address areas that were identified for further improvement. The Quality Committee monitored the delivery of this action plan which was completed during 2019/20.

In 2019/20 the staff survey again showed an improvement of staff satisfaction. The patient survey showed a marked improvement over its previous position.

The CQC returned in March 2020 to carry out the inspection of one core service to be followed by a well-led review. The core inspection occurred but due to the COVID-19 pandemic the well-led review was cancelled. The Trust is expecting the report on the core service inspection of in-patient rehabilitation services to be received in June 2020.

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

The Trust uses a range of key performance indicators (KPIs), which include non-financial measures, to manage its day to day business. This approach helps to provide a comprehensive and balanced view of performance. (More information about KPIs can be found in our Quality Report which will be separately published on the Trust’s website).

The Trust has in place a forward planning process that ensures the appropriate planning of services with commissioners and other key stakeholders prior to submission of effective and agreed forward plans to NHS England / Improvement.

A robust Cost Improvement Programme and Quality Impact Assessment process involving Commissioners and service user representation is in place.

During the year the Board of Directors has received regular integrated performance reports providing information on the economy, efficiency and effectiveness of the use of resources. The Board has engaged with NHS England / Improvement to develop and expand on the methodology for reporting with the adoption of statistical process control reporting enabling a more informed use of the data.

Internal Audit has reviewed the systems and processes in place during the year and published reports detailing the required actions within specific areas to ensure economy, efficiency and effectiveness of the use of resources is maintained. The internal audit reports provide an assessment of assurance in these areas.

Information Governance

The Trust commissions its Internal Audit Service Provider to undertake annual audits of the evidence collated for its yearly on-line submission of evidence for the Data Security and Protection Toolkit (DSPT).

The DSPT requires evidence to be submitted so that the Trust can show compliance with the 10 Data Security standards that underpin the Caldicott 3 Report and the three Board Obligations:

1: People: Ensure staff are equipped to handle information respectfully and safely, according to the Caldicott Principles.
2: Process: Ensure the organisation proactively prevents data security breaches and responds appropriately to incidents or near misses.
3: Technology: Ensure technology is secure and up-to-date.

These 10 Data Security Standards also incorporate evidence of compliance with General Data Protection Regulation (GDPR) and Data Protection Act 2018 requirements.

The Trust achieved Significant Assurance from its internal auditors Grant Thornton for this year's audit of the 2019/20 DSPT evidence however it should be noted that the Trust did not undertake final submission of the toolkit on 31 March 2020 as there are a number of evidence elements to be finalised. NHS Digital took the unprecedented decision to extend final toolkit submission until 30 September 2020 to

allow Trusts capacity to focus on the COVID-19 pandemic response. The Trust SIRO therefore approved the decision to delay final toolkit submission to ensure that the Trust could support front line services with delivery of care over the requirement to complete mandatory training. The Trust continues to have plans in place for when there is greater capacity for business as usual to push compliance with data security training.

All NHS Foundation Trusts must report any incidents of Data Security and Data Protection breaches on the DSPT and also in their respective annual reports. These incidents are classified in guidance provided by NHS Digital on Data Security and Protection Incidents. Incidents of the Security of Network & Information Systems Regulations 2018 (NIS Regulations) breaches must also be reported on the DSPT.

The Director of Finance and Information has overall responsibility for IG, Data Security, and Data Protection compliance in her capacity as Senior Information Risk Owner (SIRO). The Medical Director is the Caldicott Guardian, the senior member of Trust staff responsible for protecting the confidentiality of patient information and enabling appropriate patient information sharing.

The Board has been assured by the SIRO, in the annual SIRO Report, that effective arrangements are in place to manage and control risks to information and data security. The Trust had two Data Security and Protection incidents as defined the NHS Digital guidance. Both incidents were reported to NHS Digital on the DSPT and automatically reported via the DSPT to the Information Commissioners' Office (ICO): the ICO thoroughly investigated one incident and confirmed that the Trust had taken appropriate actions and had robust mechanisms in place, the other incident was reviewed by the ICO who advised that no further investigation was required by them. The Trust did undertake an internal review into the ICO reported incidents and published guidance through the lessons learned bulletin.

The Trust continuously reviews its systems and procedures for the confidentiality, integrity and security of personal and confidential data. As a result of investigations into these incidents and reviews of IG, Data Security & Records Incidents by Information Governance and Records Management Group (IG&RM Group), measures are taken to ensure the procedures and policies on Information Governance and Data Security are updated to enable compliance. The Trust has

reviewed 2 of the main governance and security policies and combined them into one streamlined policy and set of procedures which are due to be published onto the website in early April 2020.

The Trust has systems and processes in place to govern access to confidential data and to ensure guidance and standards are followed when staff are using or accessing confidential data. Any new system or process is required to meet these standards as does any hardware (eg computers or software). All system developments whether new or existing need to follow a process and have a data protection impact assessment undertaken and be signed off by the IM&T Committee to ensure they meet the required criteria and that hardware and software are compatible.

The Trust monitors its IG and Data Security risks through the IG & RM Group. Incidents and risks are managed in accordance with Trust policy and serious IG, Records and Data Security risks are escalated through either IM&T Committee or more urgent ones through the Executive Team, Board of Directors, and on to NHS Digital, NHS England / Improvement, NHS England or the ICO when required.

Annual Quality Report

The Trust has in place a Continuous Quality Improvement Programme which commenced in 2017/18 with work focused around four work streams. In 2018/19 three more work streams were added. Each of the work streams has an executive director sponsor and reports to a Committee of the Board to ensure scrutiny of performance and assurance, as listed below:

CQI Work stream	**Committee**
1. Data Quality	Finance and Performance Committee
2. Culture and Leadership	Quality Committee
3. Patient Safety	Quality Committee
4. Strategic Direction	Strategic Change Committee
5. Clinical Training	Quality Committee
6. Improving the environment	Quality Committee
7. Patient Experience	Quality Committee

In 2019/20 work streams 2, 4 and 5 became part of business as usual and no longer operate as work streams.

A number of steps have been put in place to assure the Board that the quality report presents a balanced view and there are appropriate controls in place to ensure the accuracy of data. These steps cover:

- Governance and leadership - the draft quality report has been consulted on through various committees in the organisation, such as the senior leadership team meetings, the executive team meeting, the Board's Quality Committee, and the joint meeting of the Board of Directors and Council of Governors.
- Quality is an underlying theme throughout policy reviews, business planning and clinical strategy work carried out in the Trust.
- Systems and processes – each division has a Quality Improvement and Assurance Lead in place and the Trust has in place a Head of Clinical Quality reporting to the Director of Nursing, ANPs and Quality. The Patient Safety and Experience Committee is a sub-committee of the Quality Committee, thus allowing for direct assurance reports to be provided.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on 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 quality committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance. The head of internal audit opinion for 1 April 2019 to 31 March 2020 is as follows:

Significant assurance with some improvement required can be given to the overall adequacy and effectiveness of Lincolnshire Partnership NHS Foundation Trust's framework of governance, risk management and control. The level of non-compliance in certain areas puts some system objectives at risk, however we were able to provide significant assurance over all of our core system reviews and therefore the issues noted are not considered to significantly impact on our overall opinion.

The assurance framework provides evidence that there are effective controls in place to manage the risks that the organisation faces in achieving its principal objectives. An internal audit into Compliance with Legislation Fire and Water Safety, and a second audit into Commissioning Mental Health Services Managed Care Network & Autism Support Network received a partial assurance with improvement required opinion. The action plan for the former has been fully addressed and the later report was received after the end of 2019/20 and will be actioned by September 2020.

A quarterly compliance report presented by the Audit Committee to the Board of Directors provided assurance that the Trust met the requirements of its licence conditions in 2019/20.

The Board of Directors has identified the strategic risks facing the organisation during the period and has monitored the controls in place and the assurances available to ensure that these risks are being appropriately managed.

The Audit Committee provides the Board of Directors with an independent and objective view of arrangements for internal control within the Trust and to ensure the internal audit service complies with mandatory auditing standards, including the review of all fundamental financial systems.

Information provided to the audit committee in reports from internal and external sources and further work carried out by the committee to gain assurance about the control environment leads to the conclusion that there have been no major control issues during the year.

Conclusion

The Trust will continue to use the assurance framework to assure the Board of Directors and others that the Trust's key controls to manage strategic risks are being assessed and improved continuously. Where areas of concern are identified, action plans have been put in place to close the gaps in control or assurance.

The Trust has continued to take a robust approach to targeting Internal Audit into areas identified as being of potential concern and has identified weaknesses and established new controls to manage areas of concern. Targeted approaches have enabled stronger controls to be implemented and assurance provided through additional internal control reports to the Audit Committee.

The Trust's continued approach to identifying risks, implementing mitigation plans, actively seeking gaps in control through audit and in delivering audit action plans provides the Board with assurance that there is an effective system of control in place. The Board has undertaken a well-led self-assessment to provide additional assurance and has received the Outstanding rating from the Care Quality Commission demonstrating good leadership performance which has provided additional assurance that the controls in place are effective.

No significant control issues have been identified throughout the year.

Annual Governance Statement: 1 April 2019 to 31 March 2020

Signed (on behalf of the Board of Directors)

Brendan Hayes

Chief Executive **21 May 2020**

Directors' statement of disclosure to the auditors

For each individual director, at the time that this report was approved:

- So far as the director is aware, there is no relevant audit information of which Lincolnshire Partnership NHS Foundation Trust's auditor is unaware, and
- The director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that Lincolnshire Partnership NHS Foundation Trust's auditor is aware of that information.

Brendan Hayes **21 May 2020**

Chief Executive and Accounting Officer

ACCOUNTS FOR THE YEAR
1st April 2019 to 31st March 2020

Mrs Sarah Connery
Director of Finance and Information
Lincolnshire Partnership NHS Foundation Trust
Trust Headquarters
St George's
Long Leys Road
Lincoln
LN1 1FS
Telephone: Lincoln 01522 309171

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STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF LINCOLNSHIRE PARTNERSHIP NHS FOUNDATION TRUST

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Lincolnshire Partnership 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 Lincolnshire Partnership 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 and Social Care Group Accounting Manual and in particular to:

• observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

• make judgements and estimates on a reasonable basis;

• state whether applicable accounting standards are set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care 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; and,

• 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 the 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.

Signed 

Brendan Hayes
Chief Executive **Date: 21st May 2020**

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF LINCOLNSHIRE PARTNERSHIP NHS FOUNDATION TRUST

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Lincolnshire Partnership NHS Foundation Trust (the 'foundation trust'):

- give a true and fair view of the state of the foundation trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in taxpayers' equity;
- the statement of cash flows; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- Recognition of NHS clinical revenue; and
- Property valuations.

Within this report, key audit matters are identified as follows:

	Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the financial statements was £2.5m which was determined on the basis of 2% of total income for the year.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	We did not identify Property valuations as a significant risk for the 2019/20 audit. This is due to there being no significant changes in the underlying assumptions and bases of measurement adopted by the foundation trust's valuer since the previous review by our valuation specialists. However, due to the material uncertainty arising from the outbreak of COVID-19, we have considered it to be a key audit matter in the current year. There have been no other significant changes in our approach.

4. Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where: • the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or • the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the foundation trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.	We have nothing to report in respect of these matters.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Recognition of NHS Clinical revenue

Key audit matter description	As described in note 1.4 of the Accounting Policies, there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:

	• the judgements taken in evaluating volume-related and Commissioning for Quality and Innovation ("CQUIN") income; and • the judgemental nature of accounting for disputes, including in respect of outstanding under/over-performance income for quarters 3 and 4. Details of the foundation trust's income, including £79.4m (£73.3m 2018/19) of Commissioner Requested Services, are shown in note 2 to the financial statements. The foundation trust also recognised CQUIN and aligned incentive initiative income of £1.9m in 2019/20 (2018/19: £1.9m), and PSF (Provider Sustainability Funding) income of £0.9m (2018/19 £3.6m). The majority of the foundation trust's income comes from Lincolnshire County Council, NHS Lincolnshire West Clinical Commissioning Group, NHS Lincolnshire East Clinical Commissioning Group, and NHS Lincolnshire South Clinical Commissioning Group, increasing the significance of associated judgements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the relevant controls around revenue recognition. We tested the recognition of income through the year, including the period-end calculations recognised for CQUIN income and aligned incentive income, and evaluated the results of the agreement of balances exercise. We assessed the appropriateness of the judgements made in recognising revenue and providing for disputes on the basis of discussion with staff involved, review of correspondence with commissioners and other relevant documentation, and consideration of benchmark information from our knowledge of the local health economy. We reviewed the key changes and any open areas in setting 2020/21 contracts, and considered whether, taken together with the settlement of current year disputes, there were any indicators of inappropriate adjustments in revenue recognised between periods. We reviewed the correspondence from NHS Improvement regarding the allocation of PSF income for the year.
Key observations	Based on the audit evidence obtained, we conclude that NHS Clinical Revenue is appropriately recognised. We consider management judgements of provisions and disputes to be reasonable.

5.2. Property valuations

Key audit matter description	The foundation trust holds property assets within Property, Plant and Equipment at a modern equivalent use valuation of £54.9m at 31 March 2020 (2018/19 £52.9m). The valuations are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets). These assumptions have been affected by the outbreak of COVID-19 which reduces the certainty of previous market evidence used for comparison purposes, this uncertainty is considered to be material by the foundation trust's valuer. The net valuation movement on the foundation trust's estate, shown in note 7 to the financial statements, is a net revaluation impairment of £3.0m (2018/19: impairment of £2.0m). As detailed in the foundation trust's accounting policies, note 1.2.3 Sources of

	estimation uncertainty, in applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19 and therefore less weight can be attached to previous market evidence for comparison purposes, to inform opinions of value. In addition, properties which are priced on their trading potential, including healthcare establishments, may experience a greater impact on pricing in comparison to other asset classes.
How the scope of our audit responded to the key audit matter	We reviewed and challenged the appropriateness of the assumptions used in the year-end valuation of the foundation trust's properties and tested the inputs to the year-end valuation. This included the gross internal areas provided to the valuer, including testing a sample of measurements to check the accuracy of data through agreement to underlying data from the foundation trust's estates team. We assessed whether the valuation and the accounting treatment of the impairment was compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Statement of Comprehensive Income or in the Statement of Changes in Taxpayers' Equity. We considered the impact of uncertainties relating to the UK's exit from the EU and the COVID-19 pandemic upon property valuations in evaluating the property valuations and related disclosures including the adequacy of the disclosure of the material valuation uncertainty.
Key observations	While we note the increased estimation uncertainty in relation to the property valuation as a result of COVID-19, as disclosed in note 1.2.3, we conclude that the valuation of the foundation trust's properties is appropriate.

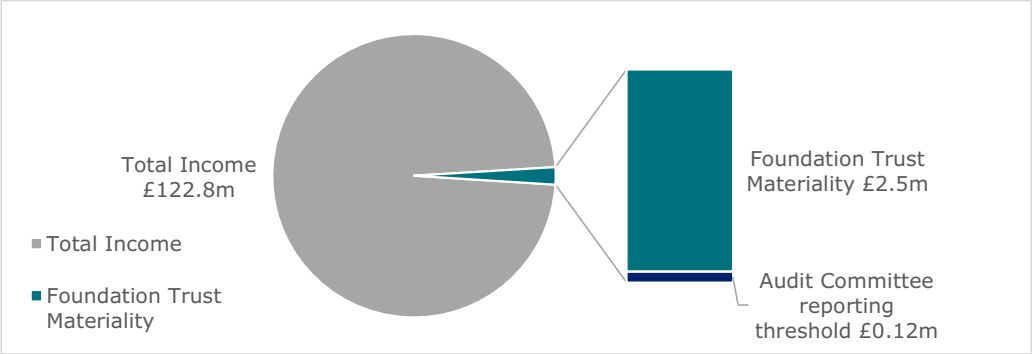
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Foundation Trust financial statements
Materiality	£2.5m (2018/19: £2.3m)
Basis for determining materiality	2% of total income (2018/19: 2% of total income)
Rationale for the benchmark applied	Total income was chosen as a benchmark as the foundation trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 75% of materiality for the 2020 audit (2018/19: 75%). In determining performance materiality, we considered the following factors:

a. Our risk assessment, including our assessment of the foundation trust's overall control environment; and
b. Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in the prior period.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.12m (2018/19: £0.11m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

Identification and scoping of components

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. Other information

The accounting officer is responsible for the other information. The other information 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

9. Responsibilities of accounting officer

As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the foundation 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 the accounting officer either intends to liquidate the foundation trust or to cease operations, or has no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

11. Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

12. Matters on which we are required to report by exception

12.1. Annual Governance Statement, use of resources, and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS foundation trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

12.2. Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

13. Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

14. Use of our report

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Lincolnshire Partnership NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the foundation trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Howse, CIPFA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Cardiff, United Kingdom

22 June 2020

FOREWORD TO THE ACCOUNTS

LINCOLNSHIRE PARTNERSHIP NHS FOUNDATION TRUST

The Accounts for the year ended 31st March 2020 are set out on the following pages and comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the Notes to the Accounts.

The Accounts have been prepared by the Lincolnshire Partnership NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 in the form in which NHS Improvement, in exercise of Monitor's power and with approval of the Secretary of State, directed.

The Trust maintains a detailed one year financial and business plan. After making enquiries that includes examining the period of at least one year from the date of the approval of the Accounts, the Directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these Accounts.

Signed .. 

Brendan Hayes **Date: 21st May 2020**
Chief Executive

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	NOTE	2019/20 £000	2018/19 £000
Operating income from patient care activities	2.1 / 2.2	114,982	103,050
Other operating income	2.5	7,821	11,140
Total operating income from continuing operations		**122,803**	**114,190**
Operating Expenses	3.1	(119,761)	(107,991)
OPERATING SURPLUS		**3,042**	**6,199**
FINANCE COSTS			
Finance income	5.1	133	96
Finance expense - financial liabilities	5.2	(43)	(60)
Finance expense - unwinding of discount on provisions	12.1	(3)	(1)
PDC Dividends payable		(1,671)	(1,620)
NET FINANCE COSTS		**(1,584)**	**(1,585)**
Profit on disposal of assets	5.4	-	240
SURPLUS FOR THE YEAR FROM CONTINUING OPERATIONS		**1,458**	**4,854**
OTHER COMPREHENSIVE INCOME			
Will not be reclassified to income and expenditure:			
Impairments on property, plant & equipment and donated assets	13.1	(1,214)	(76)
Revaluation gains on property, plant & equipment and donated assets	13.1	235	2,110
Other reserve movements		-	(10)
TOTAL OTHER COMPREHENSIVE (EXPENSE) / INCOME		**(979)**	**2,024**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**479**	**6,878**

There are no minority interests in the Trust. Therefore the net surplus for the year of £1,458,000 (2018/19: surplus of £4,854,000) and the total comprehensive income for the year of £479,000 (2018/19: £6,878,000) is wholly attributable to the Trust.

The notes on pages XIV to XXXIX form part of these accounts.

All income and expenditure is derived from continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	NOTE	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	6.1	380	438
Property, plant and equipment	7.1	58,430	57,031
Trade and other receivables	9.1	168	61
Total non-current assets		**58,978**	**57,530**
Current assets			
Trade and other receivables	9.1	10,677	10,944
Non-current assets for sale and assets in disposal groups	8.1	1,000	1,177
Cash and cash equivalents	14.1	19,455	15,307
Total current assets		**31,132**	**27,428**
Current liabilities			
Trade and other payables	10.1	(16,073)	(11,207)
Borrowings	11.3	(663)	(669)
Provisions	12.1	(170)	(162)
Other liabilities	11.1	(1,406)	(1,378)
Total current liabilities		**(18,312)**	**(13,416)**
Total assets less current liabilities		**71,798**	**71,542**
Non-current liabilities			
Borrowings	11.3	-	(662)
Provisions	12.1	(1,230)	(1,066)
Total non-current liabilities		**(1,230)**	**(1,728)**
Total assets employed		**70,568**	**69,814**
Financed By Taxpayers' Equity			
Public dividend capital		25,798	25,522
Revaluation reserve	13.1	18,929	20,408
Income and expenditure reserve		25,841	23,884
Total taxpayers' equity		**70,568**	**69,814**

The notes on pages XIV to XXXIX form part of these accounts.

The financial statements were approved by the Board of Directors and authorised for issue by:

Signed:  (Chief Executive)

Date: 21st May 2020

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	NOTE	Total	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
		£000	£000	£000	£000
Taxpayers' Equity at 1 April 2019 brought forward		**69,814**	25,522	20,408	23,884
Surplus for the year		**1,458**	-	-	1,458
Impairment losses on property, plant & equipment and donated assets	13.1	**(1,214)**	-	(1,214)	-
Revaluations on property, plant & equipment and donated assets	13.1	**235**	-	235	-
Public dividend capital received		**763**	763	-	-
Public dividend capital repaid		**(487)**	(487)	-	-
Transfer of the excess of current cost depreciation over historical cost depreciation to the income & expenditure reserve	13.1	**-**	-	(500)	500
Taxpayers' Equity at 31 March 2020		**70,568**	**25,798**	**18,929**	**25,841**
Taxpayers' Equity at 1 April 2018 brought forward		**62,823**	25,409	19,053	18,361
Surplus for the year		**4,854**	-	-	4,854
Impairment losses on property, plant & equipment and donated assets	13.1	**(76)**	-	(76)	-
Revaluation gains on property, plant & equipment and donated assets	13.1	**2,110**	-	2,110	-
Transfer to retained earnings on disposal of assets		**-**	-	(243)	243
Other reserve movements		**(10)**	-		(10)
Public dividend capital received		**113**	113	-	-
Transfer of the excess of current cost depreciation over historical cost depreciation to the income & expenditure reserve	13.1	**-**	-	(436)	436
Taxpayers' Equity at 31 March 2019		**69,814**	**25,522**	**20,408**	**23,884**

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 to Trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, 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.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	NOTE	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus		**3,042**	**6,199**
Non-cash income and expense:			
Depreciation and amortisation		2,537	2,373
Impairments and reversals	5.3	612	1,553
Decrease / (increase) in trade and other receivables		225	(2,067)
Increase / (decrease) in trade and other payables		5,558	(112)
Increase / (decrease) in other liabilities		28	(27)
Increase in provisions		169	63
Other movements in operating cash flows		-	38
Net cash generated from operating activities		**12,171**	**8,020**
Cash flows from investing activities			
Interest received		133	96
Purchase of intangible assets	6.1	(104)	(353)
Purchase of property, plant and equipment		(5,880)	(2,642)
Sales of property, plant and equipment		-	743
Net cash used in investing activities		**(5,851)**	**(2,156)**
Cash flows from financing activities			
Public dividend capital received*		763	113
Public dividend capital repaid**		(488)	-
Loans repaid to the Department of Health and Social Care		(667)	(667)
Interest paid on Department of Health and Social Care loans		(39)	(61)
Other interest paid		(5)	-
Public dividend capital paid***		(1,736)	(1,736)
Net cash used in financing activities		**(2,172)**	**(2,351)**
Increase in cash and cash equivalents		**4,148**	**3,512**
Cash and Cash equivalents at 1 April brought forward		**15,307**	**11,795**
Cash and Cash equivalents at 31 March	14.1	**19,455**	**15,307**

There are no non cash movements included within cash flows used in financing activities. (2018/19: £39,000 relating to the write off of a capitalised asset under construction).

*During the year the Trust received £689,000 of public dividend capital as part of Beyond Places of Safety and £74,000 in relation to its partnership working with East Midlands One Care. (2018/19: - £101,000 received for capital IM&T public Wifi scheme and £12,000 for capital pharmacy stock monitoring system).

** Public dividend capital repaid relates to a contribution towards the capital programme of United Lincolnshire Health NHS Trust, facilitated by the Department of Health and Social Care.

***Public dividend capital paid relates to the annual dividend charge payable on relevant Trust net assets.

NOTES TO THE ACCOUNTS

1.1 Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, 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 2019/20, issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) 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.

Going concern

These accounts have been prepared on a going concern basis. The Trust maintains a detailed annual financial and business plan. After making enquiries that includes examining the period of at least one year from the date of the approval of the accounts, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these accounts.

Following on from the UK leaving the European Union on the 31st January 2020 the Trust has not noted any material impacts on operations during the financial year. No consequences of BREXIT are expected to impact on the Trust as a going concern.

The Government has issued a mandate to NHS England in relation to the Novel Coronavirus (Covid-19) outbreak for the continued provision of services in 2020/21. Providers can continue to expect NHS funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned. As such, the outbreak is not expected to impact the Trust's ability to continue on a going concern basis.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

1.2.1 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

1.2.2 Critical judgements in applying accounting policies

The Trust has concluded that for the year ended 31st March 2020 there are no critical judgements required by management in applying accounting policies that may have a significant effect on the amounts recognised in financial statements.

1.2.3 Sources of estimation uncertainty

The Trust has considered key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Trust considers the revaluation of its property, plant and equipment to be a material estimation made by the District Valuer. The carrying amount of the Trust's revalued property, plant and equipment, inclusive of assets held for sale, is £55,890,941 (2018/19: £54,112,300) for the year ended 31st March 2020.
The Trust has received a letter from District Valuation Services (DVS) dated 8th April 2020 following the outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020. It states that as a consequence, at the valuation date, the DVS can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Their valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently less certainty, and a higher degree of caution, should be attached to the valuation than would normally be the case.
While the DVS has declared a material uncertainty, the valuer has continued to exercise professional judgement in preparing the valuation and this is therefore the best information available to the Trust as at 31st March 2020 and can be relied upon.

1.3 Segmental Analysis

No segmental analysis is shown as the sole activity of Lincolnshire Partnership NHS Foundation Trust in 2019/20 was the provision of specialist health services for the people in Lincolnshire. For adults of working age with a mental health or substance misuse problem, the specialist services include social care.

The "Chief Operating Decision Maker" is deemed to be the Trust Board of Directors. The Board currently receives only high level financial reporting information and does not therefore review information or allocate resources in any way that could be perceived to represent operating segments. This will be reviewed during the course of 2020/21 and is dependent upon the information received or requested by the Chief Operating Decision Maker.

The Trust has a group of customers, Lincolnshire Clinical Commissioning Groups, from which more than 10% of its total revenue is derived from providing mental health services.

1.4.1 Revenue from contracts with customers

Where income 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 Trust accrues income relating to performance obligations satisfied in that year. 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.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the 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 contract.

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 Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust 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 Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

Provider sustainability fund (PSF) and Financial recovery fund (FRF)

The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

1.4.2 Other forms of income - grants

Government grants are grants from Government bodies other than income from commissioners or NHS Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

Expenditure on employee benefits

1.5.1 ***Short-term employee benefits***

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of 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.

1.5.2 ***Pension costs***

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pensions 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 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 Trust of participating in each scheme is taken as equal to the employer's pension contributions payable to that scheme for the accounting period. The contributions are charged to operating expenses as they become due.

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 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme 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 their 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%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

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 operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

Local Government Pension Scheme

As a result of the transfer of 2 staff as at 1 April 2018 from East Riding Council to the Trust's employment, the Trust is also an admitted member of the Local Government Pension Scheme which is a defined benefit scheme. However, under International Accounting Standard (IAS) 26, this is not considered material and therefore further disclosure is not required.

1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that, they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.7 Value Added Tax

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

1.8 Corporation Tax

The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988).

Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum. As the Trust has not generated any such profits from activities unrelated to healthcare, no corporation tax liability has been incurred nor accounted for within these financial statements.

1.9 Property, Plant and Equipment

1.9.1 ***Recognition***

Property, Plant and Equipment is capitalised where:

- 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 be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

Capitalisation thresholds are as follows:

- individually have a cost which is material, materiality for this purpose is deemed to be £5,000.
- form a group of assets which individually have a cost of £250, collectively have a cost of £5,000, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control wherever possible.

● specifically for the grouping of IM & T assets: have a cost of £250 that incorporates for example: desktops, tablets and laptops (and printers where deemed necessary) items such as stands, keyboards, mice and monitors. Standard recognised associated parts that bring the asset into working condition (installation costs) are also to be included such as catalysts, switches and cabling.

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

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.

1.9.2 ***Measurement***

Valuation

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

All property assets are measured subsequently at valuation unless they are held for their sale potential under IFRS 5.

Property asset valuations will be carried out by professionally qualified valuers in accordance with International Financial Reporting Standards (IFRS) as interpreted and applied by the HM Treasury FReM compliant Department of Health and Social Care Group Manual for Accounts (GAM). The valuations will also accord with the requirements of the professional standards of the Royal Institute of Chartered Surveyors (RICS) Valuation - Global Standards 2017 and RICS UK National Supplement, commonly known together as the Red Book in so far as these are consistent with the aforementioned IFRS and GAM guidance; UK VPGA 5 refers. Specialised operational assets where there is little or no market based evidence of fair value will require valuation at Depreciated Replacement Cost (DRC) in accordance with UKVS 1.15 and UKGN 2 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 service being provided. Non specialised operational assets will require valuation at current value in existing use (EUV) as defined at UKVS 1.3. Assets held for sale will be valued at fair value in line with IFRS 5. 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.

The frequency of property assets valuation will be determined with reference to significant market volatility, and the requirement to keep asset values up to date. A full physical property valuation will be undertaken at least once every five years, the last one occuring in the year ending 31 March 2019. This years 'desktop' valuation which will incorporate the annual impairment review, will be carried out by a professionally qualified valuer.

Property assets that are newly- acquired or constructed or in the course of construction are initially measured at cost and will only require a formal revaluation if there is an indication that the initial cost is significantly different to its fair value. Capital works, notably tenant's improvements on leased assets may be written down on the advice of the qualified valuer. The remaining asset balance is depreciated over the shorter of:
● the life of the lease; or
● the remaining useful life of the asset.

Non property assets with short useful lives or low values will be measured on a depreciated historical cost basis as an acceptable proxy for current value in existing use. This is because the useful lives used are considered to be a realistic reflection of the lives of assets and the depreciation method chosen represents the consumption of the asset.

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 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 Trust and the cost of the item can be detemined 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.

Depreciation

Items of property, plant and equipment are depreciated on a straight line basis over their useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset.
The range of useful lives is shown in the table below;

	Min Life Years	**Max Life Years**
Land	0	0
Buildings excluding dwellings	5	54
Plant & machinery	4	10
Information technology	2	4
Furniture & fittings	5	7

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 and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item 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 service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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

1.9.3 *De-recognition*

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

● the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
● the sale must be highly probable i.e:
● management are committed to a plan to sell the asset;
● an active programme has begun to find a buyer and complete the sale;
● the asset is being actively marketed at a reasonable price;
● the sale is expected to be completed within 12 months of the date of classification as 'held for sale'; and

● the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. 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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.9.4 *Donated assets*

Donated property, plant and equipment assets are capitalised at their fair value on receipt. The donation is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met. The donated assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:
● the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
● the Trust intends to complete the asset and sell or use it;
● the Trust has the ability to sell or use the asset;
● how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output or, where it is to be used for internal use, the usefulness of the asset;
● adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
● the Trust can measure reliably the expenses attributable to the asset during development.

1.10 Intangible assets

1.10.1 *Recognition*

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust'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 Trust and where the cost of the asset can be measured reliably.

1.10.2 *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. An intangible asset is capitalised where:
● 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 be provided to, the Trust;
● it is expected to be used for more than one financial year; and
● the cost of the item can be measured reliably.

Capitalisation thresholds are as follows:
● individually have a cost which is material, materiality for this purpose is deemed to be £5,000.
● form a group of assets which individually have a cost of £250, collectively have a cost of £5,000, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control wherever possible.

Subsequently intangible assets are measured at current value in existing use by reference to an active market. Intangible assets are therefore valued at amortised historical cost as an acceptable proxy for current value in existing use where no active market exists. Revaluation 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 plans to bring it back into use is valued at fair value under IFRS13, if it does not meet the requirements of IAS 40 or IFRS 5.

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

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.

Amortisation

Intangible assets are amortised over their expected useful lives on a straight line basis in a manner consistent with the consumption of economic or service delivery benefits.

Intangible assets held for sale are not amortised.

Useful lives of intangible assets:

Useful lives reflect the total life of an asset and not the remaining life of an asset.
The range of useful lives is shown in the table below:

	Min Life Years	Max Life Years
Software	1	5

1.11 Financial assets and financial liabilities

1.11.1 *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 all in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by the Office of National Statistics (ONS).

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.

1.11.2 *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 are classified as subsequently measured at amortised cost.
Financial liabilities are classified as subsequently measured at amortised cost.

1.11.3 ***Financial assets and financial liabilities 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 and 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.

1.11.4 ***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. This method includes appropriate grouping into categories based on shared credit risk characteristics and reviewing the Trust's historical loss rates to calculate future expected credit losses. This does not include recognising expected credit losses in relation to other NHS and other Whole of Government Account (WGA) bodies.

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.

1.11.5 ***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.

1.12 Leases- the Trust as lessee

1.12.1 ***Operating Leases***

Operating lease rentals are charged to operating expenses on a straight-line basis over the term of the lease. Lease incentives are recognised initially in other liabilities on the Statement of Financial Position and subsequently as a reduction of rentals on a straight-line basis over the lease term.

1.12.2 ***Leases of land and buildings***

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.12.3 Leases- the Trust as lessor

1.12.4 ***Operating Leases***

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

1.13 Provisions

The Trust 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 the discount rates published and mandated by HM Treasury.

1.13.1 ***Clinical negligence costs***

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to the 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 Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed in note 12.2 to the accounts but is not recognised in the Trust's accounts.

1.13.2 ***Non-clinical risk pooling***

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to 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.

1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 12.3 to the accounts where an inflow of economic benefits is probable.

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

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

1.15 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 Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC 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, except for:

● donated and grant funded assets,
● average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
● any PDC dividend balance receivable or payable.

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 thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.16 Foreign exchange

The functional and presentational currency of the Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

● monetary items are translated at the spot exchange rate on 31 March;
● non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
● non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.17 Cash and cash equivalents, bank and overdrafts

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

1.18 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in note 14.2 to the accounts in accordance with the requirements of HM

1.19 Losses and special payments

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

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

1.21 International Financial Reporting Standards, amendments and interpretations issued but not yet effective or adopted

The GAM does not require the following Standards and Interpretations to be applied in 2019/20. These standards are still subject to HM Treasury FReM adoption, with IFRS 16 now being deferred for implementation until 2021/22, and the government implementation

1.21.1 IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the re-measurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and the adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition.

For leases commencing in 2021/22, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

In implementing IFRS16, the Trust has made several judgements and estimations. These include:

- the measurement of peppercorn right of use assets at their value in use as valued by the District Valuer;
- where lease agreements were not in place but arrangements were deemed to be lease arrangements, such as those with NHS Property Services, the Trust has estimated its future lease term using hindsight and other strategic information.

The Trust is prepared for the implementation of IFRS 16. Further work is ongoing around the identification of new leases with our Procurement and Estates teams.

1.21.2 IFRS 17 Insurance Contracts

Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted. This standard is expected to have minimal impact on the Trust.

2.1 Operating Income

Income from patient care (by nature)	2019/20 Total £000	2018/19 Total £000
Mental Health Trusts		
Cost and Volume contract income	3,299	3,150
Block contract income	97,507	90,063
Clinical Partnerships providing mandatory services (including S75 agreements)	9,879	8,662
Agenda for Change pay award central funding*	-	1,175
Additional pension contribution central funding**	3,627	-
Other clinical income***	670	-
Total Income from activities	**114,982**	**103,050**

* Income relates to the NHS pay award that was centrally funded from the Department of Health and Social Care in the year of transition.

** Income relates to additional pension contributions paid for by NHS England. A corresponding pensions payment is disclosed within employee expenses.

*** Other clinical income is from NHS England to fund the in-year Medical Pay Award and inflationary pressures.

The Trust's Provider Licence sets out the commissioner requested services that the Trust must provide.
All of the income from activities shown above is derived from the provision of commissioner requested services.

2.2 Income from patient care (by source)	2019/20 Total £000	2018/19 Total £000
NHS Foundation Trusts	19	199
NHS Trusts	667	341
NHS England	9,275	4,866
Department of Health and Social Care	-	1,175
Clinical Commissioning Groups (CCGs)	79,407	73,303
Local Authorities	25,574	22,965
Non NHS: Other*	40	202
Total income from activities	**114,982**	**103,050**

* Non NHS: Other relates to income from Autism Care UK for the provision of services (2018/19: This related to income from the National Probation Service for a community based pathway to support offenders with a personality disorder).

2.3 Overseas Visitors

No income has been received in the year (relating to patients charged directly by the provider) (2018/19: Nil).

2.4 Fees and Charges (income generation)

Trusts are required by HM Treasury to provide details of any income generation activities where the full costs exceed £1 million or the service is otherwise felt to be material. The Trust does not consider itself to have any such income generation activities during 2019/20 (2018/19: Nil).

2.5 Other Operating Income

Other Operating Income (by nature)	2019/20 Total £000	2018/19 Total £000
Other Operating Income From Contracts With Customers		
Research and development	477	400
Education and training	3,712	3,151
Non-patient care services to other bodies *	2,262	2,667
Provider Sustainability Fund (PSF)	876	4,409
Other **	457	498
Other Non-Contract Operating Income		
Charitable and other contributions to expenditure	16	9
Rental revenue from operating leases	21	6
Total other operating income	**7,821**	**11,140**

* Non Patient Care Services income includes £85,829 of compensation relating to a previous historical fraud loss (2018/19: £1,258,400).

**Other Operating Income - Other	2019/20 Total £000	2018/19 Total £000
Catering	57	55
Property rentals	24	48
Staff contributions to employee benefit schemes	376	395
Total	**457**	**498**

2.6 Additional Information on Revenue Contracts with Customers Recognised in the Period

	2019/20 Total £000	2018/19 Total £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous year end	**1,074**	**1,405**

2.7 Transaction Price Allocated to Remaining Performance Obligations

	2019/20 Total £000	2018/19 Total £000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised: within one year	**1,406**	**1,378**

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from contracts with an expected duration of one year or less and contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Revenue is received in respect of the transfer of services to patients throughout the year. The transaction prices are stated in the contracts and as a result, no changes to transaction price can occur without a contract variation. As the contracts are reviewed annually, all performance obligations are in relation to the current year.

2.8 Other Operating Income (by source)	2019/20 Total £000	2018/19 Total £000
NHS Foundation Trusts	108	1
NHS Trusts	2,167	1,506
NHS England and Clinical Commissioning Groups (CCGs) *	1,020	4,609
Health Education England	3,559	2,720
Special Health Authorities	17	98
Non Departmental Public Body **	39	-
Local Authorities	58	26
Non NHS: Other***	853	2,180
Total income from activities	**7,821**	**11,140**

* Other operating income from NHS England and Clinical Commissioning Groups (CCGs) includes £876,000 of Provider Sustainability Fund income (2018/19: £4,409,000).

** Other operating income from non departmental public bodies is from NHS Digital in relation to the Health and Social Care Network.

*** Non NHS :Other includes a £85,829 recovered compensation payment relating to a previous historical fraud loss (2018/19: £1,258,400). Also included is a £59,130 damages claim in respect of the Trust's Brant Ward, Witham Court, Lincoln capital scheme.

3.1 Operating expenses (by type)	2019/20 £000	2018/19 £000
Purchase of healthcare from non NHS and non-DHSC bodies	22	20
Purchase of social care (under S.75 or other integrated care arrangements)	8,298	7,122
Staff and executive directors costs	88,451	78,529
Remuneration of non-executive directors	126	126
Supplies and services - clinical (excluding drug costs)	960	1,051
Supplies and services - general	1,322	1,499
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	1,279	1,342
Consultancy costs	209	393
Establishment	1,262	1,353
Premises - business rates payable to local authorities	769	706
Premises - other	3,160	3,100
Transport	2,524	2,042
Patient travel	2	2
Depreciation of property, plant and equipment	2,375	2,167
Amortisation of intangible assets	162	206
Net impairments of property, plant and equipment	612	1,553
Decrease in credit loss allowance for contract receivables *	-	(151)
Change in provisions discount rate(s)	54	(14)
Audit fees payable to the external auditor		
audit services- statutory audit	50	50
other audit remuneration (external auditor only)	18	13
Internal audit and local counter fraud costs	102	78
Clinical negligence- amounts payable to NHS Resolution	414	319
Legal fees	168	36
Education and training	1,079	764
Rentals under operating leases - minimum lease payments	2,651	2,921
Early retirements	38	-
Redundancy	136	55
Car parking & security	117	206
Losses, ex gratia & special payments**	75	281
Other services, eg. external IT services	1,775	730
Other	1,551	1,492
TOTAL	**119,761**	**107,991**

* Credit loss allowances for contract receivables in year are Nil. (2018/19: £151,000 related to the Trust's previous joint venture, Universal Health Limited).

** Refer to note 19.1 for further details.

3.2 Analysis of Operating Lease Expenditure

Operating lease expenditure by type:	2019/20 £000	2018/19 £000
Buildings	2,004	2,187
Other	647	734
TOTAL	**2,651**	**2,921**

3.3 Arrangements containing an operating lease

Future minimum lease payments due:	2019/20 £000	2018/19 £000
- not later than one year;	2,722	2,617
- later than one year and not later than five years;	2,990	2,786
- later than five years.	121	349
TOTAL	**5,833**	**5,752**

Future minimum lease payments due by type:	2019/20 £000 Buildings	2019/20 £000 Other	2018/19 £000 Buildings	2018/19 £000 Other
- not later than one year;	2,101	621	2,032	585
- later than one year and not later than five years;	2,473	517	2,359	427
- later than five years.	121	-	349	-
TOTAL	**4,695**	**1,138**	**4,740**	**1,012**

3.4 Operating Lease Revenue

	2019/20 £000	2018/19 £000
Minimum lease receipts	**21**	**6**

Future minimum lease receipts due by type:	2019/20 £000	2018/19 £000
- not later than one year;	**10**	**8**

Lease receipts are in respect of the sub lease of car parking facilities at The Point, Sleaford to the Lincolnshire Clinical Commissioning Group.

3.5 Other auditor's remuneration

	2019/20 £000	2018/19 £000
Audit-related assurance services	**18**	**13**

3.6 Limitation on auditor's liability

	2019/20 £000	2018/19 £000
Limitation on auditor's liability	1,000	1,000

The Trust external auditor for 2019/20 (also 2016/17, 2017/18 and 2018/19) was Deloitte LLP under the terms of engagement dated 27th February 2017.

3.7 The late payment of commercial debts (interest) Act 1998

The Trust incurred £5,000 interest or charges for late payment of commercial debts in 2019/20 (2018/19: Nil). The majority of this is in relation to late payment interest on the Trust's Brant Ward, Witham Court, Lincoln capital scheme. The Trust has not accrued for any further interest payable in relation to the late payment of invoices due to the amounts being immaterial.

3.8 Better Payments Practice Code	2019/20 £000	2019/20 Number	2018/19 £000	2018/19 Number
Total Non-NHS trade invoices paid in the year	29,265	12,712	23,075	13,034
Total Non-NHS trade invoices paid within target	27,573	11,002	20,401	11,457
Percentage of Non-NHS trade invoices paid within target	94%	87%	88%	88%
Total NHS trade invoices paid in the year	8,224	662	5,359	653
Total NHS trade invoices paid within target	7,434	594	4,968	577
	90%	90%	93%	88%

The Better Payments Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust aspires to pay at least 95% of invoices on time.

4.1 Employee Expenses	2019/20 Total £000	2018/19 Total £000
Salaries and wages	67,542	62,514
Social security costs	6,504	6,047
Apprenticeship levy	323	298
Employers contributions to NHS Pensions	8,299	7,822
Employers contributions to NHS Pensions paid by NHSE on provider's behalf*	3,627	-
Pension cost - other**	32	27
Termination Benefits	431	121
Temporary staff (including agency)	2,002	1,848
Total Gross Staff Costs	**88,760**	**78,677**
Recoveries in respect of seconded staff	-	(4)
Total staff costs	**88,760**	**78,673**
Of which		
Costs capitalised as part of assets	(135)	(89)
Total employee benefits excluding capitalised costs	**88,625**	**78,584**

* Pension contributions to NHS Pensions paid by NHSE on provider's behalf relate to an increased pension rate as a result of a revaluation of public sector pension schemes. This has been funded by NHS England, the corresponding receipt can be seen within the Operating Income note.

** Pensions cost - other relates to employer contributions towards the National Employment Savings Trust (NEST) scheme. The 2018/19 comparative has been updated to reflect this.

Gross staff costs comprise of "Staff and executive directors costs", "Redundancy" and "Early retirements" per the Operating Expenses note 3.1.

Further analysis of employee costs including termination and compensation payments can be found in the Staff Report section of the Annual Report.

4.2 Average number of employees (Whole Time Equivalent basis)

This note is now incorporated within the Staff Report section of the Annual Report.

4.3 Early retirements due to ill health	2019/20 Total £000	2019/20 Total Number	2018/19 Total £000	2018/19 Total Number
Early retirements on the grounds of ill-health	-	-	-	-

The above costs are borne by the NHS Business Services Authority - Pensions Division and not the Trust. They are calculated by multiplying the average value of ill-health pension by the number of years from payment to age sixty. Any pensions increase has been ignored.

4.4 Staff Exit Packages

This note is now incorporated within the Staff Report section of the Annual Report.

5.1 Finance Income	2019/20 £000	2018/19 £000
Bank Interest	133	96
Total	**133**	**96**

5.2 Finance Cost	2019/20 £000	2018/19 £000
Interest on capital loans from the Department of Health and Social Care	38	60
Interest in the late payment of commercial debt	5	-
Total	**43**	**60**

5.3 Impairment of Assets (Property Plant and Equipment)	2019/20 £000	2018/19 £000
Net impairments charged to operating surplus resulting from:		
Changes in market price	612	389
Other*	-	1,164
Total net impairments charged to operating surplus	**612**	**1,553**
Impairments charged to the revaluation reserve	1,214	76
Total net impairments	**1,826**	**1,629**

*There were no other impairments in year (2018/19: related to the change of use of Holly Lodge, Skegness).

** The total net impairment of £1,826,490 relates to the year end physical revaluation of which £612,200 was charged to operating income as discussed in note 7.3. £1,214,290 has been charged to the revaluation reserve. Of the impairments taken to the revaluation reserve, £1,199,796 relates to the in year scheme refurbishment of the Trust's Brant Ward, Witham Court, Lincoln.

5.4 Other Gains / (Losses)

	2019/20 £000	2018/19 £000
Gain on disposal of assets held for sale	-	247
Loss on disposal of property, plant and equipment	-	(7)
Total Gain on disposal of assets	**-**	**240**

There were no asset sales in year. (2018/19: Gains on disposal of assets held for sale are in respect of the sale of St Anne's Road, Lincoln.)

(2018/19: Loss on disposal of property, plant and equipment relates to scrapped equipment as a result of an annual review of Trust asset conditions.)

6.1 Intangible Assets

Intangible assets 2019/20

	Total	Software licences / purchased licences	Intangible assets under construction
	£000	£000	£000
Valuation / Gross cost at 1 April 2019 brought forward	**2,166**	**2,166**	**-**
Additions - purchased	104	104	-
Gross cost at 31 March 2020	**2,270**	**2,270**	**-**
Amortisation at 1 April 2019 brought forward	**1,728**	**1,728**	**-**
Provided during the year	162	162	-
Amortisation at 31 March 2020	**1,890**	**1,890**	**-**
Net book value			
NBV - Purchased at 31 March 2020	380	380	-
NBV total at 31 March 2020	**380**	**380**	**-**

Intangible assets 2018/19

	Total	Software licences / purchased licences	Intangible assets under construction
	£000	£000	£000
Valuation / Gross cost at 1 April 2018 brought forward	**1,813**	**1,779**	**34**
Additions - purchased	353	353	-
Reclassification	-	34	(34)
Gross cost at 31 March 2019	**2,166**	**2,166**	**-**
Amortisation at 1 April 2018 brought forward	**1,522**	**1,522**	**-**
Provided during the year	206	206	-
Amortisation at 31 March 2019	**1,728**	**1,728**	**-**
Net book value			
NBV - Purchased at 31 March 2019	438	438	-
NBV total at 31 March 2019	**438**	**438**	**-**

7.1 Property, Plant and Equipment

Property, Plant and Equipment 2019/20	Total	Land	Buildings excluding dwellings	Assets under construction	Plant and machinery	Information technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000
Valuation/Gross cost at 1 April 2019 brought forward	**61,691**	**8,075**	**44,837**	**1,320**	**1,180**	**5,279**	**1,000**
Additions - purchased	**5,189**	-	3,502	672	68	871	76
Impairments	**(2,167)**	(10)	(2,157)	-	-	-	-
Reversal of impairments	**7**	-	7	-	-	-	-
Reclassifications	**-**	-	1,427	(1,312)	(118)	3	-
Revaluations	**(790)**	60	(850)	-	-	-	-
Disposals	**-**	-	-	-	-	-	-
Valuation/Gross cost at 31 March 2020	**63,930**	**8,125**	**46,766**	**680**	**1,130**	**6,153**	**1,076**
Accumulated depreciation at 1 April 2019 brought forward	**4,661**	**-**	**-**	**-**	**663**	**3,289**	**709**
Provided during the year	**2,375**	-	1,484	-	108	704	79
Accumulated depreciation written off following revaluation (impairments)	**(511)**	-	(511)	-	-	-	-
Accumulated depreciation written off following revaluation (revaluations)	**(1,025)**	-	(1,025)	-	-	-	-
Reclassifications	**-**	-	52	-	(52)	-	-
Accumulated depreciation at 31 March 2020	**5,500**	**-**	**-**	**-**	**719**	**3,993**	**788**
Net book value - 31 March 2020							
Owned	**58,352**	8,125	46,688	680	411	2,160	288
Donated	**78**	-	78	-	-	-	-
NBV total at 31 March 2020	**58,430**	**8,125**	**46,766**	**680**	**411**	**2,160**	**288**

Property, Plant and Equipment 2018/19	Total	Land	Buildings excluding dwellings	Assets under construction	Plant and machinery	Information technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000
Valuation/Gross cost at 1 April 2018 brought forward	**59,669**	**8,060**	**45,030**	**183**	**1,247**	**4,107**	**1,042**
Additions - purchased	**3,385**	-	711	1,320	105	1,243	6
Impairments	**(1,794)**	-	(1,794)	-	-	-	-
Reversal of impairments	**(35)**	-	(35)	-	-	-	-
Reclassifications	**-**	-	57	(144)	-	87	-
Revaluations	**883**	15	868	-	-	-	-
Reclassifications to Assets Held for Sale	**-**	-	-	-	-	-	-
Disposals	**(417)**	-	-	(39)	(172)	(158)	(48)
Valuation/Gross cost at 31 March 2019	**61,691**	**8,075**	**44,837**	**1,320**	**1,180**	**5,279**	**1,000**
Accumulated depreciation at 1 April 2018 brought forward	**4,292**	**-**	**-**	**-**	**709**	**2,915**	**668**
Provided during the year	**2,167**	-	1,427	-	127	532	81
Accumulated depreciation written off following revaluation (impairments)	**(200)**	-	(200)	-	-	-	-
Accumulated depreciation written off following revaluation (revaluations)	**(1,227)**	-	(1,227)	-	-	-	-
Disposals	**(371)**	-	-	-	(173)	(158)	(40)
Accumulated depreciation at 31 March 2019	**4,661**	-	-	-	**663**	**3,289**	**709**
Net book value - 31 March 2019							
Owned	**56,952**	8,075	44,758	1,320	517	1,990	292
Donated	**79**	-	79	-	-	-	-
NBV total at 31 March 2019	**57,031**	**8,075**	**44,837**	**1,320**	**517**	**1,990**	**292**

7.2 Economic lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset.
The range of useful lives is shown in the table below;

	Min Life Years	Max Life Years
Land	0	0
Buildings excluding dwellings	5	54
Plant & Machinery	4	10
Information Technology	2	4
Furniture & Fittings	5	7

7.3 Property plant and equipment valuation

A Modern Equivalent Asset (MEA) valuation in the form of an annual impairment review was applied to the Trust's property base as at 31 March 2020. This resulted in an overall decrease in property values of £1,591,490. This comprised of net impairments of £1,826,490 of which £612,200 were expensed to income and expenditure and £1,214,290 were taken to the revaluation reserve as seen in note 5.3. Revaluation gains of £235,000 were taken to the revaluation reserve, resulting in a net downward revaluation reserve movement of £979,290. The valuation was performed by Mr Robert Mapletoft, MRICS BSc (Hons) Urban Estate Surveying NDEA of the District Valuation Services (DVS) on the 26th March 2020.

7.4 Net book value of assets held under finance leases and hire purchase contracts at the balance sheet date.

The Trust held no assets under finance lease or hire purchase contracts for 2019/20 (2018/19: £Nil).

7.5 NBV of property, plant and equipment and assets held for sale in the revaluation reserve

NBV of property, plant and equipment and assets held for sale in the revaluation reserve as at 31 March 2020

	Total	Land	Buildings excluding dwellings
	£000	£000	£000
Net book value			
As at 1 April 2019 brought forward	**20,408**	5,515	14,893
Movement in year	**(1,479)**	50	(1,529)
Total at 31 March 2020	**18,929**	**5,565**	**13,364**

NBV of property, plant and equipment and assets held for sale in the revaluation reserve as at 31 March 2019

	Total	Land	Buildings excluding dwellings
	£000	£000	£000
Net book value			
As at 1 April 2018 brought forward	**19,053**	5,673	13,380
Movement in year	**1,355**	(158)	1,513
Total at 31 March 2019	**20,408**	**5,515**	**14,893**

8.1. Non-current assets for sale and assets in disposal groups

Non-current assets for sale and assets in disposal groups 2019/20

	Total	Land	Property, Plant and Equipment
	£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April 2019 brought forward	**1,177**	1,177	-
Impairment of non-current asset held for sale	**(177)**	(177)	-
NBV of non-current assets for sale and assets in disposal groups at 31 March 2020	**1,000**	**1,000**	**-**

Assets held for sale comprise the Norton Lea site at Boston. Norton Lea remains an asset held for disposal for a few consecutive years, hence its write down in 2019/20 to reflect a more realistic reduced market price.

Non-current assets for sale and assets in disposal groups 2018/19

	Total	Land	Property, Plant and Equipment
	£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April 2018 brought forward	1,683	1,423	260
Less assets sold in year	(506)	(246)	(260)
NBV of non-current assets for sale and assets in disposal groups at 31 March 2019	**1,177**	**1,177**	**-**

9.1 Trade and other receivables

Amounts falling due within one year: Current	31 March 2020 £000	31 March 2019 £000
Contract receivables invoiced*	5,124	3,202
Contract receivables not yet invoiced / non-invoiced	4,449	6,964
Allowance for impaired contract receivables	(1)	(1)
Prepayments	899	731
PDC dividend receivable	113	48
VAT receivable	93	-
Total Current Trade and Other Receivables	**10,677**	**10,944**
Of which receivables from NHS and Department of Health and Social Care group bodies:	5,623	5,994
Of which receivables from other bodies:	5,054	4,950
Non-Current		
Prepayments	31	61
Clinician pension tax provision reimbursement funding from NHSE*	137	-
Total Non Current Trade and Other Receivables	**168**	**61**
Of which receivables from NHS and Department of Health and Social Care group bodies:	137	-
Of which receivables from other bodies:	31	61

* The Trust has accounted for a receivable of £137,145 due from NHS England in respect of clinician's pension tax. Clinician's that have exceeded their annual pension allowance as a result of work undertaken during the year are able to have any related tax charge paid by NHS Pension Scheme if they have opted to. The Trust is contractually bound to pay this corresponding amount to the clinician on their retirement to ensure that they are fully compensated for any deduction from their income from NHS Pension Scheme on retirement. NHS England and the Government are committed to fund any payments to clinicians as and when they arise, this is shown in non current receivables above. A corresponding provision relating to the Trust's payment to clinicians is included in the provisions note of these accounts.

9.2 Allowances for credit losses

	31 March 2020		31 March 2019	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April - brought forward	1	-	-	152
Impact implementing IFRS 9 (and IFRS 15)	-	-	152	(152)
Reversals of allowances	-	-	(151)	-
Allowances as at 31 March	**1**	**-**	**1**	**-**

Following the implementation of IFRS 9, the Trust is required to provide for expected credit losses. The Trust uses a five step provision matrix to calculate this. This involves grouping receivables of similar risk profiles and calculating the expected credit losses based on historical loss rates for these risk profiles. Any forward-looking macro-economic factors are also considered when calculating these losses. These are calculated on a quarterly basis. The current credit loss allowance at the year end is £1,000 which is considered to be immaterial. There are currently no macro-economic factors affecting these calculations.

9.3 Analysis of impaired receivables

	31 March 2020 £000	31 March 2019 £000
Ageing of impaired receivables		
Over 180 days	1	1
Total	**1**	**1**

Impaired receivables over six months is £1,000 which was created by a new impairment model based on expected credit losses per IFRS 9.

9.4 Other assets

The Trust did not hold any other assets during 2019/20 (2018/19: Nil).

10.1 Trade and other payables	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	8,371	2,374
Capital payables	787	1,479
Accruals	3,207	3,863
Social security costs	998	914
Other taxes payable	698	663
Other payables*	2,012	1,914
Total Current Trade and Other Payables	**16,073**	**11,207**
Of which payables to NHS and Department of Health and Social Care group bodies:	6,236	1,580
Of which payables to other bodies:	9,837	9,627

There are no non current trade and other payables as at 31st March 2020 (2018/19: Nil).

*There are no early retirements in other payables (2018/19: Nil).

11 .1 Other liabilities	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	1,406	1,378
Total Other Current Liabilities	**1,406**	**1,378**

There are no non current other liabilities as at 31st March 2020 (2018/19: Nil).

11.2 Other financial liabilities

There are no other financial liabilities as at 31st March 2020 (2018/19: Nil).

11.3 Borrowings	31 March 2020 £000	31 March 2019 £000
Current		
Capital loans from Department of Health and Social Care	663	669
Total Other Current Borrowings	**663**	**669**
Non Current		
Capital loans from Department of Health and Social Care	-	662
Total Other Non Current Borrowings	**-**	**662**

A loan of £6 million was drawn down by the Trust during the 2011/12 financial year. This was provided by the Foundation Trust Financing Facility (Department of Health and Social Care) and utilised on the development of a new rehabilitation centre (Discovery House) which entered into operation in 2011/12.

Repayments of principal and interest are made bi-annually by the Trust with the final repayment due in March 2021. The rate of interest is fixed at 3.31%.

11.4 Reconciliation of liabilities arising from financing activities - 2019/20	Loans from DHSC £000	Total £000
Carrying value at 1 April 2019	**1,332**	**1,332**
Cash movements:		
Financing cashflows - payments and receipts of principal	(667)	(667)
Financing cashflows - payments of interest	(39)	(39)
Non-cash movements:		
Interest charge arising in year	38	38
Carrying value at 31 March 2020	**663**	**663**

11.5 Reconciliation of liabilities arising from financing activities - 2018/19	Loans from DHSC £000	Total £000
Carrying value at 1 April 2018	**1,997**	**1,997**
Cash movements:		
Financing cashflows - payments and receipts of principal	(667)	(667)
Financing cashflows - payments of interest	(61)	(61)
Non-cash movements:		
Impact of implementing IFRS 9 on 1 April 2018	3	3
Interest charge arising in year	60	60
Carrying value at 31 March 2019	**1,332**	**1,332**

12.1 Provisions for liabilities and charges

	Current		Non Current	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Pensions - Early departure costs	42	47	258	309
Pensions - Injury benefit	49	48	621	609
Legal claims	79	67	-	-
Redundancy	-	-	67	-
Clinician pension tax reimbursement	-	-	137	-
Other	-	-	147	148
Total	**170**	**162**	**1,230**	**1,066**

	Total	Pensions -early departure costs	Pensions: injury benefits	Legal claims	Redundancy	Clinician pension tax reimbursement	Other
	£000	£000	£'000	£000	£000	£000	£000
At 1 April 2019	**1,228**	356	657	67	-	-	148
Change in the discount rate	**54**	10	44	-	-	-	-
Arising during the year	**367**	8	16	60	146	137	-
Utilised during the year - accruals	**(186)**	(42)	(49)	(14)	(79)	-	(2)
Reverse unused	**(66)**	(33)	-	(33)	-	-	-
Unwinding of discount rate	**3**	1	2	-	-	-	-
At 31 March 2020	**1,400**	**300**	**670**	**80**	**67**	**137**	**146**
Expected timing of cash flows:							
- not later than one year;	**171**	42	49	80	-	-	-
- later than one year and not later than five years;	**647**	166	198	-	-	137	146
- later than five years.	**582**	92	423	-	67	-	-
TOTAL	**1,400**	**300**	**670**	**80**	**67**	**137**	**146**

Pensions - early departure costs relating to staff refers to early retirements previously agreed, for which the amount and timing of the provision is reasonably certain. The Trust makes payment to NHS Pensions quarterly and the provision is calculated to cover the life expectancy of each claimant.

Pensions - injury benefits include provisions for payments made for injury benefit claims awarded against the Trust, for which the timing of the provision is reasonably certain. The Trust makes payment to NHS Business Services Authority quarterly and the provision is calculated to cover the life expectancy of each claimant.

Legal claims are based on the excess payments required for current legal claims that are provided by NHS Resolution. These claims are expected to be settled in the 12 months following 31st March 2020, for which the amount and timing of the provision is reasonably certain.

Clinician pension tax reimbursement The Trust has accounted for a provision of £137,145 in respect of clinician's pension tax. Clinician's that have exceeded their annual pension allowance as a result of work undertaken during the year are able to have any related tax charge paid by NHS Pension Scheme if they have opted to. The Trust is contractually bound to pay this corresponding amount to the clinician on their retirement to ensure that they are fully compensated for any deduction from their income from NHS Pension Scheme on retirement. This is shown in non current provisions and the amount and timing is reasonably certain.

Other provisions is a provision for backdated VAT relating to locums working through direct engagement. The amount and timing of this is reasonably certain.

12.2 Clinical negligence liabilities

The amount included in provisions of NHS Resolution as at the 31st March 2020 in respect of clinical negligence liabilities of Lincolnshire Partnership NHS Foundation Trust is £11,976,097 (31st March 2019: £13,006,504).

12.3 Contingent Assets/(Liabilities)

There were no contingent assets or liabilities during 2019/20 (2018/19: Nil).

13.1 Revaluation Reserve	Total Revaluation Reserve £000	Property, Plant and Equipment £000	Assets Held for Sale £000
Revaluation reserve at 1 April 2019 brought forward	**20,408**	19,660	748
Net impairments	**(1,214)**	(1,214)	-
Revaluations	**235**	235	-
Transfer of the excess of current cost depreciation over historical cost depreciation to the income and expenditure reserve	**(500)**	(500)	-
Revaluation reserve at 31 March 2020	**18,929**	**18,181**	**748**
Revaluation reserve at 1 April 2018 brought forward	**19,053**	18,092	961
Net impairments	**(76)**	(76)	-
Revaluations	**2,110**	2,110	-
Transfers to other reserves	**-**	(30)	30
Asset disposals	**(243)**	-	(243)
Transfer of the excess of current cost depreciation over historical cost depreciation to the income and expenditure reserve	**(436)**	(436)	-
Revaluation reserve at 31 March 2019	**20,408**	**19,660**	**748**

14.1 Cash and Cash Equivalents	31 March 2020 £000	31 March 2019 £000
At 1 April brought forward	15,307	11,795
Net change in year	4,148	3,512
At 31 March	**19,455**	**15,307**
Broken down into:		
Cash at commercial banks and in hand	20	23
Cash with the Government Banking Service	19,435	8,284
Deposits with the National Loans Fund	-	7,000
Cash and cash equivalents as in SoFP and SoCF	**19,455**	**15,307**

14.2 Third Party Assets Held	31 March 2020 £000	31 March 2019 £000
Bank balances	59	62

The third party assets relate to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

15.1 Contractual Capital Commitments	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment (including IM&T)	477	2,482
Total as at 31 March	**477**	**2,482**

Contractual capital commitments at the 31st March 2020 relate largely to the Trust's Beyond Places of Safety scheme at the Peter Hodgkinson Centre, Lincoln and schemes delayed as a result of the Coronavirus Covid-19 outbreak. Further commitments relate to goods which have been ordered but were receipted after the year end. (2018/19: the removal of bays at Brant Ward, Witham Court, Lincoln and the reorganisation of Carholme Court, Lincoln).

15.2 Other Financial Commitments

The Trust is not committed to making any payments under non-cancellable contracts for the year ended 31st March 2020 (2018/19: Nil).

16.1 Non-Adjusting Events After The Reporting Period

There are no non-adjusting events in the reporting period for 2019/20 (2018/19: Nil).

17.1 Related Party Transactions

Lincolnshire Partnership NHS Foundation Trust is a public benefit corporation which was established under granting of authority by Monitor. Foundation Trusts are now regulated by NHS Improvement who have licenced Lincolnshire Partnership NHS Foundation Trust to operate as a Foundation Trust.

Details of personal compensation, where applicable, for key management personnel can be seen in the Remuneration Report accompanying these Financial Statements.

During the year Lincolnshire Partnership NHS Foundation Trust had a number of material transactions with the Department of Health and Social Care or with other entities for which the Department is regarded as the ultimate parent and controlling party.

The Trust has opted to apply the exemption under paragraph 25 of IFRS 24 in respect of disclosure requirements for Government-related entities. The following list details the main public entities that the Trust has had material transactions with (over £10 million) during the year ranked by amount (highest first):
Lincolnshire County Council
NHS Lincolnshire West Clinical Commissioning Group
NHS Lincolnshire East Clinical Commissioning Group
NHS Lincolnshire South West Clinical Commissioning Group
HM Revenue & Customs

	Revenue £000	Expenditure £000
Value of transactions with other related parties in 2019/20:		
Other bodies or persons outside of the whole of government accounting boundary	-	75
	-	**75**
Value of transactions with other related parties in 2018/19:		
Other bodies or persons outside of the whole of government accounting boundary	105	245
	105	**245**

17.2 Related Party Balances	Receivables £000	Payables £000
Value of balances with other related parties at 31 March 2020:		
Other bodies or persons outside of the whole of government accounting boundary	-	8
Total balances with related parties at 31 March 2020	**-**	**8**
Value of balances with related parties written off in year*	-	-
Value of balances with other related parties at 31 March 2019:		
Other bodies or persons outside of the whole of government accounting boundary	8	-
Total balances with related parties at 31 March 2019	**8**	**-**
Value of balances with related parties written off in year*	(135)	-

* There were no related party balances written off in year. (2018/19: the Trust wrote off the outstanding receivable balance of £135,276 with its previous joint venture, Universal Health Limited).

Charitable Trust funds are held and managed by Lincolnshire Community Healthcare Services NHS Trust. Audited accounts of the funds held on Trust can be obtained on request from October 2020, where they will also be published on the Charity Commission website.
In respect of these funds, draft figures relating to relating to Lincolnshire Partnership NHS Foundation Trust have been received. Expenditure of £7,000 (2018/19: £9,000) has been incurred and income received into the funds of £12,000 (2018/19: £9,000). The fund balance at 31st March 2020 was £50,000 (2018/19: £45,000).

18.1 Carrying value and fair value of financial assets - 31 March 2020	Total £000	Loans and receivables £000
Assets as per SoFP		
Trade and other receivables excluding non financial assets - with NHS and Department of Health and Social Care bodies at amortised cost	**5,503**	5,503
Trade and other receivables excluding non financial assets - with other bodies at amortised cost	**4,069**	4,069
Cash and cash equivalents (at bank and in hand (at 31 March 2020)) at amortised cost	**19,455**	19,455
Total at 31 March 2020	**29,027**	**29,027**

18.2 Carrying value and fair value of financial assets - 31 March 2019		
Assets as per SoFP		
Trade and other receivables excluding non financial assets - with NHS and Department of Health and Social Care bodies at amortised cost	**5,920**	5,920
Trade and other receivables excluding non financial assets - with other bodies at amortised cost	**4,244**	4,244
Cash and cash equivalents (at bank and in hand (at 31 March 2019)) at amortised cost	**15,307**	15,307
Total at 31 March 2019	**25,471**	**25,471**

The majority of the Trust's financial assets relate either to cash or to money due from other NHS organisations. Other NHS organisations are extremely unlikely to default on payments, and the Trust would only invest its cash deposits within a strict investment policy. There are no transactions involving hedging, foreign currency or other investments prone to market fluctuations. There is therefore no material exposure to credit, market or liquidity risks. The only identified potential credit risk is with regard to the ageing of impaired receivables.

18.3 Carrying value and fair value of financial liabilities - 31 March 2020	Total £000	Other financial liabilities £000
Liabilities as per SoFP		
Department of Health and Social Care loans at amortised cost	**663**	663
Trade and other payables excluding non financial liabilities - with NHS and Department of Health and Social Care bodies at amortised cost	**6,236**	6,236
Trade and other payables excluding non financial liabilities - with other bodies at amortised cost	**8,141**	8,141
IAS 37 provisions which are financial liabilities	**67**	67
Total at 31 March 2020	**15,107**	**15,107**

18.4 Carrying value and fair value of financial liabilities - 31 March 2019		
Liabilities as per SoFP		
Department of Health and Social Care loans at amortised cost	**1,332**	1,332
Trade and other payables excluding non financial liabilities - with NHS and Department of Health and Social Care bodies at amortised cost	**1,580**	1,580
Trade and other payables excluding non financial liabilities - with other bodies at amortised cost	**8,049**	8,049
Total at 31 March 2019	**10,961**	**10,961**

The Trust's financial liabilities are generally of a short-term and uncomplicated nature which are not particularly influenced by external factors. The Trust updates a long term financial plan every year, which includes a detailed cash flow forecast, and has no reason to assume that it will be unable to pay its suppliers, employees and finance costs. There are therefore no material liquidity risks.

18.5 Maturity of financial liabilities	31 March 2020 £000	31 March 2019 £000
In one year or less	15,107	10,298
In more than one year but not more than two years	-	663
Total at 31 March	**15,107**	**10,961**

19.1 Losses and Special Payments	31 March 2020		31 March 2019	
	Number of cases	£000	Number of cases	£000
Losses				
Cash losses	3	2	7	29
Fruitless payments and constructive losses	13	78	5	299
Bad debts and claims abandoned	0	0	1	2
Total Losses at 31 March	16	80	13	330
Special Payments				
Ex-gratia payments	6	1	16	15
Total Special Payments at 31 March	6	1	16	15
Total Losses and Special Payments at 31 March	**22**	**81**	**29**	**345**
Recovered Losses				
Compensation payments received	**2**	**145**	**1**	**1,258**

The amounts above are reported on an accruals basis and exclude any provision for future losses. The Trust has recovered £144,959 of losses during the year. £59,130 was in respect of construction delay compensation at the Trust's Brant Ward, Witham Court, Lincoln and £85,829 relates to the recovery of a prior year fraud (2018/19: £1,258,400 re prior year fraud).

19.2 Gifts

The Trust has made no gifts during the year to 31st March 2020 (2019/20: Nil).

20.1 Post Balance Sheet Events

There are no post balance sheet events for 2019/20 (2018/19: Nil).

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