Essex Partnership University
NHS Foundation Trust

ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

ANNUAL REPORT AND ACCOUNTS 2020-21

#WeAreEPUT – Putting safety first and always

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

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PERFORMANCE REPORT

PERFORMANCE HIGHLIGHTS

During 2020/21, Essex Partnership University NHS Foundation Trust, (EPUT):

Cared for more than **2,500 patients** with COVID-19 across our inpatient and community services

Administered **a quarter of a million doses** of the COVID-19 Oxford/AstraZenaca vaccine to the most vulnerable in our community

Opened **14 large COVID-19 vaccination centres** across Essex and Suffolk and recruited **3,800 staff** and **3,000 volunteers** to support the vaccination programme

Launched a **long COVID service** in West Essex – in the first two months it saw **more than 200 patients**

Started a **new 24 hour mental health phone line** for adults offering immediate and specialist support

Treated **more than 8,000 patients** in our South East Essex IAPT service

Distributed nearly **13 million** items of personal protection equipment (PPE), through **more than 5,000** deliveries by our drivers

Began using **new IT software** to enable us to hold virtual appointments with patients and now carry out around **13,000 video contacts** with our patients each week

Deployed **a thousand laptops** in the first six weeks of our COVID-19 response as well as printers, shredders, scanners and other office equipment to enable colleagues to **work from home**

Installed **ground-breaking technology** on eight mental health wards to monitor **patient safety and wellbeing**

Carried out almost **50,000 rapid COVID-19 staff tests** as part of our asymptomatic testing to protect ourselves and others

Was formally recognised as a **Veteran Aware Trust** – highlighting our care for veterans

FOREWORD BY THE CHAIR AND CHIEF EXECUTIVE

This has been a year like no other – a shocking year for the NHS which will be etched on everyone's memories for many years. Our thoughts and sympathies are with everyone who has suffered and continues to suffer from the impact of the COVID-19 pandemic – especially those who have lost loved ones.

On behalf of the Trust, we extend our deepest thanks to our outstanding and dedicated staff who have worked tirelessly and with incredible resolve to care for our patients and service users over the last 12 months.

The pressure on colleagues has been unrelenting in often distressing and rapidly changing conditions, but the response of EPUT staff has been to adapt and transform our services at pace.

Faced with a first and second wave, colleagues across the organisation have been redeployed, and services relocated, adapted and enhanced. Our community teams have supported faster discharge from hospital while enabling more patients to have rehabilitation and therapy in their own homes.

Throughout the pandemic we are proud to say that virtually all of our services continued, with the introduction of new technology enabling video consultations for patients where appropriate. Over the 12 months, five per cent of our patient contacts moved to virtual consultations – we now have around 13,000 video contacts with our patients every week. This is testimony to the enormous effort of our clinical, IT and admin staff who supported the organisation's transition to remote working.

We have also been privileged to play a key role in the biggest vaccination programme in the history of the NHS – and to play our part in offering hope and protection to our community.

In little more than 12 weeks, we opened 14 large vaccination centres across Essex and Suffolk – recruiting an additional 3,800 staff and 3,000 volunteers to support the historic programme. Thank you to all the teams across the trust who pulled out all the stops to make this happen.

Our COVID-19 effort would also not have been possible without our partnership working with other organisations across the three health and care systems we operate in.

We would like to thank all the teams who have come together across the NHS, local authorities and the third sector. It has been a truly collaborative effort.

Staff support and our staff survey

We are acutely aware of the enormous strain the pandemic has placed on colleagues who've gone the extra mile to care for patients during this unprecedented time.

The Trust has sought to provide additional measures to support colleague's wellbeing and resilience through this time. These have included psychological support, wobble rooms, (funded from NHS Charities Together grants), and Here for You, a new support service launched jointly with Hertfordshire Partnership University NHS Foundation Trust for all those who work in healthcare, social care and the third sector across Essex and Herts.

In the 2020 NHS Staff Survey, EPUT was placed in the top 10 most improved mental health trusts for whether colleagues would recommend our organisation as a place to work, which reflects the Trust's commitment to supporting staff. In six of the ten key areas in the survey, our scores were significantly higher than last year including quality of care, wellbeing, morale and safety culture.

The leadership believe that a supported, well-motivated workforce is critical to delivering improvements in care and continue to place a lot of emphasis on listening to colleagues. We know there is more work to done and are making further improvements

to address concerns on equality and diversity and bullying and harassment. We will act on feedback from staff to continue making improvements so that EPUT becomes an even better organisation to be part of.

Safety

Throughout the year, our absolute priority has been to improve safety. We are committed to providing the best and safest care possible for our patients. Since EPUT was established, we have been continuously improving safety on our mental health wards, but we recognise there is more to be done.

With new leadership in the second part of the year, we have strengthened our focus further, launching a three-year safety strategy Safety first, safety always. This was developed with internal and external stakeholders and sets out our ambition to consistently place patient safety at the heart of everything we do. It also outlines our commitment to learning including from families and carers and from the best nationally and globally, to continually improve patient outcomes. In the future, we hope to be recognised as one of the leading trusts nationally for safety.

Other measures this year have included the establishment of a new safety executive committee, embarking on work with a quality improvement partner and the introduction of ground-breaking technology on eight mental health wards to monitor patient safety and wellbeing. Oxevision uses secure optical sensors to help remotely monitor patients' pulse and breathing rates, and alerts staff if they display activity or behaviour that may present a risk to their safety.
This year we have also been at the forefront of supporting the NHS to further improve patient safety preparing to be an early adopter of the Patient Safety Incident Response Framework. This has been a great opportunity to approach our learning and prevention of patient safety incidents differently. Informed by feedback and drawing on good practice from healthcare and other sectors, it supports a systematic, compassionate and proficient response to patient safety incidents anchored in the principles of openness, fair accountability, learning and continuous improvement.

CQC inspection

We strive to continually improve across the organisation and increase our CQC rating. At our last full inspection in 2019 we were given an overall rating of 'good'. The Board is committed to improving all our services to be rated as 'good' overall for safety.

The CQC carried out an inspection in October and November 2020. In response to this, we took immediate action to remedy safety concerns raised by the CQC, which included making physical changes to the ward environment, ensuring staff follow procedures correctly, and providing leadership support.

Health and Safety Executive

Over a number of years since the formation of EPUT, the Trust has been working with regulators and prosecutors to address shortcomings in patient care revealed in one of our forerunner Trusts. In 2020 -2021, as successor to the former Trust, EPUT, entered a guilty plea to one charge brought by the Health and Safety Executive relating to those shortcomings. The Trust extends its apologies and condolences to everyone touched by those tragic events.

In June 2021, the Chelmsford Crown Court imposed a £1.5 m fine on EPUT in relation to those past failings. EPUT has an absolute priority to improve safety, which is mentioned in greater detail earlier in this foreword, and the responsibility is now with us to learn from this outcome and to continue to push forward with our commitment to provide the best and safest care possible to our patients.

Partnership working

A key organisation priority is to build on our good relationships with our health and care system partners.

Over the year we have been working closely with North East London NHS Foundation Trust (NELFT) and Provide Community Interest Company CIC. In March we signed an agreement to solidify the closer working relationship between our three organisations. The contractual joint venture provides the foundation for developing an integrated community health service for Mid and South Essex that combines the strengths of all three organisations.

We were awarded a 10-year contract as part of an alliance with delivery partners, East Suffolk and North Essex NHS Foundation Trust (ESNFT), GP Primary Choice and Virgin Care, to deliver integrated community services in North Essex from July 2021. The contract aims to give patients across Colchester and Tendring greater person-centred coordinated care and support in the future.

Together with five other trusts across the East of England region, we are also working to deliver improvements in care for people using specialist mental health services. The provider collaborative serves a population of more than six million people and marks a shift in approach to bring quality, specialist care as close to home as possible.

Leadership

There have been a number of changes to the Board during the year. Firstly, we would like to pass on our sincere thanks to our former Chief Executive, Sally Morris who retired from the Trust in the autumn after three years of

service having put the organisation on a well-established and sound footing with a CQC rating of Good.

We also said goodbye to our Chief Finance Officer Mark Madden who retired after 28 years of working for the NHS and to our Chief Operating Officer and Deputy Chief Executive Andy Brogan who returned to his nursing roots to become Executive Chief Nurse at St Andrew's Healthcare after 11 years of service at EPUT.

We also saw the departure of two Non-Executive Directors, Nigel Turner and Alison Davis. Alison stepped down after being appointed incoming chair of Milton Keynes NHS Foundation Trust. We would like to thank them for their extensive contributions.

In October, we were delighted to welcome Trevor Smith who joined as our new Executive Chief Finance Officer from his previous post as Deputy Chief Executive and Chief Finance Officer at Princess Alexandra Hospital NHS Trust (PAH). In December Alex Green was appointed as Chief Operating Officer; previously she had been Interim Chief Operating Officer at EPUT and the Director of Health and Care delivery for West Essex at EPUT and Essex County Council in 2020. On a personal note, Paul is delighted to have joined the board as Chief Executive, after taking over the reins at the end of October after coming from Cambridge University Hospitals NHS Foundation Trust where he was Chief Finance Officer.

Finally, we would like to again thank our staff for their unwavering support, dedication and professionalism throughout the pandemic – incredible efforts that will not be forgotten.

Professor Sheila Salmon
Chair
Essex Partnership University NHS Foundation Trust

25 June 2021

Paul Scott
Chief Executive
Essex Partnership University NHS Foundation Trust

25 June 2021

PERFORMANCE OVERVIEW

Purpose of Overview

Introduction

Welcome to our annual report for 2020/21. In this section, we give you a brief overview of our organisation including information about our services, our vision, values and our performance.

Our history

Essex Partnership University NHS Foundation Trust (EPUT) was formed on 1 April 2017 following the merger of South Essex Partnership NHS Foundation Trust (SEPT) and North Essex Partnership NHS Foundation Trust (NEP).

Our services

EPUT provides community health, mental health and learning disability services to support more 3.2 million people living across Bedfordshire, Essex and Suffolk.

We are a large employer in the East of England with 5,800 staff on average over the year and utilise further bank workers who support all our services including the Mass Vaccination Programme. Staff work across more than 200 sites and also provide services in people's home and community settings.

Mental health services

We provide a wide range of treatment and support to young people, adults and older people experiencing mental illness both as inpatients and within the community. This includes treatment in hospitals, care homes and secure and specialised settings.

Community health services

We provide support and treatment to both adults and children, providing care in community hospitals, health centres and in our patients' homes. We also now run COVID-19 vaccination centres across Essex and Suffolk.

Learning disability services

We provide both crisis support and inpatient services. Our teams work in partnership with local councils to provide assessment and support for adults.

Social care

We provide personalised support to people with a range of needs, including people with learning disabilities or mental illness, supporting people to live independently.

Our Vision, Values and Strategic Objectives

Our vision and values were co-produced with our staff and people with lived experience of our service.

Our vision is working to improve lives

Our values are open, empowering and compassionate

Our objectives

We have three strategic objectives:

Strategic Objective 1:
To continuously improve service user experience and outcomes through the delivery of high quality, safe, and innovative services.

Strategic Objective 2:
To be a high performing health and care organisation and in the top 25% of community and mental health Foundation Trusts.

Strategic Objective 3:
To be a valued system leader focused on integrated solutions that are shaped by the communities we serve.

Our Vision, Values and Strategic Objectives are illustrated in our infographic below.

Our corporate objectives were revised during the year when it was clear that the COVID-19 pandemic would dominate the Trust's activities.

Corporate objective one: To provide safe and high-quality services during COVID--19 pandemic

Corporate objective two: To support each system in the delivery of all phases of the COVID-19 reset and recovery Plans

Corporate objective three: Deliver our people agenda for 2020/21 with adjustments in line with the COVID--19 response

During 2020/21, the Trust started developing a new five-year strategy including new strategic objectives. These will be accompanied with a new strategic plan for 2021/22.

Our performance

Because we deliver a wide range of services commissioned by different Clinical Commissioning Groups (CCGs) and specialist commissioners, we have a great number and wide variety of mandated, contractual and locally identified key performance indicators (KPIs) that are used to monitor the performance and quality of services delivered.

In this performance section we have provided a summary of 2020/21 performance against the key operational metrics, quality of care metrics and organisational health metrics that NHS Executive / Improvement (NHSE/I) set out in the NHS Oversight Framework.

In our Quality Account for 2020/21, (also to be published in 2021), we provide further details of our performance against a range of mandated and locally agreed quality related performance metrics. However, we have included information of performance against a range of targets to provide an overview of the performance of the Trust in the Performance Analysis section below. Quality innovations that have taken place throughout 2020/21 include the previously mentioned Safety first, safety always initiative, Oxevision and the Patient Safety Incident Response Framework.

Full details of performance against all KPIs were provided to the Finance and Performance Committee each month during 2020/21 and any areas of significant under-achievement were advised to the Board of Directors as 'Inadequate indicators' each month.

Engaging with stakeholders

We are committed to working with all our stakeholders – including our patients and carers, staff, governors, members, commissioners, and partners to deliver the services our local communities need.

An Executive Director and Non-Executive Director head up our work in each of the three of the integrated care systems that we operate in: Mid and South Essex Health and Care Partnership, Hertfordshire and West Essex and Suffolk and North East Essex. This has ensured a strong Trust presence at decision-making ICS meetings, ensuring mental health and community health services remain a high priority in all system-wide considerations. This has also enabled ongoing scrutiny of the equality of service delivery to different groups.

Hearing and acting on feedback from our patients and service users is crucial to us maintaining high quality standards of care delivery. This year we have sought to meet families involved in losing loved ones to learn the lessons from their experiences. We also work with patients and service users co-designing our new services and training our staff.

Principal risks and uncertainties

We define risk as uncertain future events that could influence the achievement of the Trust's aims and objectives. The Trust has a comprehensive Risk Management and Assurance Framework in place which enables informed management decisions in the identification, assessment, treatment and monitoring of risk. The Risk Management and Assurance Framework was subject to full review in July 2020.

During the year 2020/21, the Board agreed corporate objectives to reflect the COVID19 pandemic and potential risks that may have prevented their achievement. The Trust's Executive Directors considered each risk in terms of its potential impact taking into account financial, safety and reputational risk and the likelihood of occurrence during the financial year.

The high and extreme potential risks to achieving the corporate objectives if not achieved provided the basis for the Board Assurance Framework and governance systems. During the period 2020/21, 37 potential significant risks were escalated to the Board Assurance Framework as follows:

- Fire safety systems and processes
- No force first
- Ligature reduction
- Cost improvement programme (2020/21)
- HSE investigation
- Leadership and clinical capacity
- Funded capacity
- EU Exit Trade Deal
- Skills and capacity
- Quality Improvement

- CAMHS PICU and low secure
- Staffing for new services
- Culture of fairness and learning
- Female patients with PD
- Emergency planning
- COVID-19 resource and capacity
- Cost improvement programme
- Financial plan
- Surge planning
- Learning from COVID-19
- CQC
- Young people with complex needs
- Bed occupancy
- Corporate capacity
- EPUT leadership
- Skills resource and capacity
- Mass vaccinations programme
- Mass vaccinations skills and capacity
- Patient safety actions
- Independent Inquiry
- CQC S29A Warning Notice
- CQC fundamental standards
- HSE
- Record keeping
- Inpatient deaths
- Equality and diversity
- Staffing

As at the end of March 2021 17 risks remain open on the Board Assurance Framework.

Going Concern Statement

These accounts have been prepared on a going concern basis, in accordance with the definition as set out in section 4 of the DHSC Group Accounting Manual (GAM) which outlines the interpretation of IAS1 'Presentation of Financial Statements' as "the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents".

The Directors of the Trust have considered whether there are any local or national policy decisions that are likely to affect the continued funding and provision of services by the Trust. The Trust presented its draft financial plan for 2021/22 to the Board of Directors in March 2021. This plan includes the continued provision of services by the Trust. No circumstances were identified causing the Directors to doubt the continued provision of NHS services.

This year the Trust has ended the financial year with a reported deficit of £1,616k. Income from Commissioners was largely based on the simplified block payments system introduced in response to the COVID-19 pandemic, which improved liquidity and cash flow during the year. Additional costs due to the pandemic were supported on an actual cost reimbursement basis for the first half the year and on an advance block payment basis for the second half of the year.

For 2021/22 the current financial funding arrangements will remain in place for the first half of the year, with additional funding to support Mental Health Services / transformation of Community Services post COVID-19.

For the second half of the year the Trust has produced a plan which assumed that the adapted financial regime ends at end of first half of the year as National guidelines for the second half of the year which includes the detail of the financial regime that will operate have still to be agreed and published. The Trust has produced its financial plans based on these assumptions which have been approved by the Trust Board which shows a breakeven with assumed efficiencies of £10.1m.

Our going concern assessment is made up to 30/06/2022. This includes operational plan for 2021/22 and projected cashflow forecast till 30/06/2022.

The Trust has prepared a cash forecast modelled on the above expectations for funding during the going concern period to 30/06/2022. The cash forecast shows sufficient liquidity for the Trust to continue to operate during that period.

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

PERFORMANCE ANALYSIS

Strategic priorities

The Trust's strategic priorities are detailed in the Performance Overview section above.

Our performance

Table 1: *Summary of 2020/21 performance against key quality of care and outcomes metrics, operational metrics and leadership and workforce metrics that NHS Improvement set out in its NHS Oversight Framework (NHS OF)*

CQC RATING OF GOOD OR ABOVE	NHS Oversight Framework Target	Year End Position
CQC rating of Good or above	Good or above	Achieved overall "Good" with Outstanding for Caring Oct 2019
Written Complaint Rate per 100 WTE	No target Set	4.9
Staff FFT recommend the Trust as place to receive treatment	No target set	Suspended over COVID-19
Never Events	No target set	0
There will be 0 Safety Alert breaches	0	0 – ACHIEVED
CQC community mental health patient survey	No target set	EPUT achieved "about the same" in all 11 domains in the 2020 Survey (Published 2021)
Community health scores from Friends and Family Test – % positive (extremely likely or likely to recommend)	No target set	Suspended over COVID-19
Mental health scores from Friends and Family Test – % positive (extremely likely or likely to recommend)	No target set	Suspended over COVID-19
People on Care programme approach (CPA) are followed up within 7 days of discharge from hospital	95%	99.3% – ACHIEVED
Clients in settled accommodation	No target set	69% (LA Target 70%)
Clients in employment	No target set	30.1% (LA Target 7%)
Potential under-reporting of patient safety incidents	No target set	53 (MH benchmark 44.3)
Admissions to adult facilities of patients under 16 years old	No target set	1

OPERATIONAL METRIC	NHS Oversight Framework Target	Year End Position
People with a first episode of psychosis (FEP) begin treatment with a NICE-recommended care package within two weeks of referral	60%	89.3% – ACHIEVED
Data Quality Maturity Index (DQMI) – MHSDS dataset	95%	96.2% – ACHIEVED
Improving Access to Psychological Therapies (IAPT) / talking therapies	50%	CPR 56% – ACHIEVED
a) 50% of people completing treatment who move to recovery		SOS 45% – NOT ACHIEVED
Improving Access to Psychological Therapies (IAPT)/ talking therapies **b) waiting time to begin treatment:** **i) 75% within 6 weeks** **ii) 95% within 18 weeks**	 75% 95%	 ACHIEVED 100% 100%
Continued reduction in Out of Area Bed days (OBDs) to 0 by 2020/21	Year-on-year Reduction	1,311 OBDs – NOT ACHIEVED

LEADERSHIP AND WORKFORCE	NHS Oversight Framework Target	Year End Position
Staff Sickness Rates	No target set	5.6% (Feb 20) (MH benchmark of 6%)
Staff Turnover	No target set	9.1% (Local target based on national benchmarking <12%)
Proportion of Temp Staff	No target set	3.9%
Staff Survey – Harassment, Bullying and Abuse	No target set	All indicators scored outside average
Staff Survey – Team Work	No target set	½ indicators scored below average
Staff Survey – Inclusion	No target set	All indicators scored outside average

In addition to the performance against the NHS Oversight Framework detailed above, the following bullet points summarise our performance against a small number of other targets over 2020/21. Further information on these, and a range of other indicators, is contained within the Trust's Quality Account 2020/21.

- Under the national **safer staffing** guidelines, all Trusts are required to publish information on nursing staffing levels in ward based clinical areas, along with the percentage of shifts filled. The Trust monitors the actual levels of staffing compared to the established levels on a shift by shift basis. In 2020/21, the Trust consistently surpassed its 90% target for four indicators the Trust measures itself against (i.e. day and night shifts for both qualified and non-qualified clinical staff). Not only did the Trust consistently achieve these targets, we witnessed new highs for staffing levels across all four indicators with vast improvements in performance.

- EPUT undertakes monitoring of **delayed transfers of care** for mental health inpatients. There is no set national target for this, therefore the mental health benchmarking average has been used by the Trust to set appropriate targets. In 2020/21, significant improvement has been made across all areas of delayed transfers of care and throughout the year no areas have breached the target set. Improvements continue to be seen and monitoring of any delays are undertaken in weekly and monthly reporting, as well as daily calls for Ward Managers, Discharge Co-ordinators, and Bed Management.

- The Trust measures the **patient environment** of each inpatient ward in the Trust and assigns monthly scores following these audits. In 2020/21, the Trust achieved its target score of 95% for each month that audits were carried out. In addition, no individual area within the Trust fell below this target when audited. Audits were not completed from March to May due to the Coronavirus outbreak.

Equality of Service Delivery

The Trust's Equality, Inclusion and Human Rights Policy influences the decisions we make as a Trust, and is a key part of our overall Equality Strategy (2020-22). The Trust aims to ensure that our services are accessible to everyone, our staff are empowered to build strong and healthy communities and that our staff feel safe, included and have fair access to employment. The delivery of this throughout the Trust is via the Equality Delivery System (EDS) action plan and toolkit, as well as involvement from our Equality Framework Senior leads responsible for Equality, Patient Wellbeing and Staff Wellbeing.

Our bi-monthly Equality and Inclusion Committee reviews and drives these systems, with input from our five Staff Equality Networks and approximately 350 volunteer Staff Engagement / Equality Champions across the Trust. As a sub-committee of the People, Innovation and Transformation Committee, the group steers and reviews and is regularly attended by senior leads for Patient Experience, Compliance, Staff Engagement, Inpatient and Community Services, as well as operational leads and our Network Chairs. This group is also influenced by data from the Friends and Family Test (FFT), Workforce Equality Standards for Race (WRES) and Disability (WDES) as well as feedback from staff, patients and carers.

On March 2021, a two-hour virtual Equality workshop was held, engaging:

- EPUT Staff (including Equality / Staff Engagement Champions and our Staff Equality Networks)

- Local Community Organisations (including local interest groups, community groups and charities)

- Our CCG Account Managers

- Our Public Governors

- Our Patient and Carer outreach lists and volunteers (via the Patient Experience Team)

The EPUT Equality Advisor and the Head of Staff Engagement, gave examples of the changes that had been made, the new projects, Staff and Patient satisfaction scores for this period and our Workforce Disability Equality Standard (WDES) / Workforce Race Equality Standard (WRES) progress.

This session also asked attendees what they would wish to see in 2021/22, encouraging participants to make suggestions based on the needs of their local communities or gaps they may identify in our summary. The EDS2 summary report and delivery plan was provided with every invitation.

In 2019 the Trust implemented two new questions on equality and inclusion on the 'How did we do?" feedback form provided to patients. The results for these questions are reviewed by the Patient Experience Team and any concerns or issues are escalated to the Trust's Equality Advisor. The results of the survey are presented on a quarterly basis to the Equality and Inclusion Sub Committee. The Patient Experience Team have created online dashboards which allow operational staff and some managers at ward and community level to access the Equality and Inclusion question data in real time.

All Patient Ethnicity data is reviewed and shared with senior Leads, and data Quality reports are shared by the

Performance Team to the relevant EPUT committees. In 2021/22 details will be presented and discussed at Data Task & Finish Groups when they are re-instated after the pandemic and will include Gaps in Patient Equality at local/Team level as well as issues such as waiting times, to assess whether particular groups are being disadvantaged.

The Trust is committed to working as part of the system to address inequalities. As part of the system work on reset and recovery post the pandemic Trust has been supporting in the following areas:

- Protecting the most vulnerable from COVID-19, with enhanced analysis and community engagement, to mitigate the risks associated with relevant protected characteristics and social and economic conditions; and better engage those communities who need most support.
- Restoring NHS services inclusively, so that they are used by those in greatest need, guided by new core performance monitoring of service use and outcomes among those from the most deprived neighbourhoods and from Black and Asian communities
- Developing digitally enabled care pathways in ways which increase inclusion.
- Accelerating preventative programmes which proactively engage those at greatest risk of poor health outcomes.
- Strengthening leadership and accountability, with a named executive Board member responsible for tackling inequalities.

Overseas Operations

The Trust did not undertake any overseas operations during the year 2020/21.

Modern Day Slavery

The Trust is committed to ensuring there is no modern slavery or human trafficking in any part of our business and, in so far as possible, to requiring our suppliers to hold a similar ethos. We adhere to the NHS Employment Checks standards which include the right to work and suitable references. Human trafficking and modern slavery guidance is embedded into Trust safeguarding policies. The Trust's full Modern Day Slavery Statement is available on the Trust's website.

Sustainability and Environmental Stewardship

The Trust is committed to be a sustainable organisation and to ensure that it meets its obligations under the 'Net Zero' NHS (2020), the National Adaption Programme (2018) and the 2019/20 NHS Standard Contract.

An updated draft Green Plan, which covers all of our obligations, is in place. COVID-19 and senior management changes have delayed finalising this, but it is anticipated that the plan will be approved by the Executive Team in July 2021.

EPUT's Board level lead for sustainability is Trevor Smith, Executive Chief Finance Officer. Peter Mitchell, Director of Estates and Facilities is the Estates and Facilities lead and is assisted with the implementation of the Plan by Paul Bailey, Sustainable Development Manager.

As part of the NHS public health and social care system, we recognise our duty to contribute towards the new 'Net Zero' targets set in 2020 (reduction in emissions under our control: 80% by 2028-32, net zero by 2040, Indirect emissions have longer targets for reduction).

Staff engagement in the sustainability agenda

The Trust is committed to ensuring that staff, patients, visitors, suppliers and contractors are able to effectively engage with and support our Green Plan.

An environmental awareness training module and test is available in our online training site for staff, and an environmental awareness section has been included in new staff inductions.

Employment practices and supporting the workforce

Details of the actions the Trust takes to support the workforce and ensure their health and wellbeing are detailed in the Staff Report section of this Annual Report.

Resources, Purchasing and Waste

Many high value changes have been made by EPUT mitigating rising energy costs as well as emissions. This year we completed boiler upgrades in the order of £100,000 and have completed a £480,000 LED lighting upgrade project which started in the previous financial year. The impact of these improvements will be evident over the coming year.

Further capital funding is expected to be made available in the Trust's five-year plan to achieve further efficiencies and opportunities for reducing carbon emissions to meet our obligations.

Energy – direct consumption

Carbon emissions associated with energy in our buildings account for approximately 28% of our carbon footprint. In 2020/21 we have calculated 3,343 tonnes CO2e (a 13% improvement on the previous year). From 1st April 2021 all of our electricity will be from renewable sources (alone generating a 2,800 tonnes CO2e saving). It is worth

noting that some estimated projections have been used for the 2020/21 figures below as most recent consumptions and final billing for the year are not available at the time of preparing this report.

Table 2: *Energy – direct consumption (kWh)*

CONSUMPTION	2018/19 EPUT	2019/20 EPUT	2020/21 EPUT
Occupied Floor area (m²)	146,180	141,254	139,913
Total Electricity Consumed (kWh)	7,319,779	7,773,231	5,996,494
Gas consumed (kWh)	16,651,433	17,122,441	14,857,677
Renewable Energy – Electricity (kWh)	4,121,485	6,745,958	4,985,055
Site energy consumed per occupied floor area (kWh/m²)	164	176	149

Table 3: *kg CO²e per m² occupied*

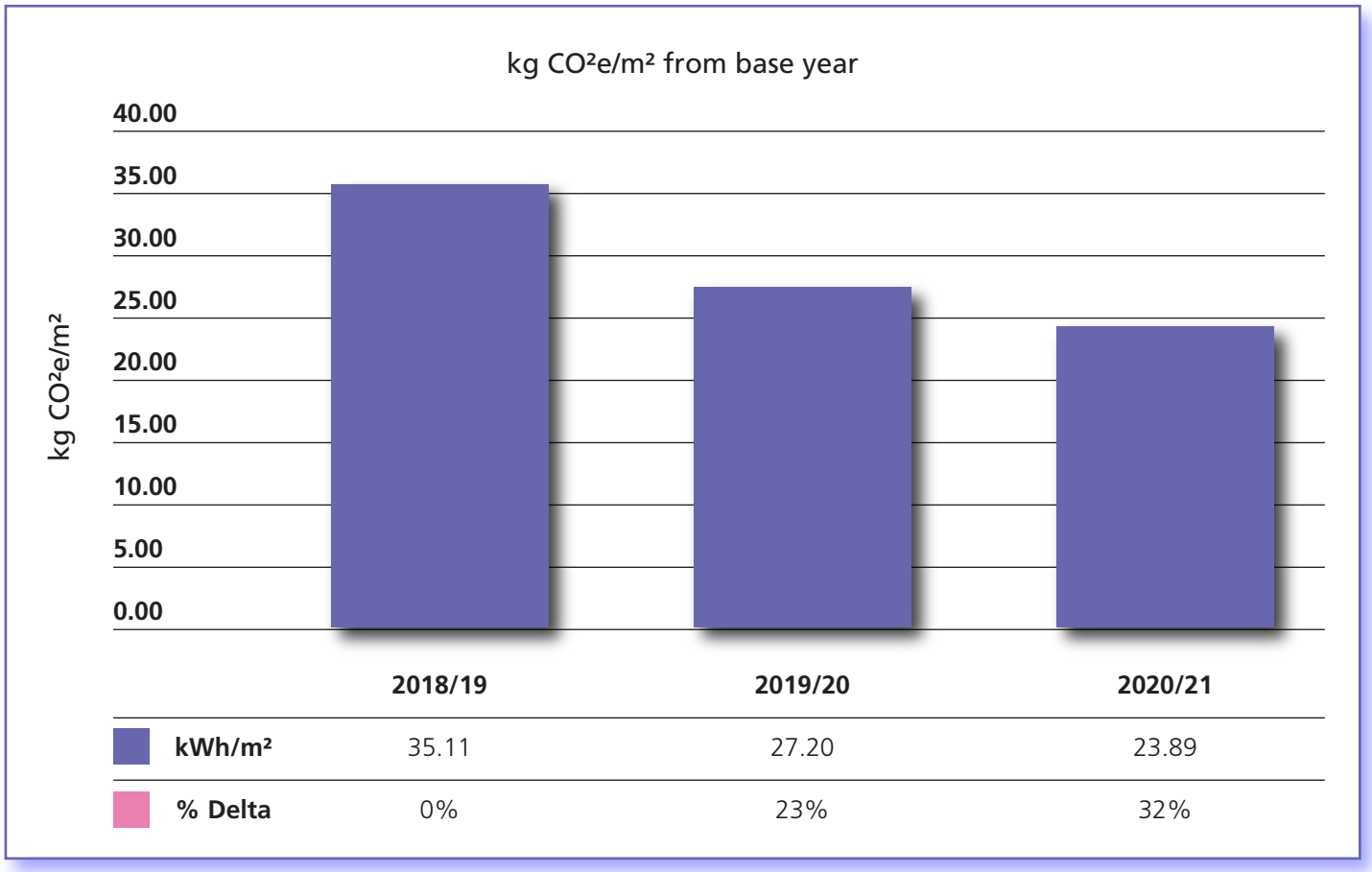
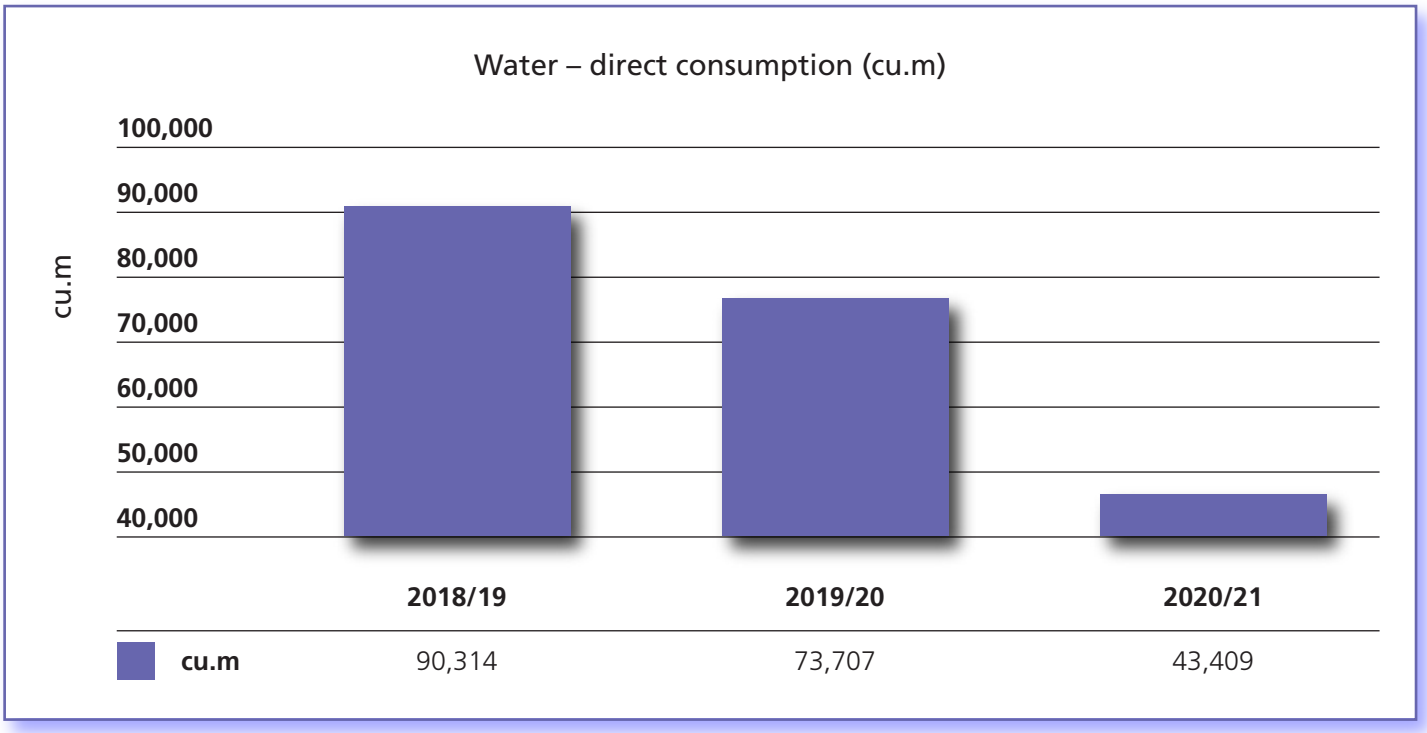


Table 4: *Water – direct consumption*



Water – direct consumption

The large reduction is likely due to enforced reduction in occupation over the year, but it is worth noting that water billing is varied and unreliable due to recent deregulation of the water market, and the recent year's figure contains many estimates and assumptions.

Waste

Efforts to reduce waste and increase recycling continue. Measures are in place to improve this further by the introduction of identified waste bins and training to encourage staff to separate waste at source. A recent review of the primary waste contract encouraged decentralised operations and, where appropriate, the use of more local contractors who naturally use less fuel and improve our Scope 3 carbon footprint. Another contractor initiative encourages them to take away packaging materials. Internally initiatives have been introduced to recycle more waste.

Supply chain impact

The carbon impact from the supply chain is considered in purchasing choices and supplier engagement. We are investigating how to engage with, monitor and report on CO2 from our supply chain using Sustainability Development Unit methodology and carbon factors.

The capital projects team manages a budget dedicated to environmental improvements which are considered for incorporation in every building related project. The team will also favour local over national contractors to reduce third party travel emissions.

Social value

We are looking to explore how we can embed social accounting within the Trust to enable us to demonstrate and measure the impact we make socially on the community we serve.

These indirect elements are covered in the Green Plan.

Travel

We promote and support active travel to reduce unnecessary journeys during the work commute. We publicise the bike purchase scheme annually to encourage a healthier and greener way to commute to our sites, and are exploring Plug in Electric Vehicle (PEV) points to encourage the take up of personal Electric cars for staff and enabling the conversion of the fleet to more sustainable vehicles.

The Trust logs significant mileage associated with its leased and grey travel fleet. In the year 2019/20 we travelled approximately 4,915,065 business miles, producing a carbon footprint of 1,370 tCO2e. We will continue to monitor this and lessons learned from the changes brought about by the pandemic will undoubtedly change the way we work in a more sustainable direction.

Future Proof – Adaption to climate change

Climate change increasingly poses a challenge to both service delivery and infrastructure in the future. It is therefore appropriate that it is considered when planning how we will best serve patients. This is part of a much bigger, multi-agency challenge.

Sustainable care models

The Trust will seek to develop ways to ensure that sustainability and the achievement of sustainable models of care support the reduction of carbon emissions associated with service delivery methods.

Biodiversity and green space

While some of the estate is dispersed and rural or semi-rural, much of it is located in urban areas. It has always been the policy to provide safe green spaces that are maintained within the confines of our premises for their therapeutic value to patients and the health and wellbeing of staff and visitors. The Trust will continue with this policy and will endeavour to introduce more biodiversity into these spaces.

Equal Opportunities

Our current workforce equality objective is:

"For all staff including those who fall into legal protected characteristics and other vulnerable groups will feel safe, included and have fair access to all areas of employment including recruitment, career progression, training and development. They will be supported dependent on their specific equality needs and there will be clear user-friendly monitoring information which shows progress and any areas that may require attention."

Following on from the positive reception in 2019-20, our Equality Advisor was made into a permanent full time position to facilitate and promote Equality, Diversity and Inclusion within the Trust. This has been a year that has brought focus to the way we support our staff, patients and their carers from marginalised and minority groups, and our Equality, Inclusion and Human Rights policy has been updated to ensure that it shows our commitment to providing support that meets a person's personal and cultural needs, taking their protected characteristics into account. Throughout the year, new policies, initiatives and actions were put in place to ensure that we as a Trust make sure that Equality and Inclusion remained a priority within the Trust and to build upon the work already put in place in 2019-2020. This work is directly linked to two of the three Equality Objectives set out by the Trust (2018-22).

1) **We will empower our staff to build strong and healthy communities by being open and compassionate when involving people from all communities and groups.**

2) **We will ensure all staff feel safe, included and have fair access to employment.**

EPUT uses the NHS Jobs online system to ensure that application and shortlisting for a position is done in a way that does not affect or put those from marginalised or minority groups at a disadvantage, with interview panel members given training in unconscious bias and how to conduct interviews fairly. Details such as a person's name or protected characteristics are withheld from the shortlisting panel, allowing this decision to be made solely on the potential and merit of the applicant. In 2020 we also introduced Equality and Inclusion themed interview questions to help us as a Trust recruit those who are allies to marginalised and minority groups and understand the importance of this work.

EPUT has a statutory obligation to report annually on the gender pay gap and is required to publish its gender pay gap data including mean and median gender pay gaps; the mean and median gender bonus gaps; the proportion of men and women who received bonuses; and the proportions of male and female employees in each pay quartile. The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

Amendments to EPUT's Management of Sickness Absence policy were made by the Equality Advisor in collaboration with the EPUT Staff Disability and Mental Health Network and EPUT's Human Resources Team. This has led to the following taking place in 2020:

- Improvements to the way the Sickness and Absence policy supports those with a Disability or long term condition, including more information on managing mental ill health and stress as well as how best to handle and monitor irregular attendance caused by a disability or long term condition.
- The addition of guidance on how Reasonable Adjustments should be put in place where a provision, criterion, function, practice, and/or physical, environmental condition, places a disabled person at a substantial disadvantage when compared with people who are not disabled.
- The introduction of a Reasonable Adjustments Passport, designed to support employees with disabilities or long term conditions when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changing roles within the Trust. This passport comes with guidance leaflets to facilitate these conversations and can also be used to discuss reasonable adjustments for staff carers.

At present approximately 3% of our workforce consider themselves as disabled or living with a long term condition. As a Trust we actively encourage Staff to list any disabilities or long term conditions on our Electronic Staff Record, and are working to make sure that staff feel that being open about their condition will not affect them negatively. We use a range of measures to ensure that people with disabilities are supported and treated fairly both when seeking employment with us – and during their employment with us including:

- Robust recruitment processes that guarantee applicants with disabilities an interview if they meet the minimum criteria;
- Online and offline resources as part of our Equality and Inclusion Hub, including advice for someone joining the Trust with a disability or long term condition and a Staff Disability and Mental Health FAQ.
- Secure job offers before any health information is requested;
- A dedicated disability, Mental health and Long term conditions Staff Equality Network, open to all staff;
- Support from an overall staff engagement / equality champions network that includes other staff with disabilities or long term health conditions;
- Inclusion in all staff engagement initiatives, empowering and involving those with disabilities as well as sharing their lived experience;
- Advice and support from the Staff Engagement / Equality Advisor and Disability and Mental Health Network where required;
- The implementation of Reasonable Adjustments Passports, giving employees a live document to help their managers better understand their needs and encouraging regular updates to ensure these adjustments are still beneficial or in need of review.

Disability Confident

Throughout 2020-21, EPUT has been an official holder of the government's Disability Confident Badge (Level 2), meaning we signed up to and have agreed to take action to meet five commitments regarding the employment, retention, training and career development for disabled employees. The commitments are:

- To interview all disabled applicants who meet the criteria for a job vacancy and consider them on their abilities.
- To ensure there is a mechanism in place to discuss with disabled employees what can be done to make sure they can develop and use their abilities.
- To make every effort when employees become disabled to make sure they stay in employment.
- To raise disability awareness in all staff in order to make these commitments work.
- To review these commitments, communicate what has been achieved and our future plans and develop ways to improve the support we provide for people with disabilities.

Financial Review

Overview

This part of the Performance Report provides a commentary on the financial position of the Trust. The Trust's annual report and accounts cover the period of 1 April 2020 to 31 March 2021, and have been prepared in accordance with directions issued by NHS Improvement under the National Health Service Act 2006. They are also prepared to comply with International Financial Reporting Standards (IFRS) and are designed to give a true and fair view of the Trust's financial activities.

Financial Performance

As a result of the pandemic, the financial planning process for the 2020/21 financial year was suspended by NHSI in late March 2020, and a new financial regime put in place to cover the first six months of the year. This new regime ensured that funds continued to flow to all organisations by the receipt of regular block cash payments, and that any funding shortages were addressed in-year by the receipt of retrospective 'top-up' funding. As a result of this arrangement, the Trust in effect reported a break even position for the first six months of the year.

For the second six months of the year, the Trust was required to submit a detailed financial plan based on the nationally determined levels of income to be received for the remainder of the year and the Trusts expenditure forecasts. This plan identified a £12.5 million shortfall in the income levels that had been assumed, which resulted in the Trust being required to submit a plan with a £12.5 million deficit. The Trust maintained regular communication with NHSI on this matter and during the year, received confirmation that this shortfall would be fully funded.

Against this improved position, the Trust ended the financial year with an overall deficit of £1,616,000. This includes the fine imposed on the Trust as a result of a Health and Safety Executive prosecution on 16th June 2021 in respect of a breach of section 3 of the Health and Safety at Work Act 1974 totaling £1,500,000 and prosecution costs of £86,000. The Trust adjusted for this event after the end of the reporting period.

However, when this position is adjusted to exclude a number of accounting adjustments which the Trust is not monitored against by NHSI, the performance improves slightly to a deficit of £1,586,000. Although no central funding was provided to offset the impact of the fine imposed as a result of the Health and Safety Executive action, the Trusts underlying position net of this, is breakeven.

The tables below provide a summary of the Trust's performance on its Statement of Comprehensive Income and the Statement of Financial Position.

Table 5: *Summary of Statement of Comprehensive Income*

	2020/21 £000s	2019/20 £000s
Total Income	**360,609**	325,388
Operating expenses	**(356,197)**	(312,471)
Finance Costs / Other Gains and Losses	**(6,028)**	(6,992)
Reported Surplus / (Deficit) for the year*	**(1,616)**	5,925

* 2020/21 deficit includes fine imposed by Health and Safety Executive. 2019/20 surplus includes non-recurrent revenue benefits of £6.4 million.

Income from Health Care Activities

The Trust's income received for the purposes of the health service in England totalled £319.6 million in 2020/21, which is greater than the income received from the provision of goods and services for any other purposes of £41 million. This is in line with the requirement of section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

The Trusts income includes £16.2 million in respect of reimbursement for Covid-19 expenditure, £6.3 million to support the cost of the associated vaccination programme and £3 million in respect of an increased annual leave accrual resulting from a higher carry forward of leave due to the pandemic. The Trusts income figure also includes two notional sums of £9.7 million relating to the increase in employers pension contributions from 14.3% to 20.6% which were paid centrally and £3.3 million relating to the value of centrally provided personal protective equipment during the pandemic.

Operating Expenditure

The total operating expenditure of the Trust for 2020/21 was £356.2 million. The largest area of spend relates to staff costs of £266 million.

Total expenditure for the year includes notional expenditure of £9.7 million for the employers pension contributions and £3.3 million for centrally procured personal protective equipment as highlighted above.

Efficiency and Income Generation Initiatives

Against the total efficiency requirement for the year of £11.7 million, the Trust successfully achieved savings of £7.6 million through a combination of both recurrent and non-recurrent measures. On a recurrent basis, the Trust identified savings of £2.2 million.

The efficiency plan requirement for 2021/22 is being developed on a system approach with a focus on key themes including workforce, medicines optimisation, new ways of working, estate rationalisation and contracts. Where possible, the Trust will continue to minimise the impact of generating savings on front line services and maximise savings from corporate and back office functions.

Finance Costs

The Trust is required to pay the Treasury dividends in respect of the Public Dividend Capital held by the Trust. These are usually paid twice a year in September and March, at a rate determined by Treasury (currently 3.5%) on the average relevant net assets of the Trust. Average relevant net assets are based on the opening and closing balances of the Statement of Financial Position, and therefore a debtor or creditor may exist at year end between the Trust and Treasury. For the 2020/21 financial year, the Trust accounted for dividends of £4.1 million, with a debtor balance of £0.4 million.

In addition, the Trust is required to pay finance costs in respect of PFI obligations for the Trust's three PFI-funded locations at Rawreth Court in Rawreth, Clifton Lodge at Westcliff and Brockfield House in Wickford. The Trust also holds loans with the Department of Health which incurred interest costs of £0.2 million.

Local Government Pension Scheme (LGPS)

The Trust is required to obtain an actuarial valuation on the Local Government Pension Scheme (LGPS) on an annual basis, which relates to social workers employed by the Trust under Section 75 agreements. This is based on figures provided by the actuary at Essex Pension Fund, with the figures subsequently verified by the Trust's External Auditors.

The operational cost, finance income and finance costs of the scheme for 2020/21 have been reflected in the Trust's Statement of Comprehensive Income and reduced the Trust's surplus by £51,000. In addition, the Trust is required to account for an actuarial gain of £0.6 million resulting from an increase in the value of scheme assets during the year. The plan is now recording a net defined asset of £0.3m within the Trusts non-current assets. A liability of £0.2m had previously been recorded within non-current liabilities.

Revaluation of Investment Property

In accordance with accounting guidelines, the Trust has opted to undertake an annual revaluation of its investment properties. This has resulted in a net increase in the overall value of the Trusts investment properties of £0.8 million in 2020/21. This increase is reported as part of the Statement of Comprehensive Income.

Impaired Value of Land and Property

The Trust has undertaken an assessment of the value of its land and building assets as at the end of 2020/21, and confirmed that these have not materially changed since the full revaluation of the estate undertaken for the 2018/19 financial year. The Trust has therefore not incurred any impairments on its main land and buildings during the year.

Capital Expenditure

Within non-current assets on the face of the Statement of Financial Position, the Trust held intangible assets, plus property, plant and equipment totaling £213 million as at the end of March 2021.

During the year, the Trust invested £16

Table 6: *Summary of Statement of Financial Position*

	2020/21 £000s	2019/20 £000s
Non-Current Assets	**231,596**	221,330
Current Assets (excluding cash)	**7,356**	19,012
Cash and Cash Equivalents	**94,004**	67,722
Current Liabilities	**(68,038)**	(43,306)
Non-Current Liabilities	**(41,951)**	(48,693)
Total Assets Employed	**222,967**	216,064
Total Taxpayers Equity	**222,967**	216,064

million on items of capital expenditure, of which £7.1 million was funded from Department of Health Public Dividend Capital. The total capital spend for the year included the following:

- £6.5 million on the development of single bedded accommodation at the Basildon Mental Health Unit and Crystal Centre in Chelmsford;
- £3.7 million on IT related projects including ePrescribing;
- £2.9 million on improvements to inpatient areas including Rochford Hospital and The Lakes Mental Health Unit in Colchester;
- £1.1 million on patient safety and CQC related works;
- £1.1 million on backlog maintenance of Trust properties;
- £0.3 million on medical equipment; and
- £0.2 million on carbon reducing lighting schemes.

Investment Property

The Trust holds a number of investment properties within the classification of non-current assets totaling £18.3 million. These properties are leased out to various organisations including other NHS organisations, housing associations and private individuals.

Assets Held for Sale

As at the end of the 2020/21 financial year, the Trust held one asset in preparation for disposal. This relates to number 4 The Glades based in Bedfordshire. This was revalued during the year, and increased in value by £25,000. In line with accounting guidance, this was charged into the Statement of Comprehensive Income as a reversal of a prior years impairment.

Working Capital and Liquidity

The Trust has robust cash management and forecasting arrangements in place, which are further supported by a Finance and Performance Committee. This Committee was chaired by a Non-Executive Director, and included a further Non-Executive Director, the Chief Executive and the Executive Chief Finance Officer.

The Trust invests surplus cash on a day-to-day basis in line with the Operating Cash Management Procedure. However, due to the impact of the pandemic on the economy, interest generated from cash management activities was minimal during the year. Any interest earned is used to help offset the associated costs of banking and cash transit services. The Trust ended the financial year with a strong working capital position of positive £33.3 million.

Policy and Payment of Creditors

The Non NHS Trade Creditor Payment Policy of the NHS is to comply with both the CBI Prompt Payment Code and government accounting rules. The government accounting rules state: "The timing of payment should normally be stated in the contract. Where there is no contractual provision, departments should pay within 30 days of receipt of goods and services or on the presentation of a valid invoice, whichever is the later". As a result of this policy, the Trust ensures that:

- a clear consistent policy of paying bills in accordance with contracts exists and that finance and purchasing divisions are aware of this policy;
- payment terms are agreed at the outset of a contract and are adhered to;

- payment terms are not altered without prior agreement of the supplier;
- suppliers are given clear guidance on payment terms;
- a system exists for dealing quickly with disputes and complaints;
- bills are paid within 30 days unless covered by other agreed payment terms.

The Trust's performance on its creditor payments for the 2020/21 financial year is detailed below:

The Trust's performance on the payment of non-NHS invoices of 89.6% for the year (based on number of invoices) is an increase on the previous financial year of 86.1%. As a result of the ongoing settlement and processing of historic disputed invoices relating to NHS Property Services, performance on the payment of NHS invoices is lower at 53.9% for the year. However, the underlying performance excluding NHS Property Services improves to 77.6% for the year.

During the year, the Trust incurred actual interest charges on the late payment of invoices of £552 compared to £239 in 2019/20. This compares to a potential interest charge on those invoices not paid within the 30 day period of £243,000 (2019/20: £324,000), using an interest rate of 8% plus Bank of England base rate in accordance with the Late Payment of Commercial Debts (Interest) Act 1998.

Taxpayers Equity

As at the end of 2020/21, the Trust holds Public Dividend Capital of £135.9 million, plus reserves relating to income and expenditure surpluses generated over the years, and from asset revaluations arising from the impact of the valuations of the Trusts estate. The total of these represents the level of taxpayers' equity in the Trust.

Accounting Policies

The Trust has detailed accounting policies which comply with the NHS Foundation Trust Annual Reporting Manual. These have been thoroughly reviewed by the Trust and agreed with External Auditors. Details of the policies are shown on pages 119 to 133 of the 2020/21 annual accounts.

Cost Allocation and Charging Requirements

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

NHS Pensions and Directors Remuneration

The accounting policy in relation to employee pension and retirement benefits and the remuneration report is set out on pages 121 to 122.

Charitable Funds

The Trust has a registered charity in the name of Essex Partnership University NHS Foundation Trust Charities (number 1053793) which has resulted from fund raising activities, donations and legacies received over many years. During 2020/21, the Charity was fortunate to have received grants totalling £172,100 from NHS Charities Together.

The Charity consists of a number of restricted funds which are used to purchase equipment and other services in accordance with the purpose for which the funds were raised or donated, as well as unrestricted

Table 7: *Performance on creditor payments 2020/21*

	NHS		Non-NHS	
	Number of invoices	Value £000	Number of invoices	Value £000
Invoices paid within 30 days	1,093	19,056	59,682	140,618
Invoices paid in excess of 30 days	934	18,228	6,930	14,386
Total invoices that were or should have been paid in 30 days	**2,027**	**37,284**	**66,612**	**155,004**
	53.9%	**51.1%**	**89.6%**	**90.7%**

(general purpose) funds which are more widely available for the benefit of patients and staff.

The Trust is extremely grateful for all donations and further details around the charity and how to donate can be found at **www.eput.nhs.uk/get-involved/charitable-funds**.

The Board of Directors act as Corporate Trustee for the Charity and is further supported by the Charitable Funds Committee. The Committee consists of two Non-Executive Directors, (one of which is the Chair), the Executive Chief Finance Officer and Executive Director of Strategy and Transformation. The Audit Committee considered and approved the non-consolidation of the charity accounts into the Trust's main accounts on the grounds of materiality for the 2020/21 financial year, at their meeting in March 2021.

A copy of the charity's Annual Report and Accounts for 2020/21 will be available from January 2022 upon request to the Executive Chief Finance Officer.

Political Donations

The Trust did not make any political donations from its exchequer or charitable funds during 2020/21.

Financial Risk Management

The Trust's financial performance is assessed by NHS Improvement, based on the NHS Oversight Framework. This framework looks at five themes, of which one is the Trust's performance on finance and use of resources.

The Trust has a robust risk management process into which any identified financial risks are included and monitored on a regular basis.

Paul Scott
Chief Executive
Essex Partnership University NHS Foundation Trust

25 June 2021


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ACCOUNTABILITY REPORT

Directors' Report

Introduction

Our Board of Directors provides overall leadership and vision to the Trust. It is ultimately and collectively responsible for the Trust's strategic direction, its day-to-day operations and all aspects of performance, including clinical and service quality, financial and governance. The powers, duties, roles and responsibilities of the Board are set out in the Board's Standing Orders and Scheme of Reservation and Delegation.

The main role of the Board is to:

- provide active leadership of the Trust within a framework of prudent and effective controls which enable risk to be assessed and managed;
- set the Trust's strategic objectives taking into consideration the views of the Council of Governors, ensuring that financial resources and staff are in place for the Trust to meet its objectives and review management performance;
- ensure the quality and safety of healthcare services, education and training delivered by the Trust and to apply the principles and standards of clinical governance set out by the Department of Health, the Care Quality Commission, and other relevant NHS bodies;
- ensure compliance by the Trust with its provider licence, its constitution, mandatory guidance issued by NHS England / Improvement, relevant statutory requirements and contractual obligations; and regularly review the performance of the Trust in these areas against regulatory requirements and approved plans and objectives.

The Board believes that its membership is balanced, complete and appropriate and that no individual group or individuals dominate the Board meetings. The Board has also agreed a clear division of responsibilities between the Chair and Chief Executive which ensures a balance of power and authority.

The Board has a wide range of skills and a significant number of members have a medical, nursing or other health professional background. Non-Executive Directors have wide-ranging expertise and experience with backgrounds in clinical fields (Allied Health Professional, Medical and Nursing), finance, audit, commercial, technology, business and organisational development, commercial, risk and governance, equality and diversity, law and workforce. The Board has demonstrated a clear balance in its membership through extensive debate and development.

Our Board of Directors

Executive Directors

Paul Scott, Chief Executive *(from September 2020)*

Offering vast experience across a range of NHS settings, Paul joined the Trust as CEO in October 2020 from his previous role as Chief Finance Officer at Cambridge University Hospitals NHS Foundation Trust (CUHFT). During his three year tenure at CUHFT, Paul led the system development and integration agenda, chairing the STP Finance Board, whilst providing financial stewardship to one of the largest and progressive NHS providers and internationally renowned teaching and research centres in the world. Prior to this, Paul worked as Executive Director of Finance, Strategy and Performance at Ipswich Hospital NHS Trust, with a remit of leading on long term partnerships as well as information and IT, following senior roles within the East of England Ambulance Service and at Mid Essex Hospital Services NHS Trust.

A long term resident of Essex, Paul is deeply passionate about reducing health inequalities and about community, mental health, and learning disability services, and as a strong champion of system working, is able to bring a wealth of understanding and experience of how these services can interface with the wider health and care landscape.

Currently chairing the Digital Board for the Mid and South Essex ICS Health and Care Partnership, Paul is a qualified Accountant and NHS Leadership Academy graduate with a BA (Hons) in Urban Development, who has maintained a hunger to create environments where innovation is encouraged and valued throughout his executive career.

Sally Morris, Chief Executive *(until September 2020)*

As Chief Executive of SEPT Sally saw through the successful merger between SEPT and NEP – the first Foundation Trust to Foundation Trust merger – and was appointed as the Chief Executive of the EPUT Board of Directors in August 2017 having previously been appointed as the Chief Executive of the Interim Board.

Sally first joined SEPT in 2005 as the Executive Director with operational leadership responsibility for all mental health and learning disability services across South Essex and subsequently Bedfordshire and Luton. During this time, Sally was pivotal in establishing a dedicated contracting function and led subsequent contract acquisitions. She was appointed Chief Executive of SEPT in September 2013, having previously been Deputy Chief Executive with the portfolio for Specialist Services and Contracts; a role which was operationally accountable for forensic, child and adolescent mental health services (CAMHS) and psychological and therapy services across Bedfordshire, Luton and Essex.

Previous roles included being the Director of Finance and Specialist Commissioning for Southend Primary Care Trust, as well as being involved with mental health and learning disability services for a number of years, ranging from consultancy work when in the private sector to Director of Mental Health Commissioning at South Essex Health Authority and lead for mental health at the Essex Strategic Health Authority. With a history of successful partnership working with local authorities, the voluntary sector and other NHS Trusts, Sally has a proven track record of managing major change in complex environments and where key stakeholders have polarised views.

A chartered accountant by profession and a keen sailor in her leisure time, Sally also represented Wales in lacrosse.

Andy Brogan, Executive Chief Operating Officer / Deputy Chief Executive *(until October 2020)*

Andy has a wealth of experience within the NHS initially in direct care. Over the past 20 years he has held a variety of Nursing Director and Governance posts as well as spending time at Care Services Improvement Partnership (CSIP) and the Department of Health. His Executive Director experience has been a mixture of clinical leadership, operational and strategic management and policy development.

Andy first joined SEPT in September 2009 as the Interim Executive Nurse and then to the substantive post of Executive Director Clinical Governance and Executive Nurse in February 2014; and later included the role of Deputy Chief Executive to his responsibilities. He was a key member of the Project Board that managed the successful merger between SEPT and NEP and he provided support to NEP in the role of Director of Operations from January 2017. Andy was appointed as the Executive Director Mental Health and Deputy Chief Executive on the EPUT Board of Directors in August 2017 having previously been appointed to the same role on the Interim Board.

From 1 July 2019, Andy's role became Executive Chief Operating Officer / Deputy Chief Executive in which he is responsible for mental health services (including specialist mental health), community physical health services and learning disability services across the Trust.

In previous posts Andy led the clinical workstream in the merger of two mental health trusts in Cheshire and Wirral. He supported the transfer of a mental health directorate from an acute trust to a mental health trust. At SEPT he supported the Trust in the acquisition of the Bedfordshire and Luton Trust, the transition of Transforming Community Services and the disaggregation of services in Bedfordshire and Luton.

Andy has been heavily involved in national leadership work being a founding member of the Mental Health Nurse Directors Group and participated in national working groups including NICE Expert Reference, as a member of the National Intensive Care Group and, until the end of May 2019, was an Associate National Clinical Director for Mental Health for NHS Improvement. His experience at national level has enabled him to gain valuable insights into development of national policy and how this is translated into operational practice.

Andy's portfolio included:

- Specialist Operational Services
- Mental Health Services
- Physical Care
- Learning Disabilities
- Psychology and Therapy Services
- Carers
- Locality Clinical Administration
- Recovery College
- Community Services
- Children's Services
- Local Section 75s

Alex Green, Executive Chief Operating Officer *(from September 2020)*

Alex Green was appointed as Chief Operating Officer at Essex Partnership University NHS Foundation Trust (EPUT) in December 2020. She brings a wealth of clinical, operational and strategic leadership experience gained across health and social care and was previously the Director of Health and Care delivery for West Essex at EPUT and Essex County Council.

Alex started her career in Essex as an occupational therapy assistant and qualified as an occupational therapist in 2001. Inspired by her experiences as a young carer, Alex is committed to improving the lives of patients, families and carers. She has been a passionate advocate of collaboration and partnerships throughout her career. She has driven a number of integrated care initiatives to improve outcomes for our population. In her previous role, Alex co-chaired the regional ADASS (Association of Director of Adult Social Care) network for carers.

Alex has a wide experience of negotiating and overseeing large and complex contracts, including lead provider Her personal approach to partner relationships, building trust and inclusivity have been widely recognised across the health and care system.

Alex's portfolio of services includes:

- Specialist Operational Services
- Mental Health Services
- Physical Care
- Learning Disabilities
- Psychology and Therapy Services
- Carers
- Locality Clinical Administration
- Recovery College
- Community Services
- Children's Services
- Transformation / PMO (Programme Management Office)

Professor Natalie Hammond, Executive Nurse

Natalie was appointed as Executive Nurse on EPUT's Board of Directors in August 2017 having previously been appointed to the same role on the Interim Board. She has responsibility for the professional leadership of the nursing and allied health professionals workforce ensuring care is delivered with compassion and safely meeting the high quality standards provided to our patients and service users. Natalie has specific responsibility for safety, service user experience and outcomes, and executive responsibility for safeguarding and infection control. She is also the Trust lead for End of Life services.

Natalie has a wealth of experience and has been involved with research in mortality, addictions, service design, reducing restrictive practice and police liaison. She was involved in the development of National Guidance for Reducing Restrictive Practice at the Department of Health; and Independent Police Commission Mental Health Deaths in Custody. Natalie holds a National role as the appointed Chair of the Mental Health and Learning Disabilities Nurse Directors Forum.

Natalie was previously a Consultant Nurse for the Promotion of Safe and Therapeutic Services specifically aimed at reducing harm to patients in South London and Maudsley Trust, Deputy Director of Nursing and Quality in North London and the Executive Nurse at NEP.

Natalie's portfolio includes:

- Clinical Governance
- Clinical Audit
- Nurse Leadership
- Clinical Risk
- Infection Control
- Safeguarding
- MHA Office
- Pharmacy
- Physical Health Agenda
- Mortality

Dr Milind Karale, Executive Medical Director FRCPsych, MSc (Forensic Psychiatry), DNB, DPM, MBBS

Milind is a Consultant Psychiatrist at the Trust's Mental Health Assessment Unit, Caldicott Guardian and Executive Medical Director for the Trust. Milind was appointed as the Executive Medical Director for the EPUT Board of Directors in August 2017 having previously been appointed to the same role on the Interim Board.

Milind trained in Cambridge and Eastern Deanery to attain membership of the Royal College of Psychiatrists and later completed a Masters in Forensic Psychiatry (merit) at the Institute of Psychiatry, Maudsley. His areas of interest include patient safety, clinical governance, liaison psychiatry and mood disorders. He chairs the Trust's Physical Health and Learning Oversight Sub-Committees.

He has been involved in medical management for a number of years, working as Clinical Director for Clinical Governance, Deputy Medical Director and most recently Medical Director from 2012. He has a keen interest in teaching and has written several chapters in books for MRCPsych examination. He is on the Board of Examiners for The Royal College of Psychiatrists and was previously the Chair of the Anglia Ruskin University Health and Wellbeing Academy. Milind was awarded a fellowship by The Royal College of Psychiatrists in 2017 in acknowledgement of his dedication and commitment to improving the lives of patients.

Milind's portfolio includes:

- Medical Staff
- Caldicott Guardian
- Research
- Physical Health

Sean Leahy, Executive Director of People & Culture

Sean joined EPUT in August 2019 in the newly created role of Executive Director of People and Culture, bringing with him more than 20 years' experience as a Human Resources Director.

A Fellow of the Chartered Institute of Personnel and Development, Sean has held senior positions with The Post Office, Netstore PLC and Fidelity International Investments Ltd.

He has been described as a modern influencer who is "approachable and hands-on" with the "ability to quickly build strong internal and external relationships at all levels of an organisation". Sean believes individual Person centred leadership and Care is critical to any organisations success.

During his tenure Sean has initiated major initiatives to enhance Employee experience at the Trust including The Be You programme and the Engagement Champion network Sean also leads the Kick start programme for the region, designed to support local individuals into the workplace.
Sean plays a critical role in system thought leadership leading on the People and Engagement strand of the MSC provider collaborative and also chairs the North East Essex Workforce transformation alliance.

Sean's portfolio includes:

- Marketing
- Brand
- Communications
- Human Resources
- Patient Experience
- Organisational Development
- Payroll
- Medical Staffing
- Learning and Development
- Workforce Planning
- Freedom to Speak Up – F2SU (SRO)
- Complaints
- Equality and Diversity
- Faith Communities
- Carers

Nigel Leonard, Executive Director of Strategy & Transformation

Nigel is the Executive Director of Strategy and Transformation at EPUT. Nigel joined SEPT as the Executive Director Corporate Governance in February 2014. He was the Merger Project Director for the first successful merger of two Foundation Trusts – SEPT and NEP – in April 2017. He was appointed as the Executive Director Corporate Governance and Strategy on EPUT's Board of Directors in August 2017 having previously been appointed to the same role on the Interim Board. In July 2019 he became the Executive Director of Strategy and Transformation.

Nigel has worked in the NHS for over 20 years in a variety of planning, governance and project management roles in acute, community and mental health organisations.
Nigel is a qualified Company Secretary and has an MSc in Project Management. He is also a member of the Association for Project Management. More recently, Nigel has taken on the lead for major projects within the Trust including leading on the COVID--19 Vaccination programme across mid and south Essex and Suffolk and north east Essex.

Nigel's portfolio includes:

- Strategy and Planning (until December 2020
- Transformation / PMO (Programme Management Office)
- Business Development
- Commercial Contracting
- Emergency Planning (Senior Responsible Officer – SRO)
- Enable East
- Public Health
- Patient Experience
- Vaccination Programme lead

Mark Madden, Executive Chief Finance Officer *(until September 2020)*

Mark was appointed as the Executive Chief Finance Officer for EPUT in August 2017. He first joined SEPT in April 2014 in the same role and was appointed as the Executive Chief Finance Officer for the Interim Board. He was a key member of the Project Board that managed the successful Foundation Trust to Foundation Trust merger between SEPT and NEP. Mark is also the Trust's Senior Information Risk Owner (SIRO). A qualified accountant, Mark has worked in a variety of NHS and non NHS financial roles.

Mark is married and has two children and is a passionate sportsman. He formerly played rugby for Norwich and his hobbies include running, cycling and keeping up with his children.

Mark's portfolio included:

- Finance
- Purchasing
- IM&T
- Performance
- Records Management
- Senior Information Risk Owner
- Information
- Information Governance
- Estates & Facilities
- Security Management (Senior Responsible Officer – SRO)

Trevor Smith, Executive Chief Finance Officer *(from September 2020)*

Trevor is an experienced NHS board level leader who brings a strong track record of success over 20 years of operating as a Director of Finance across a range of provider and commissioning settings. Prior to joining EPUT in June 2020, Trevor served on the Board of the Princess Alexandra Hospital for seven years, where he combined the role of Chief Financial Officer with the Deputy Chief Executive post covering a wide portfolio, bringing sustained quality and financial improvements including reducing a financial deficit of £44m in 2015/16 to surplus, and securing funding for the hospital redevelopment.

Prior to joining Princess Alexandra Hospital, Trevor held a variety of leadership posts including at Basildon and Thurrock University Hospitals NHS Foundation Trust, Barking, Havering and Redbridge NHS Trust and NHS Direct. After a short time in local government, Trevor started his NHS career with a mental health and community trust where he became Deputy, and then Acting Director of Finance; so is well versed in the needs of EPUT where he oversees finance, IT, information and estates and facilities.

A qualified Chartered Accountant, Trevor is passionate about the patient, people and integration agenda; placing EPUT at the forefront of system working, whilst embracing innovation and creativity within the confines of financial robustness and resilience.

Trevor's Portfolio includes:

- Finance
- Estates & Facilities
- Performance
- Business Development
- IT
- Commercial Contracting

Non-Executive Directors

Professor Sheila Salmon, Chair

Professor Sheila Salmon was appointed as the Chair of EPUT with effect from 1 November 2017. She previously chaired Mid Essex Hospitals NHS Trust from 2010-2017 and was also the Founding Chair of the Joint Working Board (2016/17) forged through the collaboration of Mid Essex Hospitals with Basildon and Thurrock University Hospital FT and Southend University Hospital University FT within the Mid and South Essex Sustainability and Transformation Partnership (STP).

Sheila was previously Chair of the North East Essex Primary Care Trust from 2006 to 2010 and prior to that, chaired the Essex Ambulance Service, before being appointed to the Board of the East of England Ambulance Regional Service. Coming with a strong clinical background, she has built significant and diverse senior leadership experience in health and social care and in the University sector. She was the Executive Dean of Health at Anglia Ruskin University, where she led the establishment of a Regional Faculty of Health and Social Care, and has represented the Nursing and Midwifery Council on numerous quality and standards visits to British universities and their partner NHS Trusts.

Sheila has served as a quality partner with the Postgraduate Medical Education and Training Board (PMETB) and the General Medical Council (GMC). She holds a government appointment as an Equality and Diversity Ambassador and has worked internationally as a developmental consultant and strategic advisor. She is an experienced executive coach and leadership mentor and actively supports the East of England Coaching Network operated through Health Education England.

Sheila is the Emeritus Professor of Health Services Development at Anglia Ruskin University and advised on the establishment of the new Medical School. She also has considerable previous experience both as an appointed Foundation Trust Governor and as a Non-Executive Director.

As well as chairing the Board of Directors and Council of Governors meetings, Sheila also currently chairs the Board of Directors Remuneration and Nominations Committee and the Council of Governors Nominations Committee meetings and is currently a member of the Strategy and Planning Committee (transitioned to People, Innovation and Transformation Committee from 1st April 2020). She is currently the Non-Executive Board champion / lead for organisational development, culture and education and training. Sheila was the founding elected Chair of the Mid and South Essex Health and Care Partnership (now ICS) Chairs Advisory Group, and currently sits on the main Partnership Board.

Alison Davis, Non-Executive Director / Senior Independent Director *(until March 2021)*

Alison started her career as a State Registered Nurse, working in both acute and community settings. She later qualified as a solicitor, focusing on family and mental health law. She has been an NHS Chair for 11 years across mental health, learning disability and community services, and a Non-Executive Director for 18 years. She has broad experience in governance, patient safety and quality, with a strong focus on service user, staff and stakeholder engagement.

Alison has a track record leading major organisational change having successfully taken Bedfordshire and Luton Partnership Trust (BLPT) through the first competitive tendering process in the NHS in 2009/2010. Alison chaired Luton Community Services through their transfer out of NHS Luton in April 2011.

Alison is a company director of Looking After Mum and Dad, a web-based community interest company, providing information, support and a forum for people caring for elderly relatives. She is also a Non-Executive Director of ImpactMH, a mental health social enterprise run by and for people who have experienced or are experiencing mental ill health.

Alison joined SEPT as a Non-Executive Director in January 2012. Alison was appointed as a Non-Executive Director on the

Interim Board of Directors of EPUT and subsequently as Non-Executive Director on the substantive Board of Directors. She was appointed as the Senior Independent Director in December 2017. Alison is currently a member of the Audit Committee and the Board of Directors Remuneration and Nominations Committee. She is currently the Non-Executive Director Board champion / lead for Guardian of Safe Working, Mental Health Act, safeguarding vulnerable adults and safeguarding children.

Dr. Rufus Helm, Non-Executive Director

Rufus originally trained as a doctor, specialising in Obstetrics and Gynaecology before making the transition to management consultancy. Starting his consultancy career with Arthur Andersen Consulting, he helped establish Andersen's Consultancy offering in healthcare before moving on to commercial roles with Serco and Circle Health. Here he concentrated on the design and implementation of new service models focusing on improving the management of long term conditions and, in particular, the interface between acute and community settings.

Rufus joined the British Medical Journal (BMJ) as their Head of Business Development in 2012 where he focused on how digital resources can drive clinical improvements in areas such as clinical decision support, shared decision making and the delivery of evidence based medicine. More recently, he helped Health Navigator implement its innovative tele-coaching model as their Chief Operating Officer / Chief Medical Officer and now provides freelance consultancy to healthcare organisations country-wide.

Rufus was appointed as a Non-Executive Director onto the Board of Directors for EPUT from July 2018. Rufus is currently Chair of the Charitable Funds Committee, Vice-Chair of the Quality Committee and a member of the Board of Directors Remuneration and Nominations Committee and the People, Innovation and Transformation Committee. He is also currently the Non-Executive Director Board champion / lead for innovation and research.

Dr. Mateen Jiwani, Non-Executive Director *(from January 2021)*

Dr Mateen Jiwani is a General Practitioner since 2013. He previously worked in the Grenfell region serving an inner city population. He was part of the leadership leading two surgeries to Outstanding rating with the CQC. More recently, he works in West Essex and London where he spans life as a doctor in the NHS and the private sector.

In 2016 Mateen was the Chief Clinical Officer for a health technology company GPDQ. After helping scale the organisation to its funding round and building a strong clinical governance framework he went onto become the Deputy Medical Director for BHR Hospitals NHS trust. He was the Responsible Officer on the Executive Team helping to escalate the trust from its suboptimal CQC rating to Good. After continuing his Systems and Transformation role he became the Executive Medical Director and Advisor to NCL and Enfield. He was chair of one of the first Clinical leadership Reviews in the process of a Commissioning Merger.

Mateen's other interests lie with Technological adoption and Telemedicine. He has held a post at Imperial College London, Harvard and Queen Marys university of London as Honorary Clinical Lecturer, where he frequently lectures, partakes in programmes as a mentor for Digital innovation and Leadership. Mateen's academic work spans across consulting models of Video consultation and he has been consistently teaching and writing about Patient safety and risk assessment of video consulting.

Mateen was appointed as Chair of the North and West London Faculty at the Royal College of General Practitioners, he has been previously the Education officer and now is in his first year of his elected term.

Mateen continues to offer consultancy as an Executive Medical Director to the NHS where he is requested often to chair committees, help steer innovation and governance concerns.

He has been on the London Digital IAPT board to help steer technology in the Mental Health sector and offers his expertise to the board as a mentor to Medical devices and Technology. He is a mentor on the NHS Clinical Entrepreneurs Programme.

Mateen was appointed as a Non-Executive Director onto the Board of Directors for EPUT from January 2021. He is part of the People Innovation and Transformation committee, Audit committee and holds the role of MHA champion.

Manny Lewis, Non-Executive Director / Vice Chair

Manny began his career at the Inner London Education Authority, following completion of an LLB Honours degree at University College London. He then gained a Masters degree in Manpower Planning and shortly afterwards became a corporate member of the Institute of Personnel and Development (CIPD) specialising in Human Resources in the public sector.

In 1988 he became Head of Education Personnel at Waltham Forest Council followed by promotions to senior jobs as Assistant Director for Education in Birmingham (1990), Head of Personnel and Democratic Services at Thurrock Council (1997) and Executive Director, Corporate Services at the Greater London Authority (2001) where he helped develop the structures and operations for the new London Government. He was then appointed as Chief Executive of the London Development Agency in 2004 where he successfully led the land assembly for the London Olympics.

In 2008 he was awarded an Honorary Doctorate of Business Administration for services to regeneration and development in London.

Manny became Managing Director of Watford Borough Council in 2009 and successfully led the Council until he retired in April2020. As a Non-Executive Director, he held the role of Deputy Chair of Mid-Essex Hospital Trust for two terms and chaired its Finance and Performance Committee. With a strong commitment towards disability rights, he was a trustee at Golden Lane Housing for a decade, a charity providing housing for people with a learning disability and is also the Chair of Habinteg, a regulated housing association providing accessible homes for people with a physical disability.

Manny was appointed as a Non-Executive Director at EPUT in February 2018. Manny is currently the Chair of the Finance and Performance Committee and a member of the Board of Directors Remuneration and Nominations Committee and the Strategy and Planning Committee (transitioned to People, Innovation and Transformation Committee from 1st April 2020). He is currently the Non-Executive Director Board champion / lead for bullying and harassment, energy and sustainability, equality and diversity, learning disability, older people / age equality and procurement. He is the non-executive representative on the Herts and West Essex ICS Chairs Advisory Group with direct linkage to the ICS Partnership Board. He also provides non-executive input for EPUT as part of the specialist mental health care models regional collaborative.

Loy Lobo, Non-Executive Director *(from March 2021)*

Loy is an experienced innovator and leader in healthcare. Over the past decade he has taken a number of healthcare innovations from concept to market. He has launched a UK social enterprise start up in Wellness, two UK based Health Tech ventures, and was the founder of the telehealth business at BT Global Health. In his last role at BT, he was the Director of Strategy and Innovation for Global Health.

In 2014, Loy set up Wegyanik, a health innovation company that applies design thinking, digital technologies, and decision sciences to create the health and care services we require for now and the future. Wegyanik is developing markets, scaling up innovations and influencing whole system change in health and care services. Loy is experienced in the application of systems thinking and simulation modelling and is applying these techniques to accountable care and value-based healthcare opportunities.

Loy is a Fellow of the Royal Society of Medicine in London where he serves on its Digital

Health Council as President. He is a Visiting Researcher at Imperial College Business School. He has also served on a several high-profile government panels and academic collaborations to promote the adoption of technology and decision science in healthcare.

He has a BSc in Microbiology from the University of Mumbai and an Executive MBA from London Business School. He lives in London. Prior to working exclusively in Healthcare, Loy worked for 11 years at Accenture leading technology enabled business transformation programmes for multi-national companies in 10 different industries.

Dr Alison Rose-Quirie, Non-Executive Director

Dr Alison Rose-Quirie began her career as a Prison Governor, the first operational female into Wandsworth Prison and youngest Governor of a male prison on transfer to the independent sector. Alison was also the Managing Director of GSL (now G4S) prisons and immigration and advised on international development projects.

She changed career path to Secure Mental Health as Managing Director for the Priory Group and later Care UK where she led the development of innovative rehabilitation services and a unique philosophy of care, always putting the service user at the very heart of the business. She was, twice, elected to Chair the Independent Mental Health Alliance and championed the cause of the sector and service users. Alison is involved in Parliamentary Groups, Ministerial Advisory Groups and co-authored 'The Pursuit of Happiness, a new ambition for our Mental Health services in 2014'.

Until taking the decision to step out of operational management, Alison was the CEO of the multi award winning Swanton Care and Community. Alison is on the Board of Care England and was a founder trustee of Learning Disability England. She is a Non-Executive Director of Nottinghamshire Healthcare NHS FT, an Independent member of One Housing Group, Chairs an architectural practice and her son's event management business, and has been a visiting Chair for the Care Quality Commission (CQC).

Alison holds a Law Degree, a Masters of Business Administration and a PhD.

Alison was appointed as a Non-Executive Director onto the substantive Board of Directors for EPUT from July 2018. Alison is currently the Chair of the Strategy and Planning Committee (transitioned to People, Innovation and Transformation Committee from 1st April 2020) and a member of the Board of Directors Remuneration and Nominations Committee. She is currently the Non-Executive Director Board champion / lead for Freedom to Speak Up (F2SU) and whistleblowing.

Amanda Sherlock, Non-Executive Director

Amanda started her career as an Occupational Therapist before moving into a variety of NHS general management and director roles working across acute, mental health and community services. She spent time at the Department of Health leading the strategy and performance portfolio for Eastern Region and steering through the transition programme of Primary Care Group to Primary Care Trust status.

Amanda has a BA (Hons) in Business Administration and an MA in health & social care leadership. She is a Fellow of the Chartered Management Institute.

Moving into care regulation to set up the first national regulator for care, Amanda spent several years in regulation culminating in holding the role of Director of Operations for the Care Quality Commission. Now working for a large commercial organisation she is responsible for quality, risk and governance for health, education and social care services.

Amanda was formerly appointed as a Non-Executive Director at NEP and was appointed as a Non-Executive Director on the Interim Board of Directors, then subsequently to the EPUT substantive Board of Directors.

Amanda is currently the chair of the Quality Committee as well as being a member of the Audit Committee, Board of Directors Remuneration and Nominations Committee and Charitable Funds Committees. She is the Non-Executive Director Board champion/lead for quality, patient safety and end of life care.

Nigel Turner, Non-Executive Director *(until September 2020)*

Nigel is a senior financial executive (to Chief Finance Officer / Finance Director level) with over 30 years of general, financial, strategic and cross-national management experience in both the new economy and traditional business environments. He has practical hands-on experience of start-ups, business creation and development, and fund raising.

Since 2001, Nigel has been providing management consultancy support to the NHS, including four foundation trust applications. He has worked with the full spectrum of NHS organisations, including acute and mental health trusts, and clinical commissioning groups. Projects include financial planning and modelling, financial turnaround, Sustainability and Transformation Plans, funding applications, IFRS implementation, cash flow forecasting, options appraisal, financial control and budgeting, plus advising NHS boards on strategy and business development.

Prior to working with the NHS, Nigel was Chief Finance Officer of e-exchange plc, a B2B platform for the computer industry, where he raised more than US$14 million in post-seed finance and a US$50 million private placement for a pre-NASDAQ IPO funding. He joined e exchange after spending five years with Sun Chemical Corporation, the world's largest supplier to the graphical arts industry, as a European financial controller. From 1991 to 1993 Nigel worked for the German chemical and consumer goods group, Henkel KGaA, as their UK financial controller, and prior to that he was a manager at Coopers & Lybrand (PwC).

Nigel is a fellow (FCA) of the Institute of Chartered Accountants in England & Wales and holds an Executive MBA from the London Business School and the Financial Times' Non-Executive Director Diploma.

Nigel was appointed as a Non-Executive Director of EPUT in October 2017. He is currently the chair of the Charitable Funds Committee, Deputy Chair of both the Finance and Performance Committee and the Audit Committee and a member of the Board of Directors Remuneration and Nominations Committee. He is currently the Non-Executive Director Board champion / lead for security management (LSMS) and counter fraud.

Janet Wood, Non-Executive Director

Janet has a degree in Business Studies and Accountancy from Edinburgh University and is a member of the Institute of Chartered Accountants of Scotland, having trained with Deloittes. She joined the NHS in 1992, working for Redbridge Healthcare and then South Essex Health Authority, initially as chief accountant. Janet took a career break in 1999 to spend time with her family. At this point she was Finance Manager at Southend and Billericay, Brentwood and Wickford Primary Care Groups (the forerunners to PCTs). During her career break she undertook consultancy work for HFMA (Healthcare Financial Managers Association) covering a wide area of NHS finance issues and in particular assurance and governance. She was appointed a Non-Executive Director for SEPT in November 2005.

Janet had a very successful career as an NHS accountant and, therefore, is fully conversant with all NHS finance issues. She was involved in getting the Essex PCTs up and running and putting in place finance and early governance structures. Through her work with HFMA she helped run successful training events and has contributed to several publications explaining NHS finance and governance issues.

Janet was the former Vice-Chair and a Non-Executive Director of SEPT. When EPUT was established, Janet was appointed as Vice-Chair of the Interim Board and undertook the role of Acting Chair until 31 October 2017. She was appointed as the Vice-Chair of the substantive Board with effect from 1 October 2018, a role which she held until 31 March 2019.

Janet is currently the chair of the Audit Committee and a member of the Board of Directors Remuneration and Nominations Committee; and an ex officio member of the Finance and Performance Committee, the Quality Committee and the Strategy and Planning Committee (transitioned to People, Innovation and Transformation Committee from 1st April 2020). She is also currently the Non-Executive Director Board champion / lead for emergency planning and for data and cyber security and represents the Trust on the Suffolk & North East Essex STP/ICS Chairs Group.

Responsibilities of Directors for Preparing the Annual Accounts and Report

The Directors are required under the NHS Act 2006, and as directed by NHS Improvement, to prepare accounts for each financial year. NHS Improvement, with the approval of HM Treasury, directs that these accounts shall show, and give a true and fair view of the NHS FT's gains and losses, cash flow and financial state at the end of the financial year.

NHS Improvement further directs that the accounts shall meet the accounting requirements of the *NHS Foundation Trust Annual Reporting Manual* that is in force for the relevant financial year, which shall be agreed with HM Treasury. In preparing these accounts, the Directors are required to:

- apply on a consistent basis, for all items considered material in relation to the accounts, accounting policies contained in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement;
- make judgements and estimates which are reasonable and prudent; and ensure the application of all relevant accounting standards, and adherence to UK generally accepted accounting practice for companies, to the extent that they are meaningful and appropriate to the NHS, subject to any material departures being disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time the financial position of the Trust. This is to ensure proper financial procedures are followed, and that accounting records are maintained in a form suited to the requirements of effective management, as well as in the form prescribed for published accounts.

The Directors are responsible for safeguarding all the assets of the Trust, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are required to confirm that:

- as far as they are aware, there is no relevant information of which the Trust's auditor is unaware; and
- they have taken all steps they ought to have taken as a Director in order to make themselves aware of any such information and to establish that the auditor is aware of that information.

The Directors confirm, to the best of their knowledge and belief, they have complied with the above requirement in preparing the accounts.

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

Board Directors (and other "decision making staff") Register of Interests

All members of the Board of Directors (and staff identified as "decision making staff" for the purposes of the Trust's Conflicts of Interest Policy) have a responsibility to declare relevant interests. Information in relation to those staff required to declare relevant interests and the process for obtaining and publishing declarations is contained within the Trust's Conflict of Interests Policy, the Trust launched the conflict of interest database DECLARE in March 2021. The declarations are made via the online portal which the public can access and gain a real-time snapshot at any particular time via the portal:

https://essexpartnership.mydeclarations.co.uk/declarations

NHS Improvement's Well Led Framework

The Well Led Framework distils the favourable characteristics required to ensure the provision of quality services. These encompass the governance arrangements covering:

- leadership capacity and capability;
- clear vision and credible strategy;
- culture of high quality care;
- clear responsibilities, roles and systems of accountability;
- clear and effective processes for managing risks, issues and performance;
- robust and appropriate information effectively processed and challenged;
- people using services, the public, staff and partners are engaged and involved;
- robust systems and processes for learning, continuous improvement and innovation.

The governance arrangements in place in the Trust are considered by the Finance and Performance Committee, with the efficacy of the governance structure in place being reviewed annually. This is supported by independent review every three years. Accordingly an internal review has taken place each year since 2018 with the 2021 review presently underway. Deloitte LLP was commissioned in March 2019 to undertake a review and provided the Trust with suggestions for future work but also positive assurances with no significant areas of concern identified.

The Trust's carries out an internal "Well Led" assessment, assessing compliance with the CQC/NHSI Well Led Key Line of Enquiry and identifying opportunities for continued improvement. The most recent assessment was completed in March 2019. An assessment was not done in 2020 as the Trust was focused on implementation of the Deloitte LLP and CQC action plans. An in-house assessment is planned for 2021 using purpose designed survey software.

The Annual Governance Statement (pages 99 of the Annual Accounts) provides details of the systems of internal control that have been established and examples are cited throughout this Annual Report of the systems and processes in place within the organisation to ensure that quality services are delivered by the Trust.

There are no material inconsistencies between our Annual Governance Statement and this Annual Report.

Patient and Public Involvement

The Trust believes that receiving and acting on feedback from our service users is crucial to maintaining the high quality standards we set ourselves and work has continued throughout 2020/21 to increase the feedback received and actions taken. There will be a detailed section in the Trust's Quality Account 2020/21 (also to be published in 2021) that outlines some of the ways in which feedback is captured from people who use our services together with examples of changes that have been made and outcomes resulting from that feedback. This helps provide visibility of any inequalities of service provision.

The Trust uses a range of mechanisms to gather feedback from our service users, including:

- **Organisational and national patient surveys;**
- **"Your Voice" meetings** giving service users, carers, members of the Trust and Governors as well as the public a chance to speak directly to the Chief Executive about the services provided by EPUT;
- **Community Mental Health Forums** providing the opportunity for service users, carers and staff to discuss services in their area and share feedback with the Trust;
- **A Stakeholder Reference Group** set up to involve service users in transformation work within the Trust; this will be replaced by a Patient Council in 2021/22
- **Open inpatient meetings** allowing managers the opportunity to gather feedback from patients and relatives to improve services.
- **'You Said We Did'** feedback

Some other examples of work service users are also involved in include training provision to staff, co-production and a buddy scheme. Further details of all of the above will be included in the Quality Account 2020/21.

During 2020/21 the Patient Experience Team finalised a project to engage with people with lived experience to co-produce the Trust's new Patient Experience Framework for 2020-2023, which is available on the Trust's website.

In 2020/21 the Trust continued to work co-productively to develop the Recompense for people with lived experience policy and procedure. Working groups, including people with lived experience and operational staff were set up to discuss all feedback on the draft policy and procedure and to agree the documents and process required prior to the policy going through the formal ratification process with a proposed implementation date of April 2021.


Social distancing
Keep your distance
Clean your hands regularly

REMUNERATION REPORT

Introduction

This section covers the remuneration of the most senior managers of the Trust – those people who have the authority and responsibility for controlling the major activities of the Trust. In effect this means the Board of Directors, including both Executive Directors (including the Chief Executive) and Non-Executive Directors (including the Chair).

Information is also provided about the Remuneration Committees, the policy on remuneration and detailed information about the remuneration of the Executive and Non-Executive Directors of the Trust.

Annual Statement on Remuneration

Executive Directors (including the Chief Executive)

The Board of Directors Remuneration and Nominations Committee has delegated responsibility to review and set the remuneration, allowances and other terms and conditions of the Executive Directors (including the Chief Executive) who are the Trust's most senior managers. The Trust's Executive Directors have the authority and responsibility for directing and controlling major activities of the Trust.

The remuneration policy for the Trust's Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in foundation trusts of comparable size and complexity. It also takes into account the performance of the Trust, comparability with employees holding national pay and conditions of employment, pay awards for senior roles elsewhere in the NHS and pay/price changes in the broader economy, any changes to individual roles and responsibilities, as well as overall affordability. Decisions regarding individual remuneration are made with due regard to the size and complexity of the senior managers' portfolios of responsibility. In setting the remuneration levels, the Committee balances the need to attract, retain and motivate directors of the quality required.

The Executive Director salary is a 'spot' salary within an agreed remuneration framework.

The Trust follows the NHS Improvement guidance on pay for very senior managers (VSMs) in NHS trusts and foundation trusts issued in March 2018. The salary for the new Chief Executive Officer exceeded £150k and included additional non-recurrent "earn-back" which is subject to achieving objectives set and overseen by the Board of Directors Remuneration and Nomination Committee. The salary was discussed and agreed by NHS Improvement as part of the recruitment process.

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

The Committee refers to the NHS Providers' annual salary benchmarking survey analysis together with publicly available information about trends within the NHS and broader economy.

Non-Executive Directors (including the Chair)

The Council of Governors Remuneration Committee currently has delegated responsibility to recommend to the Council of Governors the remuneration levels for the Chair and all Non-Executive Directors, including allowances and the other terms and conditions of office in accordance with all relevant legislation and regulations. The remuneration levels for all future appointments will take into account the NHSE/I guidance "Structure to align remuneration for chairs and non-executive directors of NHS trusts and foundation trusts" implementation document issued in September 2019.

In reviewing the remuneration of the Chair and Non-Executive Directors, the

Committee balances the need to attract, retain and motivate directors of the quality and with the appropriate skills and experience required on the Board to meet current and future business needs without paying more than is necessary and at a level which is affordable to the Trust.

The remuneration policy for the Trust's Non-Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in foundation trusts of comparable size and complexity, taking account of the NHS Providers' annual salary benchmarking survey analysis and the NHSE/I guidance mentioned above. It also takes into account the pay and employment conditions of staff in the Trust, the performance of the Trust, and the time commitment and responsibilities of Non-Executive Directors and Chair, as well as succession planning requirements.

The Chair and Non-Executive Directors are entitled to receive remuneration only in relation to the period for which they hold office; there is no entitlement to compensation for loss of office.

Decisions made during 2020/21

During the year, the Board of Directors Remuneration and Nominations Committee agreed (in respect of remuneration business):

- An annual pay uplift of 1.32% and 0.77% for Executive Directors for 2020/21, both paid as non-consolidated lump sum payments as all posts were above the upper quartile value in line with the recommendation from NHS Improvement for staff on Very Senior Manager contracts. This uplift was awarded to all Executive Directors with the exception of the Medical Director who is employed on a Consultant Contract and thus received their annual uplift through the Medical and Dental annual pay increase;
- Approval and monitoring of the Executive Chief Finance Officer (ECFO) recruitment process, including agreeing proposed remuneration for recruitment purposes. Subsequent approval of the successful candidate following the recruitment process and final approval of remuneration.
- Approval of the existing ECFO return to full time hours. This followed the approval of a reduction in hours for the ECFO in 2019/20 prior to retirement in 2020/21. However, due to the COVID-19 pandemic the ECFO offered to return to full time hours until retirement and this was approved by the Committee.
- Approval of transition arrangements between the CEO and CEO Designate to allow a smooth handover. This included the existing CEO stepping down on the 1 October 2020 but remain employed on annual leave until the 30 November 2020. The Committee also approved a payment for 3-days off in lieu for additional hours worked by the CEO during the COVID--19 pandemic. The new CEO started in post from 24 August 2020.
- Approval of the CEO Designate as Acting Accounting Officer for the period 1 October – 30 November 2020 when the existing CEO formally retired.
- Approval of transition arrangements for the ECFO and ECFO designate. This included a reduction in the hours for the existing ECFO from the 17 August 2020 and the agreement that they would step-down from the 1 October 2020 but remain employed with the Trust until 3 December 2020 on annual leave. The annual leave entitlement for the existing ECFO was calculated on a pro-rata basis for both full time and part time hours. The new ECFO started in post from the 18 September 2020.
- Approval of arrangements for appointing an interim Chief Operating Officer (COO) following the resignation of the existing COO. Subsequent approval of an internal candidate to be appointed as Interim COO for a period of six-months.
- Approval to appoint the Interim COO to the substantive post of Chief Operating Officer.
- Authorisation of contractual performance linked element of the CEO salary.
- Approval of a process for a flexible approach to appointing a Deputy Chief Executive Officer, including provision for the Committee to review any uplift in remuneration should the absence of the CEO exceed 2-months, which will be based on the nature and proportionate to the circumstances, without creating a precedent.
- Agreed to adopt the principles set-out in Structure to align remuneration for chairs and non-executive directors of NHS Trusts" whilst retaining flexibility to ensure remuneration of Non-Executive Directors is in-line with the local economy and reflects their working days.
- Approved remuneration packages for all newly appointed and re-appointed Non-Executive Directors in line with the principles of the above guidance.
- Approved remuneration package for the Chair of the Trust for her next term of office, in line with the above guidance.

During the year, following recommendation by the Council of Governors Remuneration Committee, the Council of Governors agreed:

- To use the principles set out in the NHSE/I guidance Structure to align remuneration for chairs and non-executive directors of NHS trusts and foundation trusts for all new NED appointments / re-appointments.
- Approved a reduction in the remuneration and number of days per month for all new appointments / re-appointments of Non-Executive Directors giving due consideration to the NHSE/I guidance.
- Approved uplift in the remuneration for the Chair of the Trust following the appointment for a second term, based on the bandings provided in the NHSE/I guidance. There was no reduction in hours.

Professor Sheila Salmon
Trust Chair and Chair of the Board of Directors Remuneration and Nominations Committee and Council of Governors Remuneration Committee
Essex Partnership University NHS Foundation Trust

25 June 2021

Senior Managers Remuneration Policy

Future Policy

Remuneration Package Components	The Executive Directors' (including the Chief Executive) remuneration package consists of salary and the entitlement to NHS pension benefits or a Retention Bonus Scheme should they have reached their Life Time Allowance and opted to withdraw from the NHS Pension Scheme. The CEO remuneration package includes an annual earn back component which the Remuneration and Nomination Committee will be required to authorise on a quarterly basis. Non-Executive Directors (including the Chair) are remunerated for an agreed number of days work per month. There is no entitlement to the NHS pension scheme.
Remuneration Package	The Executive Director salary is a 'spot' salary within an agreed remuneration framework. The salary levels are set to attract and retain appropriately skilled executives. The Trust has two Executive Directors on Very Senior Manager (VSM) terms and conditions who are currently paid more than £150,000. The salaries for these individuals were set to match the current market rates at the time of their appointment to the Trust. Yearly objectives are set and monitored internally to ensure the continuation of these salaries. We believe they are a fair and competitive salary rate to support succession planning.
Remuneration Package Framework	**Executive Directors (including the Chief Executive)** The Trust follows the NHS Improvement guidance on pay for Very Senior Managers (VSMs) in NHS trusts and foundation trusts issued in March 2018. Thus, for any new appointments above the threshold of £150k per annum, the provisions within that guidance relating to "earn-back" and performance pay bonuses aligned to achievement of objectives agreed by the Board have been enacted. Executive Director contracts stipulate that if monies are owed to the Trust the post-holder will agree to repay them by salary deduction or by any other method acceptable to the Trust. The Trust may withhold payment in circumstances of unauthorised absence. This policy applies to all Executive Directors. For the 2020/21 financial year, there are no instances of monies owed to or by the Trust in respect of Executive Directors. The Trust's Retention Bonus Scheme remains available and is in place where an individual has reached their Lifetime Allowance based on his/her NHS Pension entitlement and after seeking financial advice, and ceases to be an active member of the NHS Pension Scheme. The Trust will make a retention payment equal to 7.5% of an individual's annual basic salary (no allowances, on call supplements or other additional payments will be taken into account). This retention payment will be taxable and paid [in two instalments of 3.75%] six months in arrears of the 30 September and 31 March in each financial year ("a Qualifying Date") in the next payroll run after a Qualifying Date.

continued overleaf

Remuneration Package Framework *(continued from previous page)*

continued from previous page

Also as part of the Scheme the Trust will award an additional five days paid annual leave earned in arrears for each six months of continued employment (ten days maximum per financial year).

This annual leave cannot, under any circumstances, be converted in to a cash payment; it must be taken and/or before the individual's employment ends.

It should be noted that this scheme is available for all staff who may have reached their Life Time Allowance, not just Executive Directors.

The key difference between the Trust's policy on Executive Directors' remuneration and its general policy on employees' remuneration are:

- Salary: the Trust appoints Executive Directors on a range of spot salaries within an agreed remuneration framework, i.e. salaries with no incremental progression;
- Notice period: Executive Directors are expected to give six months' notice of termination of employment. This is in recognition of the need to have sufficient time to recruit a replacement or alternatively to appoint to a different post;
- Pay review: the Board of Directors Remuneration Committee determines whether or not to award cost of living pay awards to Executive Directors.

Non-Executive Directors (including the Chair)

The remuneration policy for the Trust's Non-Executive Directors is to ensure remuneration is consistent with market rates for equivalent roles in foundation trusts of comparable size and complexity, taking account of the NHS Providers' annual salary benchmarking analysis. It also takes into account the pay and employment conditions of staff in the Trust, the performance of the Trust, and the time commitment, responsibilities of Non-Executive Directors and Chair, as well as the skills, knowledge and experience required on the Board to meet business needs and succession planning. The remuneration levels for all future appointments will take into account the NHSE/I "Structure to align remuneration for chairs and non-executive directors of NHS trusts and foundation trusts" implementation document issued in September 2019.

Service Contract Obligations

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

Policy on Payment for Loss of Office

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

Executive Directors are covered by the same policy in terms of conduct and capability as other Trust staff and if found to have engaged in gross misconduct or committed any act or omission which breaches the trust and confidence of the Trust they can be summarily dismissed, i.e. their contract would be terminated without notice and/or compensation.

In cases of termination due to organisational change, Executive Directors are covered by the national Agenda for Change arrangements for redundancy for NHS staff. This states that one month's pay will be provided for each complete year of reckonable service in the NHS without a break of 12 months or more. Limits are set on this payment which is currently £160,000.

Statement of Consideration of Employment Conditions Elsewhere in the Trust

The Trust's Board of Directors Remuneration and Nominations Committee carries out an annual review of pay and terms and conditions for Executive Directors. This includes their having regard to salary and the remuneration package as a whole. Salary levels are set taking into account the need to recruit and retain able directors and balancing that against a proper regard for use of public funds. In setting salary levels the Remuneration Committee satisfies itself that the salary is competitive with other NHS providers of a similar constitution.

The Remuneration and Nominations Committee will also review the pay progression framework in light of the current and emerging economic environment. There is no performance based progression in place in the Trust although performance is managed by a robust appraisal and supervision framework. Trust Executive Directors are subject to capability arrangements including annual appraisal and 360° appraisal feedback.

Policy on Diversity and Inclusion

As mentioned earlier in our note on Equality of Service Delivery, the Trust's Equality, Inclusion and Human Rights Policy influences the decisions we make as a Trust, and is a key part of our overall Equality Strategy (2020-22). The Trust aims to ensure that our services are accessible to everyone, our staff are empowered to build strong and healthy communities and that our staff feel safe, included and have fair access to employment. The delivery of this throughout the Trust is via the Equality Delivery System (EDS2) action plan and toolkit, as well as involvement from our Equality Framework Senior leads responsible for Equality, Patient Wellbeing and Staff Wellbeing.

Our bi-monthly Equality and Inclusion Committee reviews and drives these systems, with input from our five Staff Equality Networks and approximately 350 volunteer Equality Champions across the Trust. As a sub-committee of the People, Innovation and Transformation Committee, the group steers and reviews and is regularly attended by senior leads for Patient Experience, Compliance, Staff Engagement, Inpatient and Community Services, as well as operational leads and our Network Chairs. This group is also influenced by data from the Friends and Family Test (FFT), Workforce Equality Standards for Race (WRES) and Disability (WDES) as well as feedback from staff, patients and carers.

As a Trust we work to reduce the Gender Pay Gap for our employees, and publish our reporting for this on our website: **https://eput.nhs.uk/about-us/equality-and-diversity**.

Further details are included in the Staff Report. EPUT works to make sure that our practices do not disproportionately affect or discriminate against any protected characteristic under the Equality Act (2010) and adheres to the guidance of the Public Sector Equality Duty (2010).

Annual Report on Remuneration

The Trust has two Remuneration Committees; the Board of Directors Remuneration and Nominations Committee and the Council of Governors Remuneration Committee.

Board of Directors Remuneration & Nomination Committee

Membership of the Committee wholly comprises Non-Executive Directors who are viewed as independent, having no financial interest in matters to be decided, and the Committee is chaired by the Trust's Chair. The Chief Executive will attend meetings of the Committee if invited to do so by the chair of the Committee but may not receive any papers in relation to or be present when their remuneration or conditions of service are considered. The Executive Director of People and Culture (or their deputy) will normally attend the meetings (depending on the agenda items to be discussed) in an advisory capacity as required. The Trust Secretary is the Committee Secretary. The Committee may commission independent professional advice if considered necessary. No consultants were commissioned during 2020/21 in respect of remuneration business.

The Board of Directors Remuneration and Nominations Committee has the responsibility for setting the remuneration of the Executive Directors. Details are included in the section above on Senior Managers Remuneration Policy.

The Committee meets when necessary but at least annually.

Members of the Committee and the number of meetings attended by each member during the year are set out in ***Table 8*** opposite.

In addition to the considerations by the Committee listed under the Annual Statement of Remuneration on page 46, the Committee also:

- Considered the Chief Executive's and Executive Directors' end of year reviews for 2019/20 and agreed that appropriate assurance had been provided of their effectiveness
- Noted the Chief Executive's and Executive Directors' objectives for 2020/21
- Considered revised Corporate Objectives in light of the COVID--19 pandemic and the change of leadership. This included considering the Chief Executive's personal objectives.
- Considered potential changes to Executive Directors portfolios.

Council of Governors Remuneration Committee

The Council of Governors has delegated responsibility to its Remuneration Committee for assessing and making recommendations to the Council in relation to the remuneration, allowances and other terms and conditions of office for the Chair and all Non-Executive Directors.

In addition, the Committee leads on the process to receive assurance on the performance evaluation of the Chair, working with the Senior Independent Director, and Non-Executive Directors, working with the Chair.

The Committee is chaired by the Lead Governor and may, as appropriate, retain external consultants or commission independent professional advice. In such instances the Committee will be responsible for establishing the selection criteria, appointing and setting the terms of reference for remuneration consultants or advisers to the Committee. No consultants were commissioned during 2020/21. At the invitation of the Committee, the Executive Director of People & Culture will attend the meeting in an advisory capacity. The Assistant Trust Secretary is the Committee Secretary.

The Committee meets when necessary but at least annually.

Members of the Committee and the number of meetings attended by each member during the year are set out in ***Table 9*** opposite.

In addition to the considerations by the Committee listed under the Annual Statement of Remuneration on page 46, during the year the Council of Governors Remuneration Committee:

- received assurance that the end of year appraisal process for Non-Executive Directors for 2019/20 had been satisfactorily completed in line with the performance review process agreed by the Council of Governors;
- received assurance that appropriate objectives for 2020/2021 for the Chair and Non-Executive Directors were in place.

Table 10 and ***Table 11*** on page 54 detail service contract details for the Executive and Non-Executive Directors of the Trust.

Table 8: *Board of Directors Remuneration and Nominations Committee Membership and Meeting Attendance 2020/21*

NAME	ROLE	MEETINGS ATTENDED (actual/possible)
Sheila Salmon	Chair	10/10
Alison Davis	Non-Executive Director	10/10
Rufus Helm	Non-Executive Director	9/10
Mateen Jiwani	Non-Executive Director	1/2
Manny Lewis	Non-Executive Director	10/10
Loy Lobo	Non-Executive Director	0/0
Alison Rose Quirie	Non-Executive Director	8/10
Amanda Sherlock	Non-Executive Director	8/10
Nigel Turner	Non-Executive Director	5/5
Janet Wood	Non-Executive Director	10/10

Table 9: *Council of Governors Remuneration Committee Membership and Meeting Attendance*

NAME	ROLE	MEETINGS ATTENDED (actual/possible)
Brian Arney	Public Governor	2/2
Lara Brooks (from Feb 2021)	Staff Governor	1/1
Peter Cheng	Public Governor	2/2
Paula Grayson	Public Governor	2/2
John Jones	Lead Governor	2/2
Pam Madison (from Feb 2021)	Public Governor	1/1
Tracy Reed	Staff Governor	1/2
Judith Woolley	Public Governor	2/2

Table 10: *Service Contracts: Executive Directors*

NAME	ROLE	INTERIM BOARD CONTRACT START DATE	SUBSTANTIVE BOARD CONTRACT START DATE
Sally Morris (until 30/11/20)	Chief Executive	01 Apr 2017	17 Aug 2017
Paul Scott	Chief Executive	N/A	24 Aug 2020
Andy Brogan (until 30/11/20)	Chief Operating Officer and Deputy Chief Executive	01 Apr 2017	25 Aug 2017
Alexandra Green	Chief Operating Officer	N/A	01 Oct 2020 (interim) 10 Dec 2020 (permanent)
Prof Natalie Hammond	Executive Nurse	01 Apr 2017	25 Aug 2017
Nigel Leonard	Executive Director of Strategy & Transformation	01 Apr 2017	25 Aug 2017
Dr Milind Karale	Executive Medical Director	01 Apr 2017	25 Aug 2017
Mark Madden (until (03/12/20)	Executive Chief Finance and Resources Officer	01 Apr 2017	25 Aug 2017
Trevor Smith	Executive Chief Finance Officer	N/A	18 Sep 2020
Sean Leahy	Executive Director People and Culture	N/A	06 Aug 2019

Table 11: *Service Contracts: Non-Executive Directors*

NAME	ROLE	PERIOD OF OFFICE	START DATE	END DATE
Prof Sheila Salmon	Chair	3 years	01 Nov 2017	31 October 2023
Alison Davis	NED/SID	3 years	01 Oct 2017	30 April 2021
Dr Rufus Helm	NED	3 years	24 Jul 2018	23 Jul 2021
Manny Lewis	Vice Chair	3 years	28 Feb 2018	31 July 2021
Loy Lobo	NED	3 years	31 March 2021	31 March 2024
Dr Mateen Jiwani	NED	3 years	18 Jan 2021	18 Jan 2024
Dr Alison Rose-Quirie	NED	3 years	24 Jul 2018	23 Jul 2021
Amanda Sherlock	NED	3 years	01 Oct 2017	31 July 2021
Nigel Turner (until 30 Sep 2020)	NED	3 years	01 Oct 2017	30 Sep 2020
Janet Wood	NED	3 years	01 Oct 2017	31 July 2021

The following table provides details of the remuneration of Non-Executive Directors of the Trust for 2020/21.

Table 12: *Non-Executive Directors Remuneration*

NAME	ROLE	REMUNERATION £000	WORKING DAYS	ADDITIONAL FEES £0
Prof Sheila Salmon	Chair	40-45	11 per month	Nil
Alison Davis	NED/SID	15-20	5 per month	Nil
Dr Rufus Helm	NED	15-20	5 per month	Nil
Manny Lewis	Vice Chair	15-20	5 per month	Nil
Loy Lobo	NED	0-5	4 per month	Nil
Dr Mateen Jiwani	NED	0-5	4 per month	Nil
Dr Alison Rose-Quirie	NED	15-20	5 per month	Nil
Amanda Sherlock	NED	15-20	5 per month	Nil
Nigel Turner	NED	15-20	5 per month	Nil
Janet Wood	Chair of Audit Committee	20-25	6 per month	Nil

Executive & Non-Executive Directors Expenses

Total Executive and Non-Executive Directors expenses incurred by the Trust during 2020/21 totalled £2,497 and were claimed by 13 Directors in post during the year (2019/20: £27,875 claimed by 16 Directors).

Table 13: *Senior Managers Pay (Subject to audit)*

2020/21

		Salary[1]	Other Remuneration[2]	Taxable Benefits[3]	Annual Performance Related Bonuses[4]	Long Term Performance Related Bonuses	All Pension Related Bonuses[5]	Exit Package	Total
		£000	£000	£000	£000	£000	£000	£000	£000
Sally Morris	Chief Executive (until 30/11/2020)	145 – 150	-	-	-	-	-	-	140 – 145
Paul Scott	Chief Executive (from 24/08/2020)	115 – 120	-	-	0 – 5	-	122.5 – 125.0	-	245 – 250
Andy Brogan	Executive Chief Operating Officer and Deputy CEO** (until 30/11/2020)	90 – 95	-	-	-	-	-	-	90 – 95
Alexandra Green	Executive Chief Operating Officer (from 01/10/2020)	70 – 75	-	-	-	-	42.5 – 45.0	-	115 – 120
Mark Madden	Executive Chief Finance and Resources Officer (until 03/12/2020)	105 – 110	-	-	-	-	-	-	105 – 110
Trevor Smith	Executive Chief Finance Officer (from 18/09/2020)	80 – 85	-	-	-	-	72.5 – 75.0	-	150 – 155
Dr Milind Karale	Executive Medical Director	180 – 185	15 – 20	-	-	-	35.0 – 37.5	-	235 – 240
Nigel Leonard	Executive Director of Corporate Governance	155 – 160	-	-	-	-	-	-	155 – 160
Prof Natalie Hammond	Executive Nurse	145 – 150	-	-	-	-	90.0 – 92.5	-	235 – 240
Sean Leahy	Executive Director of People and Culture	145 – 150	-	-	-	-	32.5 – 35.0	-	180 – 185
Professor Sheila Salmon	Chair	45 – 50	-	100	-	-	-	-	45 – 50
Janet Wood	Non-Executive Director / Chair of Audit Committee	20 – 25	-	100	-	-	-	-	20 – 25
Alison Davis	Non-Executive Director	15 – 20	-	500	-	-	-	-	15 – 20
Amanda Sherlock	Non-Executive Director	15 – 20	-	-	-	-	-	-	15 – 20
Nigel Turner	Non-Executive Director (until 30/09/2020)	5 – 10	-	-	-	-	-	-	5 – 10
Rufus Helm	Non-Executive Director	15 – 20	-	-	-	-	-	-	15 – 20
Alison Rose-Quirie	Non-Executive Director	15 – 20	-	-	-	-	-	-	15 – 20
Manny Lewis	Non-Executive Director / Vice Chair	15 – 20	-	300	-	-	-	-	15 – 20
Dr Mateen Jiwani	Non-Executive Director (from 18/01/2021)	0 – 5	-	-	-	-	-	-	0 – 5

Notes on page 58 ▸

2019/20

		Salary[1]	Other Remuneration[2]	Taxable Benefits[3]	Annual Performance Related Bonuses[4]	Long Term Performance Related Bonuses	All Pension Related Bonuses[5]	Exit Package	Total
		£000	£000	£000	£000	£000	£000	£000	£000
Sally Morris	Chief Executive	200 – 205	-	-	-	-	-	-	200 – 205
Andy Brogan	Executive Chief Operating Officer and Deputy CEO	145 – 150	-	-	-	-	-	-	145 – 150
Alexandra Green	Executive Chief Operating Officer (from 01/10/2020)	70 – 75	-	-	-	-	42.5 – 45.0	-	115 – 120
Mark Madden	Executive Chief Finance and Resources Officer	160 – 165	-	-	-	-	-	-	160 – 165
Malcolm McCann	Executive Director of Community Services and Partnerships (until 30/06/2019)	35 – 40	-	-	-	-	-	-	35 – 40
Dr Milind Karale	Executive Medical Director	175 – 180	15 – 20	-	-	-	30 – 35	-	225 – 230
Nigel Leonard	Executive Director of Corporate Governance	145 – 150	-	-	-	-	-	-	145 – 150
Prof Natalie Hammond	Executive Nurse	135 – 140	-	-	-	-	-	-	135 – 140
Sean Leahy	Executive Director of People and Culture (from 06/08/2019)	85 – 90	-	2,600	-	-	20 – 25	-	110 – 115
Professor Sheila Salmon	Chair	45 – 50	-	800	-	-	-	-	45 – 50
Janet Wood	Non-Executive Director / Chair of Audit Committee	20 – 25	-	1,000	-	-	-	-	20 – 25
Alison Davis	Non-Executive Director/SID	15 – 20	-	2,900	-	-	-	-	20 – 25
Amanda Sherlock	Non-Executive Director	15 – 20	-	700	-	-	-	-	15 – 20
Nigel Turner	Non-Executive Director	15 – 20	-	200	-	-	-	-	5 – 10
Rufus Helm	Non-Executive Director	15 – 20	-	600	-	-	-	-	15 – 20
Alison Rose-Quirie	Non-Executive Director	15 – 20	-	-	-	-	-	-	15 – 20
Manny Lewis	Non-Executive Director / Vice Chair (from 06/09/2019)	15 – 20	-	300	-	-	-	-	15 – 20

Notes on page 58 ▸

Notes to Table 13 on pages 56 and 57

Note 1 *Due to the demands and challenges placed on the NHS during 2020/21 many of staff, although encouraged to do so, were unable to take their full annual leave entitlement. The Trust made the decision to give staff the opportunity to sell some of their annual leave, which three Executive Directors opted to do so. This has increased their salary between 2019/20 and 2020/21 in excess of the agreed pay award.*

Note 2 *The Medical Directors salary has been split to show the value of clinical excellence awards separately to salary. Information for the prior year has been amended in line with current year disclosures.*

Note 3 *The taxable expenses relate to travel costs for home to base mileage for Non-Executive Directors and relocation expenses for the Executive Director of People and Culture in 2019/20.*

Note 4 *When appointed from August 2020, the externally agreed salary package for the Chief Executive contained a contractual non-pensionable quarterly element of £2,500 dependent upon successful delivery against objectives, as determined by review undertaken by the Board of Directors Remuneration and Nominations Committee. Carrying equal weighting, those objectives were to become fully established in the role of CEO, to review Trust Strategy, objectives and governance, to ensure the Trust is set up to deliver outstanding services, to review Executive Portfolios ensuring they are set up to deliver against a revised Corporate Strategy and revised Corporate Objectives and to maintain stability in the organisation throughout winter and COVID-19 pressures.*

In January 2021 the Committee reviewed the performance of the CEO against these objectives and found that the CEO had performed beyond expectation and additionally had achieved other success including leading the establishment of Mass Vaccination hubs. Accordingly the Committee agreed that the contractual non pensionable pay element was payable for the two quarters of August 2020 to January 2021 inclusive, amounting to £5,000 in total.

Note 5 *The value of pension benefits accrued during the year (column entitled 'all pension related benefits' in the Single Figure Table above), is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.*

This value does not represent an amount that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts an estimation of the benefit that being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

As detailed in the Senior Managers Remuneration Policy table on pages 49 and 50, Executive Directors were eligible to participate in the Trust's Retention Bonus Scheme. Three Executive Directors had reached their Lifetime Allowance based on their NHS Pension Entitlement and as such, became members of this scheme, of which one currently remains in post. Three year comparisons are shown below for those individuals in terms of their total pay although it should be noted that salary information for the Chief Executive and Executive Chief Finance Officer reflects their period of employment with the Trust only.

The scheme reduces the total costs to the Trust as the employer no longer pays Employer pension contributions. The inconsistency in 2020/21 in respect of the one remaining member of the scheme reflects the payment of annual leave to the Executive Director of Strategy and Transformation. As detailed above, this was offered to all Trust staff.

Executive Directors participating in Trust's Retention Bonus Scheme

Table 14: *Executive Directors participating in Trust's Retention Bonus Scheme4*

		Total Pay (including salary and pension benefits) £'000		
		20/21	19/20	18/19
Sally Morris	Chief Executive (until 30/11/2020)	140 – 145	200 – 205	185 – 190
Mark Madden	Executive Chief Finance and Resources Officer (until 03/12/2020)	105 – 110	160 – 165	155 – 160
Nigel Leonard	Executive Director of Strategy and Transformation	155 – 160	145 – 150	140 – 145

Total Pension Entitlement

Table 15: *Total Pension Entitlement (subject to audit)*

2020/21		Real Increase/ (Decrease) in Pension and related lump sum at age 60	Total Accrued pension and related lump sum at age 60 at 31 March 2021	Cash Equivalent Value at 31 March 2020	Real Increase in cash equivalent Transfer Value	Cash Equivalent Value at 31 March 2021
		£000	£000	£000	£000	£000
Sally Morris	Chief Executive (until 30/11/2020)	n/a	n/a	n/a	n/a	n/a
Paul Scott	Chief Executive (since 24/08/2020)	10.0 – 12.5	160.0 – 162.5	713	65	840
Andy Brogan	Executive Chief Operating Officer and Deputy Chief Executive (until 30/11/2020)	n/a	n/a	n/a	n/a	n/a
Alex Green	Executive Chief Operating Officer (from 01/10/2020)	0 – 2.5	12.5 – 15	154	16	197
Mark Madden	Executive Chief Finance and Resources Officer (until 03/12/2020)	n/a	n/a	n/a	n/a	n/a
Trevor Smith	Executive Chief Finance Officer (from 18/09/2020)	2.5 – 5.0	225.0 – 227.5	1,246	44	1,361
Dr Milind Karale	Executive Medical Director	2.5 – 5.0	107.5 – 110.0	629	31	690
Nigel Leonard	Executive Director of Corporate Governance	n/a	n/a	n/a	n/a	n/a
Prof Natalie Hammond	Executive Nurse	12.5 – 15.0	170.0 – 172.5	826	83	943
Sean Leahy	Executive Director of People and Culture	2.5 – 5.0	2.5 – 5.0	21	15	55

Information for Sally Morris (former Chief Executive), Mark Madden (former Executive Chief Finance Officer) and Nigel Leonard (current Executive Director of Corporate Governance) is excluded from the above table disclosing individual pension benefits for 2020/21 and 2019/20. This information was requested from NHS Pensions Agency but was not provided on the basis of the individuals previously opting out of the scheme during 2018/19 and therefore having no active membership during 2019/20 or 2020/21.

2019/20		Real Increase/ (Decrease) in Pension and related lump sum at age 60	Total Accrued pension and related lump sum at age 60 at 31 March 2021	Cash Equivalent Value at 31 March 2020	Real Increase in cash equivalent Transfer Value	Cash Equivalent Value at 31 March 2021
		£000	£000	£000	£000	£000
Sally Morris	Chief Executive	n/a	n/a	n/a	n/a	n/a
Andy Brogan	Executive Chief Operating Officer and Deputy Chief Executive	n/a	n/a	n/a	n/a	n/a
Mark Madden	Executive Chief Finance and Resources Officer	n/a	n/a	n/a	n/a	n/a
Malcolm McCann	Executive Director of (Community Services and Partnerships (until 30/06/2019)	n/a	n/a	n/a	n/a	n/a
Dr Milind Karale	Executive Medical Director	2.5 – 5.0	100 – 105	570	46	629
Nigel Leonard	Executive Director of Corporate Governance	n/a	n/a	n/a	n/a	n/a
Prof Natalie Hammond	Executive Nurse	-	150 – 160	851	-	826
Sean Leahy	Executive Director of People and Culture (from 06/08/2019)	0 – 2.5	0 – 2.5	0	21	21

During 2019/20, the method used by the NHS Business Services Authority to calculate CETV's changed to remove the adjustment for Guaranteed Minimum Pension (GMP). Where individuals were permitted to a GMP, the calculation of the real increase in CETV would be affected, particularly where they are members of the 1995 Section and 2008 Section of the scheme.

In December 2018, the Court of Appeal judgement (referred to as the McCloud case) ruled that reforms made to most public service pension schemes in 2015, including the NHS Pension Scheme, were discriminatory against younger members of the scheme. The government has announced a remedy to remove this discrimination with new legislation due to be in place by October 2023. The above pension figures do not include any adjustment for the potential impact of the new legislation.

Fair pay multiple (subject to audit)

The Trust is required to disclose the relationship between the remuneration of the highest paid Director and the median remuneration of the Trust's workforce.

The banded remuneration of the highest paid Director in the Trust in the financial year 2020/21 was £200,000 to £205,000 (2019/20: £200,000 to £205,000). This was 7.39 times (2019/20: 7.51 times) the median remuneration of the workforce, which was £27,416 (2019/20: £26,970).

In 2020/21, there were no employees (2019/20: nil) who received remuneration in excess of the highest paid Director.

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.

Loss of Office Payments (subject to audit)

The Trust did not make any payments to Senior Managers in respect of loss of office during 2020/21.

Paul Scott
Chief Executive
Essex Partnership University NHS Foundation Trust

25 June 2021

STAFF REPORT

Our Staff

Staff Costs

During 2020/21, the Trust incurred total staffing costs of £266 million which can be analysed as follows between permanent staff and other staff:

Table 16: *Staff costs 2020/21*

	PERMANENT STAFF £000	OTHER STAFF £000	TOTAL STAFF £000
Salaries and Wages	196,056	2,611	198,667
Social Security Costs	19,728	-	19,728
Apprenticeship Levy	938	-	938
Pension Cost (employer contributions to NHS Pension Scheme	23,180	-	23,180
Pension Cost (employer contributions paid by NHSE on provider's behalf at 6.3%)	9,743	-	9,743
Pension Cost (other)	173	-	173
Other Post Employment Benefits	(135)	-	(135)
Termination Benefits	8	-	8
Temporary Staff – agency / contract staff	-	13,782	13,782
Total Staff Costs	**249,691**	**16,393**	**266,084**

These total staff costs are categorised in note 5 to the annual accounts between employee expenses (staff and executive directors), research and development, education and training and redundancy.

Average Staff Numbers (subject to audit)

During 2020/21, the Trust employed an average of 5,801 staff as follows:

Table 17: *Average staff numbers 2020/21*

	PERMANENT STAFF (WTE*)	OTHER STAFF (WTE*)	TOTAL STAFF (WTE*)
Medical and Dental	214	63	277
Administration and Estates	1,097	16	1,113
Healthcare Assistants and Other Support Staff	2,014	56	2,070
Nursing, Midwifery and Health Visiting Staff	1,602	120	1,722
Nursing, Midwifery and Health Visiting Learners	2	-	2
Scientific, Therapeutic and Technical Staff	547	15	562
Social Care Staff	55	-	55
Total Average Staff Numbers	**5,531**	**270**	**5,801**

* WTE (Whole Time Equivalent) denotes the total number of hours of all post holders in the staff group (whether part-time or full-time) divided by the full-time hours of a role in the staff group. For example, a member of staff contracted to work 18.75 hours per week in a role with full time hours of 37.5 would constitute 0.5WTE.

Gender Analysis

Our workforce profile is similar to many foundation trusts in that 52.4% of our staff are over the age of 46 and our workforce is predominantly female. This is detailed further in the table below:

Table 18: *Workforce Profile*

Staff Group	TOTAL	Gender		Age			
		Female	Male	<25	26-45	46-65	>65
Board of Directors	14	7	7	0	0	13	1
Senior Managers	38	28	10	0	8	28	2
Doctors and Dentists	230	111	119	0	132	91	7
Nursing	1,557	1,265	292	51	673	812	21
Other healthcare staff	1,929	1,562	367	136	935	809	49
Support staff	1,542	1,222	320	73	528	872	69
All employees	5,310	4,195	1,115	260	2,276	2,625	149
All employees %		79.0%	21.0%	4.9%	42.9%	49.4%	2.8%

Sickness Absence (taken from December 2020* NHS Digital report)

* the latest figures available at the time of preparation of this report were for December 2020.

Please note: information in relation to sickness absence for NHS Trusts is available at the following link
https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

The average sickness absence rate for EPUT during 2020/21 (based on NHS Digital December 2020 report) was 11.9 days sickness per full time member of staff.

Table 18: *Sickness Absence*

Figures Converted by DH to Best Estimates of Required Data Items			Statistics Published by NHS Digital from ESR Data Warehouse	
Average FTE* 2020	Adjusted FTE* days lost to Cabinet Office definitions	Average Sick Days per FTE*	FTE*-Days Available	FTE*-Days recorded Sickness Absence
4,289	51,521	12	1,632,116	78,552

In accordance with the Treasury guidance, all public bodies must report sickness absence data on a consistent basis per calendar year, in order to permit aggregation across the NHS. The Trust is required to use the published statistics which are produced using data from the Electronic Staff Record (ESR) Data Warehouse. The latest publication, covering up to December 20202, can be found on the website of NHS Digital (at the link detailed above).

The number of *Full Time Equivalent (FTE) Days Available of 1,632,116 has been taken directly from ESR and has then been converted to Average FTE's for the period January 2020 to December 2020 which gives 4,289.

The number of FTE days lost due to sickness of 78,552 has been taken directly from ESR, and has been converted to Adjusted FTE days due to sickness of 51,521 by taking account of the number of working days in the period January 2020 to December 2020 as per the Cabinet Office definition.

The average sick days per FTE of 12 days has then been calculated by dividing the adjusted FTE days as per the cabinet office measure, by the average FTE for the year.

This year's sickness absence figures have been significantly impacted by COVID-19.

The Trust has had a strong focus on supporting our staff whilst they are absent or ensuring support and interventions are in place to avoid absences, including consideration of restricted duties or temporary or permanent redeployment where staff can no longer fulfil their substantive role. We continue to work in partnership with staff side and union representatives to identify the best outcomes for our workforce and ensure that the appropriate support is in place for their return to work or to continue to manage their absence.

The Trust has a range of employee wellbeing procedures in place as well as Sickness Task and Finish Groups within operational services, which are supported by a member of the HR team to support managing employee wellbeing. The Trust has introduced a number of revised and new supporting frameworks to achieve and maintain employee wellbeing in the workplace ensuring that measures taken to achieve workforce wellbeing will be fair, equitable and reasonable in the circumstances. New measures introduced include change in sickness indicators, removal of formal written warnings; launch of reasonable adjustment passports and the introduction of wellbeing conversations which now form part of formal supervision. The Trust continues to regularly review its managing sickness and absence procedures to streamline the processes and ensure managers are supported in roles when tackling absence.

Managers with responsibility for managing staff are required to undergo specific sickness absence training as part of their management development programme. There is also a range of information accessible to managers on the staff intranet to support them as well as each service having a dedicated HR team and access to an Occupational Health provider to support with the management of health conditions and sickness absence.

During the COVID-19 pandemic the Trust has supported staff through a wellbeing call service for all staff absence which includes additional check in's for those staff who were absent or hospitalised due to COVID-19 illness, ensuring staff were supported and signposted to relevant support mechanisms available. The Trust also put in place a psychological support "here for you" service for staff to access for support during the COVID-19 pandemic and is continuing as a support mechanism for our staff. The Trust also ensured all workers were offered a COVID-19 Risk assessment and home working assessment to ensure necessary support was put in place in the workplace or for those working from home.

With stress and musculoskeletal conditions being the Trusts top reasons for absence we have continued to invest in fast track physiotherapy for staff. We also have available an on line support tool for staff with musculoskeletal conditions including exercises, tips and preventative advice. In addition, we provide free 24 hour access to counselling and support for staff. This also includes an on line tool with a range of advice on lifestyle matters including financial, bereavement and health. We provide a range of support for staff suffering with work related stress including a suite of learning on resilience and managing stress and bespoke sessions in teams where necessary. We also have a Mental Health and Disability Staff Equality Network which has representation from the wellbeing and HR teams as a further voice for staff who need help and support.

Workforce Equality and Inclusion

Our current workforce equality objective is:

"For all staff including those who fall into legal protected characteristics and other vulnerable groups will feel safe, included and have fair access to all areas of employment including recruitment, career progression, training and development. They will be supported dependent on their specific equality needs and there will be clear user-friendly monitoring information which shows progress and any areas that may require attention."

The Trust's Equality Advisor was made into a permanent full time position to facilitate and promote Equality, Diversity and Inclusion within the Trust during the year. This brought focus to the way we support our staff, patients and their carers from marginalised and minority groups, and our Equality, Inclusion and Human Rights policy has been updated to ensure that it shows our commitment to providing support that meets a person's personal and cultural needs, taking their protected characteristics into account. Throughout the year, new policies, initiatives and actions were put in place to ensure Equality and Inclusion remained a priority within the Trust and to build upon the work already put in place in 2019-2020. This work is directly linked to two of the three Equality Objectives set out by the Trust (2018-22).

We will empower our staff to build strong and healthy communities by being open and compassionate when involving people from all communities and groups.

We will ensure all staff feel safe, included and have fair access to employment.

AS reported in the Equal Opportunities section earlier, alongside its Disability Confident accreditation, EPUT uses the NHS Jobs online system to ensure that application and shortlisting for a position is done in a way that does not affect or put those from marginalised or minority groups at a disadvantage, with interview panel members given training in unconscious bias and how to conduct interviews fairly. Processes are in place to ensure details such as a person's name or protected characteristics are withheld from the shortlisting panel, thereby allowing decisions to be made solely on the potential and merit of the applicant. In 2020 we also introduced Equality and Inclusion themed interview questions to help us as a Trust recruit those who are allies to marginalised and minority groups and who understand the importance of this work.

Details of the Trusts sickness absence policy, as amended in 2020 by the Trusts Equality Advisor in collaboration with the EPUT staff disability and mental Health network and EPUT's HR department has also been reported in the Equal Opportunities section earlier, as have the measures in place to support staff with disabilities fairly when seeking and during their employment with the Trust.

Supporting staff who are Lesbian, Gay, Bi, Trans and any other sexual orientation and / or gender identity minority group (LGBTQ+) in EPUT

Following on from the success of our LGBTQ+ Staff Equality Network and our EPUT Rainbow Campaign In 2020-21, we have made sure that the impact of COVID-19 does not affect the way our staff show allyship and how they support LGBTQ+ communities in our workforce and our services. In particular:

- We provide LGBTQ+ Awareness Training available to all staff, teaching key concepts such as gender identity, sexual orientation and the issues faced by LGBTQ+ people accessing / working in NHS services. This training is hosted by volunteers from our LGBTQ+ network as well as our Equality Advisor and has had a very positive reception.

- Staff members who complete this training receive an EPUT Rainbow Lanyard (developed by the LGBTQ+ Network with funding from NHS Charities) to show their support as an Ally.
- We are continuing our Rainbow Campaign, where teams can receive rainbow pins to show their support of the LGBTQ+ community as an Ally.
- We have celebrated LGBTQ+ History Month and LGBTQ+ Pride month, with articles from staff volunteers and messaging / online articles throughout the month. Our Network Chair was a guest on the All Staff Update during History Month.
- An online Pride event with over 50 attendees (With guest speakers and our Executive Team showing their support) was held.
- We improved resources throughout the Trust to support staff in discussing key concepts in gender identity, sexual orientation, understanding discrimination and how to be an Ally.

Involvement and Recognition

We have introduced a new network of Staff Engagement Champions to further support raising concerns and strengthen the value of openness across the Trust. As part of this network regular meetings with the Executive Team are held called 'The Grill'. These meetings allow the Staff Engagement Champions from all over the Trust a dedicated space to challenge our Executive Directors on topics and get immediate answers to any questions or concerns they may have. We also revised and refreshed our Staff Recognition Scheme this year and improved the prize fund for winners.

We have also worked on recognising the tremendous sacrifices our staff have made not only in their everyday work but also in response to the pandemic. We introduced some initiatives to thank our staff for their efforts including shopping vouchers, thank you letters and badges. We also re-designed the Staff Recognition Awards scheme where staff, patients and the public can submit nominations to recognise and celebrate staffs hard work and dedication. We feel all of this helps our staff to feel valued, supported and then more likely to feel heard when speaking out about any issues or concerns.

There is a strong communication structure in place which includes daily and weekly staff bulletins and a weekly virtual Broadcast from the CEO and Executive Colleagues responding to staff concerns and queries. This has been well received. Communication with staff is also revisited below.

We have a wide range of staff equality networks and the new Staff Engagement Champions Network which all act as a voice and source of support for staff – either for themselves – or for learning more about equality groups for their colleagues or patients. The Equality and Inclusion networks currently include BAME, Disability and Mental Health, LGBTQ+, Carers, Faith and Spirituality and these have direct access to support and Senior Management.

We have a strong anti-bullying ambassadors network who are there to support staff who have concerns about bullying or poor behaviour and we believe their input is in part the reason why things are starting to improve on this staff survey theme.

We have excellent working relationships within the organisation, but are also proud of our close working network with other local trusts across our landscape as well as strong links to NHS Employers & Improvement and Integrated Care Systems.

Staff Concerns

The Trust has in place policies, procedures, systems and processes to ensure that all staff are able to raise concerns quickly and have these resolved in a timely manner. Examples include:

- The Trust's Grievance, Dignity and Respect Policy and Procedure contains robust mechanisms for dealing with grievances and complaints relating to dignity at work (bullying, harassment and discrimination).
- The Trust's Raising Concerns, Whistleblowing Policy and Procedure for staff and workers designed to provide a process for staff to be able to speak up freely and raise any concerns they may have.
- Disciplinary and Capability policies and procedures with a focus on creating a culture where staff feel supported and empowered to learn when things do not go as expected, rather than feeling blamed, to support this the Trust has implemented a disciplinary decision making tool to support any formal decision making and encourage informal mechanisms and learning for addressing concerns.
- There is a focus on dealing with concerns, informally where possible, as quickly as possible to ensure staff are supported and the Trust has in place in house trained mediators to support.
- A range of engagement sessions/workshops/ management development programmes are held across all areas of the Trust focusing on bullying and harassment and raising concerns

and a 'Dealing with Bullying and Harassment Guide' has been implemented for staff and managers.

- Staff are required to complete e-learning training which covers how to raise concerns and specific training is available for managers as part of the management development programme.

There are a good range of mechanisms for staff to share concerns anonymously through the Staff Friends and Family Test, the 'Ask a Director' and 'listening to you' tool on the staff intranet or by raising with a senior manager in the Trust.

Freedom to Speak Up (F2SU):

The Freedom to Speak Up initiative encourages an environment where staff feel that it is safe to raise concerns with confidence, that they will be listened to, and the concerns will be acted upon across the NHS.

The Principal Freedom to Speak Up Guardian is a trusted pillar of support for NHS workers. They provide a route through which workers can speak up about any matter that could get in the way of delivering high-quality patient care, or that presents the workplace being the supportive caring environment that hard-working and caring staff should expect.

EPUT's Freedom to Speak Up vision is:

'Supporting compassion, openness and empowerment'

In recognition of this EPUT has a Freedom to Speak Up Principal Guardian, who was voted into post by Trust employees following an election process in the autumn of 2019, reporting directly to the Executive Director for People and Culture. The support from the senior leadership helps develop a strong speaking up culture.

Work has continued throughout 20/21 to promote awareness of the Freedom to Speak Up (F2SU) agenda and embed the 'Speak Up' culture within the Trust that is both responsive to feedback and focused on learning and continual improvement. An assessment of the Trust's performance against NHS Improvement's F2SU self-review tool was presented to the Board in May 2020 detailing where best practice had already been met and proposed actions for areas requiring improvement.

In addition to the Principal Guardian there are 11 fully trained Local F2SU Guardians employed in various roles and at a number of different sites across the Trust. The growing network of Speak Up experts gives staff real choice in whom they can approach to raise their concerns if they do not feel able to address them directly through their chain of line management. This demonstrates great progress in making the process as easy, as accessible and as comfortable as possible for staff who want to speak up.

All concerns raised are taken forward by the Guardian Service to be resolved. The Trust raises awareness to staff of the action taken through anonymised 'You said we did' posters on the Freedom to Speak Up intranet page. Those who raise concerns are provided with the opportunity to give feedback on their experience of using the Guardian Service. At Board meetings, individuals who have raised concerns attend to talk about their experience of approaching the Guardian service at EPUT.

In Quarter 1, 30 concerns were raised to the Freedom to speak up, Q2 showed an increase by 20 bringing the number to 50 followed by 74 in Quarter 3 and finally 81 in Quarter 4. The increase is noted favourably by the Trust as an indication that more staff are now aware of the service and feel able to raise concerns to be investigated. The concerns were evenly spread across the Trust's geographical area and came from staff employed in a number of different roles.

EPUT's Guardian service has seen the impact of COVID-19 on the patients, their families and our colleagues, and the long-term effects it has had in the NHS. We are humbled and inspired by the incredible NHS workers who continue to deliver excellent care in extreme circumstances. A rise in concerns was noted as a result of the pandemic. Concerns over PPE and social distancing were reported. The Trust noted that the types of matters workers were speaking up about also changed over the months. While anecdotally the National Guardians Office were told that speaking up about behaviours was deemed 'trivial' during the peak of COVID-19 cases, reports of behavioural issues such as bullying and harassment rose from 46 per cent in April, to 57 per cent in May and up to 74 per cent in June last year.

The Trust has an established Learning Oversight Sub-Committee. All learning and improvements identified by the sub-committee are circulated throughout the Trust. The Principal Guardian receives the papers for every sub-committee meeting and attends virtually.

In National 'Speak Up' month October 2020, the Principal Guardian wrote blogs covering various aspects of the agenda and attended various team meetings to continue to raise the agenda for Freedom to Speak Up. We were also delighted to have the National Guardian Dr Henrietta Hughes who joined us in a virtual live meeting. Throughout the month of October we seized the opportunity to promote Speak Up month. We published the letters of the alphabets associating a word to them connected to Freedom to Speak Up to resonate in our mind what the service means. For Freedom to speak up to become business as usual, we want to embed it within our language at all levels – as easy as ABC.

The F2SU service is one that is open to everyone, from Board to Base, and the contribution from the Board in helping to deliver this message has been significant. During 'Speak Up' month the Executive Chief Operating Officer, as well as Local Guardians, recorded video messages for staff. The Chief Executive also continues to run regular messages to raise awareness of the agenda and its importance to the Trust. We are now able to attract a wider audience virtually by delivering sessions online to students and also our doctor colleagues and to encourage them to also join our network. The Principal Guardian continues to attend induction, BAME meetings and is engaging with other staff networks including the LGBTQ+ staff community to ensure awareness and build the confidence necessary for people in all these groups to report any concerns they might have.

Work to increase the Local Guardian network is ongoing and the Communications Strategy continues to ensure all staff are fully aware of the agenda and its purpose. Increasing the use of social media platforms is being looked at in closer detail for 2021/22 as it is recognised that in many roles staff do not have regular access to a desktop computer and the opportunity to easily read articles on the intranet.

Informing and Consulting with Staff

The Trust has in place a number of formal mechanisms where management and staff side meet to deal with employee relations matters namely the Joint partnership Committee (JPC) and the Joint Local Negotiating Committee (JLNC) which meets bi-monthly. Both committees have local and regional representative and discuss the strategic overview of the workforce, policies, quality service delivery and service transformation. We also have in place a Joint Policy committee, which meets as and when required to review and agree policies and procedures in partnership.

The Trust also actively engages with staff and local staff side representatives and holds additional meetings to consult, discuss and inform staff including consultation meetings where changes are planned that have a direct impact on workforce ensuring staff affected had access to a range of support during the process including access to guidance and support, counselling and HR advice should they need it.

Staff Engagement

Staff Engagement continues to be a priority for EPUT. We have a dedicated Staff Engagement / Organisational Development Team and Communications Team to support our workforce in this area. There is wide research to show that an engaged and supported workforce provide better patient care. Our ethos is based on ensuring our staff are cared for and engaged so that wish to remain in our employment and that they are able to deliver high quality care.

We listen and share feedback from our staff through the annual NHS staff survey.

The NHS Staff Friends & Family Test was suspended this year due to the pandemic. However, this year we have embraced the virtual world and have held a range of events including weekly live staff briefings, (mentioned above), which have proved a popular feedback session.

We use a wide range of communication methods to engage with our staff. From 'Time to Talk' events, CEO staff briefings, virtual networks and formal staff networks, right through to formal consultation processes and we work closely with our staff side and union representatives.

In 2020-21, we reached out to our staff members from minority and marginalised ethnicity groups in response offering support and reassurance that they were welcome and able to access the wealth of wellbeing and support services in the Trust. This was in response to the death of George Floyd and the subsequent Black Lives Matter movement, with data and guidance from the CQC and NHS organisations showing us that people from these groups were also disproportionately impacted by COVID-19. The Trust made a commitment to be an Anti-Racist Trust as part of our "Be You" philosophy. This acknowledges where we can improve, and also being clear about how we hope to do this.
We have made improvements to the way we raise awareness of the issues faced by these communities, as well as the support we provide in many ways, these projects include:

- Continuation of our Reverse Mentoring program (with support from guest speaker Cherron Inko-Tariah, MBE), ensuring that our Senior Leaders can better understand the perspectives of staff from minority ethnicity groups in the Trust, and learn from their lived experience;
- Developing and promoting the Workforce Race Equality Standard (WRES) in collaboration with our staff Black, Asian and Minority Ethnicity (BAME) Staff Network;
- Our BAME Staff Network Chair took part in our COVID-19 command meetings throughout the year on behalf of the Network and the communities it represents.
- Regular communications throughout the year to provide resources and raise awareness of support and events for staff members from ethnic minority communities.
- Our BAME Staff Network Chair was

part of our online All-Staff update for Black History Month. Regular intranet updates throughout the month in collaboration with the Communications Team.

- Our Black, Asian and Minority Ethnicity Staff Network (with funding from NHS Charities) organised a suite of events across the Trust, including collaborative online events with Princess Alexandra Hospital and Hot African Food deliveries to our sites.

- Hosting a "White Allyship" session as part of Black History Month.

- Improved resources throughout the Trust to support staff in discussing key concepts in racial equality, equity and understanding discrimination and how to be an Ally.

Health and Safety

The Trust's Corporate Statement and Policy on Health and Safety (RM01) sets out the organisational structure for managing Health and Safety and how the Board of Directors fulfils its statutory obligations as required by the:

- Health and Safety at Work etc., Act 1974;

- Management of Health and Safety at Work Regulations 1992;

- Workplace (Health, Safety, and Welfare) Regulations 1992.

The Health, Safety and Security Committee co-ordinates the implementation and management of health, safety & security as well as non-clinical risk management across the organisation.

The Trust has a range of policies and procedures in place to support staff in maintaining compliance with health and safety requirements:

- Corporate Statement and Policy on Health and Safety

- Fire Safety Policy

- Control of Substances Hazardous to Health (COSHH)

- Display Screen Equipment Policy

- First Aid Policy

- General Work Place Risk Assessment Policy

- Adverse Incident (inc Serious Incident) Reporting Policy

- Lone Worker Safety Policy

- Health and Safety of Young Persons Policy

- Ligature Risk Assessment and Management Policy

- Manual Handling Policy

- Search Policy

- Driving Whilst at Work Policy

EPUT recognises the need for the effective management of health, safety and security. Day-to-day management of health, safety and security is undertaken by the Risk Management Department in cooperation with unit and locality managers and all staff according to their level of responsibility.

Ligature Risk Assessment Inspections have been completed in all in-patient areas of the organisation. Potential risks identified have either been removed, replaced with a reduced ligature solution or action taken to ensure that staff are aware of and mitigate the risks taking them into account when planning care for vulnerable patients.

Community Mental Health Teams are required to complete a general work place risk assessment which identifies ligature hotspots within their building and actions to mitigate the risks.

Health and safety inspections were carried out across the organisation in line with legislation and guidance. These have been shared with staff and corrective action identified to minimise risk.
Lone worker devices have continued to be used throughout the organisation. We currently have 1293 and all staff have been trained in their use. Managers have access to data for monitoring staff usage and activity.

During 2020/21 the Trust has undertaken an extensive programme of COVID-19 Secure Environment inspections for different Trust workplaces in line with national guidance and increased health and safety focus on staff working at home as part of the Trust response to the COVID-19 pandemic.

The Trust has continued with piloting body worn cameras in 6 of our mental health inpatient wards. Staff feedback has been positive, the device quality is very clear and there have not been any issues with the connection and uploading/viewing footage.

The Trust has continued with our programme of ligature reduction work. This has involved commissioning of new training for the Trust Ward Managers, H&S Advisors and Estates staff to enhance understanding on how to identify environmental ligature risks. There has been an ongoing programme of environmental risk stratification works in Trust ward environments to continue to reduce ligature risks. The trust has enhanced ligature risk assessment tools and is piloting a new electronic form.

The Trust has been working in partnership with technology provider, Oxehealth, to implement and utilise Oxevision, a digital tool that allows for

contactless monitoring of vital signs and movement to improve patient safety, quality, and efficiency of care within inpatient wards. The trust has commissioned the implementation of Oxevision into 25 wards and 5 HPOS's (136 suites x 7 rooms). These wards consist of the two Assessment Units, PICU, Adult, childrens and functional older people. To date Oxevision is fully operational in 10 wards with the remainder scheduled to go live between now and the middle of June 2021.

Staff Health and Wellbeing

EPUT has a well-established health and wellbeing service. The health and wellbeing of our patients is directly related to the health and wellbeing of our staff and so it remains a top priority for the organisation to ensure our staff are as healthy as possible.

This year some of our key wellbeing achievements were:

- Improvements in staff survey key findings around wellbeing
- The update and re-launch of a flexible working toolkit for staff to support work life balance
- Regular updates to the guide on bullying and harassment for staff
- Introduction of Staff Wellbeing Leads to support directly with wellbeing issues
- Continued provision of fast-track physiotherapy for staff with musculoskeletal conditions in and out of work
- Continued promotion of virtual/outdoor fitness classes, e.g. Zumba; yoga and aerobics in line with social distancing regulations
- Published a 'Mental Ill Health Toolkit' to support staff suffering from mental ill health;
- Health promotion days based around national health days, e.g. Stoptober, Dry January, etc.and
- Dedicated support for staff involved in incidents of physical violence, including the roll out of a bespoke 'Serious Incident' (SI) Support Programme & new 'Here for you' service.

We continue to provide full occupational health and employee assistance programmes for staff.

Building on this work, in 2021/2022 we will prioritise key areas including:

- The promotion of 'Positive Cultures' Trust wide
- The continuation of a strong plan to tackle discrimination, bullying and harassment
- Supporting areas of low staff morale through team development and wellbeing days
- Mindfulness courses for staff supported by access to a range of on-line mindfulness tool
- Wide health promotion of support available to staff and
- Undertaking a review of our managing absence and wellbeing of staff policy and procedure to support staff with long-term conditions and mental health illness.

All of this will be monitored through an agreed action plan, which is reported and updated each quarter.

The Trust's Occupational Health Provider is Optima Health. The Trust also has a confidential employee assistance provider provided by HELP. Fast track physiotherapy is available under the new provider and stringent key performance indicators have been set to manage service delivery and are monitored monthly with the contract providers.

Policies on Counter Fraud/Corruption

The Trust has detailed procedures on counter fraud, and all finance policies and procedures are reviewed by our Local Counter Fraud Specialists to ensure fraud is minimised. Any lessons learned from fraud or staff investigations are factored into the regular reviews of procedures.

NHS Staff Survey

The NHS staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

The response rate to the 2020/21 survey among trust staff was 47% (2019/20: 48 %). Scores for each indicator together with that of the survey benchmarking group (Mental Health & Learning Disability and Mental Health, Learning Disability & Community Trusts) are presented in ***Table 20*** overleaf.

Table 20: *Performance of EPUT in Staff Survey*

	2020/21		2019/20		2018/19	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity and inclusion	9.0	9.1	8.9	9.1	8.9	9.2
Health and wellbeing	6.4	6.4	6.1	6.1	6.1	6.1
Immediate managers	7.3	7.3	7.2	7.2	7.2	7.2
Morale	6.4	6.4	6.2	6.3	6.2	6.2
Quality of care	7.6	7.5	7.5	7.4	7.5	7.4
Safe environment – bullying & harassment	8.0	8.3	7.9	8.2	7.9	8.2
Safe environment – violence	9.5	9.5	9.4	9.5	9.4	9.5
Safety culture	6.9	6.9	6.7	6.8	6.7	6.8
Staff engagement	7.2	7.2	7.0	7.1	7.0	7.0
Team working	6.9	7.0	6.9	6.9	N/A	N/A

A Staff Engagement Framework Action Plan will be developed to reflect the new Staff Engagement Strategy which will set out the corporate response and actions for these results. HR Business Partners will be working closely with their relevant directorates to develop local action plans which will be monitored through the Workforce Transformation Committee to address their own local performance.

Future Priorities and Actions

As well as a wider plan of continuous improvement of staff engagement, other action in 2021/2022 will include.

- Support for the workforce from two newly appointed wellbeing leads
- Continue strengthening of our networks. We have developed a Library of lived experience and will continue to grow this in 2021.
- Bullying and Violence – we continue to focus on reducing bullying and violence. The Trust continues to strengthen the Anti-Bullying Ambassador Scheme.
- Continuing to analyse a range of staff information including discipline, grievance and incident reporting to look for patterns and trends.
- Drilling down into specific areas such as staff groups and areas of work to identify hotspots for attention.
- A focus on Race and Race Equality as well as other protected characteristics.
- A full improved programme of staff recognition across the year.

Trade Union (Facility Time Publication Requirements) Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires NHS employers to publish certain information on trade union officials and facility time on their website as follows:

- The number of employees who were relevant union officials during the relevant period, and the number of full time equivalent employees
- The percentage of time spent on facility time for each relevant union official
- The percentage of pay bill spent on facility time
- The number of hours spent by relevant union officials on paid trade union activities as a percentage of total paid facility time hours.

For these purposes, 'facility time' is defined as time that is taken off to carry out trade union duties or the duties of a union learning representative, to accompany a worker to a disciplinary or grievance hearing, or to carry out duties and receive training under the relevant safety legislation.

Schedule 2 – ***The Trade Union (Facility) Time Publication Requirements Regulations 2017:*** The detail of trade union activity for 1 April 2019 to 31 March 2020 is as below. The next report is due June 2021 and will be made available on the Trust's website.

Table 21: *Relevant union officials*

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

Number of employees who were relevant union officials during the relevant period	Full-time equivalent trade union representatives	Full-time equivalent employee number
45	41.67	4,390.96

Table 22: *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%	21*
1-50%	22*
51%-99%	2*
100%	0*

Table 23: *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.

First Column		Figures
Provide the total cost of facility time		£46,004.54*
Provide the total pay bill		£234,900,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.02%	

Table 24: *Paid trade union activities*

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

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	26.59%*

* Disclaimer; Please note the information is correct from the returns received from trade union officials. Nil returns have been received and therefore may be subject to change. This information will be updated upon receipt of additional information.

Expenditure on Consultancy

During 2020/21, the Trust spent £2.8 million on consultancy expenditure in respect of the provision of objective advice and assistance to the Trust in delivering its purpose and objectives.

As in previous years, the Trust has obtained expert advice around the implementation of IT projects and project management support for estates and service related projects.

However, during 2020/21, the Trust has incurred a greater level of consultancy expenditure in delivering the mass vaccination programme across the Mid and South Essex, and Suffolk and North East Essex integrated care systems, as well as the Trust's new safety agenda.

Off Payroll Arrangements

In line with HM Treasury guidance, the Trust has put controls in place around the use of off-payroll arrangements.

These engagements are only entered into on the basis of the provider's relevant skills, experience and knowledge and are supported by individual contracts. All contracts are signed by both parties and include such terms as services to be provided, amount payable per day and responsibility for tax and national insurance contributions.

Table 25: *Highly-paid off-payroll worker engagements as of 31 March 2021 earning £245 per day or greater*

Number of existing engagements as of 31 March 2021	0
Of which…	
Number that have existed for less than one year at time of reporting	-
Number that have existed for between one and two years at time of reporting	-
Number that have existed for between two and three years at time of reporting	-
Number that have existed for between three and four years at time of reporting	-
Number that have existed for four or more years at time of reporting	-

Table 26: *All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2021 earning £245 per day or greater*

Number of off-payroll workers engaged during the year ended 31 March 2021	3
Of which…	
Not subject to off-payroll legislation	1
Subject to off-payroll legislation and determined as in-scope of IR35	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	2
Number of engagements reassessed for compliance or assurance purposes during the year	1
Of which: number of engagements that saw a change to IR35 status following review	1

Table 27: *For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021*

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 should include both off-payroll and on-payroll engagements	10

Staff Exit Packages (subject to audit)

During the year the Trust has incurred total termination costs of £87,000 in respect of 4 individuals. These included two instances where a special severance payment was made that required HM Treasury approval.

Table 28: *Staff exit packages 2020/21*

2020/21	Compulsory Redundancies		Other Departures Agreed		Total Termination Costs	
	Number	£000	Number	£000	Number	£000
< £10,000	1	8	1	3	2	11
£10,001 – £25,000	-	-	1	25	1	25
£25,001 – £50,000	-	-	-	-	-	-
£50,001 – £100,000	1	51	-	-	1	51
£100,001 – £150,000	-	-	-	-	-	-
£150,001 – £200,000	-	-	-	-	-	-
Total	**2**	**59**	**2**	**28**	**4**	**87**

Table 29: *Staff exit packages 2019/20*

2019/20	Compulsory Redundancies		Other Departures Agreed		Total Termination Costs	
	Number	£000	Number	£000	Number	£000
< £10,000	1	10	0	0	1	10
£10,001 – £25,000	0	0	0	0	0	0
£25,001 – £50,000	3	90	0	0	3	90
£50,001 – £100,000	3	196	0	0	3	196
£100,001 – £150,000	0	0	0	0	0	0
£150,001 – £200,000	0	0	0	0	0	0
Total	**7**	**296**	**0**	**0**	**7**	**296**

Staff Exit Packages – Non Compulsory Departure Payments

This note discloses the number of non-compulsory departures which attracted an exit package and the value of payments by individual types.

Table 30: *Non-compulsory departure payments 2020/21*

2020/21	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-
Mutually agreed resignations (MARS) contractual costs	-	-
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	-	-
Exit payments following Employment Tribunals or court orders	-	-
Non-contractual payments requiring HMT approval	2	28
Total	**2**	**28**

Table 31: *Non-compulsory departure payments 2019/20*

2019/20	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-
Mutually agreed resignations (MARS) contractual costs	-	-
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	-	-
Exit payments following Employment Tribunals or court orders	-	-
Non-contractual payments requiring HMT approval	0	0
Total	**0**	**0**

NHS FOUNDATION TRUST: CODE OF GOVERNANCE REPORT

Introduction

Code of Governance

The Trust has applied the principles of Monitor's NHS Foundation Trust Code of Governance revised July 2014 (Code) on a 'comply or explain' basis. The Code is based on the principles of the UK Corporate Governance Code issued in 2012. The purpose of the Code is to assist Foundation Trusts to deliver effective and quality corporate governance, contribute to better organisational performance and ultimately discharge their duties in the best interests of patients. The Code is best practice advice but imposes specific disclosure requirements. The Annual Report includes all the disclosures required by the Code.

Statement of compliance

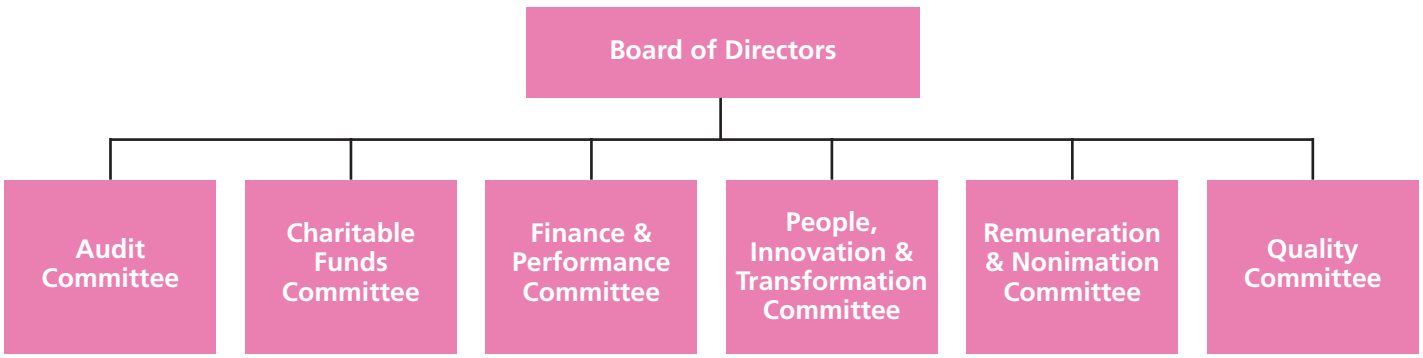
EPUT's Board of Directors and Council of Governors are committed to continuing to operate according to the highest standards of corporate governance. The Trust Secretary's Office, Executive Operational Sub-Committee comprising Executive Directors and Governor members of the Council of Governors Governance Committee undertook an annual review of the Trust's compliance with the Code. In the opinion of these committees, there is strong evidence that the Trust is compliant with all the provisions in the Code for the period 1 April 2020 to 31 March 2021. Some actions were identified to further strengthen compliance which will be taken forward over the coming year.

Board of Directors

Our Board of Directors operates according to the highest corporate governance standards. It is a unitary Board providing overall leadership and vision to the Trust and is ultimately and collectively responsible for all aspects of performance, including clinical and service quality, financial performance and governance as well as the management of significant risks. The Board leads the Trust by formulating strategy; ensuring accountability by holding the organisation to account for the delivery of the strategy and through seeking assurance that systems of control are robust and reliable; and shaping a positive culture for the Board and the organisation. The Board is also responsible for establishing the values and standards of conduct for the Trust and its staff in accordance with NHS values and accepted standards of behaviour in public life (The Nolan Principles) including selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Board exercises all the powers of the Trust on its behalf and delegates specific functions to committees of Directors. In addition, certain decisions are made by the Council of Governors, and some Board decisions require the approval of the Council. The powers and decisions are set out clearly in the Scheme of Reservation and Delegation and the Detailed Scheme of Delegation available at **www.eput.nhs.uk**. All Directors have joint responsibility for decisions.

The committee structure underpinning the Board of Directors, as at 31 March 2021, is detailed below.



The Executive Directors manage the day-to-day running of the Trust while the Chair and Non-Executive Directors provide operational and Board-level experience gained from other public and private sector bodies; among their skills are accountancy, audit, clinical, law, business development, consultancy, commercial, organisational development, quality, risk, technology and governance. The Board includes members with a diverse range of skills, experience and backgrounds which incorporate the skills required of the Board.

The Board has a Vice-Chair and has a Senior Independent Director. All Non-Executive Directors are considered by the Board to be independent taking into account character, judgement and length of tenure. None of the Executive Directors hold Non-Executive appointments.

During the course of the year the Board met nine times. Six of these meetings were held in public.

The attendance record of all meetings for the Board of Directors for the year ended 31 March 2021 is as follows:

Name	Role	Meetings Attended (actual/possible)
Prof Sheila Salmon	Chair	9/9
Alison Davis (SID) (until Mar 2021)	Non-Executive Director	9/9
Dr Rufus Helm	Non-Executive Director	9/9
Mateen Jiwani (from Jan 2021)	Non-Executive Director	2.5/3
Manny Lewis (Vice Chair)	Non-Executive Director	8/9
Loy Lobo (from 31 Mar 2021)	Non-Executive Director	1/1
Dr Alison Rose-Quirie	Non-Executive Director	9/9
Amanda Sherlock	Non-Executive Director	9/9
Nigel Turner (until Sept 2020)	Non-Executive Director	5/5
Janet Wood	Non-Executive Director	9/9
Paul Scott (from Sept 2020)	Chief Executive	6/6
Andy Brogan (until Oct 2020)	Executive Chief Operating Officer / Deputy Chief Executive	4/4
Alexandra Green (from Oct 2020)	Executive Chief Operating Officer	6/6
Prof Natalie Hammond	Executive Nurse	9/9
Dr Milind Karale	Executive Medical Director	9/9
Sean Leahy	Executive Director of People & Culture	9/9
Nigel Leonard	Executive Director of Strategy & Transformation	8/9
Mark Madden (until Sept 2020)	Executive Chief Finance Officer & Resources Officer	4/4
Sally Morris (until Sept 2020)	Chief Executive	4/4
Trevor Smith (from Sept 2020)	Executive Chief Finance Officer	6/6

Board of Directors Appointments

The Trust has a formal, rigorous and transparent procedure for the appointment of both Executive and Non-Executive Directors. Appointments are made on merit, based on objective criteria.

Executive Directors are permanent appointments, while Non-Executive Directors are appointed to a three year term of office. The reappointment of a Non-Executive Director after their first term of office will be subject to a satisfactory performance appraisal. Any term beyond six years will be subject to a rigorous review and satisfactory annual performance appraisal, and takes account of the need for progressive refreshing of the Board. However, the Council of Governors will also consider the skills and experience required on the Board taking account of the Trust's current and future business needs, as well as continuity during any period of change.

Both the Chair and Non-Executive Directors are appointed by the Council of Governors who may also terminate their appointment as set out in the Trust's constitution.

The following Directors were appointed to the Board of Directors during 2020/21:

- Paul Scott, Chief Executive Officer (from 24/08/2020)
- Trevor Smith, Executive Chief Finance Officer (from 18/09/2020)
- Alex Green, Executive Chief Operating Officer (from 31/10/2020)
- Dr. Mateen Jiwani, Non-Executive Director (from 18/01/2021)
- Loy Lobo, Non-Executive Director (from 31/03/2021)

The recruitment process for the Chief Executive Officer took place in 2019/20, with formal approval processes, including close working with NHSI/E, taking place in 2020/21.

An established recruitment and executive search agency was appointed by the Trust to oversee the recruitment process. The Trust's Chair, Chief Executive and the Board of Directors Remuneration and Nominations Committee worked closely with the agency at all stages of the process to ensure that appropriate actions were taken to recruit a suitable candidate to the post.

The exception to this was the Executive Chief Operating Officer role. Due to the number of leadership changes taking place at the same time, it was agreed to undertake an internal appointment for an interim position. The recruitment process was undertaken as an internal expression of interest and an interview panel. The successful candidate was appointed as interim COO and following a successful period in post, in consultation with the Remuneration and Nomination Committee, a process was undertaken to seek to appoint the Interim COO to the permanent post. This was completed via a formal interview, including an external assessor, and approval by the Remuneration and Nomination Committee.

Appointment of Non-Executive Directors

The appointment of Non-Executive Directors to the Board of Directors is undertaken by the CoG Nomination Committee on behalf of the Council of Governors. Non-Executive Directors on a term of three-years. The Non-Executive Director may be appointed for a further three-year term following a re-appointment process. Any term beyond six years will be subject to rigorous review and satisfactory annual performance appraisal, taking into account the need for progressive and refreshing of the Board. From February 2021, any new NED appointments will be appointed for a three-year term with a probationary review completed after one year, to review the NED has performed satisfactorily in the role to serve the remaining two-years of their first term.

The Trust constitution sets-out the circumstances that disqualify an individual from holding a Directorship. Should any of those circumstances become applicable to a Non-Executive Director, their appointment will be terminated. In addition, either party shall be entitled to terminate that agreement by giving at least one month's notice in writing to the other. The appointment may be terminated with immediate effect if the Non-Executive Director becomes disqualified for appointment or membership. This is set-out in the Terms and Conditions signed by the Non-Executive Director on appointment.

The Non-Executive Director will leave their post at the completion of their term of office unless re-appointed by the Council of Governors for a further term.

Chair's Significant Commitments

Professor Sheila Salmon has no other significant commitments other than to the Trust. However, she has declared her involvement with Anglia Ruskin University where she is the Emeritus Professor of Health Services Development which is a non-remunerated role.

Independence of the Non-Executive Directors

Following consideration of the Code of Governance and completion by all Non-Executive Directors of a test of independence statement, the Board takes the view that all Non-Executive Directors are independent. All Non-

Executive Directors declare their interest and, in the rare likelihood that such interests conflict with those of the Trust, then the individual would be excluded from any discussion and decision relating to that specific matter.

Balance, Completeness and Appropriateness of the Membership of the Board of Directors

The current Board of Directors comprises eight Non-Executive Directors (including the Trust Chair) and seven Executive Directors (including the Chief Executive). The structure is compliant with the provisions of the *Code of Governance* and the Trust's constitution.

Taking into account the wide experience of the whole Board as well as the balance and completeness of membership, the composition of the Board is considered to be appropriate for the requirements of the business and future direction of the Trust.

Board of Directors Performance Evaluation

The Trust has put in place processes for an annual performance evaluation of the Board, its Directors and its committees in relation to their performance. The various end of year evaluations for 2020/21 have been undertaken.

All members of the Board receive a full and tailored induction on joining the Trust and undertake a personal induction programme during the first 12 months of appointment. All Directors will undergo an annual performance review against agreed objectives, skills and competences and agree personal development plans for the forthcoming year. In addition, the Chair will annually review and agree the Chief Executive's and Executive Directors' training and development needs as they relate to their role on the Board.

A 360° appraisal process is in place for the Chair and Non-Executive Directors. The Non-Executive Directors completed a 360° appraisal process using an online portal provided by Evalu8, using criteria developed using best practice and customisable by the Trust to ensure the questions are relevant for Non-Executive Directors. The results of the 360° were developed into feedback reports for each Non-Executive Directors and provided to the Chair for incorporation into their overall appraisal.

The Executive Directors have now completed 2D feedback. The purpose of 2D feedback is to open up conversations and to build deeper relationships with key people in the workplace. Each Executive Director selected ten people to give feedback on how they perceive them, which included line managers and a mixture of peers, direct reports, and other key stakeholders. Once completed, they received a report showing them how each person sees them, as well as an overall aggregate. This can then be compared to their individual profile to see where they may be differences. Results can be very different from how we see ourselves and this will help bridge any development gaps. This links into the strategy of ensuring human centred leadership for EPUT.

The performance evaluation of the Executive Directors is undertaken by the Chief Executive whose performance is appraised by the Chair. The outcomes are reported to the Board of Directors Remuneration and Nominations Committee.

The Chair conducts the annual performance evaluation and appraisal of each Non-Executive Director. The Senior Independent Director conducts the annual performance evaluation and appraisal of the Chair, having met with all other Non-Executive Directors and received feedback from Governors. Detailed consideration of the results of the performance evaluation of the Chair and Non-Executive Directors for 2019/20 was undertaken by the Council of Governors Remuneration Committee in line with the process agreed by the Council and a report from the Committee made to the Council of Governors in 2020/21.

The 2020 process was undertaken differently due to the COVID-19 pandemic and not yet having sufficient virtual meeting software in place at the time of the evaluation meetings. Therefore, questions usually asked face-to-face were developed into a document for NEDs to provide written answers. The Council of Governors Remuneration Committee met to discuss the responses, alongside the usual documentation provided by the Chair (summary of appraisal, objectives) and a written report was provided to the Council of Governors confirming the appraisal process was completed appropriately for Non-Executive Directors. The introduction of Microsoft Teams means that the process for 2020/21 will revert to face-to-face interviews as in previous years.

The recommendations identified from the well-led self-assessment completed at the end of 2019/20 were implemented during 2020/21. However, due to the COVID--19 pandemic and changes in leadership a full evaluation of the Board of Directors as a whole has not yet taken place for 2020/21. The Board of Directors are currently in the process of developing a review of governance structures in the organisation as part of an over-arching development of an Accountability Framework.

Board performance is also evaluated further through focused discussions at Board Development Days and on-going in-year review of the Board Assurance Framework which enables continuous and comprehensive review of the performance of the Trust against agreed plans and objectives. The Board Assurance Framework is in

the process of being reviewed to link with the new Accountability Framework and refreshed Strategic Objectives.

All Directors meet the criteria for being a fit and proper person as prescribed by the Trust's Provider Licence and Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

Approach to Clinical Governance

The Trust has a number of processes and initiatives for ensuring a robust approach to Clinical Governance, including:

- The Trust is currently in the process of developing an Accountability Framework will inform all other approaches to clinical governance. The strategy will provide a focus on empowering staff to make decisions and develop an approach to clinical governance that mirrors that adopted by the Board of Directors.
- The Quality Strategy for the Trust sets-out the Trust approach to Clinical Governance. The Quality Committee reviews the strategy and approves underpinning Frameworks to ensure quality / clinical governance priorities are identified and monitored.
- The Trust has recently developed a Patient Safety Strategy which ensures there is a focus on safety as a key aspect of Clinical Governance and the development of a safety first culture. The Trust is currently in the process of developing Frameworks which will underpin the strategy and ensure it is delivered and measured.
- The Trust has recently approved a Patient Safety Incident Response Framework (PSIRF) which links with the approach to safety culture. The Trust is an early adopter of this framework and is linking with other organisations to share learning of its approach.
- The Board Governance structure includes sub-committees (Tier 2) and working groups (Tier 3) of Standing Committees (Tier 1) to ensure appropriate reporting lines. The Tier 2 & 3 sub-committees are currently being reviewed as part of the work to develop and implement an accountability framework.
- The Quality Committee provides a bi-monthly clinical governance assurance report to provide assurance regarding the Trusts approach to clinical governance.
- The Quality Committee has a topic / patient story at each meeting to provide real-life examples of the impact of the approach to clinical governance.
- The Trust has appointed an organisation called Newton to undertake a review of clinical functions in relation to the Patient Safety Strategy.
- Performance Management Office tasked with assisting delivery of the Patient Safety Strategy.

Nominations Committees

The Trust has two Nominations Committees: the Board of Directors Remuneration and Nominations Committee and the Council of Governors Nominations Committee.

Board of Directors Remuneration and Nominations Committee

The Board of Directors Remuneration and Nominations Committee is constituted as a standing committee of the Board. It has the statutory responsibility for identifying and appointing suitable candidates to fill Executive Director positions on the Board of Directors, ensuring compliance with any mandatory guidance and relevant statutory requirements.

This Committee is also responsible for succession planning and reviewing Board structure, size and composition, taking into account future challenges, risks and opportunities facing the Trust and the skills and expertise required on the Board to meet them.

The Committee is chaired by the Trust's Chair with membership comprising all Non-Executive Directors. The Chief Executive will attend when the Committee is considering appointments to Executive Director posts other than the post of Chief Executive Officer. At the invitation of the Committee, the Executive Director of People & Culture (or their deputy) will normally attend (depending on the agenda items to be discussed). The Trust Secretary is the Committee Secretary.

The Committee's terms of reference are reviewed annually in line with good practice. The Committee meets at least annually or as and when required to undertake its roles and responsibilities.

The Committee met ten times during the year with the main considerations (relating to Nominations business) being the appointment of an Executive Chief Finance Officer and the appointment of an Executive Chief Operating Officer.

Members of the combined Remuneration and Nominations Committee and the number of meetings attended by each member during the year is detailed at Table 8 earlier in this report.

Council of Governors Nominations Committee

The Council of Governors Nominations Committee is responsible for

establishing a clear and transparent process for the identification and nomination of suitable candidates that fit the criteria set out by the Board of Directors Remuneration and Nominations Committee for the appointment of the Trust Chair and Non- Executive Directors, for approval by the Council.

The Committee is chaired by the Trust's Chair with membership comprising elected and appointed Governors. If the Chair is being appointed or not available, the Vice-Chair, Senior Independent Director or one of the other Non-Executive Directors who is not standing for appointment will be the Chair. When the Trust Chair is being appointed, the Committee comprises only Governors who will elect a Chair of the Committee from amongst its members. The Trust Secretary is the Committee Secretary.

The Committee's terms of reference are reviewed annually in line with good practice. The Committee meets at least annually or as and when required to undertake its roles and responsibilities.

The Committee undertook a recruitment process to appoint two Non-Executive Directors to the Board of Directors in 2020/21:

- Dr. Mateen Jiwani
- Loy Lobo

An established recruitment and executive search agency was appointed to oversee the recruitment process for Dr. Mateen Jiwani. The agency completed an executive search and presented a long-list of candidates to the Council of Governors Nominations Committee, which completed a review of candidates based on skills and experiences required by the Board of Directors. The interview process was undertaken by members of the Committee and the successful candidate recommended and approved by the Council of Governors.

Following the recruitment process, an existing Non-Executive Director resigned to take up an appointment as Chair of another Trust. The recruitment process for Dr. Mateen Jiwani had identified that one other candidate, Loy Lobo, was also appointable. Therefore, due to the short timescale between the recruitment process and resignation, it was agreed to undertake an interview for Loy Lobo to determine if he was still appointable for the position, which meant a further executive search was not undertaken. The members of the Council of Governors Nominations Committee completed a second interview of Loy Lobo and recommended to the Council of Governors that he be appointed, which was approved.

In addition, the Committee considered and approved the re-appointment of the Chair of the Trust for a further three-year term.

Members of the Committee and the number of meetings attended by each member during the year are set out below.

Name	Role	Meetings Attended (actual/possible)
Sheila Salmon	Chair	7/7
Brian Arney	Public Governor	7/7
Roy Birch (until Jun 2020)	Public Governor	0/1
Pippa Ecclestone	Public Governor	7/7
Marianne Evans (from Nov 2020)	Staff Governor	1/4
Paula Grayson	Public Governor	6/7
John Jones	Lead Governor	7/7
Clive White (until June 2020)	Public Governor	1/1

Audit Committee

The Audit Committee comprises solely of independent Non-Executive Directors who have a broad set of financial, legal and commercial expertise to fulfil the Committee's duties. Members of the Committee and the number of meetings attended by each member during the year are set out below:

Table 32: *Membership and attendance at Audit Committee meetings*

Name	Role	Meetings Attended (actual/possible)
Janet Wood	Chair of Committee	6/6
Alison Davis	Non-Executive Director	6/6
Amanda Sherlock	Non-Executive Director	5/6
Nigel Turner	Non-Executive Director	4/4

At the request of the Committee Chair, each meeting is attended by the Executive Chief Finance Officer, Head of Financial Accounts, an External Audit representative, an Internal Audit representative, and the Local Counter Fraud Specialist. In addition, the Chief Executive presents the Annual Governance Statement on an annual basis.

Internal Audit

The Trust has an internal audit function which forms an important part of the organisation's internal control environment. This was provided by BDO LLP during 2020/21. The functions of the internal audit service are to provide an 'independent, objective assurance and consulting activity designed to add value to an organisation's activities'. This means that the role embraces two key areas:

1. The provision of an independent and objective opinion to the Accounting Officer, the governing body and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisations agreed objectives

2. The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

Local Counter Fraud Specialist

BDO LLP provide the Trust with a dedicated counter fraud service, and agrees a detailed counter fraud work plan with the Trust, based on guidance received from the NHS Counter Fraud Authority. The Trust also has a counter fraud policy and response plan which has been approved by the Board of Directors. Anyone suspecting fraudulent activities within the Trust's services should report their suspicions to the Executive Chief Finance Officer or telephone the confidential hotline on 0800 028 4060.

External Audit

In August 2017 the Council of Governors approved the appointment of Ernst and Young as the Trust's external auditors for a 12 month period, with the option to extend for a further 48 months following an annual review of their service and recommendation from the Audit Committee.

The Council of Governors have subsequently approved the reappointment of Ernst and Young as the Trust's external auditors at their September 2018, 2019 and 2020 meetings. Both of these reappointments were for a further 12 month period with effect from the 1st October each year.

The value of the external audit contract for 2020/21 was £65,000 (excluding VAT). There was no non-audit work undertaken during the year.

Work of the Audit Committee

During the year the Committee considered a number of significant issues including the impact of the pandemic and the roll out of the mass vaccination programme on the Trust. In addition, discussions have been held around the impact of the HSE prosecution and the independent inquiry on the Trusts financial position.
Further significant issues relating to the 2020/21 annual accounts which were discussed by the Committee were as follows:

- The impact of the two adapted financial regimes that the Trust operated within for the first and second half of the year and how this has impacted on the Trusts income reporting for the year
- The impact of the pandemic on the value of the Trusts annual leave accrual for the year, and the receipt of central funding to cover this within the accounts
- The inclusion of notional income and costs in respect of the DHSC centrally procured personal protective equipment and assets to support the Trust's response to the pandemic
- The costs of responding to COVID--19 and the rollout of the mass vaccination programme costing circa £6.3m and £16.2m respectively into
- The impact of the HSE prosecution and the inclusion of the associated fine and prosecution fees as an adjusting event after the reporting date.

Council of Governors

An integral part of the Trust is the Council of Governors which brings the views and interests of the public, service users and patients, carers, our staff and other stakeholders into the heart of our governance. This group of committed individuals has an essential involvement with the Trust and contributes to its work and future developments in order to help improve the quality of services and care for all our service users and patients.

Role of the Council

The roles and responsibilities of the Council of Governors are set out in our Constitution. The Council of Governor's statutory responsibilities include:

- To hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors
- To represent the interests of the members of the Trust as a whole and the interests of the public
- To amend / approve amendments to the Trust's constitution
- To appoint / remove the Chair and other Non-Executive Directors
- To approve the appointment of the Chief Executive
- To determine the remuneration, allowances and other terms and conditions of office of the Chair and Non-Executive Directors
- To appoint / remove the Trust's external auditor
- To provide views to the Board of Directors in the preparation of the Trust's annual plan

- To receive the Trust's annual report and accounts and any report of the auditor on them and
- To take decisions on significant transactions and on non-NHS income.

The Council of Governors is required to meet a minimum of four times a year.

The Health and Social Care Act 2012 requires the Board of Directors to empower Governors by:

- Holding open Board meetings
- Sending a copy of the agendas to the Council before holding a Board meeting
- Sending copies of the approved minutes to the Council as soon as practicable after holding a Board meeting and
- Ensuring that Governors are equipped with the skills and knowledge they need to undertake their role.

Composition of the Council of Governors

The Council is led by the Chair of the Trust. The composition of the Council of Governors is in accordance with the Trust's constitution as below:

	Constituency	Number of Governors
Public	Essex Mid & South	9
	North East Essex & Suffolk	3
	West Essex & Hertfordshire	5
	Milton Keynes, Bedfordshire, Luton & Rest of England	2
Staff	Clinical	4
	Non-Clinical	2
Appointed	Essex County Council	1
	Southend Borough Council	1
	Thurrock Council	1
	Anglia Ruskin & Essex Universities*	1
	CVS Essex	1

* joint appointment

Council of Governors Elections

During 2020/21, elections were conducted for the following 10 Public Governor vacancies:

Public Governor – Essex Mid and South – 3 vacancies
Public Governor – West Essex and Hertfordshire – 3 vacancies
Public Governor – North East Essex & Suffolk – 1 vacancy
Staff Governor – Clinical – 1 vacancy
Staff Governor – Non-Clinical – 2 vacancies

Seven of the vacancies had arisen as a result of Governor terms of office coming to an end, with the remaining three being

vacancies held over to the election. Elections commenced on the 4 August 2020 and voting closing on 28 August 2020, with the results being declared on 1 September 2020.

The elections were conducted by CIVICA (formally the Electoral Reform Services (ERS)) in accordance with the rules and constitutional arrangements as set out by the Trust. CIVICA were satisfied that these were in accordance with accepted good electoral practice. Elections were conducted by using the single transferable vote electoral system. All Governors were elected for a three year period as provided for in the Constitution.

A summary of candidates and election turnout is as below:

	Number of Governors to be elected	Number of Candidates	Election Turnout
Public: Essex Mid & South	3	7	7.6%
Public: West Essex & Hertfordshire	3	4	8.9%
Public: North East Essex & Suffolk	1	3	8.0%
Staff: Clinical	1	8	10.1%
Staff: Non-Clinical	2	5	17.4%

Boards Relationship with the Council

The Trust Chair is responsible for the leadership of both the Council of Governors and the Board of Directors. The Chair has overall responsibility for ensuring that the views of the Council and Trust members are communicated to the Board as a whole and considered as part of decision-making processes and that the two bodies work effectively together.

The Chair works closely with the Lead and Deputy Lead Governors and meets with them prior to Council meetings to set the agenda and review key issues.

The Non-Executive Directors attend each meeting of the Council presenting agenda items and taking part in open discussions that form part of each meeting. The Executive Directors attend meetings to present specific items or provide support for any presentations on a theme related to their portfolios. Standing agenda items include reports from the Chief Executive and Executive Directors on Trust performance, finance and quality matters, a report from the Chair, and national and local systems updates. Non- Executive chairs of each Board standing committee also present on a rotational basis a summary report of the committees' deliberations. The Council of Governors reviewed and amended the standard Council agenda in January 2021 to reduce the amount of paperwork and allow more time for broader strategic discussions.

The Senior Independent Director actively pursues an effective relationship between the Council and the Board. Governors can contact the Senior Independent Director if they have concerns regarding any issues which have not been addressed by the Chair, Chief Executive or Executive Chief Finance Officer. New procedures developed to guide key processes for the involvement of the Council of Governors include a section relating to situations where the Council disagree or reject a proposal by the Board of Directors. This includes criteria by which the Council may reject or disagree with a recommendation from the Board and action that should be taken. A formal policy and procedure has also been developed which sets-out the relationship between the Board and Council, included how any disagreement or dispute will be resolved.

Board of Directors meetings are held in public and Governors can and do attend, having the opportunity to ask questions of the Board on matters relating to agenda items. In addition, the Trust has established working groups of Board and Council representatives to take forward specific work including, for example, reviewing the Trust's Constitution and the Council agenda.

Both the Board of Directors and the Council of Governors are committed to continuing to promote enhanced joint working so that they can deliver their respective statutory roles and responsibilities in the most effective way possible.

The Board values the relationship it has with the Council and recognises that its work promotes the strategic aims and assists in shaping the culture of the Trust. Both the Board and the Council are committed to continuing to promote enhanced joint working so that they can deliver their respective statutory roles and responsibilities in the most effective way possible. A Joint Board Seminar Session was held in February 2021 to involve governors in the development of the future strategy of the organisation.

Keeping Informed of Governors' and Members' Views

During the year the Board was kept informed of the views of Governors and members in a number of ways including virtual constituency meetings, joint Governor and Director meetings and a reduced "Your Voice" programme reflective on the COVID-19 restrictions on meetings in person.

The Board recognises the importance of ensuring the relations with stakeholders are embedded, and in particular that there is dialogue with members, patients and the local community. The Trust encourages quality engagement with stakeholders and regularly consults and involves Governors, members, patients and the local community through various routes some of which are outlined above. It also supports Governors in ensuring they represent the interests of the Trust's members and the public, through seeking their views and keeping them informed.

The Trust has a Membership Framework which outlines the vision for membership over the period 2018 – 2021. It includes the priorities to build an effective, responsive and representative membership body that will assist in ensuring the Trust is fit for its future in the changing NHS environment. The Framework recognises that there will be a wide variation in the level of participation of our members and, therefore, provides a range of pathways from which choices can be made. Every effort is, and will continue to be, made to be inclusive in the approach to involvement with the aim of the membership community reflecting the social and cultural mix of the Trust's constituencies and any ongoing constraints associated with the pandemic. Further information in terms of our approach to membership over 2020/21 is included in the section below.

Some of the key features of the wide-range of engagement mechanisms with Governors and members include:

- Attendance and agenda item presentations by Executive Directors and Non-Executive Directors at all Council meetings held quarterly (Governors are provided with the opportunity of asking questions and providing feedback);
- Council meetings held in public; – virtually from May 2021
- Non-Executive Directors and Governors informal meetings held quarterly;
- Constituency Meetings for Governors and their representative Non-Executive Directors
- Chief Executive briefing sessions with Governors held quarterly;
- Lead and Deputy Lead Governors meetings with Chair and with and Trust Secretary held regularly;
- Attendance by Governors at Board of Director meetings;
- Joint Director / Governor Task and Finish Groups established as required;
- Public Your Voice member meetings across Trust constituencies enabling members and the public to meet with the Chair, Chief Executive, Directors, Senior Managers and Governors;
- Annual Members Meeting; (Virtual)
- Governors are invited to Mental Health Forums; and
- Our website **www.eput.nhs.uk**

The Trust fosters an 'open door' policy where issues, queries and feedback can be raised with the Chair, the Chief Executive and any Board member as appropriate either on a face to face basis or via email.

Table 32: *Council of Governors Meeting Attendance 2020-21*

Name	Term	Term dates	Attendance at Council of Governor meetings (actual/possible)
Public: Milton Keynes, Bedfordshire and Luton			
Paula Grayson	2nd term: 3 years	Jun 2019 – Jun 2022	6/6
John Jones	2nd term: 3 years	Jun 2019 – Jun 2022	6/6
Clive Travis	1st term: 3 years	Jun 2017 – Jun 2020	0/2
Alex Zihute	1st term: 3 years	Jul 2017 – Jun 2020	1/2
Public: Essex Mid and South			
Roy Birch	1st term: 3 years	Jun 2017 – Jun 2020	0/2
Keith Bobbin	2nd term: 3 years	Sept 2020 – Jun 2023	3.5/6
Dianne Collins	1st term: 3 years	Jun 2019 – Jun 2022	4.5/6
Mark Dale	1st term: 3 years	Jun 2019 – Jun 2022	5/6
Jim Dean (until Oct 2020)	1st term: 3 years	Feb 2020 – June 2022	2/3
Emmanuel Jessa	1st term: 3 years	Sept 2020 – Jun 2023	2/4
Pamela Madison	2nd term: 3 years	Sept 2020 – Jun 2023	3/3
Ian Plunkett	1st term: 2 years	Jan 2021 – Jun 2022	0.5/1
Sam Rakusen (until Dec 2020)	2nd term: 3 years	Jun 2019 – Jun 2022	2.5/5
Tanya Robertson (until Oct 2020)	1st term: 3 years	Feb 2020 – Jun 2022	0/3
Elizabeth Rotherham	1st term: 3 years	Sept 2020 – Jun 2023	2/4
Stuart Scrivener	1st term: 2 years	Nov 2020 – Jun 2022	3/3
Judith Woolley	2nd term: 3 years	Jun 2019 – Jun 2022	6/6
Public: North East Essex and Suffolk			
Peter Cheng	2nd term: 3 years	Jun 2019 – Jun 2022	6/6
Gillian Lock-Bowen (until Aug 2020)	1st term: 3 years	Jun 2019 – Jun 2022	2/2
David Rolph (until Nov 2020)	1st term: 3 years	Sept 2020 – June 2023	1/1
David Short	1st term: 3 years	Sept 2020 – June 2023	4/4
Clive White	1st term: 3 years	Jun 2017 – Jun 2020	2/2
Public: West Essex and Herts			
Brian Arney	2nd term: 3 years	Sept 2020 – Jun 2023	6/6
David Bamber	1st term: 3 years	Jun 2017 –Jun 2020	2/2
Pippa Ecclestone	2nd term: 3 years	Sept 2020 – Jun 2023	6/6
Jean Juniper (until Feb 2021)	1st term: 3 years	Sept 2020 – Jun 2023	2/4
Kate Shilling	1st term: 3 years	Aug 2019 – Jun 2022	3/6
Michael Waller	2nd term: 3 years	Jun 2019 – Jun 2022	4.5/6

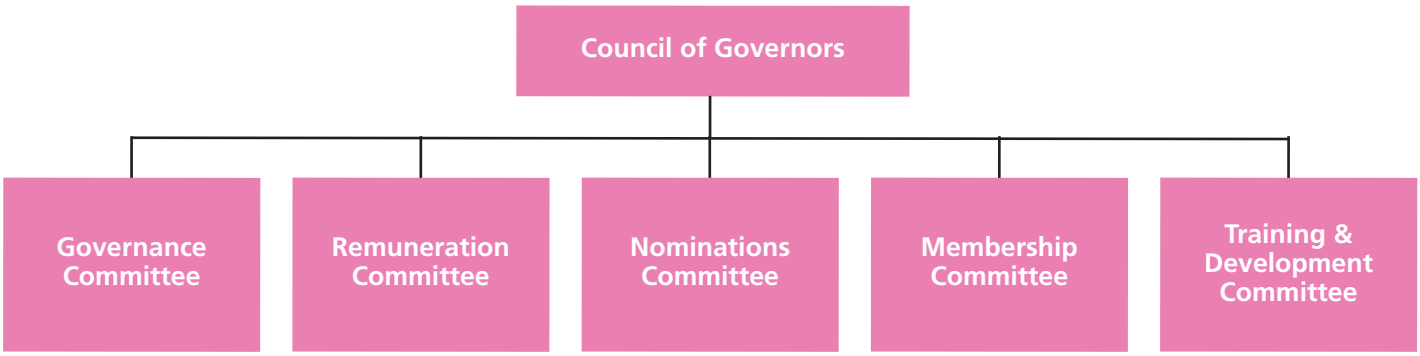
Table 32: *Council of Governors Meeting Attendance 2020-21* (continued)

Name	Term	Term dates	Attendance at Council of Governor meetings (actual/possible)
Staff: Clinical			
Jared Davis	1st term: 3 years	Sept 2020 – Jun 2023	1.5/4
Marianne Evans	1st term: 3 years	Jun 2019 – Jun 2022	2/6
Nosi Murefu	1st term: 3 years	Jun 2019 – Jun 2022	2/6
Tracy Reed	2nd term: 3 years	Sept 2020 – Jun 2023	6/6
Staff: Non-Clinical			
Lara Brooks	1st term: 3 years	Sept 2020 – Jun 2023	3.5/4
Pamela Madison	1st term: 3 years	Jun 2017 – Jun 2020	3/3
Paul Walker	1st term: 3 years	Sept 2020 – Jun 2023	3/4
Essex County Council			
Mark Durham	1st term: 3 years	Dec 2020 – Jun 2023	1/1
Bob Massey (until Nov 2020)	1st term: 3 years	Jun 2020 – Jun 2023	1/1
Andy Wood (until June 2020)	1st term: 3 years	Jun 2017 – Jun 2020	1.5/2
Southend on Sea Council			
Laurie Burton	1st term: 3 years	Jun 2019 – Jun 2022	3.5/6
Thurrock Council			
Sue Shinnick	1st term: 3 years	May 2018 – May 2021	3.5/6
Anglia Ruskin and Essex Universities			
Ruth Jackson (until Nov 2020)	1st term: 3 years	Jul 2019 – Jul 2022	1/3
Matt Webster	1st term: 2 years	Nov 2020 – Jul 2022	1.5/3
CVC Essex			
Diane Fairchild	1st term: 3 years	Jun 2020 – Jun 2023	0/4

Council of Governors Committees

The Council's committee governance framework is designed to ensure it robustly supports and enables the Council to fulfil its duties, roles and responsibilities effectively. The Committees do not have any delegated authority. All responsibilities are undertaken in support of the Council as it is the Council of Governors that holds the responsibility for decisions relating to all issues covered by the Committees.

Figure 2: *Committee structure underpinning Council of Governors*



In line with good governance practice, an efficacy review of the Council of Governors and its sub-committee structure was undertaken in October / November 2020 by the Interim Trust Secretary who had recently been appointed and therefore had no bias over the paperwork or structure of the Council and its standing committees. The Council of Governors also undertook a self-assessment which was incorporated into the overall feedback. The review found that there was robust coverage by the Council of Governors of its statutory responsibilities and no high risk / significant weaknesses requiring immediate action were identified. The paperwork and discussions held at the Council and sub-committee were considered to be high quality. There were some suggestions made for further strengthening the structure and processes. These were considered by the Council of Governors and each sub-committee where it was determined that action already being taken by the Trust covered all the suggestions made.

The Governor Training and Development Committee is a standing committee of the Council that provides support in ensuring that there are effective and robust training and development arrangements in place to develop Governors' skills, knowledge and capabilities. This enables them to be confident, effective, engaged and informed members of the Council, thereby ensuring that the Council as a body remains fit for purpose and is developed to ensure continued delivery of its responsibilities effectively.

During the year the Trust has hosted or provided Governors with access to a range of training and development opportunities with the purpose of enhancing their knowledge and understanding of the organisation. The COVID--19 pandemic caused some difficulties during the year, however, the Trust was able to make alternative arrangements and deliver training sessions virtually.

All Governors have undertaken a comprehensive induction programme which is regularly reviewed and updated, taking account of best practice from the centre. This included the development of a Governor Induction Handbook based on handbooks developed by NHS Providers which provided new Governors with information about the Trust and their role as Governors. This allowed the Trust to alter the induction sessions into smaller individual modules which could be delivered virtually.

During 2020/21 there have been opportunities, limited by the pandemic, for providing support to Governors with their training and development including:

- Briefing on the current external risks faced by the Trust and joint Board discussion on the strategic background to the Trust's direction of travel.
- Special briefings provided by internal teams / services on a range of subjects including service provision(e.g. transition between Adult & CAMHS services) presentations and reports provided to the Council of Governors, including presentations from Non-Executive Directors and staff on subjects they champion at Board level (including strategy & planning and innovation)
- Learning through pre- pandemic service visits and the Your Voice meetings.
- Presentations and reports provided at the Board of Directors meetings which Governors attend.

The Trust has also kept Governors well informed of training and development workshops and conferences hosted by other organisations, including NHS Providers, and encouraged all to utilise these development opportunities. Our Governors are encouraged to share their experiences of events attended through a written event feedback form which is circulated to the wider Council.

The Lead Governor was also the Deputy Chair and a member of the NHS Providers Governor Advisory

Panel on Mental Health in the year and provided quarterly updates to the Council. He has also established a Regional Lead Governors network and provides written updates to the Council.

In addition, Governors are kept regularly informed through direct emails. Knowledge is kept up to date through the sharing of best practice and centrally published information. In addition, the Chief Executive provides a briefing in private prior to each Council meeting. The Council has also established a support framework for new Governors.

Council of Governors Register of Interests

All members of the Council of Governors have a responsibility to declare relevant interests as defined in the Trust's Constitution. These declarations are made known to the Trust Secretary and entered into a register which is available to the public the Trust launched the conflict of interest database DECLARE in March 2021. The declarations are made via the online portal which the public can access and gain a real-time snapshot at any particular time via the following link:

https://essexpartnership.mydeclarations.co.uk/declarations

Governor Expenses

Governors do not receive remuneration but are able to claim travel and other expenses in line with Trust policy. During the year Governor expenses incurred totalled £855.60 and were claimed by 3 Governors out of a total of 42 in office (2019-2020 £12,600 by 14 Governors).

Governors Contact Details

Governors can be contacted through the Membership Office by any of the following methods:

Email: epunft.membership@nhs.net

Freephone: 0800 023 2059

Post: Freepost RTRG–UCEC-CYXU
Trust Secretary Office
The Lodge
Lodge Approach
Wickford
SS11 7XX

Annual Report of the Council of Governors

We are pleased to write this report to members from the Council of Governors of Essex Partnership University Trust (EPUT).

We have taken our role as 'critical friend' seriously, questioning the directors regularly so as to satisfy ourselves that proper process has been undertaken and that the interests of the patients and carers have been uppermost in any decisions which have been made.

Because of the pandemic we have had to attend the Board of Directors meetings 'virtually' which has limited the degree of interaction between members of the EPUT Board of Directors and Governors. This has meant the informal meetings held quarterly have been especially helpful, as has the regular attendance of most of the Non-Executive Directors at our quarterly meetings of the Council of Governors.

With the changes in senior management, we have been able to interact with the new Chief Executive, Paul Scott and with the new Chief Finance Officer, Trevor Smith and Chief Operating Officer, Alex Green. These have brought a new look to the Board with new ideas. We welcome these and recognise that it means that any changes made must be made in the interests of the patients and carers. We would like to take this opportunity to thank the outgoing Chief Executive, Sally Morris, the outgoing Chief Finance Officer, Mark Madden, and the outgoing Chief Operating Officer, Andy Brogan, for all their hard work and dedication, as well as assistance which they gave over many years to the Governors. We wish them well in whatever the future brings them.

We also wish Alison Davis, a Non-Executive Directors for many years at EPUT and SEPT who has been appointed Chair at another FT, the best of luck in her new role and our thanks for all she did while she was not only a Non-Executive Directors but also the Senior Independent Director. We were also pleased to appoint two new Non-Executive Directors: Dr Mateen Jiwani and Loy Lobo who will bring a fresh approach and new ideas from a wealth of experience outside the mental health world.

We have not been able to undertake Quality or PLACE visits during the year because of the pandemic and look forward to these being resumed as soon as possible so that we can see and 'feel' how the organisation is run on the ground, how our patients feel about the level of service which they receive, and how those changes, which have been made, have bedded in and improved the level of care.

Those Governors who were able to attend the Council meetings every quarter have appreciated the private session before the main meeting in which the Chief Executive, Paul Scott continues the previous practice of holding an informal discussion on matters of immediate interest. These have been very helpful, enhancing, as they do, the close working relationship between the Governors and the Chief Executive.

We have also been involved in reassuring ourselves that EPUT complies with Monitor's Code of Governance. This guidance helps Trusts to deliver effective and quality corporate governance, contribute to

better organisational performance and ultimately discharge their duties in the best interests of patients and service users.

We always make sure that there are Governors present at public Board meetings to provide us with an insight into how the Non-Executive Directors and the Executive Directors interact as well as to ask questions on your behalf. A record of these questions can be found in the Minutes of the Board of Directors on the Trust's website which shows the wide variety of subjects on which we have asked questions.

We are mindful that we are elected or appointed to represent you, the members of our Trust, and to satisfy ourselves on your behalf that service users'/patients' needs are always the top priority and that the services provided are safe and of high quality, while at the same time maintaining independence from executive decisions.

The annual Staff Survey has shown that EPUT has many high scores across a wide variety of parameters. We note those areas where there is some room for improvement, and we will be keeping a close eye on these as it is in everyone's interest that staff satisfaction is at the highest level possible, for the service users to receive the best possible care.

We as Governors would like to take this opportunity to congratulate the staff on providing services and levels of care that are outstanding within the fields of both mental and community health. Their dedication during the current pandemic has been exemplary and we know that you would wish us to thank them on your behalf.
We ask members to note that we still have a strong presence in Bedfordshire and Luton as we continue to provide the local forensic mental health services there, and an award-winning Schools Immunisation Service. This experience has meant that EPUT has been the provider of the COVID-19 immunisation service throughout Essex. This additional and important contribution has been achieved without diluting the other services which we provide. This is remarkable and we congratulate all the staff involved.

Finally, we hope that you, as members, have been satisfied with the representation which we, as Governors, have been able to provide during the past year. If you have any questions which you wish to ask us then feel free to send us these, through the Trust Secretary's Office.

John Jones
Lead Governor

Pippa Ecclestone
Deputy Lead Governor

Membership

Foundation Trust membership aims to give local people, service users, patients and staff a greater influence in how the Trust's services are provided and developed. The benefits to the Trust in developing an effective membership and providing active engagement are:

- wider engagement with and improved access to the views of the population and community we serve;
- improved and more representative feedback from the local population as a whole;
- a better understanding of service user / patients' views in identifying particular service needs / gaps in service and valuable feedback on how well services are meeting the requirements of the local population, improving the quality of care;
- continuing to build good and trusting relationships; and
- to inform / consult with the local population on the work of the Trust including service developments.

Membership is important in helping to make the Trust more accountable to the people we serve, to raise awareness of mental health, community health and learning disability issues, and assists the Trust to work in partnership with our local communities.

The membership structure for the Trust is made up of two categories of membership:

Public Members – Anyone aged 12 and over living in England can become a member. Public membership is sub-divided into four constituencies which reflect the Sustainability and Transformation Partnership boundaries within which the Trust delivers services (one of which, Bedford, Luton, Milton Keynes, also includes the 'rest of England').

Staff Members – All staff who are on permanent or fixed term contracts that run for 12 months or longer automatically become members, unless they opt out. Staff who are seconded from our partnership organisations and working in the Trust on permanent or fixed term contracts that run for 12 months or longer are also automatically eligible to become members. Staff are members of one of two sub-groups which are linked to their different fields of work – clinical or non-clinical.

Membership Size and Breakdown

Our aim is to establish and maintain a broad and engaged membership that is evenly spread geographically across the areas we serve and reflects the ages and diversity of our local population.

As at 31 March 2021, the Trust had members as shown below.

Membership size and movements

Public constituency	Last year (2020/21)	
At year start (April 1)	5,086	
New members	26	
Members leaving	97	
At year end (March 31)	5,015	
Staff constituency	**Last year (2020/21)**	
At year start (April 1)	6,570	
New members	143	
Members leaving	724	
At year end (March 31)	5,989	

Analysis of current membership

Public constituency	Number of members	Eligible membership
Age (years):		
0-16	0	652,323
17-21	8	165,532
22+	4,422	2,407,884
Ethnicity		
White	3,775	2,797,778
Mixed	100	52,900
Asian or Asian British	421	85,602
Black or Black British	282	56,790
Other	17	12,945
Socio-economic groupings		
AB	1,308	291,932
C1	1,461	437,272
C2	1,057	303,219
DE	1,119	309,629
Gender analysis		
Male	1,920	1,582,974
Female	2,972	1,642,764

Membership Framework

The Trust recognises that the Council of Governors directly represents the interests of the members and the local communities it serves. The Trust believes that its members have an opportunity to influence the work of the Trust and the wider healthcare landscape, thereby making a real contribution towards improving the health and wellbeing of service users / patients and the quality of services provided.

The Membership Framework is one of six past frameworks that underpinned the Engagement Strategy that recognised the need to put service users and the public at the heart of our engagement. It has a direct link to engagement with our range of stakeholders and should be considered in conjunction with the initiatives on Communications, Patient Experience and Carers' Frameworks, whilst always reflecting the restrictions imposed by the pandemic during the past year.

The Membership Framework outlines the Trust's vision for membership and priorities over the period 2018 – 2021 and includes the priorities to build an effective, responsive and representative membership body that will assist in ensuring the Trust is fit for its future in the changing NHS environment. It recognises that there will be a wide variation in the level of participation of our members and, therefore, provides a range of pathways from which choices can be made. Every effort will be made to be inclusive in the approach to involvement with the aim of the membership community reflecting the social and cultural mix of the Trust's constituencies.

The key priorities are to:

- encourage and maintain members with the aim of establishing a membership that is representative of the population the Trust serves;
- communicate effectively with members; and
- develop an active membership including engagement with the public and key stakeholders.

One of the priorities for 2020/21 will be to review the Framework, acknowledging the restrictions and achievements over the last two years and ensuring that the Framework is still current and relevant to the future membership plans and the Trusts emerging strategy for the coming year.

Another priority will be to ensure that, post-pandemic, members have access to membership activities that are of interest to them and to ensure representation through analysing the membership demographics, identifying plans to ensure a representative membership and promoting further engagement from members and the wider community.

Engagement and recruitment of our members

We have not been able to work on our aim of achieving a more active and representative membership during 2019/20 in the way we would have wished. This reflects the limits imposed by the pandemic and the physical restrictions on meeting in place for a substantial part of the year.

Nevertheless, by virtual means we were able to continue with one 'Your Voice' meeting as the primary method of engagement. These are normally chaired by Governors and supported by the Chief Executive, Chair (or their deputies and Non-Executive Directors) as well as senior clinical staff based in the locality. The format of the meetings provides the opportunity for the public and members to hear about local services / issues / topics as well as the opportunity to ask questions of senior management in open forum.

During 2020/2021, we were unable to hold our regular Face to Face meetings, and only the one Your Voice meeting which was held in December 2020. It was the first virtual event of its kind held by the Trust. The content format was changed to enable us to have an event that was applicable to each constituency as opposed to several separate meetings. As we move into a new normal, the format of these meetings will continue to evolve; Governors and the Trust reviewed the feedback from the meeting and were pleased that most attendees found the session informative and enjoyable. The next virtual session was planned for April 2021, but due to a period of purdah had to be postponed to May 2021.

Members are also kept up to date with developments at the Trust by:

- E-communications;
- Visiting our website **www.eput.nhs.uk**;
- Using social media such as becoming a friend of the Trust on Facebook and/or following the Trust on Twitter
- Attending public meetings of the Board of Directors and Council of Governors (held virtually during 2020);
- Attending locality based patient/carer events;
- Attending the Annual Members' Meeting and
- Attending Mental Health Forums (when restrictions allowed).

Paul Scott
Chief Executive
Essex Partnership University NHS Foundation Trust

25 June 2021

ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

ANNUAL ACCOUNTS 2020/2021

SECTION A: CERTIFICATE FOR ANNUAL ACCOUNTS

SECTION B: ANNUAL ACCOUNTS AND NOTES TO THE ACCOUNTS

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

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Essex Partnership University NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Essex Partnership University NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care's 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 as 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
- 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*.

Paul Scott
Chief Executive

25 June 2021

ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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 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 Essex Partnership University NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Essex Partnership University NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

The system of internal control integrates a number of individual controls, as described in other sections of this statement. In addition, other key policies and procedures such as the Standing Orders, identification of matters reserved to the Board, Standing Financial Instructions and Scheme of Delegation used to govern the Trust's activities, together with checks and balances provided by Board oversight, and internal and external audit reviews.

Capacity to handle risk

The Board of Directors sets the risk management framework and provides leadership for the management of risk within the Trust. The Board Assurance Framework (BAF) identifies the principal risks to the achievement of the Trust's strategic objectives, together with key controls and assurances and any gaps in those controls and assurances.

Operational responsibility for risk management sits within the operational directorates and corporate directorates. Each directorate is required to have processes in place to identify, evaluate and manage risks at a local level, and escalate as required in accordance with the Trust's risk management framework.

As part of my role of providing leadership to the risk management process, I am Chair of the Executive Operational Committee, which is a Sub-Committee of the Finance and Performance Committee, a Standing Committee of the Board of Directors. This Committee and the Audit Committee are responsible for developing, maintaining and monitoring the risk management and assurance systems within EPUT. The Finance and Performance Committee, People, Innovation and Transformation Committee, and Quality Committee have a responsibility to receive and scrutinise action plans that mitigate significant potential risks identified.

EPUT trains all staff in various aspects of risk management and ensures that where staff require specialist advice and training this provision is through attendance on specific courses and attendance at conferences. EPUT has in place an approved mandatory and core training matrix in line with best practice requirements. Training and guidance is provided in various media formats to staff including e-learning, use of MS Teams, face-to-face, classroom environment, training and learning bulletins and seminars to ensure learning from good practice and experience is disseminated quickly and effectively. COVID-19 has been a challenge to mandatory training and despite efforts to reach the target for

compliance on Information Governance e-learning we did not do so resulting in failing to meet the training aspect of the Information Governance Toolkit. EPUT is continuing to work to improve compliance with training targets as we move out of COVID-19.

The COVID-19 crisis tested the Trust's capacity to handle risk and processes in place have enabled an appropriate response to emerging risks. The 'Gold, Silver and Bronze' Command structure established at the start of COVID-19 ensures that we identify and escalate strategic, tactical and operational risks to the COVID-19 risk register. The Board Assurance Framework identifies the potential risk to achieving the Trust's objectives associated with COVID-19. In addition, a Mass Vaccination Programme Board ensures the Trust has continuous oversight and scrutiny to effectively direct and implement the programme across mid, South Essex, Suffolk, and North East Essex commissioning groups. A high-level risk register is in place to identify potential risks to the delivery of the programme.

The Trust continues to maintain a high-level risk register post EU Exit trade deal whilst areas are without agreement and where further discussions remain pending.

With the focus on COVID-19, the Trust's strategic and corporate objectives have not reflected extreme risks to the Trust that appear on its Board Assurance Framework. The Trust is addressing this by a formal review of the Strategic Objectives for 2021/22 for approval at the May Board of Directors. The Trust will follow this with development of Corporate Objectives.

The Trust identified an extreme risk relating to skills, resource and capacity for the Board Assurance Framework that has controls and mitigation in place. The Trust has further mitigating actions in the pipeline including:

- A review of objectives outlined above
- A Programme Management Office related to Safety First, Safety Always Strategy
- 'Newton' external consultancy work on diagnostics to ensure systems and processes are effective
- Preparation for an Independent Inquiry, bolstering staffing and project support as required
- Redefining Executive portfolios to best manage services and resources
- Surge planning for post COVID-19

The risk and control framework

The Risk Management and Assurance Framework details EPUT's risk management arrangements. It confirms accountability arrangements for individuals, including Executive Directors, risk specialists, managers and all staff. Risk Registers are in place at Board, Corporate and Directorate level together with an effective risk identification and assessment process to support these. EPUT identifies potential risks from a wide variety of sources including incidents, accidents, internal/external reviews, risk assessments, performance information, claims, complaints and staffing trends. As mentioned separate Risk Registers are currently in place covering COVID-19 aligned to EPUT's Command structure, Mass Vaccination Programme and EU Exit Trade Deal. Live action logs are in place.

The Risk Management and Assurance Framework had an annual review in July 2020 supported by a Development Plan with monitoring by the Trust Audit Committee. The Audit Committee also received an Annual Report for approval together with progress against the previous year's Development Plan.

As noted above, the BAF sets out the principal risks to the achievement of the Trust's strategic objectives. This clearly identifies the Executive Director with delegated responsibility for managing and monitoring each risk. The BAF describes controls in place to manage each of the risks and explains how we assure the Board that those controls are in place and operating effectively. The BAF also identifies any gaps in control or assurance and the actions that will address these within specified timeframes.

The Trust has enhanced Executive engagement on risk management by forming an ET BAF Sub-Group as a separate meeting to the Executive Operational Committee. This group has its own robust Terms of Reference.

How EPUT prioritises risks in a consistent manner through the organisation including the potential consequence should the risk materialise and an assessment of the likelihood that the risk will materialise is part of the Framework. The Framework details ways in which the Trust identifies controls and how we provide and evaluate assurance.

A Head of Assurance and Assistant are responsible for co-ordinating the Board Assurance Framework, Corporate Risk Register and Directorate Risk Registers on my behalf as Accountable Officer. The Executive Team has commissioned a refresh of the Board Assurance Framework together with the procurement of an electronic risk register system. This work is underway and the Board Assurance Framework will become the reporting mechanism going forward, underpinned by a Strategic Risk Register aligned to the Strategic Objectives, a Corporate Risk Register aligned to the Corporate Objectives, and Directorate Risk Registers aligned to Directorate Objectives. The Trust will continue to

have other high-level risk registers such as COVID-19 and an interface with project risk registers.

As at 31 March 2021, the Trust identified through the BAF the most significant risks to the achievement of its strategic objectives as being:

- BAF43: If EPUT does not plan for an expected surge in demand for Mental Health services or physical CHS and rehabilitation during or post COVID-19 then skills and capacity may not be in place resulting in long waiting lists and self-harm in the community
- BAF45: If EPUT does not prepare for future CQC inspections by learning from focused inspections, patient safety incidents, and meeting CQC fundamental standards then it will be held to account for failure to provide high quality care resulting in further regulatory action
- BAF50: If EPUT does not have the skills, resource and capacity to deliver high quality business as usual care and services, manage the COVID-19 pandemic, mass COVID-19, vaccination programme, EU Exit Transition, regulatory responses, independent inquiry and increased variation of demands on corporate services then it may not achieve the deliverables on this wide range of priorities and pressures resulting in not achieving organisational objectives, unsustainability in corporate services, stagnation of risks and failure to maintain our position within the wider health economy
- BAF54: If EPUT is not open, transparent or demonstrate learning from the Independent Inquiry then it may not deal with the consequences of past failings resulting in undermining our Safety First, Safety Always Strategy
- BAF57: If EPUT receives a substantial fine from the HSE court case then there may be a significant impact on resources and recovery from past failings, resulting in lower public confidence in our Safety First, Safety Always Strategy
- BAF58: If EPUT does not record clinical activity in real time, accurately and on the patient information system(s) then patient and staff safety is compromised resulting in failure to deliver its Safety First, Safety Always Strategy
- BAF61: If EPUT fails to embed, recognise and celebrate equality and diversity as part of its culture and conversation then the Trust may struggle to address inequalities resulting in poor staff and patient experience and a challenge to the CQC rating for well-led, and exposure to legal challenge for discrimination
- BAF62: If EPUT does not have adequate systems and processes in place to deploy staffing then it will not support staff wellbeing and patient safety resulting in a failure to deliver our Safety First, Safety Always Strategy

The Trust has identified the controls in place to manage these risks and the sources of assurance that the controls are effective. It has also identified any gaps in control or assurance and the associated actions required to address these gaps. The Board of Directors and Board standing committees regularly seek assurance on the effectiveness of the controls and progress made to address gaps in control and assurance to reduce the level of risk.

Action plans to mitigate risk are developed and approved by EOC and scrutinised by Standing Committees. Monitoring of movement of risks takes place throughout the year. Key performance indicators are in place for the Board Assurance Framework

Public stakeholders, including Clinical Commissioning Groups, Sustainability and Transformation Partnerships (STPs) and Local Authorities are involved in managing key risks through well-established contract management and partnership committee structures that oversee the operational delivery of and potential threats to services delivered in partnership. In addition, the Trust imparts information to the Council of Governors on key risks that may have arisen or are likely to materialise, through regular meetings. System wide partnerships, working arrangements and mutual aid principles have proved invaluable during the COVID-19 crisis.

Having carried out a self-assessment against the NHSI well-led framework EPUT commissioned an independent third party well-led assessment during 2019. Deloitte made recommendations and EPUT has continued to compete the actions agreed by the Board. A further self-assessment is underway that will feed into a further independent third party well-led assessment in 2021/22.

EPUT acknowledges that patient safety and quality of care are fundamental elements of our service delivery. A communication and engagement exercise took place during 2020 to identify key themes that will support us. The Board has approved the EPUT 'Safety First, Safety Always' Strategy to drive our priorities and work is underway to develop a robust implementation plan due for approval by the Board in May 2021. Work includes the use of diagnostics (walk in my shoes), development of a Programme Management Office, Implementation Workstreams and Accountability Framework.

A Quality Improvement Framework ensuring staff are equipped with the right skills and supported to champion innovation in all services provided underpins the Patient Safety Strategy.

The Board of Directors participated in a NHS England/ Improvement 'Leadership for Quality' Board Development programme during 2019/20. The Trust has embedded learning into organisational structures.

The Board of Directors and I fully support the continued development of a safety culture throughout EPUT. The health and safety of all service users, staff, carers and visitors is paramount and no more so than during the COVID-19 pandemic. EPUT continues to embed a 'Just and Learning Culture' and human factors training as well as resources for reporting and managing incidents. The Trust insists on a philosophy of promoting open and honest reporting. Trust staff have a duty to report all incidents to prevent harm in the future. Monitoring of incident reporting takes place via the Health, Safety and Security Committee. A system is in place to ensure regular monitoring of moderate harm incidents and further investigation takes place as required, any issues escalated to the Board or its Sub-Committees.

The Trust has set up a fortnightly Executive Safety Oversight Group to discuss and challenge its actions related to safety. A Ligature Risk Reduction Group is also in place taking forward large pieces of work jointly between Compliance, Estates and Operational services. A Trust wide Health, Safety and Security Committees meets monthly supported by local Quality and Safety Groups with operational leads.

EPUT carries out all the necessary actions required to comply with its licence condition 4 (FT Governance) including a self-assessment against the Corporate Governance Statement and the licence conditions.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation compliance. The Executive Team escalated equality and diversity as an extreme risk on the BAF, and a root and branch review of equality and diversity within the Trust will take place to mitigate the risk further. EPUT has in place policies, procedures and monitoring arrangements to support its duty to eliminate discrimination. Appointment of a senior lead for Equality, Diversity and Inclusion is in train. Quality Impact Assessments and Equality Impact Assessment systems are in place to ensure that decisions are fair and representative. Policy authors undertake an impact assessment where this has identified a potential risk to a protected characteristic group. Cost Improvement Programmes are subject to a Quality Impact Assessment as necessary and on-going monitoring to ensure that efficiencies do not adversely affect the quality of service delivery. A specific COVID-19 work stream is in place to ensure equality and inclusion at all times.

EPUT's workforce plan has been produced in consultation with service leads and is in line with the workforce aspirations and guidance set out in a number of national strategies including: The NHS Long Term Plan, Safer Staffing Guidelines, Integrating Care: Next steps to building strong and effective integrated care systems in England and other related strategic documents.

Detailed trajectories for workforce change have been submitted to ICS leads in response to mental health transformation planning requirements and integrated care initiatives. EPUT has been part of several initiatives connected to recruiting and retaining the workforce required for these plans including: international recruitment, student placement expansion, health care support worker recruitment and staff engagement. Internal governance is through a number of forums including the monthly Workforce and Organisational Development Group, which reports through the Multi-Professional Education Group and the Quality Committee to the Trust Board. The Workforce Transformation Group monitored the progress on workforce targets and workforce change during 2019/20 but a new standing committee of the Board of Directors, the Performance, Innovation and Transformation Committee, has overseen these activities from April 2020.

These Committees cover all issues around workforce planning and development. When detailed revisions of the workforce plan are required then service lead groups convene to explore new approaches and ideas. At this level, we explore the introduction of new roles, with discussion around the implications of skill development and skill transfer. Workforce development, recruitment and retention plans ensure the sustainability and security of supply. With this in mind, EPUT promotes a skills based approach to planning where service, workforce and training plans closely integrate and reviewed iteratively. In response to the changing workforce environment EPUT has in place development pathways for nursing, offering a path from support worker to qualified status making use of the apprenticeship opportunities. Similar pathways are in place for therapy and psychology. Revisions to the workforce take place on a quarterly basis through circulation to leads and requests for updates. Workforce planning included the need to ensure that EPUT could work with and support the system through the COVID-19 surges. Maintaining services through the COVID-19 peaks came from the use of emergency powers of redeployment through memoranda of understanding, initiatives to bring back staff who had retired or left, bringing qualified staff up-to-date with training for any redeployment, and employment of trainees as support workers.

EPUT meets requirements for safe staffing levels by using a safer staffing tool and ward daily sitreps. Safer staffing monitoring is through a monthly, integrated quality and performance report. Safe staffing has been integral in EPUT's response to COVID-19.

EPUT is fully compliant with the registration requirements of the Care Quality Commission. There are conditions attached to the registration of two nursing homes. During the COVID-19 pandemic, it has not been possible to undertake the usual range of visits across the organisation. However, the Non-Executive, Executive Directors and Governors have connected with staff via the weekly live events in order to have visibility and for staff to be able to raise questions directly with the Executives

In March 2020, the Care Quality Commission (CQC) confirmed immediate cessation of all routine inspections limiting any visits to focused inspections where the identify risks. During 2020/21, the CQC carried out one unannounced focused inspection in October 2020 at an Adult Acute Mental Health Inpatient ward following a serious incident. The Trust remains at risk of additional focused inspections due to further serious patient safety incidents.

The inspection in October 2020 lead to the CQC issuing a Section 29A Warning Notice identifying key themes for the Trust to take action on. The Trust immediately initiated a Clinical Intensive Support process and developed a detailed action plan to address concerns. The CQC acknowledged that the Trust responded quickly to concerns raised and accepted our assurance on how we planned to address the issues. The Trust immediately addressed the key areas and a report to the CQC confirmed all actions completed by January 2021. The local Clinical Commissioning Group who visited the unit to review the action plan and changes made provided further assurance of improvements made.

The Warning Notice did not affect our overall rating of 'Good' but could influence if we are unable to evidence and embed the improvements made. The Trust's End of Life Care, and Child / Adolescent Mental Health Services continue to maintain 'Outstanding' ratings and the Trust retains 'Outstanding' for 'Caring' overall.

EPUT has a Conflicts of Interests, Gifts, Hospitality Policy, with Procedural Guidelines. Relevant financial policies and HR documentation align with this policy. All Standing Committees, sub-committees and other Trust groups include 'declarations of interest' as a standing agenda item. The 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.

In terms of Sustainability and Environmental Stewardship over the last 12 months there have been positive impacts. EPUT has updated its Green Plan, which is anticipated to be adopted before the end of the summer, and is working towards the NHS Net Carbon Zero targets set during 2020, by seeking to reduce emissions under our control by 80% in 2028-2032 and net zero by 2040. EPUT have moved to a new renewable electricity contract as at 1st April 2021 which has saved 2,800t CO2e, bringing CO2e to an anticipated 3,343t CO2e for 21/22. Additionally, in the period, to close of 2020/21 EPUT spent over £100,000 on boiler upgrades and completed £480,000 expenditure on modern efficient LED lighting, the impacts of these will be evident in the forthcoming year. From the base year of 2018/19 to 2021/22 we anticipate a 32% reduction in carbon consumption. We also recognise that over the last 12 months there have been pressures, not least in that February 2021 PPE was consumed at previous annual rates every 5 hours, clinical waste has therefore been a pressured area of Estates & Facilities.

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

The Executive Operational Sub-Committee has responsibility for overseeing the day-to-day operations of EPUT and for ensuring that it uses resources economically, efficiently and effectively. The Finance and Performance Committee scrutinises operational and financial performance each month and provides the Board with assurance that performance is acceptable or that risks managed. The Executive Operational Sub-Committee and Standing Committees of the Board continued to meet during the COVID-19 crisis. The Board and its Standing Committees have maintained control of decision making during the crisis and active decision logs are in place through the Command structure.

EPUT's Audit Committee supports the Board and me as the Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment

and the integrity of financial statements. The Audit Committee's Terms of Reference define its scope and encompasses all the assurance needs of the Board and Accounting Officer. The Audit Committee has engagement with the work of Internal Audit, External Audit and financial reporting issues. A Non-Executive Director is Chair.

Information Governance

The Director of ITT, Business Analysis and Reporting, manages risks relating to data security in accordance with the Risk Management and Assurance Framework, Adverse Incident Policy and Procedure and the Information Governance and Security Policy. Cyber security remains at the forefront of EPUT's IMT Strategy and EPUT achieved Cyber Essentials Plus accreditation in 2020. The Information Governance Steering Committee monitors controls in place to prevent data breaches and provides assurance reports on these to the Quality Committee.

There were no incidents notified to the ICO/DHSC in the Data Security Incident Reporting Tool for 2020/21.

EPUT's Medical Director is the Caldicott Guardian, making sure that the personal information about those who use our services legally, ethically and appropriately used, and confidentiality maintained. The Caldicott Guardian provides leadership and informed guidance on complex matters involving confidentiality and information sharing following the six Caldicott Principles. The Caldicott Guardian has played a key role during the COVID-19 crisis.

EPUTs Executive Chief Finance Officer is the Senior Information Risk Owner (SIRO) responsible for understanding how information risks may affect the strategic business goals of EPUT and for taking steps to mitigate those risks. The Caldicott Guardian and SIRO will work closely together when consultation is required when information risk reviews conducted for assets that contain personal information. COVID-19 strengthened this partnership.

Data Quality and Governance

A fundamental requirement to the Trust delivering safe, high quality care is EPUT's ability to have timely and effective monitoring reports, using complete data. The Board of Directors strongly believes information that is accurate, timely, complete and consistent are the basis for all decisions, whether clinical, managerial or financial. A high level of data quality also facilitates meaningful planning and enables service alerts to any deviation from expected trends.

Internal audit carried out a data quality audit on randomly selected KPIs across EPUT during October 2019 and advised there was 'moderate assurance' on the controls that were in place. The 2020 audit was delayed due to the COVID-19 pandemic and rescheduled for Q1 in 2021/22.

EPUT achieved an average Data Quality Maturity Index score of 96.2% for Q1, 96.1% for Q2, 96% for Q3 compared to the NHSI Oversight Framework target of 95%.

It has been necessary to ensure further data quality in respect of internal collection of data and external submissions of data related to COVID-19.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. Internal Audit, Clinical Audit, Executive Managers and Clinical Leads within EPUT have responsibility for the development and maintenance of the internal control framework and their work informs my review of the effectiveness of the system of internal control. I have drawn on the performance information available to me. External auditors inform my review in their management letter and other reports. The Board, Audit Committee, People Innovation and Transformation Committee, Quality Committee and Finance and Performance Committee provide advice on implications of the result of my review of the effectiveness of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place. My review has included the Trust's responsiveness to the COVID-19 crisis.

I have also drawn upon the opinion of the Head of Internal Audit Report for 2020/2021. That stated that overall, the Internal Auditors were able to provide moderate assurance that there is a sound system of internal control, designed to meet the Trust's objectives and that controls are being applied consistently. In forming their view they took into account that:

- The Trust has had a busy year, acting as the regional lead for the vaccination programme.
- The results of their work were generally positive. Six of the audits issued to date provided substantial assurance in the design of the controls in place, with two providing moderate assurance. Six of the audits issued to date provided moderate assurance in the operational effectiveness of controls, with two providing substantial assurance including Key Financial Systems, Covid-19 Expenditure and Budgetary Control.
- The biggest overall issue found was a lack of consistency in the application of controls. There were no limited assurance opinions given and there was an improved level of assurance on design and effectiveness in comparison to last year. There is currently one audit at draft report stage (Data Security &

Protection Toolkit). Its outcome has been taken into consideration for the overall audit opinion.

- The Trust has specifically requested audit into known areas of concern and new areas of risk e.g. Ligature Risks, following action taken by the Health and Safety Executive on safety failings by a legacy Trust. They were able to confirm that the Trust is taking action to address the issues arising.

- The Trust have successfully been able to close most of the prior year recommendations raised (95% from 2018/19, 88% from 2019/20 and 75% of those due at year end from 2020/21) through the Follow-up process. There is scope to further improve the implementation of recommendations but Covid-19 has had an impact on the Trust's ability to focus on these.

My review is also informed by the work through the year of the Board of Directors and of Board sub-committees, as described in the risk and control framework section above. I have also been informed by the work of the internal auditors during the year, working to a risk-based plan agreed by the Audit Committee, and the action plans resulting to address areas for improvement.

The result of the external auditors' work on the annual accounts and annual report are also a key assurance. CQC intelligent monitoring reports, the outcomes of the clinical audit programme and the results of reviews and inspections by external organisations provide other external assurance.

The Audit Committee has reviewed the overall framework for internal control, and has recommended this statement to the Board of Directors.
The Trust has experienced major changes in senior leadership within the last year and as the new Chief Executive and Accountable Officer I have been joined by a new Executive Chief Finance Officer and new Chief Operating Officer. As a leadership, we have taken stock of the level of accountability within the Trust together with its governance arrangements. As a result, it was clear that an Accountability Framework was required as there was too much high-level decision making, work on this is in train to empower Committees, and staff at all levels to make appropriate decisions. An internal governance review is underway looking at Committee structures to ensure alignment with the Accountability Framework.

The following processes apply in maintaining and reviewing the effectiveness of the system of internal control:

- The Board of Directors met six times in public and three times as an Extra-ordinary Board during 2020/21 and received a report at each meeting relating to finance, performance and quality inviting scrutiny and challenge

- A structure of Standing Committees beneath the Board provides a layered approach to monitoring, scrutiny and challenge of systems of internal control

- A comprehensive quality, assurance and risk structure is in place including a compliance team

- EPUT has a corporate governance development plan in place to ensure compliance with regulatory requirements

- There is a comprehensive programme of Internal Audit in place aligned to key areas of potential financial and operational risk
- The Audit Committee has met regularly and carried out its responsibilities effectively in line with its terms of reference and the Audit Committee Handbook

- A Clinical Audit programme is in place to drive up quality standards. An annual report of results is produced and re-audit is undertaken if results require it

Internal control issue

The Board of Directors has identified the following internal control issue for the Trust:

- Risk of not sustaining embedded learning and not embedded learning organisation wide has affected the Trust and materialised from serious patient incidents. In addition, an HSE long-standing investigation across the former North Essex Partnership and EPUT resulting in a prosecution will lead to a substantial fine for the Trust when the sentencing takes place in June 2021. A high profile Independent Inquiry is imminent linked to the HSE investigation. The Trust has continued to take actions to ensure systemic and sustained embedding of learning and in addition the Executive Directors and I have commissioned a diagnostic review of our wards to ensure safety issues that have require embedding of learning have been taken forward in a systemic and sustainable way.

Conclusion

My review has established that Essex Partnership University NHS Foundation Trust has a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives. I am satisfied that the significant internal control issues that have been identified in this review have appropriate action plans to help mitigate the associated risks and are subject to appropriate review, monitoring and escalation both internally and externally.

There are no significant internal control issues.

Paul Scott
Chief Executive

25 June 2021

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

Opinion

We have audited the financial statements of Essex Partnership University NHS Foundation Trust for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 HM Treasury's Financial Reporting Manual (the 2020/21 FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts.
In our opinion, the financial statements:

- give a true and fair view of the financial position of Essex Partnership University NHS Foundation Trust as at 31 March 2021 and of its income and expenditure and income for the year then ended; and
- have been prepared properly in accordance with the Department of Health and Social Care's Group Accounting Manual 2020/21 and the directions under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Accountable Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation Trust's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Accountable Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Foundation Trust's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

Opinions on matters prescribed by the Code of Audit Practice issued by the NAO

Basis for qualification on the Remuneration Report

The Remuneration Report set out on pages 46 to 60 of the Annual Report, does not disclose the Total Accrued Pension at Pension Age, Lump Sum at Pension Age or the Cash Equivalent Transfer Value at Pension Age for the former Chief Executive, former Executive Chief Finance Officer and current Executive Director of Corporate

Governance for 2020/21 or 2019/20. This was because this information was requested from NHS Pensions Agency but was not provided on the basis of the individuals previously opting out of the scheme during 2018/19 and therefore having no active membership during 2019/20 or 2020/21.

Qualified opinion on the Remuneration Report

Except for the reasons set out in the basis for qualification on the Remuneration Report, in our opinion the part of the Remuneration Report subject to audit has been prepared properly in accordance with requirements of the Foundation Trust Annual Reporting Manual 2020/21.

Opinion on the Staff Report

In our opinion the part of the Staff Report subject to audit has been prepared properly in accordance with requirements of the Foundation Trust Annual Reporting Manual 2020/21.

Opinion on Other Information

In our opinion, the Other Information for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

The Code of Audit Practice requires us to report to you if:

- We issue a report in the public interest under schedule 10(3) of the National Health Service Act 2006;
- We refer the matter to the regulator under schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the 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 are not satisfied that the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources;
- We have been unable to satisfy ourselves that the Annual Governance Statement, and other information published with the financial statements meets the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2020/21 and is not misleading or inconsistent with other information forthcoming from the audit; or
- We have been unable to satisfy ourselves that proper practices have been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

The NHS Foundation Trust Annual Reporting Manual 2020/21 requires us to report to you if in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the NHS Foundation Trust acquired in the course of performing our audit; or
- otherwise misleading.

We have nothing to report in respect of these matters.

Responsibilities of Accounting Officer

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accounting Officer, 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 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 Council of Governors intend to cease operations, or have no realistic alternative but to do so.

As explained in the Statement of the Chief Executive's Responsibilities as the Accounting Officer, as the Accounting Officer of the Trust, the Accounting Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibility 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant are the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), as well as relevant employment laws of the United Kingdom. In addition, the Trust has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection and health & safety.

We understood how Essex Partnership University NHS Foundation Trust is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, internal audit, those charged with governance, and the local counter fraud specialist, and obtaining and reviewing documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our review of the Trust's board minutes and through the inspection of policies and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance and inappropriate capitalisation of revenue expenditure to be our fraud risks. To address our fraud risk around the manipulation of reported financial performance, we:

- Reviewed and tested expenditure cut-off at the period end date
- Reviewed the Department of Health and Social Care Agreement of Balances data and investigate differences with counter-parties which we considered to be significant.
- Tested the appropriateness of manual journal entries recorded in the general ledger and other adjustments made in preparing the financial statements.
- Focussed our testing on manual year-end debtor and creditor accruals where we believed the risk of management override and/or inappropriate revenue recognition to be greater.
- Reviewed accounting estimates for evidence of management bias.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we:

- Performed test of journals designed to identify revenue expenditure being inappropriately transferred to capital.
- Tested property, plant and equipment additions using lower testing thresholds to ensure they were appropriately supported by documentary evidence and that the expenditure incurred and capitalised was clearly capital in nature.

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

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in April 2021, as to whether the Foundation Trust had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Foundation Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under schedule 10(1)(d) of the National Health Service Act 2006 to be satisfied that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Under the Code of Audit Practice, we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

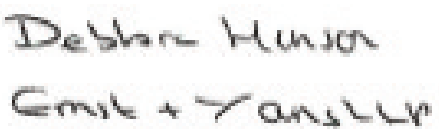
We are not required to consider, nor have we considered, whether all aspects of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of Essex Partnership University NHS Foundation Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of Essex Partnership University NHS Foundation Trust in accordance with Schedule 10 of the National Health Service Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors, for our audit work, for this report, or for the opinions we have formed.



Debbie Hanson
for and on behalf of Ernst & Young LLP
Luton

28 June 2021

FOREWORD TO THE ACCOUNTS

ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

These accounts, for the year ended 31 March 2021, have been prepared by Essex Partnership University NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

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

The Executive Chief Finance Officer
Essex Partnership University NHS Foundation Trust
Trust Head Office
The Lodge
Lodge Approach
Runwell
Wickford
Essex
SS11 7XX

Telephone: 01268 366 000

Paul Scott
Chief Executive

25 June 2021

FINANCIAL STATEMENTS AND ACCOUNTS

31 MARCH 2021

Statement of Comprehensive Income as at 31 March 2021

	NOTE	2020/21 £000s	2019/20 £000s
Operating income from patient care activities	2	**319,604**	301,312
Other operating income	3	**41,005**	24,076
Operating expenses	5	**(356,197)**	(312,471)
Operating surplus/(deficit) from continuing operations		**4,412**	12,917
Finance income	9	**391**	883
Finance expenses	9	**(3,031**	(3,192)
PDC dividends payable		**(4,106)**	(4,809)
Net finance costs		**(6,746)**	(7,118)
Other gains / (losses)		**718**	126
Surplus/(deficit) for the year		**(1,616)**	5,925
Other Comprehensive Income			
Revaluations	11	540	(141)
Remeasurements of the net defined benefit pension scheme liability / asset	6.3	**585**	1,143
Total comprehensive income / (expense) for the period		**(490)**	6,927

The notes on pages 119 to 155 form part of these accounts. All income and expenditure is derived from continuing operations.

Statement of Financial Position as at 31 March 2021

	NOTE	31 March 2021 £000s	31 March 2020 £000s
Non-current assets			
Intangible assets	10	**8,289**	7,161
Property, plant and equipment	11	**204,672**	196,634
Investment property	12	**18,305**	17,535
Other assets	6.3	**331**	–
Total non-current assets		**231,596**	221,330
Current assets			
Inventories	13	**445**	389
Receivables	14	**6,387**	18,123
Non-current assets for sale and assets in disposal groups	15	**525**	500
Cash and cash equivalents	16	**94,004**	67,722
Total current assets		**101,360**	86,734
Current liabilities		**(49,509)**	(34,855)
Trade and other payables	17	**(8,617)**	(2,566)
Borrowings	19	**(4,853)**	(3,222)
Provisions	21	**(5,059)**	(2,663)
Other liabilities	18	**(68,038)**	(43,306)
Total current liabilities			
Total assets less current liabilities		**264,918**	264,758
Non-current liabilities			
Trade and other payables	17	**(1,199)**	–
Borrowings	19	**(27,599)**	(36,188)
Provisions	21	**(13,153)**	(12,302)
Other liabilities	18	**–**	(203)
Total non-current liabilities		**(41,952)**	(48,693)
Total assets employed		**222,967**	216,064
Financed by			
Public dividend capital		135,850	128,457
Revaluation reserve		**63,027**	62,487
Other reserves		**331**	(203)
Income and expenditure reserve		**23,759**	25,323
Total taxpayers' equity		**222,967**	216,064

The Financial statements on pages 115 to 116 were approved by the Board on 25th June 2021 and signed on its behalf by,

Paul Scott
Chief Executive
25 June 2021

Statement of Changes in Equity for the year ended 31 March 2021

	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2020 – brought forward	**128,457**	**62,487**	**(203)**	**25,323**	**216,064**
Surplus/(deficit) for the year	–	–	–	(1,616)	**(1,616)**
Other transfers between reserves	–	–	(51)	51	**–**
Impairments	–	–	–	–	**–**
Revaluations	–	540	–	–	**540**
Remeasurements of the defined net benefit pension scheme liability/asset	–	–	585	–	**585**
Public dividend capital received	7,393	–	–	–	**7,393**
Taxpayers' and others' equity at 31 March 2021	**135,850**	**63,027**	**331**	**23,759**	**222,967**

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 – brought forward	**127,597**	**62,813**	**(1,156)**	**19,023**	**208,277**
Surplus/(deficit) for the year	–	–	–	5,925	**5,925**
Other transfers between reserves	–	(185)	(190)	375	**–**
Impairments	–	–	–	–	**–**
Revaluations	–	(141)	–	–	**(141)**
Remeasurements of the defined net benefit pension scheme liability/asset	–	–	1,143	–	**1,143**
Public dividend capital received	860	–	–	–	**860**
Taxpayers' and others' equity at 31 March 2020	**128,457**	**62,487**	**(203)**	**25,323**	**216,064**

Statement of Cash Flows as at 31 March 2021

	NOTE	2020/21 £000s	2019/20 £000s
Cash flows from operating activities			
Operating surplus / (deficit)		**4,412**	12,917
Non-cash income and expense:			
Depreciation and amortisation	10 & 11	**7,196**	6,546
Net impairments	15	**(25)**	50
Non-cash movements in on-SoFP pension liability		**51**	190
(Increase) / decrease in receivables and other assets		**12,148**	2,573
(Increase) / decrease in inventories		**(56)**	61
Increase / (decrease) in payables and other liabilities		**16,191**	(1,652)
Increase / (decrease) in provisions		**2,481**	(2,213)
Other movements in operating cash flows		**(2)**	2
Net cash flows from / (used in) operating activities		**42,396**	18,474
Cash flows from investing activities			
Interest received		**12**	474
Purchase of intangible assets		**(2,380)**	(1,180)
Purchase of PPE and investment property		**(11,498)**	(4,972)
Sales of PPE and investment property		**157**	793
Net cash flows from / (used in) investing activities		**(13,709)**	(4,885)
Cash flows from financing activities			
Public dividend capital received		**7,393**	860
Movement on loans from DHSC		**(1,636)**	(1,636)
Capital element of PFI, LIFT and other service concession payments		**(900)**	(1,123)
Interest on loans		**(157)**	(193)
Interest paid on PFI, LIFT and other service concession obligations		**(2,494)**	(2,383)
PDC dividend (paid) / refunded		**(4,611)**	(4,681)
Net cash flows from / (used in) financing activities		**(2,405)**	(9,156)
Increase / (decrease) in cash and cash equivalents		**26,282**	4,433
Cash and cash equivalents at 1 April – brought forward		**67,722**	63,289
Cash and cash equivalents at 31 March	16	**94,004**	67,722

Notes to the accounts

1. Summary of Accounting Policies and Other Information

1.1 General 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 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the account.

1.2 Presentation of Financial Statements

When preparing the financial statements the Trust will in normal circumstances follow the standard format. However, where it is determined that the standard format is not representative in reflecting the true performance of the Trust, the presentation of the primary statements may be amended accordingly.

1.2.1 Accounting convention

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

1.3 Going concern

These accounts have been prepared on a going concern basis, in accordance with the definition as set out in section 4 of the DHSC Group Accounting Manual (GAM) which outlines the interpretation of IAS1 'Presentation of Financial Statements' as "the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents".

The Directors of the Trust have considered whether there are any local or national policy decisions that are likely to affect the continued funding and provision of services by the Trust. The Trust presented its draft financial plan for 2021/22 to the Board of Directors in March 2021. This plan includes the continued provision of services by the Trust. No circumstances were identified causing the Directors to doubt the continued provision of NHS services.

This year the Trust has ended the financial year with a reported deficit of £1,616k. Income from Commissioners was largely based on the simplified block payments system introduced in response to the COVID-19 pandemic, which improved liquidity and cash flow during the year. Additional costs due to the pandemic were supported on an actual cost reimbursement basis for the first half the year and on an advance block payment basis for the second half of the year.

For 2021/22 the current financial funding arrangements will remain in place for the first half of the year, with additional funding to support Mental Health Services / transformation of Community Services post COVID.

For the second half of the year the Trust has produced a plan which assumed that the adapted financial regime ends at end of first half of the year as National guidelines for the second half of the year which includes the detail of the financial regime that will operate have still to be agreed and published. The Trust has produced its financial plans based on these assumptions which have been approved by the Trust Board which shows a breakeven with assumed efficiencies of £10.1m.

Our going concern assessment is made up to 30/06/2022. This includes operational plan for 2021/22 and projected cashflow forecast till 30/06/2022.

The Trust has prepared a cash forecast modelled on the above expectations for funding during the going concern period to 30/06/2022. The cash forecast shows sufficient liquidity for the Trust to continue to operate during that period.

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

1.4 Income

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 the Trust's entitlement to consideration for those goods or services is unconditional, a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year, the Trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a Sustainability and Transformation Partnership level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year-end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled 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.

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.

1.4.2 Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

1.4.3 Apprenticeship service income

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

1.5 Expenditure on Employee Benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pensions Scheme. Both schemes are unfunded, defined benefit schemes that cover NHS employer, general practices and other bodies, allowed under the direction of Secretary of State, for Health and Social Care, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as a defined contribution scheme: the cost to the Trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as they become due.

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

NEST Pension Scheme

A small number of employees are members of the NEST (National Employment Savings Trust) Scheme. NEST is a defined contribution scheme. This means that the contributions paid in by the employer, the employee and anyone else are invested and used to build up the employee's own pension pot in accordance with the Scheme's policies.

The contributions are managed by a trust, NEST Corporation, representing the employees and the employer shares no gain or loss on those funds. The employer is responsible only for its pension cost contributions and nothing else and does not bear the risks related to the plan rather those risks are borne by employees.

Employer's pension cost contributions are charged to operating expenses as and when they become due. The current year's contributions are in note 6 below.

Local Government Pension Scheme

Some employees are members of the Local Government Pension Scheme which is a defined benefit pension scheme, i.e. the Essex Pension Fund, which is administered by Essex County Council. The scheme assets and liabilities attributable to these employees can be identified and are recognised in the Trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations.

To assess the value of the Employer's liabilities at 31 March 2021, the actuaries have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2019, using financial assumptions that comply with IAS19.

To calculate the asset share, the actuaries have rolled forward the assets allocated to the Employer at 31 March 2019 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

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

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 Property, Plant & Equipment

Recognition

Property, plant and equipment is capitalised where:

- It is held for use in delivering services or for administrative services
- 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 and
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- they form part of the initial equipping and 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 economic lives.

Tenant Improvements

Property, plant and equipment are capitalised where they are tenant improvements made on leased properties that cost at least £5,000 and add value to the leased property such that it is probable that future economic benefits will flow to the Trust for more than one year over the remaining lease term.

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

Measurement

Valuation

All property, plant and equipment assets are initially measured 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.

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

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

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

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

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

HM Treasury recommends Land and Building assets are valued every five years, with an interim valuation at the end of the intervening third year. The District Valuer is a professionally qualified Valuer and works in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual'. The Trust carried out an annual assessment of its asset carrying amounts in comparison to values obtained from the District Valuer as at the end of the financial year, to ensure that the carrying amounts of assets do not differ materially from their fair value at the Statement of Financial Position date.

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

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

Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. 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 reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

The Trust applies the following useful lives to property, plant and equipment assets. The lives applied to building assets are based on the latest valuations received from the district valuer where assets have been revalued.

Main Asset Category	Sub Category	Minimum Useful Life (in years)	Maximum Useful Life (in years)
Buildings – owned	Structure	3	65
	Engineering and installations	2	33
	External works	4	59
Buildings – PFI schemes	Structure	56	59
	Engineering and installations	20	25
	External works	38	41
Plant, machinery and equipment	Medical and surgical equipment	5	15
	Office equipment	5	5
	IT Hardware	5	10
	Other engineering works	5	15
Furniture and fitting	Furniture	10	10
	Soft furnishings	7	7
Motor vehicles		7	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 previously recognised in operating expenses, in which case they are recognised in operating income.

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

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

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating 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.

De-recognition / Assets Held for Sale

Assets intended for disposal, are reclassified as 'Held for Sale' once the following criteria in IFRS 5 are met: the sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the net sale proceeds and the carrying amount and is recognised in the income statement. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Depreciation ceases to be charged and the assets are not re-valued, 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.

Donated assets

Donated 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 donation 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.

Donated assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Private Finance Initiative (PFI Contract)

PFI transactions which meet the IFRIC12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on Statement of Financial Position' by the Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

1.8 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the 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. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

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

Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

The Trust does not have any internally-generated intangible assets.

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.

Measurement

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

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

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

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the term of the licence and their useful economic lives.

Amortisation

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

The Trust applies the following useful lives to amortise intangible assets to arrive at the assets residual value'.

Main Asset Category	Sub Category	Useful Life Economic Minimum (in years)	Useful Life Economic Maximum (in years)
Intangible assets	Software	5	15

1.9 Investment Properties

Investment Properties are those assets which are held solely for the purpose of generating rental income or capital appreciation within the meaning of IAS 40. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

On initial recognition, Investment Properties are measured at fair value and are subsequently re-valued annually, with any gain or loss arising being dealt with in the Statement of Comprehensive Income, in accordance with IAS40.

The Trust currently has properties which are leased to housing associations, other NHS organisations and private tenants, following the decommissioning of the services that were previously rendered from these properties.

1.10 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.10.1 The Trust as lessee

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. 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.

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. Leased land is treated as an operating lease.

1.10.2 The Trust as lessor

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.

1.11 Inventories

Inventories are stated at lower of cost and net realisable value.

1.12 Financial Assets and Financial Liabilities

Recognition

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

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 classified as subsequently measured at amortised cost.

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income 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.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables and 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.

At the Statement of Financial Position date, the Trust assesses whether any financial assets, are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Provision for debtor impairment

A provision will be provided against the recovery of debts, where such a recovery is considered doubtful. Where the recovery of a debt is considered unlikely, the debt will either be written down directly to the Statement of Comprehensive Income, or charged against a provision to the extent that there is a balance available for the debt concerned, and thereafter charged to operating expenses.

De-recognition

All financial assets are de-recognised when the 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.

1.13 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 HM Treasury's discount rates effective for 31 March 2021.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 21 but is not recognised in the Trust's accounts.

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 25 where an income of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 25, 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, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at **www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts**.

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

1.16 Pension costs

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

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 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

1.17 Taxation

Essex Partnership University NHS Foundation Trust is a Health Service body within the meaning of s519AICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within the categories covered by this. There is a power for the Treasury to dis-apply the exemption in relation to specified activities of a Foundation Trust (s519 A (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 £50,000pa. There is no tax liability arising in the current financial year.

1.18 Value Added Tax

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

1.19 Third party assets

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

1.20 Capital commitments

For ongoing capital projects at the balance sheet date, the value of capital commitments will be based on the value of contracted work not yet completed at the balance sheet date. The value of the capital commitment is disclosed at note 23.

1.21 Cash, bank and overdrafts

Cash, bank and overdraft balances are recorded at the current values of these balances in the Trust's cash book. These balances exclude monies held in the Trust's bank account belonging to patients (see 'third party assets' above). 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.

1.22 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health

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

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.

1.23 Key Sources of Judgement and Estimation Uncertainty

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

Provisions

Provisions have been made in line with management's best estimates and in line with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

The Trusts post-employment benefits are rebased periodically subject to life expectancy assumptions as issued by Government Actuary Department. The real discount rate issued by the HM Treasury annually is also applied to the provision to determine the provision required as at the end of the financial year. The real discount rate applicable on 31 March 2021 was -0.95% (the previous year's rate was -0.50%). The total provisions relating to post-employment benefits as at the end of the financial year was £8,459k.

The Trust also holds a provision for its expense obligations in relation to the redevelopment of the former Severalls hospital site. This obligation is as a result of a joint Education Agreement and Highways (NAR3) Agreement that the Trust has with the Essex County Council along with Homes England building consortium, to provide financial support to the new housing development in terms of highways and schools. Whilst the obligation relating to the Education agreement has now been fulfilled, that which relates to the Highways Agreement is yet to be fulfilled. The Trust therefore maintains a provision of £5,206k with the expected timing of cashflow being over the next two years. The real discount rate applicable on 31 March 2021 was 0.02%.

Apart from the above provisions, the Trust has no other material provisions, or provisions which may change materially as a result of any underlying uncertainty.

Pensions

The valuations of the NHS Pensions Scheme liability and the Local Government Pension Scheme are carried out by the schemes' actuaries. These involve a degree of actuarial and financial assumptions and estimates.

Assumptions regarding valuation of Investment Properties, Land and Buildings

The Trust's Investment Properties, Land and Buildings are valued by the District Valuer. This involves a significant degree of judgement and estimation techniques and the results reflect the specialist professional assessment of the conditions within the external property market.

Assumptions regarding depreciation of Property, Plant and Equipment and Intangible Assets

The depreciation of Buildings is based on the value and life of the assets as periodically determined by the District Valuer. The depreciation of other assets is based on the value and life of the assets in line with the accounting standard, IAS *16 Property, Plant and Equipment*. The Standard requires that the useful life of an asset be reviewed regularly and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under the Accounting Standard, IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The following are the judgements, apart from those involving estimations (see above) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

Consolidation of the EPUT Charity Accounts with the Trust Accounts

The accounting standards require consolidation of a group of entities under the control of a parent where there exists the

power to govern the financial and operational policies of an entity so as to obtain benefits from its activities. As the Trust is a corporate trustee of the Essex Partnership NHS Foundation Trust General Charitable Fund, hence controls it, and the purpose of the Charities is to assist NHS patients, hence the Trust benefits from its activities, the requirements of the relevant accounting standards is normally applicable in the preparation of the Trust Accounts.

However, In line with IAS 1, *Presentation of Financial Statements*, specific disclosure requirements set out in individual accounting standards or interpretations need not be satisfied if the information is not material. The net assets of the Charity is about 0.4% of the Trust's total assets employed, and are therefore not considered to be material in the context of the Trusts wider accounts. As such, the Board of Directors have noted and approved that the Charities Accounts will not be consolidated into the main Trust Accounts for 2020/21. This is subject to an annual materiality review each financial year.

1.24 Change in Accounting Estimate

The Trust reviews the useful lives of its non-current assets, including IT assets to identify assets where the expectations of the length of useful lives of the assets exceed previous estimates. Where this is the case, the carrying amounts of the relevant assets are adjusted as a result of the adjustment of their useful lives, in line with current expectations of the future benefits associated with the assets.

1.25 Operating Segments

Under International Financial Reporting Standards, operating segments are components of an entity that engage in separate revenue earning activities, have discrete financial information available, and whose results are reviewed regularly by the entity's chief operating decision maker. Activities or departments of an organisation that earn no or incidental revenues would not be operating segments.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker of the Trust. The Chief Operating Decision Maker of the Trust is the Trust Board.

The Trust's activities constitute a single segment of healthcare activity provided wholly in the UK, are subject to similar risks and rewards and all assets are managed as one central pool. And this is consistent with the Trust's monthly financial report to the Trust Board.

1.26 Limitation of auditor's liability

In line with guidance from the Financial Reporting Council, the Trust's external auditor, Ernst & Young LLP, have limited their liability in respect of their external audit work. The limitation on auditors' liability for external audit work is £2m.

1.27 Accounting standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following Standards and Interpretations to be applied in 2020/21. These standards are still subject to HM Treasury FReM adoption, with IFRS 16 being anticipated for implementation in 2022/23.

- 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 2022. 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 remeasurement 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 2022, 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 0.91% but this may change between now and 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]. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, 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.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI imputed lease liability will be re-measured when a change in the index causes a change in future imputed lease payments and that change has taken effect in the cash flow. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred. This is expected to increase the PFI liability on the statement of financial position upon transition to IFRS 16. The effect of this has not yet been quantified.

1.28 Transfer by absorption

For functions that have been transferred to the Trust from another NHS/local government body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain/loss corresponding to the net assets/liabilities transferred is recognised within income/expenses, but not within operating activities.

For property plant and equipment assets and intangible assets, the cost and accumulated depreciation/amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS/local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the foundation trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

1.29 Prior Period Adjustment

Prior period adjustments may arise from a change in accounting policy or in correcting a material error.

Changes in accounting policies are only made when required by proper accounting practices or when the effect of the changes will provide more reliable or relevant information regarding the impact of transactions, other events and conditions on the Authority's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise), by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors identified in prior period amounts are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

New or updated information may give rise to reclassifications between balances in the Statement of Financial Position, thereby leading to the restating of their opening balances under the new classifications.

There was no prior period adjustment during the financial year 2020/21.

2. Operating income from patient care activities

2.1 Income from patient care activities (by nature)

	2020/21 £000s	2019/20 £000s
Mental health services		
Block contract / system envelope income*	**202,973**	194,462
Clinical partnerships providing mandatory services (including S75 agreements)	**3,657**	2,744
Other clinical income from mandatory services	**8,543**	15,334
Community services		
Community services – Block contract / system envelope income*	**76,145**	72,787
Community services – Income from other sources (e.g. local authorities)	**15,247**	6,594
All services		
Private patient income	**30**	45
Additional pension contribution central funding**	**9,743**	8,738
Other clinical income	**3,266**	608
Total income from activities	**319,604**	301,312

* As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

** The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

2.2 Income from patient care activities (by source)

	2020/21 £000s	2019/20 £000s
Income from patient care activities received from:		
NHS England	**54,403**	47,842
Clinical commissioning groups	**238,455**	223,896
Other NHS providers	**10,586**	11,587
Local authorities	**13,967**	15,295
Non-NHS: private patients	**30**	45
Non NHS: other	**2,163**	2,647
Total income from activities	**319,604**	301,312

3. Other operating income

	2020/21			2019/20		
	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	399	-	**399**	469	-	469
Education and training	8,799	-	**8,799**	7,550	-	7,550
Non-patient care services to other bodies	1	-	**1**	98	-	98
Provider sustainability fund (2019/20 only)	-	-	-	3,274	-	3,274
Reimbursement and top up funding	21,867	-	**21,867**	-	-	-
Income in respect of employee benefits accounted on a gross basis	735	-	**735**	693	-	693
Receipt of capital grants and donations	-	-	-	-	-	-
Charitable and other contributions to expenditure	-	3,445	**3,445**	-	27	27
Rental revenue from operating leases		2,592	**2,592**		2,778	2,778
Amortisation of PFI deferred income / credits		-	-		-	-
Other income	3,167	-	**3,167**	9,187	-	9,187
Total other operating income	**34,968**	**6,037**	**41,005**	**21,271**	**2,805**	**24,076**

3.1 Analysis of other contract income

	2020/21 £000	2019/20 £000
Catering	**96**	96
Pharmacy sales	36	42
Staff accommodation rental	78	55
Estates recharges (external)	892	1,594
IT recharges (external)	1,436	6,567
Other income not already covered (recognised under IFRS 15)	629	833
Total other contract income	**3,167**	9,187

4.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2020/21 £000	2019/20 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	**2,479**	916

4.2 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2020/21 £000	2019/20 £000
Income from services designated as commissioner requested services	**319,574**	301,267
Income from services not designated as commissioner requested services	**30**	45
Total	**319,604**	301,312

5. Operating expenses

	2020/21 £000	2019/20 £000
Purchase of healthcare from NHS and DHSC bodies	**2,824**	2,999
Purchase of healthcare from non-NHS and non-DHSC bodies	**7,696**	5,600
Staff and executive directors costs	**263,253**	232,878
Remuneration of non-executive directors	**179**	183
Supplies and services – clinical (excluding drugs costs)	**9,507**	5,746
Supplies and services – general	**4,974**	5,828
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**5,220**	5,109
Consultancy costs	**2,753**	1,757
Establishment	**4,179**	5,281
Premises	**16,464**	18,666
Transport (including patient travel)	**2,503**	3,962
Depreciation on property, plant and equipment	**5,944**	5,340
Amortisation on intangible assets	**1,252**	1,206
Net impairments	**(25)**	50
Movement in credit loss allowance: contract receivables / contract assets	**(471)**	(1,217)
Increase/(decrease) in other provisions	**1,595**	(345)
Change in provisions discount rate(s)	**(188)**	397
Audit fees payable to the external auditor:		
audit services- statutory audit	**85**	60
Internal audit costs	**96**	112
Clinical negligence	**2,148**	1,748
Legal fees	**1,068**	304
Insurance	**449**	347
Research and development	**467**	549
Education and training	**3,176**	2,508
Rentals under operating leases	**14,410**	9,181
Redundancy	**(19)**	(792)
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	**1,782**	1,367
Car parking & security	**1,201**	746
Hospitality	**9**	31
Losses, ex gratia & special payments*	**1,717**	1,041
Other services, e.g. external payroll	**1,892**	1,923
Other	**57**	(94)
Total	**356,197**	312,471

* Losses, ex gratia & special payments includes £1,586k in relation to the HSE fine as per note 24.2.

6. Employee benefits

	2020/21 Total £000	2019/20 Total £000
Salaries and wages	**198,667**	173,281
Social security costs	**19,728**	17,020
Apprenticeship levy	**938**	836
Employer's contributions to NHS pensions	**32,923**	28,938
Pension cost – other	**173**	265
Other post employment benefits	**(135)**	(107)
Termination benefits	**8**	158
Temporary staff (including agency)	**13,782**	14,553
Total gross staff costs	**266,084**	234,944

6.1 Retirements due to ill-health

During 2020/21 there were 7 early retirements from the Trust agreed on the grounds of ill-health (none in the year 2019/20). The estimated additional pension liabilities of these ill-health retirements is £221k (£0k in 2019/20).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

6.2 Director Remunerations and Staff Costs

The analysis of directors' remunerations and pension benefits for the year ended 31 March 2021 are in the Remuneration Report section of the Annual Report.

The analysis of staff costs, average staff numbers and staff exit packages for the year ended 31 March 2021 are in the Staff Report section of the Annual Report.

6.3 Employee retirement benefit obligation

6.3.1 Amounts recognised in the SoCI

	2020/21 £000	2019/20 £000
Current service cost	**(173)**	(187)
Interest expense / income	**(3)**	(27)
Past service cost	-	(78)
Administration expenses	**(10)**	(5)
Total net (charge) / gain recognised in SOCI	**(186)**	(297)

6.3.2 Principal actuarial assumptions

	2020/21 %	2019/20 %
Discount rate	**2.00**	2.35
Pension increases	**2.80**	1.90
Rate of increase in salaries	**3.80**	2.90

6.3.3 Amounts recognised in the Statement of Financial Position

	2020/21 £000	2019/20 £000
Present value of the defined benefit obligation	**(20,335)**	(16,419)
Plan assets at fair value	**20,666**	16,216
Net defined benefit (obligation) / asset recognised in the SoFP	**331**	(203)
Fair value of any reimbursement right	-	-
Net (liability) / asset recognised in the SoFP	**331**	(203)

6.3.4 Change in benefit obligation

	2020/21 £000	2019/20 £000
Present value of the defined benefit obligation at 1 April	**(16,419)**	(18,288)
Transfers by absorption	-	-
Current service cost	**(173)**	(187)
Interest cost	**(382)**	(436)
Contribution by plan participants	**(38)**	(38)
Remeasurement of the net defined benefit (liability) / asset:		
– Actuarial (gains) / losses	**(3,661)**	2,294
Benefits paid	**338**	314
Past service costs	-	(78)
Present value of the defined benefit obligation at 31 March	**(20,335)**	**(16,419)**

6.3.5 Change in fair value of plan assets

	2020/21 £000	2019/20 £000
Plan assets at fair value at 1 April	**16,216**	17,132
Transfers by normal absorption	-	-
Interest income	**379**	409
Remeasurement of the net defined benefit (liability) / asset:		
– Return on plan assets	**4,246**	(1,292)
– Actuarial gain / (losses)	-	141
Contributions by the employer	**125**	102
Contributions by the plan participants	**38**	38
Benefits paid	**(338)**	(314)
Plan assets at fair value at 31 March	**20,666**	16,216

6.3.6 Analysis of Fair Value of Plan Assets

	2020/21 £000	2020/21 %	2019/20 £000	2019/20 %
Equities	12,770	62%	9,491	59%
Gilts	533	3%	699	4%
Other Bonds	1,037	5%	983	6%
Property	1,471	7%	1,458	9%
Cash / Temporary Investments	975	5%	674	4%
Alternative Assets	2,388	12%	1,868	12%
Other Managed Funds	1,492	7%	1,043	6%
Plan assets at fair value at 31 March	**20,666**	**100%**	**16,216**	**100%**

	2020/21 Quoted £000	2020/21 Unquoted £000	2020/21 Quoted %	2020/21 Unquoted %
Index Linked Government Securities:				
UK	537		2.6%	
Corporate Bonds:				
UK	1,033		5.0%	
Equities:				
UK	930		4.5%	
Overseas	10,974		53.1%	
Property:				
All	434	1,033	2.1%	5.0%
Others:				
Private Equity		868		4.2%
Infrastructure		1,426		6.9%
Timber		599		2.9%
Private Debt		351		1.7%
Other Managed Funds		1,488		7.2%
Cash / Temporary Investments		971		4.7%
Net Current Assets:				
Debtors		21		0.1%
Plan assets at fair value at 31 March	**13,908**	**6,758**	**67.3%**	**32.7%**

6.3.7 Remeasurement in Other Comprehensive Income

	2020/21 £000	2019/20 £000
Return on funds assets in excess of interest	**4,246**	(1,292)
Other actuarial gains/(losses) on assets	**0**	141
Change in financial assumption	**(4,151)**	1,590
Change in demographic assumptions	**272**	101
Experience gain/(loss) on defined benefit obligation	**218**	603
Remeasurement of the net assets /(defined liability)	**585**	1,143

6.3.8 Projected pension expenses

	2021/22
Service cost	227
Net interest on defined liability	(8)
Administration expenses	13
Total	**232**
Employer contributions	125
Total	**125**

6.3.9 Sensitivity analysis

Adjustment to discount rate	**0.1%**	**0.0%**	**-0.1%**
Present value total obligation	19,948	20,335	20,729
Projected service cost	222	227	233
Adjustment to long term salary increase	**0.1%**	**0.0%**	**-0.1%**
Present value total obligation	20,362	20,335	20,308
Projected service cost	227	227	227
Adjustment to pension increases and deferred revaluation	**0.1%**	**0.0%**	**-0.1%**
Present value total obligation	20,699	20,335	19,978
Projected service cost	232	227	222
Adjustment to life expectancy assumptions	**+1 year**	**None**	**-1 year**
Present value total obligation	21,222	20,335	19,485
Projected service cost	238	227	217

7. The Late Payment of Commercial Debts (interest) Act 1998

There was a total interest payment of £552 relating to the late payment of commercial debts in the year ended 31 March 2021 (2019/20: £239).

8. Operating leases

Essex Partnership University NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Essex Partnership University NHS Foundation Trust is the lessor.

	2020/21 £000	**2019/20 £000**
Operating lease revenue		
Minimum lease receipts	2,592	2,778
Total	**2,592**	2,778

	Building £000	**2020/21 Other £000**	**Total £000**	**2019/20 Total £000**
Future minimum lease receipts due:				
- not later than one year;	1,541	373	**1,914**	2,188
- later than one year and not later than five years;	756	244	**1,000**	811
- later than five years.	494	0	**494**	462
Total	**2,791**	**617**	**3,408**	**3,461**

Essex Partnership University NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Essex Partnership University NHS Foundation Trust is the lessee.

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease payments	14,410	9,181
Total	**14,410**	9,181

	2020/21			2019/20
	Building £000	Other £000	Total £000	Total £000
Future minimum lease payments due:				
- not later than one year;	10,884	1,160	**12,044**	9,592
- later than one year and not later than five years;	4,601	652	**5,253**	5,590
- later than five years.	50,382	–	**50,382**	49,707
Total	**65,867**	**1,812**	**67,679**	**64,889**

9. Finance income and Finance expenditure

9.1 Finance income

Finance income represents interest received on assets and investments in the period.

	2020/21 £000	2019/20 £000
Interest on bank accounts	**12**	474
Other finance income	**379**	409
Total finance income	**391**	883

9.2 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2020/21 £000	2019/20 £000
Interest expense:		
Loans from the Department of Health and Social Care	**154**	188
Main finance costs on PFI and LIFT schemes obligations	**1,642**	1,711
Contingent finance costs on PFI and LIFT scheme obligations	**852**	866
Total interest expense	**2,648**	2,765
Unwinding of discount on provisions	**1**	(9)
Other finance costs	**382**	436
Total finance costs	**3,031**	3,192

10. Intangible assets – 2020/21

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	Software licences £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2020 – brought forward	**18,001**	**116**	**18,117**
Additions	2,172	208	**2,380**
Valuation / gross cost at 31 March 2021	**20,173**	**324**	**20,497**
Amortisation at 1 April 2020 – brought forward	**10,956**	-	**10,956**
Provided during the year	1,252	-	1,252
Amortisation at 31 March 2021	**12,208**	-	**12,208**
Net book value at 31 March 2021	**7,965**	**324**	**8,289**
Net book value at 1 April 2020	7,045	116	7,161

11. Property, plant and equipment

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Fixtures & fittings £000	Total £000
Valuation/gross cost at 1 April 2020 – brought forward	**49,425**	**146,431**	**1,140**	**2,486**	**5,279**	**388**	**15,416**	**2,185**	**222,750**
Additions	-	4,876	-	7,098	354	-	1,322	-	13,650
Revaluations	398	142	-	-	-	-	-	-	540
Reclassifications	40	1,442	-	(1,482)	-	-	-	-	-
Disposals / derecognition	-	-	-	(116)	(8)	(41)	(102)	-	(267)
Valuation/gross cost at 31 March 2021	**49,863**	**152,892**	**1,140**	**7,985**	**5,625**	**347**	**16,636**	**2,185**	**236,674**
Accumulated depreciation at 1 April 2020 – brought forward	**-**	**8,673**	**92**	**-**	**3,827**	**382**	**10,957**	**2,185**	**26,116**
Provided during the year	-	4,662	46	-	307	6	923	-	5,944
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(5)	(41)	(12)	-	(58)
Accumulated depreciation at 31 March 2021	**-**	**13,335**	**138**	**-**	**4,129**	**347**	**11,868**	**2,185**	**32,002**
Net book value at 31 March 2021	**49,863**	**139,557**	**1,002**	**7,985**	**1,496**	**(0)**	**4,768**	**-**	**204,672**
Net book value at 1 April 2020	49,425	137,758	1,048	2,486	1,452	6	4,459	-	196,634

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Fixtures & fittings £000	Total £000
Valuation/gross cost at 1 April 2019	**49,425**	**144,032**	**1,140**	**105**	**5,062**	**388**	**12,984**	**2,185**	**215,322**
Additions	-	2,590	-	2,419	229	-	2,432	-	7,670
Revaluations	-	(141)	-	-	-	-	-	-	(141)
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	(50)	-	(39)	(13)	-	-	-	(101)
Valuation/gross cost at 31 March 2020	**49,425**	**146,431**	**1,140**	**2,486**	**5,279**	**388**	**15,416**	**2,185**	**222,750**
Accumulated depreciation at 1 April 2019	**-**	**4,202**	**46**	**-**	**3,539**	**361**	**10,461**	**2,185**	**20,794**
Provided during the year	-	4,476	46	-	300	21	496	-	5,340
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	(5)	-	-	(13)	-	-	-	(18)
Accumulated depreciation at 31 March 2020	**-**	**8,673**	**92**	**-**	**3,827**	**382**	**10,957**	**2,185**	**26,116**
Net book value at 31 March 2020	**49,425**	**137,758**	**1,048**	**2,486**	**1,452**	**6**	**4,459**	**-**	**196,634**
Net book value at 1 April 2019	49,425	139,830	1,094	105	1,523	27	2,523	-	194,528

11.1 Property, plant and equipment financing

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Fixtures & fittings £000	Total £000
Net book value at 31 March 2021									
Owned – purchased	49,863	108,288	1,002	7,985	1,496	(0)	4,768	-	173,403
On-SoFP PFI contracts and other service concession arrangements	-	31,172	-	-	-	-	-	-	31,172
Owned – donated/granted	-	97	-	-	-	-	-	-	97
NBV total at 31 March 2021	**49,863**	**139,557**	**1,002**	**7,985**	**1,496**	**(0)**	**4,768**	**-**	**204,672**

11.2 Revaluation of property plant and equipment

In line with the Trust's accounting policy, a full revaluation of land and buildings was not due this financial year. However, as recommended by international accounting standards (IAS 16), the Trust carried out an assessment of its asset carrying amounts in comparison to values obtained from the District Valuer as at 31st March 2021, to ensure that the carrying amounts of assets do not differ materially from their fair value at the Statement of Financial Position date. No revaluation was required following this assessment.

One of the Trust's properties, i.e. No. 2 Heath Close, Billericay, which was a non-operational property and therefore, valued at fair value as at the previous financial year in accordance with accounting guidance, has been brought into operational use this financial year. Consequently, this property has been revalued at Depreciated Replacement Cost for an existing use, consistent with the Trust's other such operational assets. This has resulted in a buildings revaluation gain of £142k and land revaluation gain of £398k both of which have been recognised in Other Comprehensive Income, increasing the revaluation reserve in the Statement of Financial Position by £540k.

Further to the valuer's declaration of 'material valuation uncertainty' in the last financial year 2019/20 valuation report as a result of the effects of the Novel Coronavirus (COVID-19) pandemic, the valuer has declared for this financial year 2020/21, that the valuation report, used for the above mentioned assessment and revaluation, is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. However, in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, the valuer has highlighted the importance of the valuation date, being as at the 31st March 2021.

11.3 Remaining Economic lives of Property, Plant and Equipment

Main Asset Category	Sub Category	Minimum Useful Life (in years)	Maximum Useful Life (in years)
Buildings – owned	Structure	3	65
	Engineering and installations	2	33
	External works	4	59
Buildings – PFI schemes	Structure	56	59
	Engineering and installations	20	25
	External works	38	41
Plant, machinery and equipment	Medical and surgical equipment	0	14
	Office equipment	0	0
	IT Hardware	1	8
	Other engineering works	1	8
Furniture and fitting	Furniture	0	0
	Soft furnishings	0	0
Motor vehicles		0	0

11.4 Assets under PFI contract

	2020/21 £000
Cost or valuation	
Cost/Valuation at 1 April 2020	33,417
Additions during the year	43
Cost/Valuation at 31 March 2021	**33,460**
Accumulated depreciation	
Cost/Valuation at 1 April 2020	(1,520)
Provided during the year	(768)
Accumulated depreciation at 31 March 2021	**(2,288)**
Net Book Value at 1 April 2020	31,897
Net Book Value at 31 March 2021	**31,172**

EMI Homes – PFI

In 2004, two homes were opened for the provision of care for the Elderly Mentally ill which have since been re-designated under CQC registration as Nursing Homes. The construction has been financed by a private finance initiative, between the legacy South Essex Partnership Trust (now Essex Partnership University NHS Foundation Trust) (the grantor) and Ryhurst (the operator), under a public private service concession arrangement.

The term of the arrangement is 30 years, over which the grantor will repay the financing received from the operator, ending in 2033. At the end of the financing period legal ownership will pass from Ryhurst to Essex Partnership University NHS Foundation Trust.

During the period of the arrangement the grantor will have full and sole use of the properties to provide the health care services as described above.

The operator is contracted to provide maintenance services of a capital and revenue nature over the period of the contract. No material capital expenditure is included in the contract arrangement.

Maintenance costs payable to the operator are subject to annual increases based on the Consumer Price Index (CPI).

There are no changes in the arrangement over the contract period.

Forensic Unit – PFI

In November 2009 a new forensic unit was opened to provide low and medium secure services. The construction of the new facility has been financed by a private finance initiative between the legacy South Essex Partnership Trust (now Essex Partnership University NHS Foundation Trust) (the grantor) and Grosvenor House (the operator), under a public private service concession arrangement.

The term of the arrangement, over which the grantor will repay financing received to the operator, is 29 years ending in 2037. At the end of the financing period legal ownership will pass from Grosvenor House to Essex Partnership University NHS Foundation Trust.

During the period of the arrangement the grantor will have full and sole use of the unit to provide health care services as described above.

The operator is contracted to provide maintenance services of a capital and revenue nature over the period of the contract.

Maintenance costs payable to the operator are subject to annual increases based on the Consumer Price Index (CPI).

There are no changes in the arrangement over the contract period.

Finance Leases

There were no assets held under finance leases and hire purchase contracts at the end of the reporting period and therefore there was no depreciation charged in the statement of comprehensive income.

12. Investment Property

	2020/21 £000	2019/20 £000
Carrying value at 1 April – brought forward	**17,535**	18,145
Movement in fair value	**770**	190
Disposals	-	(800)
Carrying value at 31 March	**18,305**	17,535

The Trust's policy is to annually revalue its investment properties in accordance with accounting guidance. The revaluation as at 31 March 2021, provided by the District Valuer, showed an increase of £770,000 during 2020/21.

13. Inventories

	2020/21 £000	2019/20 £000
Drugs	**148**	137
Wheelchairs	**297**	252
Total inventories	**445**	389

14. Trade and Other Receivables

	2020/21 £000	2019/20 £000
Current		
Contract receivables	**4,854**	18,235
Allowance for impaired contract receivables / assets	**(1,482)**	(2,136)
Prepayments (non-PFI)	**2,045**	1,604
PDC dividend receivable	**412**	-
VAT receivable	**507**	328
Other receivables	**51**	92
Total current receivables	**6,387**	18,123

14.1 Allowances for credit losses

	2020/21 Contract receivables and contract assets £000	2019/20 Contract receivables and contract assets £000
Allowances as at 1 April – brought forward	**2,136**	4,301
New allowances arising	**1,353**	2,400
Reversals of allowances	**(1,824)**	(3,617)
Utilisation of allowances (write offs)	**(183)**	(949)
Allowances as at 31 March 2021	**1,482**	2,136

15. Non-current assets held for sale

	2020/21 £000	2019/20 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**500**	550
Impairment of assets held for sale	-	(50)
Reversal of impairment of assets held for sale	**25**	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	**525**	500

As at 31st March 2021, the Trust held one property for sale i.e. No. 4 The Glade, Bedfordshire.

16. Cash and cash equivalents movements

	2020/21 £000	2019/20 £000
At 1 April	**67,722**	63,289
Net change in year	**26,282**	4,433
At 31 March	**94,004**	67,722
Broken down into:		
Cash at commercial banks and in hand	**541**	1,033
Cash with the Government Banking Service	**93,463**	66,689
Total cash and cash equivalents as in SoFP	**94,004**	67,722

17. Trade and other payables

	2020/21 £000	2019/20 £000
Current		
Trade payables	**6,548**	3,816
Capital payables	**4,954**	2,802
Accruals	**29,145**	20,722
Social security costs	**3,254**	2,680
Other taxes payable	**2,374**	1,948
PDC dividend payable	-	93
Other payables	**3,234**	2,794
Total current trade and other payables	**49,509**	34,855

	2020/21 £000	2019/20 £000
Non-Current		
Accruals	**1,199**	-
Total current trade and other payables	**1,199**	-

18. Other liabilities

	2020/21 £000	2019/20 £000
Current		
Deferred income: contract liabilities	**5,059**	2,663
Total other current liabilities	**5,059**	2,663
Non-Current		
Net pension scheme liability	-	203
Total other non-current liabilities	-	203

19. Borrowings

	2020/21 £000	2019/20 £000
Current		
Loans from DHSC	**7,412**	1,666
Obligations under PFI, LIFT or other service concession contracts	**1,205**	900
Total current borrowings	**8,617**	2,566
Non-Current		
Loans from DHSC	**3,203**	10,588
Obligations under PFI, LIFT or other service concession contracts	**24,396**	25,600
Total non-current borrowings	**27,599**	36,188

The Trust holds four single currency term loans from the Secretary of State for Health as follows:

	Amount Outstanding (Current) £000	Amount Outstanding (Non-Current) £000	Interest Rate	Repayment Date
Loan 1	373		**2.65%**	March 2022
Loan 2	500		**1.42%**	March 2022
Loan 3	422	3,203	**2.17%**	March 2030
Loan 4	6,118		**0.58%**	March 2022
Total	**7,413**	**3,203**		

The Trust is responsible for ensuring that it is able to repay its borrowings and any associated interest charges.

20. On-SoFP PFI, LIFT or other service concession arrangements

20.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

	2020/21 £000	2019/20 £000
Gross PFI, LIFT or other service concession liabilities	**40,519**	43,060
of which liabilities are due		
- not later than one year;	**2,791**	2,541
- later than one year and not later than five years;	**10,920**	10,800
- later than five years.	**26,808**	29,719
Finance charges allocated to future periods	**(14,918)**	(16,560)
Net PFI, LIFT or other service concession arrangement obligation	**25,601**	26,500
- not later than one year;	**1,205**	900
- later than one year and not later than five years;	**5,306**	4,884
- later than five years.	**19,090**	20,716
	25,601	26,500

20.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

	2020/21 £000	2019/20 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**76,460**	98,732
of which payments are due:		
- not later than one year;	**5,249**	5,178
- later than one year and not later than five years;	**18,327**	20,878
- later than five years.	**52,884**	72,676

20.3 Analysis of amounts payable to service concession operator

	2020/21 £000	2019/20 £000
Unitary payment payable to service concession operator	**5,176**	5,067
consisting of:		
- Interest charge	**1,642**	1,711
- Repayment of balance sheet obligation	**900**	1,123
- Service element and other charges to operating expenditure	**1,569**	1,293
- Revenue lifecycle maintenance	**213**	74
- Contingent rent	**852**	866
Total amount paid to service concession operator	**5,176**	5,067

20.4 PFI commitment in respect of the service element

	2020/21 £000	2019/20 £000
Of which commitments are due		
Within one year	**1,207**	1,246
2nd to 5th year (including)	**5,000**	5,222
Later than five years	**13,038**	16,135
Total	**19,244**	22,603

21. Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Redundancy £000	Other £000	Total £000
At 1 April 2020	**4,989**	**2,582**	**102**	**139**	**7,713**	**15,524**
Change in the discount rate	-	-	-	-	(188)	(188)
Arising during the year	1,160	341	49	58	2,850	4,459
Utilised during the year	(473)	(140)	(10)	(16)	(512)	(1,151)
Reversed unused	1	-	-	(77)	(564)	(640)
Unwinding of discount	-	-	-	-	1	1
At 31 March 2021	**5,677**	**2,783**	**142**	**104**	**9,301**	**18,006**
Expected timing of cash flows:						
- not later than one year;	503	155	141	104	3,949	4,853
- later than one year and not later than five years;	2,037	634	-	-	5,351	8,022
- later than five years.	3,136	1,994	0	0	1	5,131
Total	**5,677**	**2,783**	**142**	**104**	**9,301**	**18,006**

* Other provisions consist mainly of provisions for dilapidation costs of leased buildings, obligations in relation to the redevelopment of the former Severalls hospital site and the costs of financing the non-statutory Independent Inquiry announced in January 2021.

The total value of clinical negligence provisions carried by the NHS Resolution on the Trust's behalf as at 31 March 2021 was £22,771,423 which includes Periodical Payment Order claims balance in relation to the former North Essex Partnership NHS Foundation Trust; £4,919,262 when the PPO claims balance is excluded.(2019/20: £25,410,927; £4,739,812 excluding PPO claims balance).

22. Movements on Reserves

	Total £000	Revaluation Reserve £000	Other Reserves £000	Income and Expenditure Reserve £000
Taxpayers' equity at 1 April 2020 – brought forward	**87,607**	**62,487**	**(203)**	**25,323**
Surplus/(deficit) for the year	**(1,616)**	-	-	(1,616)
Transfers between reserves	-	-	(51)	51
Revaluations – property, plant and equipment	**540**	540	-	-
Remeasurements of defined net benefit pension scheme liability / asset	**585**	0	585	0
Taxpayers' equity at 31 March 2021	**87,117**	**63,027**	**331**	**23,759**

23. Capital Commitments

There were no capital commitments under expenditure contracts at 31 March 2021.

24. Events after the Reporting Period

24.1 Authorising Accounts for Issue

In accordance with IAS 10, the Trusts Annual Accounts were authorised for issue by the Chief Executive / Accounting Officer on 25 June 2021.

24.2 Health and Safety Executive (HSE) Liability

In the financial year 2019/20, the Trust had a contingent liability in respect of a possible prosecution and related fine by the Health and Safety Executive (HSE). These events occurred in the former North Essex Partnership NHS Foundation Trust which have been investigated by the HSE.

In November 2020, the Trust pleaded guilty to a breach of Section 3 of the Health and Safety at Work Act 1974. On the 16th of June 2021, the Trust was fined £1.5m and ordered to pay prosecution costs of £86,222. The Trust adjusted for this event in the 2020/21 financial statements after the end of the reporting period.

25. Contingencies

As at 31 March 2021, the Trust had contingent liabilities in respect of the Liabilities to Third Parties Scheme and Property Expenses Scheme totaling £ 94,116 (2019/20: £67,208 LTPS only).

26. Related Party Transactions

Essex Partnership University NHS Foundation Trust is a body corporate established by the Secretary of State. The Independent Regulator of NHS Foundation Trusts ("Monitor") and other foundation trusts are considered related parties. The Department of Health and Social Care is regarded as a related party as it exerts influence over a number of transactions and operating policies of the Trust. During the year ended 31 March 2021 the Trust had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department of those entities.

During the year and at the period end, the Trust had material transactions with other NHS bodies namely NHS Mid Essex CCG, NHS North East Essex CCG, NHS Thurrock CCG, NHS West Essex CCG, NHS Basildon and Brentwood CCG, NHS Castle Point and Rochford CCG, NHS Southend CCG, Hertfordshire Partnership University NHS Foundation Trust, Health Education England, NHS England.

During the year and at the period end, the Trust had material transactions with other public sector bodies namely Essex County Council, Her Majesty's Revenue and Customs and NHS Pensions.

Other than those disclosed under note 26.1, during the year none of the Board Members, Governors or members of the key management staff or parties related to them has undertaken any material transactions with Essex Partnership University NHS Foundation Trust.

The Governors appointed to the Council of Governors may also be members of Boards and Committees of local stakeholder organisations. Local stakeholder organisations can nominate an individual as a Governor on the Council under the following arrangements:

Three Local Authority Governors, one each appointed by:

- Essex County Council
- Southend on Sea Borough Council
- Thurrock Council.

Two Partnership Governors appointed by partnership organisations, one each appointed by:

- Essex University and Anglia Ruskin University (joint appointment)
- CVS Essex

Essex Partnership University NHS Foundation Trust is the Corporate Trustee of the Essex Partnership NHS Foundation Trust General Charitable Fund. During the year ended 31 March 2021, the Trust received income of £26,788 from the Charity for administrative services provided by the Trust on behalf of the Charity. The Trust did not receive any capital payments. All the members of the Corporate Trustee are also members of the Essex Partnership University NHS Foundation Trust Board.

26.1 Director's Interests

Dr. Milind Karale is an investigator/clinical adviser at Niche Patient Safety. The Trust total expenditure made to Niche Patient Safety in the financial year was £27,544 for independent investigation into care and treatment. The trust total income received from Niche Patient Safety in the financial year was nil.

Dr. Alison Rose- Quirie is a shareholder at Alliance Events. The Trust total expenditure made to Alliance Events in the financial year was £14,868 for security services. The Trust total income received from Alliance Events in the financial year was nil.

27. Financial Instruments

IFRS 7, Financial Instruments: Disclosures, requires disclosure of information that enables users of the accounts to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period. Because of the continuing service provider relationship that the Trust has with the local Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

Credit risk

Over 90% of the Trusts income is from contracted arrangements with commissioners. As such any material credit risk is limited to administrative and contractual disputes.

Where a dispute arises, provision will be made on the basis of the age of the debt and the likelihood of a resolution being achieved.

Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from cash made available from prior year surpluses; and Public Dividend Capital funding that may be available from the Department of Health and Social Care to fund particular projects. The Trust has also funded two of its buildings through Private Finance Initiative scheme. Essex Partnership University NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

Interest-rate risk

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

Foreign currency risk

The Trust has nil foreign currency income and expenditure.

27.1 Carrying values of financial assets

	Held at amortised cost £000	Total book value £000
Carrying values of financial assets as at 31 March 2021		
Trade and other receivables excluding non financial assets	**3,423**	3,423
Cash and cash equivalents	**94,004**	94,004
Total at 31 March 2021	**97,427**	97,427

	Held at amortised cost £000	Total book value £000
Carrying values of financial assets as at 31 March 2020		
Trade and other receivables excluding non financial assets	**16,191**	16,191
Cash and cash equivalents	**67,722**	67,722
Total at 31 March 2020	**83,913**	83,913

27.2 Carrying values of financial liabilities

	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2021		
Loans from the Department of Health and Social Care	**10,615**	10,615
Obligations under PFI, LIFT and other service concession contracts	**25,601**	25,601
Trade and other payables excluding non financial liabilities	**40,262**	40,262
Provisions under contract	**9,547**	9,547
Total at 31 March 2021	**86,024**	86,024

	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2020		
Loans from the Department of Health and Social Care	**12,254**	12,254
Obligations under PFI, LIFT and other service concession contracts	**26,500**	26,500
Trade and other payables excluding non financial liabilities	**27,338**	27,338
Provisions under contract	**7,954**	7,954
Total at 31 March 2020	**74,046**	74,046

27.3 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2021 £000	31 March 2020 restated* £000
In one year or less	**54,660**	34,302
In more than one year but not more than five years	**17,871**	26,586
In more than five years	**28,412**	29,720
Total	**100,943**	90,608

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

28. Third Party Assets

The Trust held £254,587 (2019/20: £205,300) cash at bank and in hand at 31 March 2021 which relates to monies held by Essex Partnership University NHS Foundation Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

29. Losses and special payments

	2020/21		2019/20	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	8	32	22	15
Constructive losses	1	20	1	726
Bad debts and claims abandoned	9	5	19	70
Damage to property	1	1	-	-
Total losses	**19**	**58**	**42**	**811**
Special payments				
Compensation under court order or legally binding arbitration award*	2	1,586	5	4
Ex-gratia payments	18	17	18	52
Special severance payments	2	28	-	-
Extra-statutory and extra-regulatory payments	6	172	14	259
Total special payments	**28**	**1,803**	**37**	**315**
Total losses and special payments	**47**	**1,861**	**79**	**1,126**

* Compensation under court order or legally binding arbitration award includes £1,586k of HSE fine as per note 24.2.

GLOSSARY

BAME	Black Asian and Minority Ethnic
CBI	Confederation of British Industry
CCG	Clinical Commissioning Group
CHS	Community Health Services
COG	Council of Governors
COVID-19	Coronavirus
CPA	Care Programme Approach
CQC	Care Quality Commission
CPR	Castle Point and Rochford
DQMI	Data Quality Maturity Index
EPUT	Essex Partnership University NHS Foundation Trust
ERS	Employer Recognition Scheme
FEP	First Episode Psychosis
FFT	Friends and Family Test
FREED	First episode Rapid Entry intervention for Eating Disorders
FRF	Financial Recovery Fund
FT	Foundation Trust
FTE	Full Time Equivalent
F2SU	Freedom to Speak Up
GP	General Practitioner
HSE	Health and Safety Executive
IAPT	Improving Access to Psychological Therapies
KPI	Key Performance Indicator
KSF	Knowledge and Skills Framework
LA	Local Authority
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Questioning

LGPS	Local Government Pension Scheme
MH	Mental Health
MHS	Mental Health Services
MHSDS	Mental Health Services Data Set
NEP	North Essex Partnership NHS Foundation Trust
NHS	National Health Service
NHSI	NHS Improvement
NHSE/I	NHS Executive / Improvement
NHS OF	NHS Oversight Framework
NICE	National Institute for Health and Care Excellence
OBD	Out of area Bed Day
PFI	Private Finance Initiative
PHEV	Plug In Electric Vehicle
PLICS	Patient Level Information and Costing Systems
PSF	Provider Sustainability Funding
SE	South Essex
SEPT	South Essex Partnership NHS Foundation Trust
SID	Senior Independent Director
SIRO	Senior Information Risk Owner
SOS	Southend-on-Sea
SRO	Senior Responsible Officer
STP	Sustainability and Transformation Partnership
ICS	Integrated Care System
STOMP	STopping Over-Medication of People with learning disabilities, autism or both
WE	West Essex
WTE	Whole Time Equivalent

Essex Partnership University NHS Foundation Trust

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