



Essex Partnership University  
NHS Foundation Trust

# ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST



***ANNUAL REPORT AND  
ACCOUNTS 2021-22***

# EPUT



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# ANNUAL REPORT AND ACCOUNTS 2021-22

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# CONTENTS

Foreword by the Chair and Chief Executive	<b>7</b>
Performance report	<b>11</b>
Performance report – analysis	<b>19</b>
Accountability report	<b>39</b>
Remuneration report	<b>49</b>
Staff report	<b>65</b>
NHS Foundation Trust: Code of Governance	<b>84</b>
Annual accounts 2021/2022	<b>103</b>
Statement of the Chief Executive’s Responsibilities as the Accounting Officer of Essex Partnership University NHS Foundation Trust	<b>104</b>
Annual Governance Statement for the year ended 31 March 2022	<b>105</b>
Independent auditor's report	<b>116</b>
Foreword to the accounts	<b>122</b>
Financial statements and accounts	<b>123</b>
Glossary	<b>168</b>



# FOREWORD BY THE CHAIR AND CHIEF EXECUTIVE

When we wrote the foreword to the 2020/21 annual report we reflected on the impact of COVID on Essex Partnership University NHS Foundation Trust (EPUT) – our colleagues, patients and the wider community. There was a real sense of having been through an unprecedented time and our thoughts were with those who had lost loved ones through the pandemic.

Little did we think that a year on we would be looking back over another 12 months dominated by the pandemic, more loss and illness and disruption to services but also a year of more optimism and a sense of looking forward.

The impact of the vaccination programme has been incredible and the role that EPUT has played in this is a source of great pride. For the first time in two years the focus is in moving forward and recovery. Before we outline some of our plans for the year ahead it's important to celebrate the achievements of the last year, these are many and varied so we can only pick out a few.

## Achievements

As we approached Christmas 2021 EPUT was hit by the full force of the Omicron Wave and we saw outbreaks across our sites and among our staff resulting in an unprecedented effort to maintain staffing across the Christmas period and through much of January. It was an amazing effort and one that once again reminds us of the incredible work our staff carry out every day – putting patients first.

Here for You, our psychological support service for colleagues, continued to play a vital role with more than 500 rapid assessments for staff across

Essex and Hertfordshire and led dozens of webinars, reflective practice groups and roadshows reaching more than 5600 staff

We achieved gold accreditation from MOD Employer Recognition Scheme (following bronze and silver awards).

Last year was also one where we took on a number of a new services:

- We took over the running of the Lighthouse Children's Centre in Southend on behalf of the Mid and South Essex Community Collaborative.
- We also opened two new

wards – Cherrydown and Kelvedon at Basildon Mental Health Unit in August and November following three-year renovation project.

- Last year also saw the expansion of our Improving Access to Psychological therapy for you service. This has been expanded to include North East Essex, allowing people to self-refer for free counselling and psychological therapy for depression, anxiety, post-traumatic stress disorder and specific phobias.
- We also launched a new website offering free and immediate access to mental

health support for people during pandemic.

- The roll out of Oxehealth has continued throughout the year as part of our focus on patient safety and investment in technology.
- The success of the Urgent Care Response Team (UCRT) as part of the Mid and South Essex Community Collaborative has been highlighted as good practice and visited by Secretary of State for Health and Social Care the Rt Hon Sajid Javid MP. 4,836 additional people per year have been seen by UCRT. This means that 2,853 people per year are avoiding an acute attendance at hospital and 1982 people per year are avoiding an acute admission.
- From July 2021 the Trust hosted Provider Collaborative services.

## Essex Mental Health Independent Inquiry

The Inquiry has been established into inpatient mental health deaths from 1 January 2000 to 31 December 2020 at the former North Essex Partnership University NHS Foundation Trust (NEP), the former South Essex Partnership University NHS Foundation Trust (SEPT) and EPUT (which took over following the merger in 2017).

The Inquiry intends to publish its findings and recommendations in spring 2023. EPUT is supporting the Inquiry and as such there is a small team working on providing data and information from across the 20 year scope, which necessitates provision within the accounts to

support this activity and any associated costs for EPUT.

## Safety

The relentless focus on our Safety Strategy – Safety First, Safety always – has seen EPUT further refine the oversight and accountability at Board level with a weekly executive oversight meeting to carefully review any safety related issues and ensure that lessons are learned.

Now in the second year of the safety strategy our focus is on cementing EPUT as a learning organisation and we have appointed a Director of Safety to ensure that there is clear leadership and accountability in our drive to offer the best possible care to our patients. Our staff work in often challenging circumstances and no two days are the same – what is critical is the ability to identify issues, put in place solutions and ensure that this learning is communicated and acted on Trust-wide.

## New strategy

2022 saw the launch of a new vision, purpose and strategic objectives for EPUT as part of a new focus on the cycle of continual improvement – our new vision is:

**“To be the leading health and wellbeing service in the provision of mental health and community care”.**

This vision encapsulates the collaborative nature of mental health as part of general wellbeing both in an inpatient and community environment. Our focus is on supporting the people who rely on us in an integrated way so that we look

at the best way to care for an individual, working with them and their family and carers as well as our service partners.

We have also launched a new website which shows a more modern and approachable Trust – encouraging the wider community to find out more about our services and making it easier for people to contact us.

## Collaborative working

Being part of both the Mid and South Essex Community Provider Collaborative and the East of England Specialist Mental Health Commissioning Collaborative has given us the opportunity to take a holistic view of service provision across these areas – in the short time since it was formed we have seen increased collaboration and clinical leadership with greater focus on co-creation of care plans for those who rely on us as well as the ability to innovate and share best practice across wider geographies. In many ways the creation an early adopter of trends we’re seeing more widely across healthcare with a focus on end to end care across sector, greater patient involvement and a drive to support people in the community without the need for inpatient stays.

The Mid and South Essex Community Provider Collaborative is a contractual joint venture that brings together three community service providers (EPUT, NELFT and Provide) to explore ways to improve services, learn from each other, provide a coherent voice of community services and create a platform for developing our services further. We have also been able to look at driving

change and continuous improvement across our services with the needs of our patients at the heart of everything we do. From the creation of virtual wards, allowing care to be delivered in the community for those who might otherwise have needed an inpatient stay to securing the running of the Lighthouse Children’s centre – meaning greater integration with our existing children’s community services, helping to ensure more seamless and coordinated care for children and their families. We look forward to future innovation and collaboration in conjunction with systems partners and service users. The collaborative is overseen by a Board made up of the constituent Trust Chairs, CEO’s and Executives. The East of England Mental Health Specialist Commissioning Collaborative is different in that its function is to commission specialist services utilising the provider knowledge and skills to do so. It has created a vehicle

for engaging clinicians across from 3 specialties (Forensic, Children & Adolescent Mental Health Services Tier 4, and Adult Eating Disorders). The focus has been on supporting clinicians, in partnership with service users, to rethink how services are delivered with a emphasis on supporting people to live independently, enhance community capacity and ensure people who need inpatient services are treated in the East of England.

### Leadership

The last year has seen the newly refreshed leadership team focus on EPUT’s core priorities of patient safety and looking forward to a new strategy that builds on the work of the last couple of years, which have seen a £40m investment in our services. Zephany Trent has joined the Board of Directors as Executive Director of Digital, Strategy and Transformation and will be focussing on developing

the strategic plan for our services with the people who rely on us at the heart of all we do.

### Looking Forward

So as we move on in 22/23 with a new strategy and a relentless focus on learning lessons and continuous improvement, there are a number of new services due to launch across EPUT. These include the planned launch of mental health crisis house (joint venture between EPUT, MSE and Mind), providing short term accommodation for those in mental health crisis as well as planned developments in neuromodulation, the launch of alcohol detox beds and an ADHD service.

None of these developments would be possible without the support and dedication of our fantastic staff – we would like to thank them all for everything they do and the difference they make to countless people.



**Professor Sheila Salmon**  
Chair

17 June 2022




**Paul Scott**  
Chief Executive

17 June 2022





# PERFORMANCE REPORT

## *Performance Report – Overview*

This overview provides information on the Trust, our history and purpose. Information is included about our services, where we provide them and the population we serve, and we highlight our performance, achievements and key risks for the past year.

### **Performance Overview from Paul Scott, Chief Executive**

The background of the COVID-19 pandemic is a constant through 2021/22 and it's important to see EPUT's performance in this context. The efforts of our staff during this time have been inspiration. Many of the performance highlights below refer to the pandemic – from the number of patients with COVID-19 that we have cared for to the mass vaccination service that we set up in such a short period of time – delivering vaccines, saving lives and showing a way out of the devastating impact of the pandemic.

We, like many other organisations, have had to change the way in which we work to care for the people who rely on us, maintaining services in a different way to reflect the impact of the pandemic and the need to keep staff and patients safe and supported during this time. Some of these new ways of working will stay with us – from virtual wards to on line appointments, sitting alongside more traditional forms of care. We know that this works

for our patients and service users offering flexibility and choice in co-created individual care plans. This focus on a new way of working is also referenced in the approval of a digital strategy for EPUT, allowing us to harness technology which puts patients at the heart of innovation and the drive to more effective and efficient care.

During 2021/22, Essex Partnership University NHS Foundation Trust, (EPUT):

- Cared for more than 3000 patients with COVID-19 across our inpatient and community services
- Administered a total of 1,084,578 doses of the COVID-19 Oxford/AstraZeneca/Pfizer/Moderna/Paediatric Pfizer vaccines between April-21 to March-22
- Increased the total number of vaccination centres open at any one time to 16, as well as a number of satellite and pop-up sites. The Trust also took a vaccination bus to strategic sites across Essex and Suffolk. We also have an

outreach service working in various locations including Port of Tilbury where they were instrumental in vaccinating visiting seafarers.

- Launched virtual wards across community services in West and South East Essex.
- Following the creation of the new 24 hour mental health phone line, over 40,000 calls were taken, offering immediate and specialist support to adults in crisis.
- Continued to enable our services and patients to hold virtual appointments, following the introduction in 20/21, which provided the ability to hold around 13,000 video contacts with our patients each week.
- Treated more than 17,000 patients in our IAPT services across South East and North East Essex.
- Distributed nearly 12 million items of personal protection equipment (PPE), fulfilling over 2,000 requests.
- Carried out over 66,000 rapid

COVID-19 staff tests as part of our asymptomatic testing to protect ourselves and others.

- Following the success of the ground-breaking technology on mental health wards to monitor patient safety and wellbeing, the technology was agreed and subsequently rolled out across older adult functional acute mental health services.
- The Trust developed and signed off a new Digital Strategy identifying key digital schemes and initiatives to drive efficiencies, service engagement and patient safety.

As CEO my reflection on EPUT's performance over 2021/22 is one where our people have shown resilience and complete dedication to supporting the people and communities that rely on us, in challenging times. I am proud of the way in which services and have been adapted to reflect changing circumstances and to continue providing the best possible care. All this with a relentless focus on patient safety, learning lessons and driving forward to continually improve.

## About EPUT

Essex Partnership University NHS Foundation Trust (EPUT) was formed on 01 April 2017 following the merger of South Essex Partnership NHS Trust and North Essex Partnership NHS Foundation Trust.

Since then, the Trust has grown from strength to strength, providing many community health, mental health and learning disability services to support more than 3.2 million people living across Luton and

Bedfordshire, Essex and Suffolk. The Trust's turnover has increased by £96.6m compared to 2020/21 with turnover of £457.2m including provision of new services and the hosting of Provider Collaboratives.

## Our Services

EPUT provides a wide range of treatment and support to young people, adults and older people experiencing mental illness both as inpatients and within the community. Including treatment, in secure and specialised settings. A number of our specialist services have achieved accreditation from the Royal College of Psychiatrists.

Our diverse range of community health services provide support and treatment to both adults and children. We deliver this care in community hospitals, health centres, GP surgeries and in our patients' homes.

We provide crisis support and inpatient services and our community learning disability teams work in partnership with local councils to provide assessment and support for adults with learning disabilities.

As part of our a commitment to driving up quality in services for people with learning disabilities we are proud to say that we have signed up to the Driving Up Quality Code. Our self - assessment contains the full details of our commitment.

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

We also run COVID-19

vaccination centres across Essex and Suffolk.

We are a large employer in the East of England with more than 5,400 staff working across more than 200 sites. We also provide services in people's home and community settings.

In 2021/22:

- We received **291,851** referrals
- We made **741,850** face to face contacts
- We made **41,571** digital face to face contacts
- We made **482,907** telephone contacts

The Trust has recently structured its service model around six clinical operational delivery units which are led by multi-disciplinary and multi-professional leadership teams. This ensures that the Trust is best positioned to deliver the vision, strategic objectives and values in the context of the new NHS, and to enable them to link easily to local services to be part of place-based approach to improving the health of local communities.

The six clinical operational delivery units:

- Community Mid and South Essex
- Community North East Essex
- Community West Essex
- Psychological services
- Specialist services
- Inpatient and Urgent and Emergency Care Mental Health

## Our Vision, Purpose, Strategic Objectives & Values

In autumn 2021, the Trust Board adopted a new vision, purpose, strategic objectives and values. These create the framework for 2022/23 whereby through engagement with our staff, partner organisations and representatives of the communities that we serve, we will set out a clear and exciting new strategy for our services aligned to national and local strategies.

Recognising that we are part of a complex system of health, care and wellbeing services and that we have a key role to play in making sure that service users can received joined-up care.



**OUR VISION**

To be the **leading** health and wellbeing service in the provision of **mental health** and **community care**.



**OUR PURPOSE**

We **care** for people, every day.  
What we do **together**, matters.



**OUR STRATEGIC OBJECTIVES**

- We will deliver **safe**, high quality **integrated** care services.
- We will **enable** each other to be the **best** that we can.
- We will work together with our **partners** to make our services **better**.
- We will help our communities **thrive**.



**OUR VALUES**

- We **CARE**
- We **LEARN**
- We **EMPOWER**

## Our Performance

The Trust delivers a wide range of services commissioned by different Clinical Commissioning Groups (CCGs) and specialist commissioners. There is therefore 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.

The key ways in which the Trust measures performance includes:

- NHS England and NHS Improvement's NHS Oversight Framework
- Performance against contract targets
- Performance against national targets
- Performance in national staff and patient surveys
- Quality measures under the domains of patient safety, clinical effectiveness and patient experience
- Outcomes of quality improvement programmes
- Key financial and workforce targets
- Service user and carer experience
- Outcomes of Care Quality Commission inspections

The Trust has an established system of measurement to track progress in delivery of strategy, and priorities for improvement. Progress in these areas is monitored by the receipt and scrutiny of reports at operational

delivery units, executive, committee and Trust Board level in the form of quality and performance score cards.

In our Quality Account for 2021-2022, we provide further details of our performance against a range of quality related performance metrics and our patient safety strategy.

## Key Issues, opportunities and risks

As part of good governance, EPUT continues to identify issues, opportunities and risks that could affect delivering our objectives to achieve future success and sustainability.

### Key Issues

- The population we serve is growing at one of the fastest rates in England.
- It is difficult to recruit staff across a range of key disciplines. In some teams, the mix of skills and staff roles could be developed further.
- Like many other Trusts we are in underlying financial deficit, despite consistently delivering financial results. Whilst the underlying position has improved over the last financial year from £7m to £6m, the Trust is now facing increasing financial challenges (listed below).
- National inflationary and cost of living increases including fuel, energy and utilities.
- Recurrent delivery of the efficiency programme, including delivery of international recruitment and

the full identification and recurrent delivery of efficiency schemes.

- Responding to any continued impact, above planned levels of COVID.
- Financial constraints within the local Integrated Care System (ICS).
- National standards for clinical service quality continue to rise and maintaining compliance is challenging in some areas.

### Opportunities

- We operate in systems developing strong partnerships with other health and care agencies.
- Efficiency opportunities both internally to the Trust and those from greater collaboration with system partners (such as: Out of area placement reduction; PFI unitary charge reviews; commercial innovations and potential site rationalisation).
- We are partners in contracts for community services in both Mid and South Essex and North Essex. 2022/23 first full year of Provider Collaborative arrangements with maturity developing.
- We are partners in the specialist mental health collaborative.
- News ways of working as Integrated Care Boards are established with statutory powers.

### Risks

The causes of the risks and

mitigating actions are described in more detail in the Annual Governance Statement. In brief, the principle risks to the Trust's strategic objectives are:

- SR1: If we do not invest in safety or effectively learn lessons from the past then we may not meet our safety ambitions resulting in a possibility of experiencing avoidable harm, loss of confidence and regulatory requirements.
- SR2: If we do not adequately address and manage fluctuating staff supply and demand then we will be unable to deliver high quality care or experience resulting in not attaining our vision, values, safety, quality and compliance.
- SR3: If our systems, processes and infrastructure do not continue to adapt to support clinical services then we may not have the right facilities/ resources to deliver safe, high quality care resulting in not attaining our safety, quality/ experience and compliance ambitions.
- SR4: If we do not effectively address demands then our resources may be over-stretched resulting in an inability to deliver high quality safe care, transform, innovate and meet our partnership ambitions.
- SR5: If EPUT is not open, transparent or demonstrates learning from or effectively manage the Essex Mental Health Independent Inquiry then it may not deal with the consequences of past failings resulting in not attaining our safety, quality/ experience

and compliance ambitions.

- SR6: If we experience a cyber-attack then we may encounter system failures and downtime resulting in a failure to achieve our safety ambitions, compliance, and consequential financial and reputational damage.

The Trust high level operational risks are:

- CRR11: Suicide prevention – a quality improvement group is in place driving safety elements, including personal safety plans, 48 hour following up post discharge from an inpatient ward, review of approach to Safer Wards, and carer and family involvement review introducing self-harm reduction pilot project.
- CRR34: Suicide prevention training – this risk remains due to difficulties with recruiting trainers, however, 95% staff have now completed dedicated suicide prevention training.
- CRR45: Mandatory training – a recovery programme is in place post COVID- 19 with additional resources provided to support delivery of face to face training such as TASI.
- CRR77: Medical devices – the Trust has appointment to the position Head of Deteriorating Patients and Clinical Governance to lead medical devices management.
- CRR79: Seasonal flu –flu vaccinations offered in conjunction with COVID-19 boosters.
- CRR81: Ligature reduction –

a large number of mitigating actions have been undertaken and continues to be overseen by a Ligature Reduction Reporting Group.

- CRR82: Efficiencies – risk fluctuated during the year linked with the delivery of the financial plan. External support will help to develop efficiency schemes for 2022/23.
- CRR83: COVID-19 financial plan – this risk has remained static, however, the plan was set to deliver a breakeven position. A reframe of this risk will take place in terms of the overall use of resources for the coming year.
- CRR85: Mass vaccinations – this risk reached its target threshold at the end of the financial year but remains on the risk register as the integrated vaccination service continues for Essex and Suffolk.
- CRR90: Management of COVID-19 – this risk reached its target threshold at the end of the financial year with appropriate emergency planning processes being in place.
- CRR91: CAMHS tier 4 system bed pressures – in March 2022 the CQC recommended that the Trust apply to have the condition limiting admissions removed. The risk will be reassessed at that time.
- CRR93: Continuous learning – following the appointment of a Director of Safety and Patient Safety Specialist the culture of learning is a key priority within learning and we expect to be business as

usual and at target threshold by July 2022.

- CRR94: Engagement and supportive observation – significant improvement work has been completed as part of the patient safety strategy programme and expect this to reduce to threshold.

### **Closed risks in year**

- CRR86: Mass Vaccinations 12-15 age group and CRR867 Mass Vaccinations 12-15 age group Suffolk – there is now one mass vaccination risk that is not age related and reflects the

integrated programme.

- CRR78: Supply of blood collection tubes – this was a short-term risk related to a national supply issue, closed following resolution.
- CRR89: Defibrillator pads – short-term risk related to national supply issue, closed following resolution.
- CRR76: Quality of linen – relatively short-term risk relating to provision of inferior quality towels and bedding, closed following discussions, enhanced observation and engagement,

and alternative solutions.

- BAF23: EU Exit Transition – EU Exit sitreps removed from command meetings, data adequacy resolved and EU settlement scheme closed.
- CRR75: ECTAS accreditation – closed as ECTAS accreditation achieved. BAF57: HSE financial risk – closed as HSE as concluded.

### **Emergent Risks**

- Changes arising from the introduction of Integrated Care Systems and new statutory arrangements.



## COVID-19

As the country continues to deal with the corona virus pandemic and the emergence of additional variants, the NHS remains at its highest level of emergency preparedness being at Incident Level 4.

The Omicron Variant has had significant impact on the NHS including EPUT from December 2021.

On the 24th February 2022, the government ended the domestic legal restrictions in England. However, the global pandemic is not yet over as such but transitioning from managing Covid-19 to 'Living with Covid-19'. The Living with COVID plan (published February 2022) sets out how England will move into a new phase of managing the virus. Encouraging safer behaviours through public health advice, in common with longstanding ways of managing most other respiratory illnesses.

The Trust's arrangements continue to be in place, regularly reviewed in line with national guidance and working effectively. For the NHS Covid-19 restrictions remain in place and as such we continue to monitor prevalence amongst our patients and staff and respond promptly to guidance as and when provided.

## Going Concern Disclosure

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 Trusts continued funding and provision of services. The financial plan for 2022/23 was presented to the Board of Directors in March 2022 as draft and April 2022 as final. A further update was provided in June 2022 to take account of material changes to inflation and an increase in commissioner contract income. The plan includes the continued provision of services by the Trust and did not identify any circumstances causing the Directors to doubt the continued provision of NHS services.

Against the adjusted financial performance measure, the Trust has reported a surplus of £38k (2020/21: £1.586m deficit). Income from Commissioners was largely based on the simplified block payment system introduced in response to the COVID-19 pandemic. Additional costs arising from the Trust acting as lead provider for the mass vaccination programme were supported on an actual cost reimbursement basis throughout the year.

For 2022/23, there is a return towards previous contracting. The Trust is negotiating aligned incentive contracts for the majority of the Trust's income being received via block monthly payments and reimbursement for mass vaccination expenditure being quarterly in arrears based on an actual cost basis.

Additional funding to support Mental Health Investment Standards is also included.

The Trust has produced its 2022/23 financial plans based on these assumptions which have been approved by the Trust Board and show a breakeven position.

Our going concern assessment is made up to the end of July 2023. The Trust has prepared a cash forecast modelled on the above expectations for funding during the going concern period which 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 REPORT – ANALYSIS

## Care Quality Commission (CQC) registration

Essex Partnership University NHS Foundation Trust is registered with the Care Quality Commission, and current status is 'registered with conditions' for the services at Clifton Lodge and Rawreth Court Nursing Homes, with a requirement to have registered managers and a limitation on the number of beds provided by the services.

During May 2021, CQC carried out focused inspection of Child and Adolescent Mental Health Service (CAMHS). Subsequent to this, on the 9 June 2021, the CQC served the Trust with a Notice of Decision not to admit any new service users without written permission from the CQC and a requirement to ensure staffing levels to meet services user needs, under Section 31 of the Health and Social Act 2008 for the Children and Adolescent Mental Health Services (CAMHS) provided at Longview Ward, Larkwood Ward and the Poplar Unit. The inspection report was published in September 2021, whereby the service was re-rated from 'outstanding' to 'inadequate'.

The Trust has taken improvement actions and in March 2022 the CQC re-inspected the CAMHS services. At the time of writing this report the final inspection report is

awaited. However the CQC have recommended that the Trust apply to have the section 31 restrictions removed.

This did not affect the Trust's overall rating which remains rated as 'good'.

## NHS System Oversight Framework

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

- Quality of care, access and outcomes
- Preventing ill health and reducing inequalities
- Finance and use of resources
- People
- Leadership and capability

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

NHS England and NHS Improvement confirm that EPUT is in segment 2, with no enforcement undertakings as at 31 March 2022. Segment 2 means that plans that have the support of system partners are in place to address areas of challenge and that targeted support may be required. Support is offered through peer support, clinical networks and where necessary bespoke support from the regional improvement hubs.

EPUT received time-limited and focused improvement support from NHS England and NHS Improvement as part of a collaborative improvement agreement in relation to its CAMHS services. This support is anticipated to be completed in 2022/23.

Current segmentation information for NHS Trusts and foundation trusts is published on the NHS England and NHS Improvement website:

[www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation](https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation)

## Our performance

**Table 1:** Summary of 2021/22 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)

QUALITY OF CARE AND OUTCOMES	NHS Oversight Framework Target	Year End Position
<b>CQC rating of Good or above</b>	Good or above	Achieved overall "Good" CAMHS units have recommenced limited admission numbers following improvements made since the 'inadequate' rating for CAMHS in 2021 and the registration restrictions imposed therein.  Awaiting the results of the unannounced reinspection of all three wards in March 2022.
<b>Written Complaint Rate per 100 WTE</b>	No target set	8.6
<b>Staff FFT recommend the Trust as place to receive treatment</b>	No target set	Now replaced with the National Quarterly Pules Survey which launched in January 2022, awaiting results to be published.
<b>Never Events</b>	No target set	0
<b>There will be 0 Safety Alert breaches</b>	0	0 – ACHIEVED
<b>CQC community mental health patient survey</b>	No target set	EPUT achieved "about the same" in 26 questions when compared with other Trusts, 2 questions scored "somewhat worse than expected" which came under the NHS Talking Therapies domain, in the 2021 Survey (Published 2022)
<b>Community health scores from Friends and Family Test – % positive (extremely likely or likely to recommend)</b>	No target set	Awaiting results following rollout of I Want Great Care in January 2022
<b>Mental health scores from Friends and Family Test – % positive (extremely likely or likely to recommend)</b>	No target set	Awaiting results following rollout of I Want Great Care in January 2022
<b>People on Care programme approach (CPA) are followed up within 7 days of discharge from hospital</b>	95%	93.5% (unvalidated position) last validated performance was February 2022 96.1%

QUALITY OF CARE AND OUTCOMES	NHS Oversight Framework Target	Year End Position
<b>Clients in settled accommodation</b>	No target set	66.7% (LA Target 70%)
<b>Clients in employment</b>	No target set	37.2% (LA Target 7%)
<b>Potential under-reporting of patient safety incidents</b>	No target set	48.9 reporting better than benchmark (MH benchmark 44.3)
<b>Admissions to adult facilities of patients under 16 years old</b>	No target set	2

OPERATIONAL METRIC	NHS Oversight Framework Target	Year End Position
<b>People with a first episode of psychosis (FEP) begin treatment with a NICE-recommended care package within two weeks of referral</b>	60%	74.1% – ACHIEVED
<b>Data Quality Maturity Index (DQMI) – MHSDS dataset</b>	95%	95% – ACHIEVED
<b>Improving Access to Psychological Therapies (IAPT) / talking therapies</b>		
<b>a) 50% of people completing treatment who move to recovery</b>	50%	Castle Point & Rochford (CPR) 51.3% – ACHIEVED
	50%	Southend of Sea (SOS) 50.7% – ACHIEVED
	50%	North East Essex (NEE) 55.8% – ACHIEVED
<b>b) waiting time to begin treatment:</b>		
<b>i) 75% within 6 weeks</b>	75%	CPR & SOS 100% / NEE 94% – ACHIEVED
<b>ii) 95% within 18 weeks</b>	95%	100% CPR, SOS & NEE – ACHIEVED
<b>Continued reduction in Out of Area Bed days (OBDs) to 0 by 2021/22</b>	Year-on-year Reduction	420 OBDs – NOT ACHIEVED The Trust continues to reduce the OOA placements with a target of zero by end of Q1-22

LEADERSHIP AND WORKFORCE	NHS Oversight Framework Target	Year End Position
<b>Staff Sickness Rates</b>	No target set	5.7% (Feb 22) (MH benchmark of 6%)
<b>Staff Turnover</b>	No target set	11.6% (Local target based on national benchmarking <12%)
<b>Proportion of Temp Staff</b>	No target set	9.8% (Feb 22)

**The Staff Survey** ran from September to November 2021. This year saw the biggest change in how results were formalised. The themes have been aligned to the People Promise which means in some areas we are unable to compare results against previous years. The Trust was measured against nine themes in the 2021 Survey. EPUT scored above average in three themes, in line with average on three themes, and below average against three themes.

<p><b>We are Compassionate and Inclusive</b> 89% agree or strongly agree and 2% above average. In reference to questions about compassionate culture, we can celebrate the fact that people are fulfilled and can understand how their day-to-day role affects service users.</p>	No target set	Average
<p><b>We are Recognised and Rewarded</b> My level of pay; 31.9% were satisfied or very satisfied and is 6% below the average. In employee surveys, questions on pay are traditionally lower scoring. There is an opportunity for us at EPUT to look at our overall benefits package for staff.</p>	No target set	Below Average
<p><b>We each have a voice that counts</b> I am trusted to do my job; 92.1% agree or strongly agree and 1% above average. This is a positive story around autonomy and control and a very high scoring question.</p>	No target set	Below Average
<p><b>We are Safe and Healthy</b> I am able to meet all the conflicting demands on my time at work; 49% agree or strongly agree and 5% above average. This question really captures the context of how we are performing in comparison to other organisations like us. Work and staffing pressures are not unique to EPUT and actually, with this question, the average was 44.9%.</p>	No target set	Above Average

LEADERSHIP AND WORKFORCE	NHS Oversight Framework Target	Year End Position
<p><b>We are Always Learning</b> It helped me to improve how I do my job; 25.2% selected yes definitely to this question on appraisals and this was 5% above average. This is a positive message on the impact of the new appraisal process.</p>	No target set	Average
<p><b>We work Flexibly</b> I can approach my immediate manager to talk openly about flexible working; 78.3% selecting agree or strongly agree and 1% above average. Conversations around flexible working with line managers is scoring very well and is a positive message for work-life balance.</p>	No target set	Average
<p><b>We are a Team</b> My immediate manager takes a positive interest in my health and wellbeing; 77.2% said agree or strongly agree In reference to the questions on line management, there is a positive message that shows that even through unprecedented circumstances and change, managers are showing resilience. Line managers often get a tough time, but the results show that managers are supporting.</p>	No target set	Below Average
<p><b>Staff Engagement</b> I am enthusiastic about my job; 72% selected often/always and 2% above average. In reference to questions about motivation, here we can see that there is an opportunity for us here at the trust as despite the pressures our staff members are facing, they are still passionate about their roles and purpose.</p>	No target set	Above Average
<p><b>Morale</b> I will probably look for a job at a new organisation in the next 12 months; 20.5% agreed/strongly agreed. In reference to questions relating to retention/ thinking about leaving, this area warrants concern as we already have staffing levels pressures.</p>	No target set	Above 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 2021/22. Further information on these, and a range of other indicators, is contained within the Trust's Quality Account 2021/22.

- 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 2021/22, 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 of 5% has been used by the Trust to set appropriate targets. In 2021/22, the significant improvements from 20/21 were maintained across all areas of delayed transfers of care, with only Adult wards experiencing a pressure in Q3 where we reported above the threshold for 2 months.

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 2021/22, the Trust achieved its target (95%) with all months reporting above 96%.
- Patient advice and liaison service (PALS)** – Our Patient Advice and Liaison Service (PALS) aims to help patients, carers, relative and families resolve problems as quickly and easily as possible by investigating their concerns or putting them in touch with the appropriate member of staff. The number of PALS contacts in 2021/22 decreased by 51% when compared to 2020/21. The total number for 2020/21 was 2820 and the number for 2021/22 was 1369.
- Compliments** – The Trust received 1936 compliments in 2021/22. Compliments were received in several forms, including letters, cards, gifts and through the local press. Where staff are named they are, where possible, informed and this aids morale and improves staff experience.
- Complaints** – The number of complaints received in 2021/22 increased by 37% when compared to 2020/21. The total number in 2020/21 was 275 and the number for

2021/22 was 376. This year 20% of complaints received were responded to within 40 working days, with a further 72% being responded to within revised timeframe, 92% in total against a Trust target of 95%. In total, 24 complaints were not responded to within the agreed timeframe. This is compared to 7.5% last year. We have worked hard to improve the quality of complaint responses. However, in some cases the complainant has remained dissatisfied, either because not all their concerns were addressed or they challenged some aspects of the response. In such cases the complaint has been re-opened for further investigation. Re-opened complaints are generally resolved with either a face to face meeting or a further letter of response. There were a total of 23 complaints reopened in the year 2021/22. Our Complaints and Compliments Annual Report 2021/22 provides further detail and can be access on our website.

- Referrals to the Parliamentary and Health Service Ombudsman (PHSO)** – 4 new cases were referred, and we're still waiting to find if the PHSO are going to investigate them. 4 separate cases were closed, these are cases that were referred to the PHSO last year.
- Infection Control** – Throughout 2021/22, the Trust has maintained continuous rigour for all infection prevention and control standards with a focus on learning and improvements.

Rigorous clinical and environmental hygiene measures, the use of appropriate personal protective equipment and associated training and education for our staff has ensured that we provide the right equipment to minimise the risk of nosocomial transmission of COVID-19. A suite of protocols, policies and practice guidance has been in place to support the Trust caring for patients across all sites.

- **Clostridium difficile** – Clostridium difficile incidence is assessed as cases detected after day 3 of admission (these are considered to be attributable to an infection acquired in a healthcare setting). The system of reviewing cases determines whether cases were associated with or without breaches of local protocols, the latter being deemed unavoidable. Of the 1 case in total reported across all Trust sites, there were 0 cases with breaches but learning points were identified. Teaching is being provided for the clinical team during May 2022. Continuing with a low number of cases is testament to the vigilance of clinical teams and their compliance with best practice.
- **MRSA bacteraemia** – MRSA incidence is assessed as cases detected more than 48 hours after admission, which are considered to be attributable to an infection acquired in hospital, or cases where MRSA is considered to be a contaminant in blood cultures. We achieved our target to have zero cases of MRSA bacteraemia in 2021/22.

- **Gram-negative blood stream infections** – E.coli bloodstream infections represent 55% of all gram-negative blood stream infections. Approximately three-quarters of these cases occur before patients are admitted to hospital, and the Trust continues to contribute to a system-wide plan to support improvements across the health economy. There have been no local concerns about hospital associated cases, these are all investigated and reported as per the national Public Health England mandatory reporting programme.
- **Hand hygiene monitoring** – We monitor compliance with best practice for hand hygiene in all clinical inpatient areas every quarter. Compliance overall remained above 99.5%. The EPUT clinical departments are asked to invite their service users to audit hand hygiene twice each year to support the internal staff audit programme.
- **COVID-19** – EPUT have been committed to following the guidance issued by Public Health England (PHE). All staff have had the opportunity to undertake a risk assessment ensuring their health and safety within the work place. Staff have access and training regarding the use of personal protective equipment (PPE), and where there has been potential for national shortages of PPE, EPUT has ensured practices were in place to mitigate any risk. There have been 60 outbreaks of nosocomial infection in EPUT during the reporting period. All of these were outbreaks of COVID-19.

The Director of Infection Prevention and Control (DIPC) and Infection Prevention and Control (IPC) team have continued to provide specialist advice to all levels of the organisation both from a clinical and non-clinical perspective in order to support COVID 19 safety to service users and staff. Assurance of policy has been provided through regular updating of the Board Assurance Framework reported through our Quality Committee.

- **Prevention of Future Deaths** – The Trust have received 7 prevention of future death reports in 2021/22. Actions taken in response are subject to a quality review to provide assurance that changes to practice are embedded and sustained.
- **Walkabouts** – Governors and Non-Executive Directors carry out walkabouts in service areas across the Trust, speaking with patients and staff. These walkabouts are reported through to the Council of Governors, with immediate actions reported back to service area leads. The walkabouts were suspended in response to the ongoing COVID-19 pandemic and the programme of walkabouts for 2022/23 will be reviewed in light of infection prevention and control requirements.
- **Peer Reviews** – A peer review is a professional assessment against standards of our healthcare processes and quality of work, with the objective of facilitating improvement. The

methodology used during CQC reviews focus on the five key domains of safe, effective, caring, responsive and well led and has been recognised as best practice. Peer reviews and deep dives into concerns raised internally or externally continue to be led by the Compliance Team.

- **COVID-19 Vaccination Programme** – Throughout 2021/22, we continued as the lead provider for COVID-19 Vaccinations across mid and south Essex and Suffolk and North East Essex. The trust delivered over 1 million vaccines during this period and opened 21 vaccination centres and 'pop up' clinics across both systems. As part of this unique programme the Trust engaged 2000 temporary staff and were supported by over 2000 volunteers, hosting a workforce bureau for each system. Our project team established a strong and dedicated mobile service to reach vulnerable groups, including the homeless and travelling communities. With the support of Essex County Council, we commissioned buses to enable the delivery of vaccinations in areas with limited access to NHS Services. The Vaccination service was extended to include specialist clinics for complex cases and accreditation of vaccinations for foreign nationals and service personnel. EPUT is grateful to our partners within each system, particularly in times of high demand, as we were able to mobilise additional staff and support from not only other NHS and local authorities but also from the fire and police services,

the army and a wide range of voluntary organisations.

## 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, the Workforce Race Equality Standard and Workforce Disability Equality Standards (WRES and WDES) as well as involvement from our Equality Framework responsible for Equality and Inclusion as part of our "Be You" culture in the Trust.

Our bi-monthly Equality and Inclusion Sub Committee reviews and drives these systems, with input from our four Staff Equality Networks and Staff Engagement Champions across the Trust. As a sub-committee of the People Equality and Culture 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 PALS and Complaints Data, our interpreting requests data and feedback from members.

On March 2022, a two-hour virtual Equality workshop was held, engaging our stakeholders with examples of our

achievements from 2021-22 and encouraging feedback to influence our goals and priorities for 2022.

## Overseas Operations

The Trust did not undertake any overseas operations during the year 2021/22.

## 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

### Leadership and Engagement

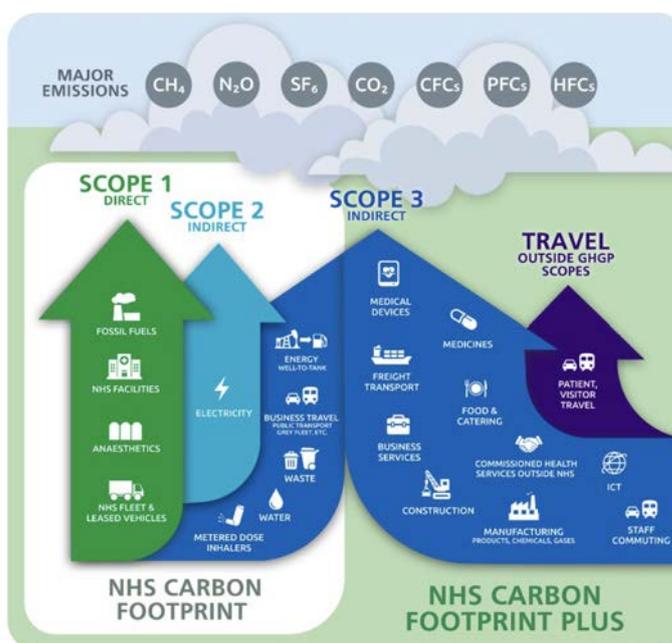
The Trust is committed to be a sustainable organisation and to ensure that it meets its obligations under the 'Net Zero' NHS (2020), the National Adaptation Programme (2018) and the 2019/20 NHS Standard Contract.

The Green Plan was approved in November 2021, and outlines our commitment and roadmap to meet our obligations to achieving Net Zero.

EPUT's Board level leads for sustainability are Manny Lewis, Non-Executive Director, Trevor Smith, Executive Chief Finance

Officer. The Estates and Facilities lead is Charles Hanford, Director of Estates and Facilities, and assisting with implementation, 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, defined as a reduction in Scopes 1 & 2 emissions under our control: 80% by 2028-32, net zero by 2040, indirect third party emissions Scope 3 over which we have influence, have longer targets for reduction.



## Our People

### Staff engagement in 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, and will be delivered through our Green Ambassador network.

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. The introduction of Electric Vehicle charging points will demonstrate our commitment, raise awareness and encourage the move over to electric vehicles.

### 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 commissioned of twelve electric vehicle Fast charging points on six hub sites, the installation will be completed by Q1 2022, and a further two 50kW Rapid Chargers have been ordered for installation later in the year.

We are currently testing an Estates electric vehicle to help with understanding and rollout, and will be trialling the latest electric van models in Q1.

In 2021, at Rochford Hospital, we replaced 75 car park lights with high efficiency LED bollards, reducing running costs and carbon by 65%.

An energy survey has been carried out at Thurrock as a test site with a brief to decarbonise heating. Further surveys will follow across the Estate.

We are also committed to acquiring accreditation in ISO

14001 Environmental this year.

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

### Energy – direct consumption

Carbon emissions associated with energy in our buildings account for approximately 28% of our carbon footprint. In 2021/22 we have calculated 2,949 tonnes CO<sub>2</sub>e, which is 395 tonnes better than last year and 2,184 tonnes better than our base year of 2018/19. When measured against occupied area, it represents a 40% reduction over our base year.

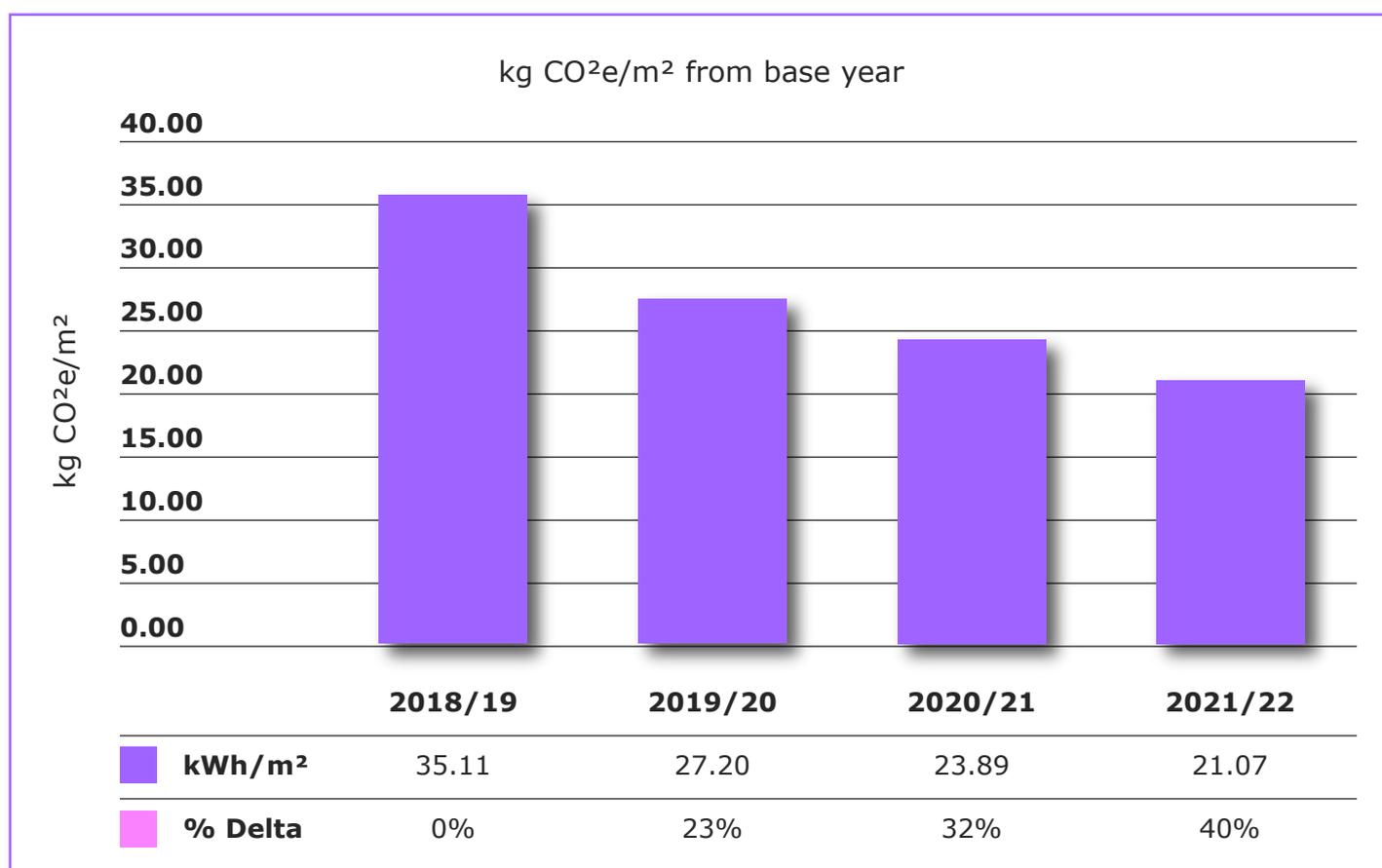
Since April 2021 all of our electricity is from guaranteed renewable sources (ROCs) and therefore delivers zero emissions.

It is worth noting that some estimated projections have been used for the 2021/22 figures below as most recent consumptions and final billing for the year are not available at the time of preparing this report.

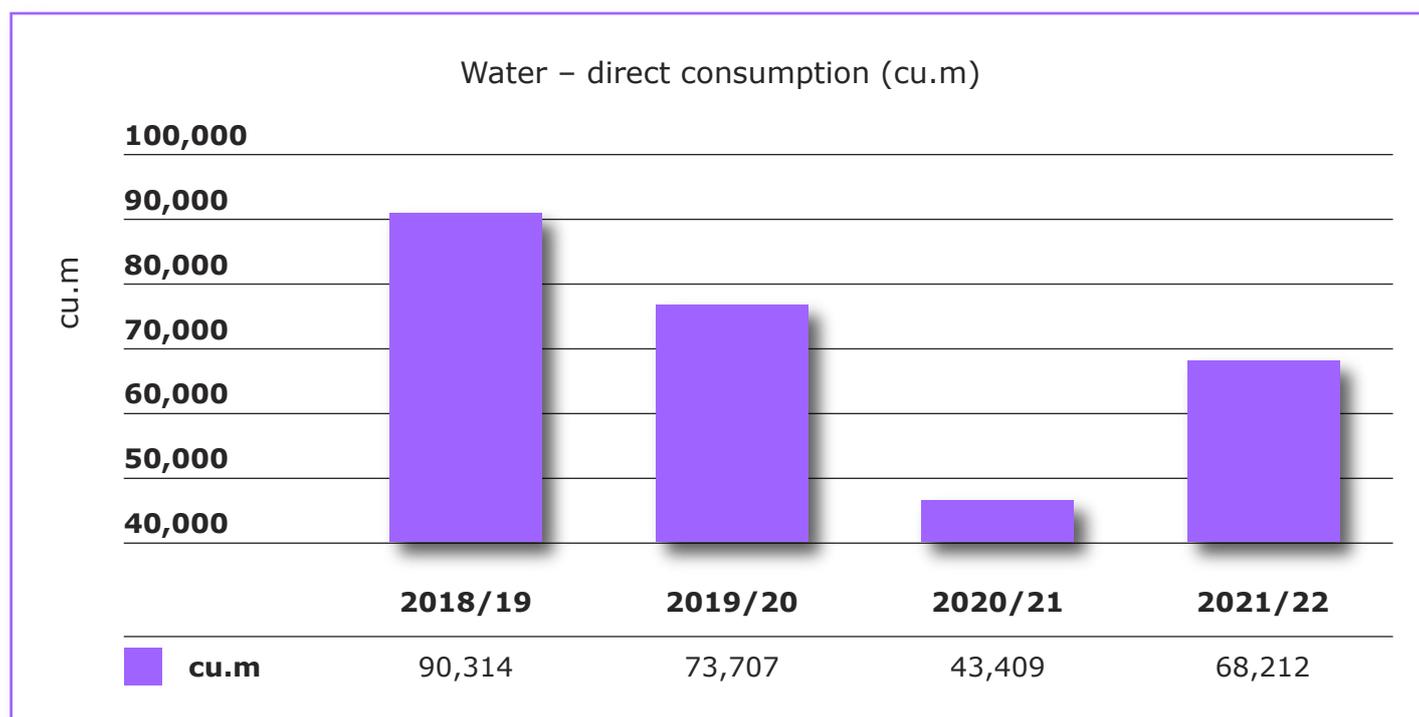
**Table 2:** Energy – direct consumption (kWh)

CONSUMPTION	2018/19 EPUT	2019/20 EPUT	2020/21 EPUT	2021/22 EPUT
Occupied Floor area (m <sup>2</sup> )	146,180	141,254	139,913	139,914
Total Electricity Consumed (kWh)	7,319,779	7,773,231	5,996,494	7,645,126
Gas consumed (kWh)	16,651,433	17,122,441	14,857,677	14,191,374
Renewable Energy – Electricity (kWh)	<b>4,121,485</b>	<b>6,745,958</b>	<b>4,985,055</b>	<b>7,645,126</b>
Site energy consumed per occupied floor area (kWh/m <sup>2</sup> )	164	176	149	156

**Table 3:** kg CO<sub>2</sub>e per m<sup>2</sup> occupied



**Table 4:** Water – direct consumption



**Water – direct consumption**

The increase in consumption this year is largely due to the relaxation of lockdown from the pandemic; however, it is a reduction from the base year and the previous year. 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, and 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 were introduced to recycle more and we are working with our waste contractor to reduce further.

Last year we saved 8.230tCO2e by diversion and recycling through our contractor. Also, in 2021 we engaged with Warp It, a peer to peer recycling platform for furniture and equipment. This further demonstrates our commitment to the circular economy and reducing waste. In the first month, we saved nearly 400kg CO2e.

**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 and 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 include Social Value when undertaking a tender and use fundamental procurement principles of fairness, equal treatment, transparency, and non-discrimination in our tenders.

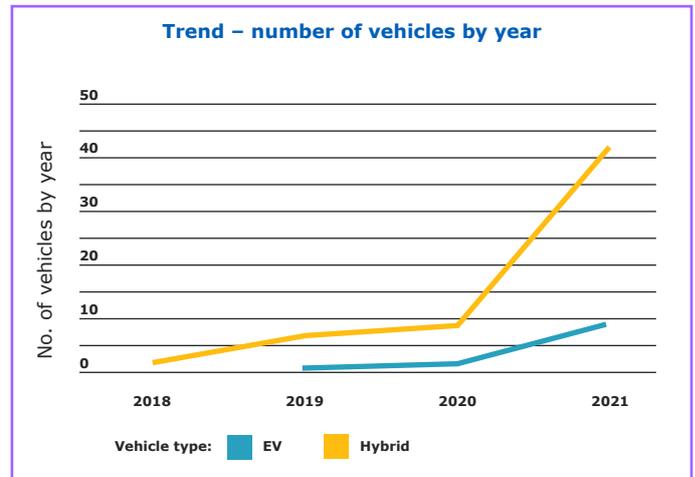
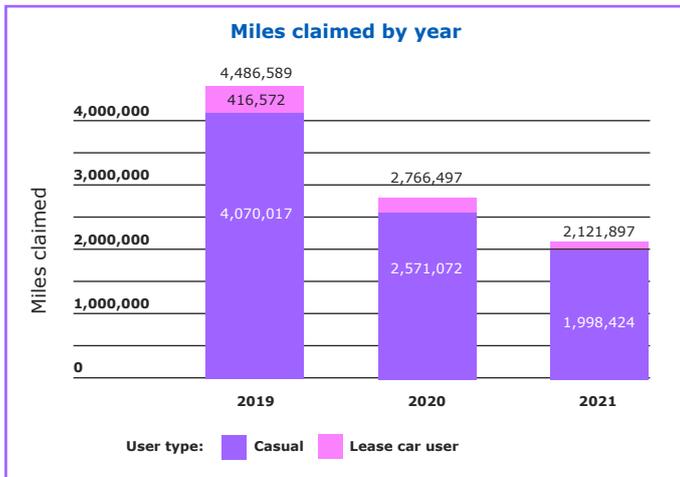
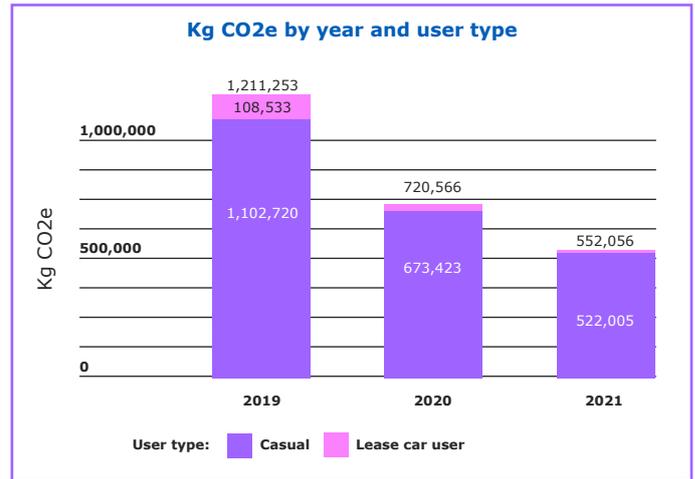
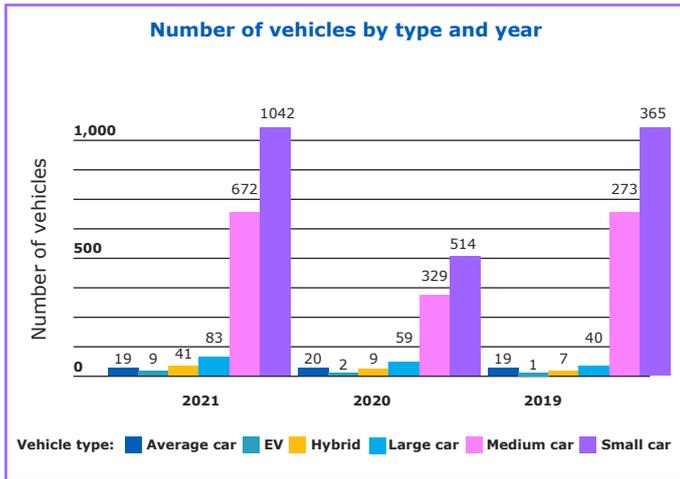
We are looking to explore how we can embed social accounting within the Trust to enable us to demonstrate and measure the impact we make socially on the community we serve.

NB: These indirect elements are covered in the Green Plan.

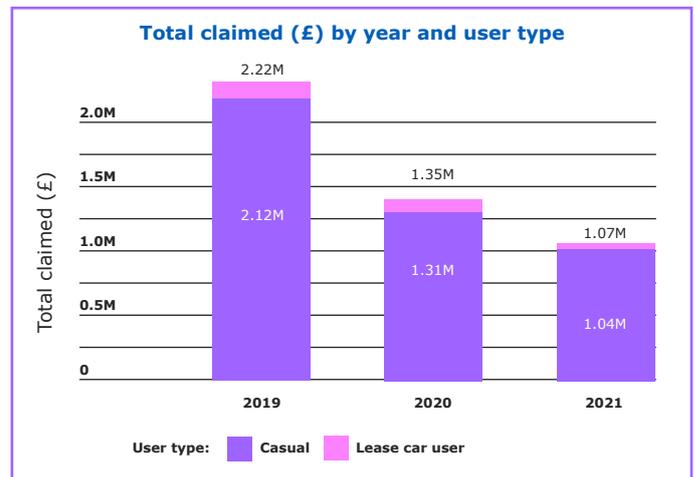
**Travel**

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 rolling out the installation of Electric Vehicle (EV) charging points at six sites in the first phase, to encourage the take up of personal EVs for staff and enabling the conversion of the fleet to EVs. More charging point installations are planned for the coming year.



Year	Miles claimed
2019	4,486,589
2020	2,766,497
2021	2,121,897
<b>Diesel</b>	581,014
<b>Large car</b>	59,387
<b>Medium car</b>	260,556
<b>Small car</b>	261,071
<b>EV</b>	12,328
<b>Hybrid</b>	32,488
<b>Not specified</b>	8,795
<b>Petrol</b>	1,487,272
<b>TOTAL</b>	<b>9,374,983</b>



In line with our own plans, there are increasingly more public charging points being made available within Essex.

The Trust logs significant mileage associated with its leased and grey travel fleet. In the year 2019 we travelled approximately 4,486,589 business miles, producing a carbon footprint of 1,211tCO<sub>2</sub>e and, due to the pandemic, in 2021 we travelled 2,121,590 business miles at a cost of 0.552tCO<sub>2</sub>e. This is a significant reduction and 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.”

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 2020-2021. 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. To ensure that we have a diverse interview panel, for all band 8a and above, we include a member of staff from an ethnic minority background.

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.

At present approximately 3.6% of our workforce consider themselves as disabled or living with a long term condition (WDES 2021-22). As a Trust we actively encourage staff to list any disabilities or long term conditions on our Electronic Staff Record (ESR), 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 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
- 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 2021-22, 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.

As an organisation we would like to continue to display this accreditation with the possibility of becoming a Disability Confident Employer (Level 3).

## 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 2021 to 31 March 2022, and have been prepared in accordance with directions issued by NHS Improvement under the National Health Service Act 2006. They are also prepared in accordance with International Financial Reporting Standards (IFRS) and are designed to give a true and fair view of the Trust's financial activities.

### Financial Performance

Since the onset, and in response to the pandemic in March 2020, the NHS has been operating under an adapted financial regime. For the 2021/22 financial year, the Trust was required to submit two plans with the submission in May covering the first six months of the year and the second submission in November covering the last six months of the year. The combined plans assumed a breakeven position, with a total efficiency requirement for the year of £9.8 million.

Against the full year plan, the Trust ended the financial year with an adjusted surplus of £38k.

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

### Income from Health Care Activities

Total income from all sources is £457.2 million, of which income received from patient care

**Table 5:** Summary of Statement of Comprehensive Income

	2021/22 £000s	2020/21 £000s
Total Income	<b>457,170</b>	360,609
Operating expenses	<b>(454,856)</b>	(356,197)
Finance Costs / Other Gains and Losses	<b>(6,498)</b>	(6,028)
<b>Reported Deficit for the year*</b>	<b>(4,184)</b>	<b>(1,616)</b>
Exclude: I & E Impairments / (Reversals)	<b>4,114</b>	(25)
Exclude: Local Government Pension Scheme	<b>104</b>	51
Exclude: Depreciation on Donated Assets	<b>4</b>	4
<b>Adjusted Surplus / (Deficit) for the year</b>	<b>38</b>	<b>(1,586)</b>

\* 2021/22 deficit includes impairments of £4.1m. Prior year deficit includes fine imposed by Health and Safety Executive of £1.6m.

activities totalled £411.8 million which is greater than other income of £45.4 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 level of health care income has increased since the previous financial year largely due to the Trust becoming the lead provider for adult secure mental health services across the East of England from July 2021. Part year income totalled £60.3 million.

The Trust's income also includes £17.9 million in respect Covid-19 related expenditure and £23.1 million to support the cost of the mass vaccination programme. The Trust's income figure also includes two notional sums of £11.3 million relating to the increase in employer's pension contributions from 14.3% to 20.6%, which were paid centrally, and £0.5 million relating to the value of centrally provided personal protective equipment.

### Operating Expenditure

The total operating expenditure of the Trust for 2021/22 was £454.9 million. The largest area of spend related to staff costs of £311.6 million (68%).

Expenditure has similarly increased due to the Trust becoming lead provider for adult secure services and the inclusion of full year costs for mass vaccination programme.

### Efficiency and Income Generation Initiatives

Against the total efficiency requirement for the year of £9.8 million, the Trust successfully achieved savings of £9.3 million through a combination of both recurrent and non-recurrent measures. On a recurrent basis, the Trust identified savings of £5.4 million.

### Finance Costs

The Trust is required to pay the Treasury dividends in respect of

the Public Dividend Capital held by the Trust. These are 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 2021/22 financial year, the Trust has paid dividends of £4.8 million, with a debtor balance of £0.3 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 £0.1 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 2021/22 have been reflected in the Trust's Statement of Comprehensive Income and reduced the Trust's surplus by £0.1 million. In addition, the Trust is required to account for an actuarial gain of £0.2 million resulting from an increase in the value of scheme assets during the year. The plan is now recording a net defined asset of £0.5 million within the Trust's non-current assets.

### Revaluation of Investment Property

In accordance with accounting guidelines, the Trust has undertaken an annual revaluation of its investment properties. This has resulted in a net increase in the overall value of the Trust's investment properties of £1 million in 2021/22. This increase is reported as part of the Statement of Comprehensive Income.

### Impaired Value of Land and Property

During the 2021/22 financial year, the Trust instructed the District Valuer to conduct a full revaluation of its land and

building. This is to ensure that the carrying amounts of assets do not differ materially from their fair value at the date of the Statement of Financial Position. This valuation resulted in a net revaluation gain of £4.4m and included a gross revaluation gain of £15m, and revaluation losses of £10.6m. In line with accounting guidance, an element of these gains and losses was chargeable to the Revaluation Reserve within the Statement of Financial Position, with £4.1m being charged within operating expenses in the Statement of Comprehensive Income. As detailed above, this technical adjustment is excluded for the purposes of the Trusts adjusted financial performance against which it is monitored.

### 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 £225.2 million as at the end of March 2022.

During the year, the Trust invested £14.3 million on items of capital expenditure, of which £3.2 million was funded from Department of Health Public Dividend Capital. The total capital spend for the year included the following:

- £4.4m on the development of single bedded accommodation;
- £2.9m on patient safety and ligature schemes including door top alarms, seclusion;
- £0.8m on further improvements to patient areas including completion of works to wards at Rochford

Hospital started in 2020/21;

- £2.3m on ICT including investment in clinical systems and access to Wi-Fi across sites;
- £2.2m to address backlog maintenance across the estate;
- £0.9m on health and safety schemes including improvements to patient gardens and installation of CCTV;
- £0.5m on medical and other equipment including the purchase of a bus to support the mass vaccination programme; and
- £0.3m on sustainability and the purchase of electric vehicle charging units.

### Investment Property

The Trust holds a number of investment properties within the classification of non-current assets totaling £17.9 million. These properties are leased out to various organisations including other NHS bodies, housing associations and private individuals.

### Assets Held for Sale

As at the end of the 2021/22 financial year, the Trust held one asset in preparation for disposal.

### 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

**Table 6:** Summary of Statement of Financial Position

	2021/22 £000s	2020/21 £000s
Non-Current Assets	<b>243,815</b>	231,596
Current Assets (excluding cash)	<b>16,756</b>	7,356
Cash and Cash Equivalents	<b>77,417</b>	94,004
Current Liabilities	<b>(72,522)</b>	(68,038)
Non-Current Liabilities	<b>(34,664)</b>	(41,951)
<b>Total Assets Employed</b>	<b>230,802</b>	<b>222,967</b>
<b>Total Taxpayers Equity</b>	<b>230,802</b>	<b>222,967</b>

Non-Executive Director, 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 £21.6 million.

### Policy and Payment of Creditors

The Non NHS Trade Creditor Payment Policy of the NHS is to comply with both the

Confederation of British Industry (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 2021/22 financial year is detailed in **Table 7** overleaf.

**Table 7:** Performance on creditor payments 2021/22

	NHS		Non-NHS	
	Number of invoices	Value £000	Number of invoices	Value £000
Invoices paid within 30 days	1,009	34,578	81,114	183,550
Invoices paid in excess of 30 days	241	3,000	6,394	20,181
<b>Total invoices that were or should have been paid in 30 days</b>	<b>1,250</b>	<b>37,578</b>	<b>87,508</b>	<b>203,731</b>
		<b>80.7%</b>		<b>92.7%</b>

The Trust's performance on the payment of non-NHS invoices of 92.7% for the year (based on number of invoices) is an improvement on the previous financial year of 89.6%. Performance on the payment of NHS invoices is 80.7% (based on number of invoices) which is an improvement on the previous financial year of 77.6%.

During the year, the Trust incurred actual interest charges on the late payment of invoices of £316 compared to £552 in 2020/21. This compares to a potential interest charge on those invoices not paid within the 30 day period of £221k (2020/21: £243k), 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 2021/22, the Trust holds Public Dividend Capital of £139 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 of £230.8 million.

### 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 127 to 143 of the 2021/22 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 49 to 129.

### 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 2021/22, the Charity was fortunate to have received a grant totalling £42k from NHS Charities Together and £5k from the Essex Association of Local Councils, both of which are to support the Open Arts project.

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 (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](http://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 Major Projects and Programmes. 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 2021/22 financial year, at their meeting in March 2022.

A copy of the charity's Annual Report and Accounts for 2021/22 will be available from January 2023 upon request to the Executive Chief Finance Officer.

**Political Donations**

The Trust did not make, nor receive any political donations from or to its exchequer or charitable funds during 2021/22.

**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.

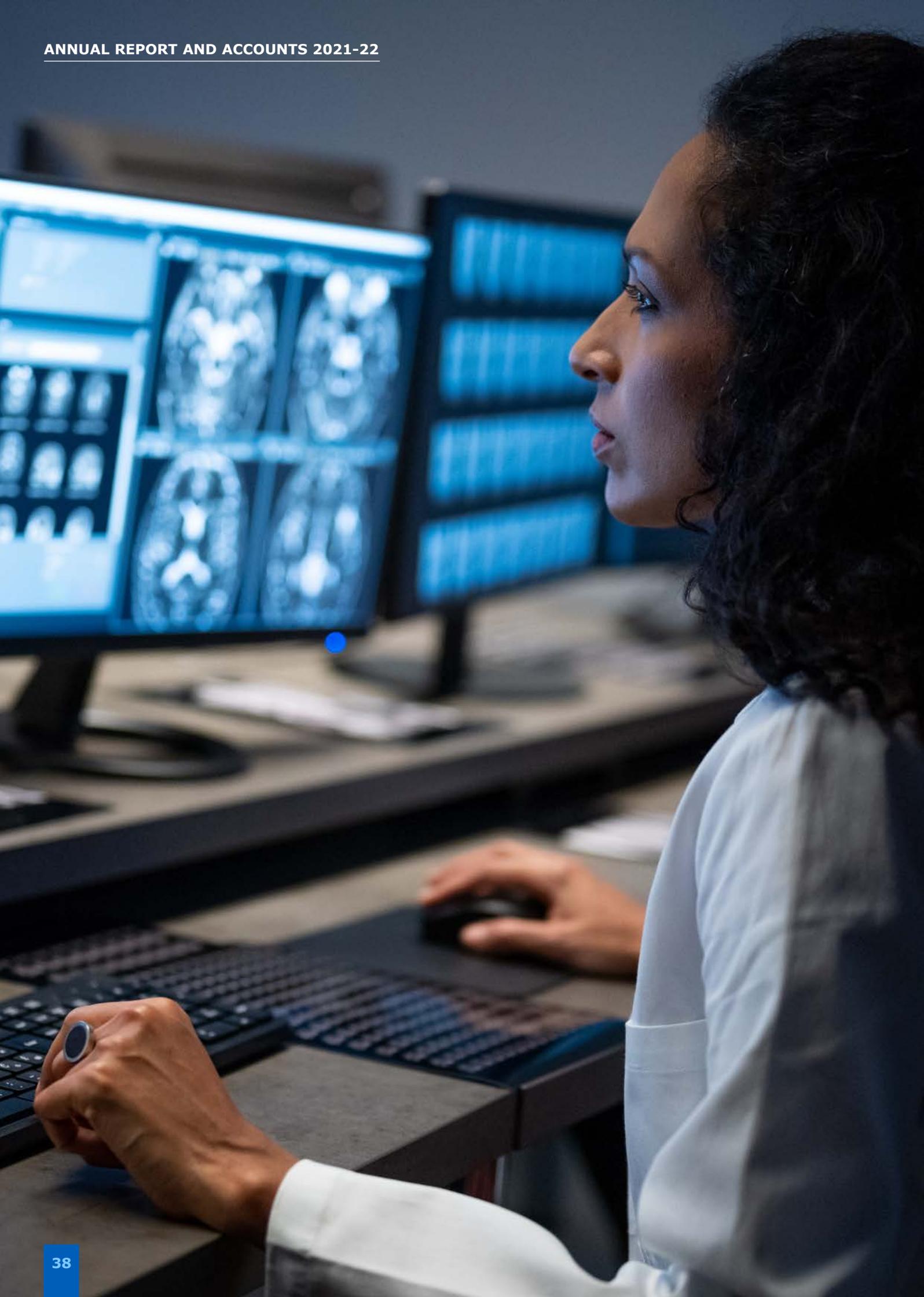
The Trust has a robust risk management process into which any identified financial risks are included and monitored on a regular basis.



**Paul Scott**  
Chief Executive

17 June 2022





# ACCOUNTABILITY REPORT

## *Directors' Report*

The Directors' report comprises the details of the individuals undertaking the role of director during 2021/22 and the statutory disclosures required to be part of that report. It is presented in the name of the following directors who occupied positions during the year.

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 safety, 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.

## **Non-Executive Directors**

### **Professor Sheila Salmon, Trust Chair**

*Appointment: 01 November 2017. Term of Office: Expires 31 October 2023.*

Sheila chaired Mid Essex Hospitals NHS Trust from 2010 – 2017 and was also the Founding Chair of the Joint Working Board (2016-2017), 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 Strategic Transformation Partnership (STP).

Sheila was previously Chair of the North East Essex Primary Care Trust (2006-2010) 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, 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.



### **Dr. Rufus Helm, Non-Executive Director**

*Appointment: 24 July 2018. Term of Office: 31 July 2024.*

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 countrywide.

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**

*Appointment: 18 January 2021. Term of Office: 18 January 2024.*

Mateen is a practicing GP in London and Essex and previously worked as Medical Director at Barking, Havering and Redbridge University Hospitals NHS Trust, and NHS Enfield Clinical Commissioning Group.

He has a passion for technology and innovation, is a regular broadcaster on new and innovative healthcare approaches and sits on a number of boards including the Royal College of General Practitioners.

### **Manny Lewis, Non-Executive Director / Vice Chair**

*Appointment: 28 February 2018. Term of Office: 28 February 2024.*

Manny began his career at the Inner London Education Authority.

In 1988 he became Head of Education Personnel at Waltham Forest followed by numerous promotions in 2004 he was appointed Chief Executive of the London Development Agency, 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, which remains his current executive position. As a non-executive director, he held the role of Deputy Chair of Mid-Essex Hospital Trust for two terms and chaired its Finance & Performance Committee.



### **Loy Lobo, Non-Executive Director**

*Appointment: 31 March 2021. Term of Office: 31 March 2024.*

Loy is a leader in healthcare innovation. Before working exclusively in healthcare, he worked for 11 years for a management consultancy, leading technology-enabled business transformation programmes for multi-national companies.

Over the past decade, Loy has introduced a number of healthcare innovations. He has launched a UK social enterprise startup in wellness and was the founder of the telehealth business at BT Global Health.

Loy has served on a number of high-profile government panels and academic collaborations to promote the adoption of technology and decision science in healthcare. He runs a health innovation company that applies design, digital, and decision science to transform healthcare.

### **Dr Alison Rose-Quirie, Non-Executive Director**

*Appointment: 24 July 2018. Term of Office: 31 July 2024.*

Alison began her career as a prison governor, the first operational female at 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 sits on the Board of Care England and is a founder trustee of Learning Disability England.

### **Amanda Sherlock, Non-Executive Director/ Senior Independent Director**

*Appointment: 01 October 2017. Term of Office: 30 September 2022.*

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 the eastern region and steering through the transition programme of Primary Care Groups to Primary Care Trust status. Moving into care regulation to set up the first national regulator for care, she spent several years in regulation culminating in holding the post of Director of Operations for the Care Quality Commission.

Amanda now works for a large commercial organisation where she is responsible for quality, risk and governance for health and social care services of life care.



### **Janet Wood, Non-Executive Director / Chair Audit Committee**

*Appointment: 01 October 2017. Term of Office: 30 September 2022.*

Janet has a Bachelor's Degree in Business Studies and Accountancy from Edinburgh University and is a member of the Institute of Chartered Accountants of Scotland, having trained with Deloitte. She joined the NHS in 1992, working for Redbridge Healthcare and then South Essex Health Authority, initially as chief accountant.

Janet had a successful career as an NHS accountant and is fully conversant with all NHS finance issues. She was involved in establishing the Essex PCTs and introducing 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.

## Executive Directors

### Paul Scott, Chief Executive Officer

*Appointment: September 2020*

Paul has extensive experience at board level and across the NHS. He held the position of Chief Financial Officer at Cambridge University Hospitals Foundation Trust, where he also led system development and integration. Prior to this he was Executive Director of Finance, Strategy and Performance at Ipswich Hospital NHS Trust, where he was responsible for leading long-term partnerships as well as information and IT.

He previously held senior roles in the East of England Ambulance Service and at Mid Essex Hospital Services NHS Trust. Paul is motivated by improving the way our health and care services work in partnership to deliver improvements to the services we provide.



### Alexandra Green, Chief Operations Officer

*Appointment: December 2020*

Alexandra Green was appointed as Executive Chief Operating Officer in December 2020.

Her portfolio of services includes mental health services, community physical health and learning disabilities across the Trust.

Previously she was the Director of Health and Care delivery for West Essex at EPUT and Essex County Council. She has a wealth of experience having worked in health and social care for more than 25 years.

### Professor Natalie Hammond, Executive Director of Nursing

*Appointment: August 2017 (holding an interim Board contract from 01 April 2017)*

Natalie has responsibility for the professional leadership of the Nursing and Allied Health Professions (AHP) workforce ensuring care is delivered with compassion and safely meeting high quality standards to our service users. Specific responsibility for patient safety, service user experience and outcomes, end of life, safeguarding, Mental Health Act (MHA) administration, infection control, quality improvement, as well as pharmacy services.

Natalie has undertaken research and service development in the fields of substance misuse, mortality and prevention of violence and aggression and holds an MSc from Institute of Psychiatry, Kings College London.

Natalie is passionate about EPUT as an organisation that is ambitious in delivering the best to our people by all of our people for our communities.



## **Dr Milind Karale, Executive Medical Director**

*Appointment: August 2017 (holding an interim Board contract from 01 April 2017)*

Dr Karale is a Consultant Psychiatrist, the trust's Caldicott Guardian and Executive Medical Director on the board of directors for EPUT.

After completing his specialist training in Psychiatry from Cambridge and Eastern Deanery, Dr Karale joined as a Consultant Psychiatrist in 2007. He has worked as a Consultant Psychiatrist in various services including Inpatient Psychiatric Unit, Assertive Outreach Team, Mental Health Assessment Unit, Community Mental Health Team, Crisis Team, Essex rTMS service and he currently provides clinical input to the Community Mental Health Team in Loughton, Essex.



Dr Karale is a Fellow of the Royal College of Psychiatrists and has a Postgraduate Diploma in Clinical Forensic Psychiatry (merit) from Institute of Psychiatry at Maudsley. He has been involved in medical management for the last twelve years, working as Clinical Director for Clinical Governance, Deputy Medical Director and Medical Director from 2012. As a Responsible Officer, he is responsible for the performance of doctors with prescribed connection to EPUT.



## **Sean Leahy, Executive Director of People and Culture**

*Appointment: August 2019*

Sean 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's portfolio covers all people related activities for EPUT; Human resources, payroll, medical staffing, training and development, workforce planning, organisational development, equality and diversity and freedom to speak up. He is also accountable for brand, marketing and communications.

## **Nigel Leonard, Executive Director of Major Projects and Programmes**

*Appointment: August 2017 (holding an interim Board contract from 01 April 2017)*

Nigel Leonard is Executive Director of Major Projects and Programmes on the Board of Directors for EPUT.

Nigel has worked in the NHS for over 25 years in a variety of planning, governance and project management roles in acute, community and mental health organisations. He has worked as a Programme Director delivering changes in mental health services in Essex and recently led the roll out of the Covid-19 Vaccination Programme across Mid & South Essex and Suffolk & North East Essex CCGs.



Nigel is a qualified company secretary and has an MSc in project management. He is also a member of the Association for Project Management.

## Trevor Smith, Executive Chief Finance and Resource Officer

*Appointment: September 2020*

Trevor has worked as an executive director across a range of NHS services for more than 20 years.

Before joining EPUT, Trevor was Deputy Chief Executive and Chief Finance Officer at Princess Alexandra Hospital NHS Trust (PAH). During his time there Trevor actively supported PAH's financial and quality improvements as well as securing funding for the hospital redevelopment.

Trevor's portfolio includes business development, contracting, finance, information, estates and facilities.



In addition to the voting members of the Board, the Trust is supported by Denver Greenhalgh a senior Director of Governance and Corporate Affairs (non-voting). Denver joined the Trust in February 2022.

### Declaration of Interests

All Board members are required to disclose their relevant interests as defined in our constitution. These are recorded in a publically available register. A copy of the register is available on our website or by contacting with the Trust Secretaries Office at Trust Head Offices, The Lodge, Lodge Approach, Wickford, Essex S11 7XX or email [epunft.trust.secretary@nhs.net](mailto:epunft.trust.secretary@nhs.net).

## 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.

## 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 last formal review of our corporate governance arrangements was undertaken by Deloitte in 2019 and no major areas of concern were identified. An action plan was developed to take account of a number of recommendations that were identified to strengthen the arrangements, and progress has continued to be monitored.

In 2021/2022 the Trust implemented an accountability framework as an executive

management system to oversee performance and gain assurance in an integrated, consistent and transparent way of our operational service directorates. The framework covers five domains:

- Quality and safety
- Operational Performance
- Workforce and culture
- Finance
- External relations

We will hold our teams to account for being Well-led through the Accountability Framework and in 2022/23 the other corporate directorates will be incorporated.

The governance arrangements in place in the Trust are considered by the Finance and Performance Committee, with the effectiveness of the governance structure in place being reviewed annually. In 2021/22, in line with national NHS guidance the Trust operated a 'governance lite' function and as the Trust moves back to its full governance arrangements we plan to review their effectiveness and take into account lessons learned through the COVID period.

In 2021/22 the Trust also entered into provider collaborative arrangements with system and regional partners. Review of collaborative governance arrangements will also need to become embedded in the way EPUT works.

In 2022/23 we plan to carry out an internal evaluation of the Board and governance of the Trust using the Well-led Framework and this will be supported by an independent

review within the required time period (and no later than 2024/25).

The Annual Governance Statement (pages 105) 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.

The Trust has reviewed the consistency of its Annual Governance Statement against other disclosure statements made during the year as required by the Risk Assessment Framework, the disclosure statements as part of this report and the Annual Report and against the reports arising from the CQC planned and responsive reviews of the Trust. We have identified no material inconsistencies to 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 2021/22 to increase the feedback received and actions taken. There will be a detailed section in the Trust's Quality Account 2021/22 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 members of the Board of Directors about the services provided by EPUT;
- *Patient Forums* providing the opportunity for service users, carers and staff to discuss services in their area and share feedback with the Trust. These were reviewed and enhanced in 2021/22 to good attendance and better outcomes Preparation for quarterly forums now includes asking patients submit agenda items to the Patient Experience and Volunteers team so that the content of discussion at the forum is truly patient driven. Feedback from the forum was positive including statements from patients and other stake holders.
- *'You Said We Did'* feedback.

The Trust Patient Experience and Volunteers team worked with individuals with lived experience to develop a Reward and Recognition (previously Recompense) policy and procedure. Working groups, including staff were established to discuss feedback on the draft and to agree the documentation and process to support the procedure. It is anticipated the new policy and procedure will be implemented in April 2022.



# 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 Officer) 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 Officer)**

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 Officer). The Trust's Executive Directors have the authority and responsibility for directing and controlling major activities of the Trust.

The remuneration policy for the 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 appointing salary for the Executive Chief Finance Officer exceeded £150k. The salary was discussed and agreed by NHS Improvement following approval by the Board of Directors Remuneration and Nomination Committee.

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 has delegated responsibility to recommend to the Council of Governors the remuneration levels for the Non-Executive Directors (including the Chair), including allowances and the other terms and conditions of office in accordance with all relevant legislation and regulations. The remuneration levels for all appointments take into account the NHSE/I guidance (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 NHSE/I guidance. 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 2021/22

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

- Approval and monitoring of the Executive Director of Digital, Strategy and Transformation recruitment process, including agreeing proposed remuneration for recruitment purposes.
- Approval of a re-basing of Executive Director pay (except the Chief Executive Officer and Executive Medical Director) following review of data, affordability, the impact of inflation and fair pay principles. The re-basing consisted of a 2.5% inflationary uplift backdated to the 1 April 2021 and an

uplift backdated to 1 September 2021 to reach the re-basing levels as approved by the Committee.

- Approval of a 2.5% inflationary uplift to the Remuneration of the Chief Executive Officer backdated to the 1 April 2021.

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

- A 2.5% inflationary uplift to be applied to the remuneration of the Non-Executive Directors, including the Chair.
- A revised Remuneration Procedure for the Chair and Non-Executive Directors.



**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

17 June 2022

## Senior Managers Remuneration Policy

<p><b>Remuneration Package Components</b></p>	<p>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.</p> <p>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. Executive Directors pay is inclusive of other payments such as overtime, long hours, on-call and stand by do not feature in Executive Directors’ remuneration.</p> <p>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.</p>
<p><b>Remuneration Package</b></p>	<p>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. These salaries were discussed and agreed by NHS Improvement as part of the recruitment process. 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.</p>
<p><b>Remuneration Package Framework</b></p>	<p><b>Executive Directors (including the Chief Executive)</b></p> <p>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.</p> <p>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 2021/22 financial year, there are no instances of monies owed to or by the Trust in respect of Executive Directors.</p> <p>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</p>

continued overleaf ►

**Remuneration Package Framework**  
(continued from previous page)

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. 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.

Chief Executive remuneration terms includes a non-recurrent "earn-back" which is subject to achieving objectives set and overseen by the Board of Directors Remuneration and Nomination Committee.

**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 a month's pay for this purpose is subject to a total annual earnings floor of £23,000 and cap of £80,000.

## 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 Committee satisfies itself that the salary is competitive with other NHS providers of a similar constitution. The 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.

A report was presented to the

Committee in November 2021 which recommended a rebasing of executive director pay based on benchmarking data which considered market rates of surrounding Trusts, similar size and complexity of organisation, both within and outside of London, as well as those currently rated as leading NHS Mental Health providers. No executive director was involved in setting their own remuneration.

## 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 [eput.nhs.uk/about-us/equality-and-diversity/slavert](http://eput.nhs.uk/about-us/equality-and-diversity/slavert).

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 2021/22 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 49, the Committee also:

- Noted the change in role for the Executive Director of Major Projects had been agreed with the individual in post and a formal job description had been developed.
- Received details of the Agenda for Change pay rise for staff and details of the Trust approach to Very Senior Managers (VSM) pay.

### 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 2021/22. 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** and **Table 10**.

**Table 8:** Board of Directors Remuneration and Nominations Committee Membership and Meeting Attendance 2021/22

NAME	ROLE	MEETINGS ATTENDED (actual/possible)
<b>Sheila Salmon</b>	Chair	6/6
<b>Rufus Helm</b>	Non-Executive Director	4/6
<b>Mateen Jiwani</b>	Non-Executive Director	4/6
<b>Manny Lewis</b>	Non-Executive Director	6/6
<b>Loy Lobo</b>	Non-Executive Director	2/6
<b>Alison Rose-Quirie</b>	Non-Executive Director	4/6
<b>Amanda Sherlock</b>	Non-Executive Director	6/6
<b>Janet Wood</b>	Non-Executive Director	6/6

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

NAME	ROLE	MEETINGS ATTENDED (actual/possible)
<b>Lara Brooks</b>	Staff Governor	3/4
<b>Peter Cheng</b>	Public Governor	4/4
<b>Paula Grayson</b>	Public Governor	4/4
<b>John Jones</b>	Lead Governor	4/4
<b>Pam Madison</b>	Public Governor	4/4
<b>Tracy Reed</b>	Staff Governor	2/4
<b>Judith Woolley</b>	Public Governor	3/4

In addition to the considerations by the Committee listed under the Annual Statement of Remuneration on page 49, during the year the Council of Governors Remuneration Committee:

- received assurance the end of year appraisal process for

Non-Executive Directors for 2020/21 had been satisfactorily completed in line with the performance review process agreed by the Council of Governors;

- received assurance that appropriate objectives for 2021/2022 for the Chair and

Non-Executive Directors were in place following the reappointment of Non-Executive Directors.

- Received benchmarking data for the Chair and Non-Executive Directors remuneration.

**Table 10:** Service Contracts: Executive Directors

NAME	ROLE	CONTRACT START DATE AT PREDECESSOR TRUSTS	INTERIM BOARD CONTRACT START DATE	SUBSTANTIVE BOARD CONTRACT START DATE
<b>Paul Scott</b>	Chief Executive	N/A	N/A	24 Aug 2020
<b>Alexandra Green</b>	Executive Chief Operations Officer	N/A	N/A	10 Dec 2020
<b>Prof Natalie Hammond</b>	Executive Director of Nursing	09 Mar 2015	01 Apr 2017	25 Aug 2017
<b>Nigel Leonard</b>	Executive Director of Major Projects and Programmes	01 Feb 2014	01 Apr 2017	25 Aug 2017
<b>Dr Milind Karale</b>	Executive Medical Director	30 Jul 2012	01 Apr 2017	25 Aug 2017
<b>Trevor Smith</b>	Executive Chief Finance Officer	N/A	N/A	18 Sep 2020
<b>Sean Leahy</b>	Executive Director People and Culture	N/A	N/A	06 Aug 2019

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

NAME	ROLE	MAXIMUM PERIOD OF OFFICE	CONTRACT START DATE AT PREDECESSOR TRUSTS	START DATE	END DATE
<b>Prof Sheila Salmon</b>	Chair	6 years	N/A	01 Nov 2017	31 Oct 2023
<b>Alison Davis</b>	NED	3 years	N/A	01 Oct 2017	30 Apr 2021
<b>Dr Rufus Helm</b>	NED	6 years	N/A	24 Jul 2018	31 Jul 2024
<b>Manny Lewis</b>	Vice Chair	6 years	N/A	28 Feb 2018	28 Feb 2023
<b>Dr Alison Rose-Quirie</b>	NED	6 years	N/A	24 Jul 2018	31 Jul 2024
<b>Amanda Sherlock</b>	NED/SID	6 years	01 Jun 14	01 Oct 2017	30 Sep 2022
<b>Janet Wood</b>	NED	6 years	01 Nov 05	01 Oct 2017	30 Sep 2022
<b>Dr Mateen Jiwani</b>	NED	3 years	N/A	18 Jan 2021	18 Jan 2024
<b>Loy Lobo</b>	NED	3 years	N/A	31 Mar 2021	31 Mar 2024

The following table provides details of the remuneration of Non-Executive Directors of the Trust for 2021/22.

**Table 12:** *Non-Executive Directors Remuneration*

NAME	ROLE	REMUNERATION £000	WORKING DAYS	ADDITIONAL FEES £0
<b>Prof Sheila Salmon</b>	Chair	50-55	11 per month	Nil
<b>Dr Rufus Helm</b>	NED	15-20	4 per month	Nil
<b>Manny Lewis</b>	NED/Vice Chair	15-20	4.5 per month	Nil
<b>Dr Mateen Jiwani</b>	NED	15-20	4 per month	Nil
<b>Loy Lobo</b>	NED	15-20	4 per month	Nil
<b>Dr Alison Rose-Quirie</b>	NED	15-20	4 per month	Nil
<b>Amanda Sherlock</b>	NED/Senior Independent Director	15-20	4 per month	Nil
<b>Janet Wood</b>	NED/Chair of Audit Committee	15-20	4.5 per month	Nil

### Executive & Non-Executive Directors Expenses

Total Executive and Non-Executive Directors expenses incurred by the Trust during 2021/22 was £4,958 and were claimed by 9 Directors in post during the year (2020/21: £2,497 claimed by 13 Directors).

**Table 13: Salary and Allowances of Senior Managers (Subject to audit)****2021/22**

		Salary <sup>1</sup>	Other Remuneration <sup>2</sup>	Taxable Benefits <sup>3</sup>	Annual Performance Related Bonuses <sup>4</sup>	Long Term Performance Related Bonuses	All Pension Related Bonuses <sup>5</sup>	Exit Package	Total
		£000	£000	£000	£000	£000	£000	£000	£000
<b>Paul Scott</b>	Chief Executive	190 – 195	-	-	5 – 10	-	-	-	200 – 205
<b>Alexandra Green</b>	Executive Chief Operating Officer	145 – 150	-	-	-	-	45.0 – 47.5	-	195 – 200
<b>Trevor Smith</b>	Executive Chief Finance Officer	150 – 155	-	-	-	-	57.5 – 60.0	-	205 – 210
<b>Dr Milind Karale</b>	Executive Medical Director	190 – 195	35 – 40	-	-	-	75.0 – 77.5	-	300 – 305
<b>Nigel Leonard</b>	Executive Director of Major Projects and Programmes	160 – 165	-	-	-	-	-	-	160 – 165
<b>Prof Natalie Hammond</b>	Executive Nurse	150 – 155	-	-	-	-	90.0 – 92.5	-	240 – 245
<b>Sean Leahy</b>	Executive Director of People and Culture	155 – 160	-	-	-	-	-	-	155 – 160
<b>Professor Sheila Salmon</b>	Chair	50 – 55	-	-	-	-	-	-	50 – 55
<b>Janet Wood</b>	Non-Executive Director / Chair of Audit Committee	15 – 20	-	-	-	-	-	-	15 – 20
<b>Alison Davis</b>	Non-Executive Director (until 30/04/2021)	0 – 5	-	-	-	-	-	-	0 – 5
<b>Amanda Sherlock</b>	Non-Executive Director	15 – 20	-	-	-	-	-	-	15 – 20
<b>Rufus Helm</b>	Non-Executive Director	15 – 20	-	-	-	-	-	-	15 – 20
<b>Alison Rose-Quirie</b>	Non-Executive Director	15 – 20	-	400	-	-	-	-	15 – 20
<b>Manny Lewis</b>	Non-Executive Director / Vice Chair	15 – 20	-	-	-	-	-	-	15 – 20
<b>Dr Mateen Jiwani</b>	Non-Executive Director	15 – 20	-	-	-	-	-	-	15 – 20
<b>Loy Lobo</b>	Non-Executive Director	15 – 20	-	-	-	-	-	-	15 – 20

Notes on page 60 ▶

**Table 14:** Comparative table showing Salary and Allowances of Senior Managers in 2020/21

**2020/21**

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

Notes on page 60 ▶

**Notes to Tables 13 and 14 on pages 58 and 59**

**Note 1** Due to the demands and challenges placed on the NHS during 2020/21 and 2021/22 many 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 five Executive Directors opted to do so. This has increased their salary 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.

**Note 3** The taxable expenses relate to travel costs for home to base mileage for Non-Executive Directors and are shown to the nearest hundred pounds.

**Note 4** When appointed in 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.

During the year, the Remuneration Committee reviewed the performance of the Chief Executive against agreed objectives, and approved the payment of contractual non-pensionable pay totalling £10,000.

**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.

## Total Pension Entitlement

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

2021/22		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 2022	Cash Equivalent Value at 31 March 2021	Real Increase in cash equivalent Transfer Value	Cash Equivalent Value at 31 March 2022
Name	Title	£000	£000	£000	£000	£000
<b>Paul Scott</b>	Chief Executive	(5 – 10)	125 – 130	840	0	761
<b>Alexandra Green</b>	Executive Chief Operating Officer	0 – 5	15 – 20	197	30	249
<b>Trevor Smith</b>	Executive Chief Finance Officer	5 – 10	235 – 240	1,361	68	1,458
<b>Dr Milind Karale</b>	Executive Medical Director	5 – 10	115 – 120	690	71	785
<b>Nigel Leonard</b>	Executive Director of Corporate Governance	n/a	n/a	n/a	n/a	n/a
<b>Prof Natalie Hammond</b>	Executive Nurse	10 – 15	180 – 185	943	85	1,055
<b>Sean Leahy</b>	Executive Director of People and Culture	n/a	n/a	n/a	n/a	n/a

Information for Nigel Leonard (Executive Director of Major Projects and Transformation) and Sean Leahy (Executive Director of People and Culture) is excluded from the Total Pension Entitlement tables for 2021/22 due to both Directors choosing not to be covered by the pension arrangements during the reporting year.

Total Accrued Pension at Pension Age, Lump Sum at Pension Age and the Cash Equivalent Transfer Value at Pension Age for the former Chief Executive, former Executive Chief Finance Officer and the Executive Director of Corporate Governance (now the Executive Director of Major Projects and Transformation) were not provided by the NHS Pensions Authority for 2019/20 or 2020/21. The information was not provided due to the individuals opting out of the scheme during 2018/19, and therefore having no active membership during 2019/20 or 2020/21. As a consequence, the external auditor issued a qualification on the 2020/21 Remuneration Report on this matter. The NHS Foundation Trust Annual Reporting Manual for 2021/22 has been updated to confirm that where a senior manager has opted out of the pension arrangements for the whole of the year, no pension figures should be reported. This updated guidance applies to 2021/22 and 2020/21 comparative guidance. Therefore, there is no qualification on the Remuneration Report for 2021/22.

**Table 16:** Comparative table showing Total Pension Entitlement 2020/21

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
Name	Title	£000	£000	£000	£000	£000
<b>Sally Morris</b>	Chief Executive (until 30/11/2020)	n/a	n/a	n/a	n/a	n/a
<b>Paul Scott</b>	Chief Executive	10 – 12.5	160 – 162.5	713	65	840
<b>Andy Brogan</b>	Executive Chief Operating Officer and Deputy Chief Executive (until 30/11/2020)	n/a	n/a	n/a	n/a	n/a
<b>Alexandra Green</b>	Executive Chief Operating Officer (from 01/10/2020)	0 – 2.5	12.5 – 15	154	16	197
<b>Mark Madden</b>	Executive Chief Finance and Resources Officer (until 03/12/2020)	n/a	n/a	n/a	n/a	n/a
<b>Trevor Smith</b>	Executive Chief Finance Officer (from 18/09/2020)	2.5 – 5	225 – 227.5	1,246	44	1,361
<b>Dr Milind Karale</b>	Executive Medical Director	2.5 – 5	107.5 – 110	629	31	690
<b>Nigel Leonard</b>	Executive Director of Corporate Governance	n/a	n/a	n/a	n/a	n/a
<b>Prof Natalie Hammond</b>	Executive Nurse	12.5 – 15	170 – 172.5	826	83	943
<b>Sean Leahy</b>	Executive Director of People and Culture	2.5 – 5.0	2.5 – 5.0	21	15	55

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 lower quartile, median and upper quartile remuneration of the Trust's workforce.

The banded remuneration of the highest paid Director in the Trust in the financial year 2021/22 was £225,000 to £230,000 (2020/21: £200,000 to £205,000). This is a change between years of 12% largely relating to the payment of clinical excellence awards agreed by the British Medical Association.

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

For employees of the Trust as a whole, the range of remuneration in 2021/22 was from £13,000 to £276,000 (2020/21: £13,000 to £201,000). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 2.7%. One employee received remuneration in excess of the highest-paid director in 2021/22.

The remuneration of the employee at the 25% percentile, median and 75th percentile is set out below (2020/21: median remuneration of £27,416 and pay ratio of 7.1). The pay ratio shows the relationship between the total pay and benefits of the highest paid Director (excluding pension benefits) and each point in the remuneration range for the Trust's workforce.

	25th Percentile	Median	75th Percentile
<b>Salary component of pay</b>	£21,777	£27,780	£39,027
<b>Total pay and benefits excluding pension benefits</b>	£21,877	£27,880	£39,194
<b>Pay and benefits excluding pension: pay ratio for highest paid Director</b>	10:1	8:1	6:1

For the 2021/22 year, the Trust has followed new guidance which requires all staff (including bank and agency staff) as at the reporting date to be included.

### Loss of Office Payments (subject to audit)

The Trust did not make any payments to Senior Managers in respect of loss of office during 2021/22.



**Paul Scott**  
Chief Executive

Essex Partnership University NHS Foundation Trust

17 June 2022



# STAFF REPORT

## Staff Costs (subject to audit)

During 2021/22, the Trust incurred total staffing costs of £311.6 million which can be analysed as follows between permanent staff and other staff:

**Table 17:** Staff costs 2021/22

	PERMANENT STAFF £000	OTHER STAFF £000	TOTAL STAFF £000
<b>Salaries and Wages</b>	223,014	1,993	225,007
<b>Social Security Costs</b>	25,804	-	25,804
<b>Apprenticeship Levy</b>	1,085	-	1,085
<b>Pension Cost (employer contributions to NHS Pension Scheme)</b>	22,161	-	22,161
<b>Pension Cost (employer contributions paid by NHSE on provider's behalf at 6.3%)</b>	11,285	-	11,285
<b>Pension Cost (other)</b>	228	-	228
<b>Other Post-Employment Benefits</b>	(126)	-	(126)
<b>Termination Benefits</b>	187	-	187
<b>Temporary Staff – agency/contract staff</b>	-	25,997	25,997
<b>Total Staff Costs</b>	<b>283,638</b>	<b>27,990</b>	<b>311,628</b>

These total staff costs are categorised in note 6 to the annual accounts between employee expenses (staff and executive directors), research and development, education and training and redundancy and note 11 as part of property, plant and equipment costs for the year.

## Average Staff Numbers (subject to audit)

During 2021/22, the Trust employed an average of 6,608 staff as follows:

**Table 18:** Average staff numbers 2021/22

	PERMANENT STAFF (WTE*)	OTHER STAFF (WTE*)	TOTAL STAFF (WTE*)
<b>Medical and Dental</b>	224	76	300
<b>Ambulance Staff</b>	5	-	5
<b>Administration and Estates</b>	1,177	31	1,208
<b>Healthcare Assistants and Other Support Staff</b>	2,375	189	2,564
<b>Nursing, Midwifery and Health Visiting Staff</b>	1,704	140	1,844
<b>Nursing, Midwifery and Health Visiting Learners</b>	2	-	2
<b>Scientific, Therapeutic and Technical Staff</b>	588	18	606
<b>Social Care Staff</b>	79	-	79
<b>Total Average Staff Numbers</b>	<b>6,154</b>	<b>454</b>	<b>6,608</b>

\* 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 48.2% of our staff are over the age of 46 and our workforce is predominantly female. This is detailed further in the table below:

**Table 19:** Workforce Profile

Staff Group	TOTAL	Gender		Age			
		Female	Male	<25	26-45	46-65	>65
<b>Board of Directors</b>	16	7	9	0	1	14	1
<b>Senior Managers</b>	47	30	17	0	15	27	5
<b>Doctors and Dentists</b>	263	132	131	0	149	104	10
<b>Nursing</b>	1,663	1,355	308	48	696	887	32
<b>Other healthcare staff</b>	2,379	1,935	444	178	1,178	967	56
<b>Support staff</b>	1,714	1,347	367	115	592	932	75
<b>All employees</b>	6,082	4,806	1,276	341	2,631	2,931	179
<b>All employees %</b>		79.0%	21.0%	5.6%	43.3%	48.2%	2.9%

## Sickness Absence

*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>

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 2021, can be found on the website of NHS Digital (at the link detailed above).

**Table 20:** *Sickness Absence*

Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average FTE 2021	Adjusted FTE days lost to Cabinet Office definitions	FTE – Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
4,828	59,247	1,762,154	96,112	12.3

Source: NHS Digital – Sickness Absence and Workforce Publications – based on data from the ESR Data Warehouse. Period covered: January to December 2021

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. Managers with

responsibility for managing staff are required to undergo specific sickness absence training as part of their management development programme 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. 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 and wellbeing initiatives, including Occupational Health, employee

assistance programme and award winning ‘Here for You Service’ – staff psychological supports service.

### Workforce Equality and Inclusion

We have made improvements to the way we raise awareness of the issues faced by staff from an ethnic minority background, as well as the support we provide in many ways, these include:

- Continuation of our Reverse Mentoring program 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 Ethnic Minority and Race Equality Network (EMREN);
- Regular communications throughout the year to provide resources and raise awareness of support and events for staff members from ethnic minority communities.
- A suite of online events in October 2021 as part of Black History Month, with guest speakers and collaboration with our partner organisations. Regular intranet updates throughout the month in collaboration with the Communications Team.
- Race Equality and Allyship Training available to all staff, developed in collaboration with members of our Ethnic Minority and Race Equality Network (EMREN).
- Improved training at Staff Induction, including challenging and reporting discrimination, white privilege, micro-aggressions and unconscious bias.
- 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.

We are working to ensure there is closer alignment and a clear pathway to raise concerns between the Engagement

Champions, Staff Network Chairs, Freedom to Speak Up Principal Guardian and Champions across the Trust and introduce regular reporting to identify trends.

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.'***

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 2021/2022. 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. On a monthly basis, we report those that have entered into new positions, or promoted, those that have reported to have a disability so that this can be monitored and improvements made where necessary.

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

Throughout this period, we have continued to hold sessions with our LGBTQ+ Staff Equality Network. We have continued initiatives that encourage staff allyship and awareness. 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.
- In 2021/22 we expanded this training to include a patient volunteer who shares her experience of being a Transgender woman in our services and society.

- 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 have continued 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.
- 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.

In 2021/22 the Trust continued its commitment to be an Anti-Racist Trust as part of our 'Be You' philosophy. Our work to remove disparities and mitigate discrimination faced by marginalised and minority communities has been guided by our Staff Ethnic Minority and Race Equality Network (EMREN), best practice shared on a regional and national level (such as 'No Tick Boxes') and signing up as part of Unison's Anti-Racism Charter in early 2022.

Our ongoing goal is to ensure this work is data-led, with the creation of a data dashboard and leads being held accountable for results on the Workforce Race Equality Standard (WRES).

## Involvement and Recognition

### Engagement Champions

Our Trust Engagement Champion network consists of a cross-section and diverse range of employees of varying roles and responsibilities that collectively come together as enablers of engagement. This network has gained momentum and enables us to bridge the communication gap between our employees and leaders. We have made a variety of improvements to our strategic approach to these change agents, ensuring there is clarity of roles and responsibilities, better alignment with other networks, and ensuring it is linked to our vision and purpose. We have monthly events where staff are able to hear about the latest Engagement, Equality, Diversity, and Inclusion, and wellbeing updates, as well as, the opportunity to input into live business projects as we move towards a culture of co-creation. The network continues to be sponsored by the Executive team and the highlight of the event is the 'grill' session where staff are empowered to raise concerns and pose questions to the executive team directly. This is a vital element of our workforce strategy that supports employee voice, leadership visibility and has enabled us to build trust in an open and honest forum. All Engagement Champions receive a bespoke employee experience newsletter tailored to regular updates on current EPUT activity and what support is available to staff.

### Recognition

At EPUT, we understand the invaluable efforts and

commitment from our staff and the importance of recognising this regularly. Our Staff Recognition scheme was launched in November 2020 to draw attention to the outstanding work that takes place across the trust each day and to celebrate the achievements of those who go above and beyond. Nominations are accepted from staff, patients, service users and the public all year round and there are five categories to choose from:

- Hero Award – Beyond the Call of Duty
- Peer to Peer Recognition Award (internal nominations only)
- Team Recognition Award
- Leadership Award
- Research, Innovation and Improvement Award (internal nominations only)

There are five winners announced each quarter and they each receive a certificate, voucher and are celebrated through our communications and social media channels. All our winners are put forward for our new 'Staff Recognition of the Year Award' which is announced annually at the Trust's Quality Awards.

To date, we have received 448 nominations in total and 20 awards given to winners.

### 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 uses 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 various toolkits are in place 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 including regular chief executive forums, staff engagement networks, staff surveys 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 and is supported by the senior leadership to help develop a strong speaking up culture. 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.

Work has continued throughout 21/22 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.

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 and 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 significantly.

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.

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, Ethnic Minority Race Equality Network 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 2022 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.

Feedback from people who have used the Guardian Service is critical to the Freedom to Speak Up agenda and we will have to continue to create this culture of openness. Feedback is requested at the end of each quarter from people who have raised a concern. This is also reported to the National Guardian office. For colleagues who report to us anonymously, it can be difficult to obtain feedback if they are not in touch.

The Trust continues to see areas

of good practice with staff coming forward to raise issues and managers are listening and responding swiftly. We want to take the opportunity to share good practice and this learning across the organisation.

## Culture Reviews and Focus Groups

Both Qualitative and Quantitative data from staff provides the Trust with the areas for focus but in order to understand the detail behind staff feedback, we need to do more. As a Trust, we take staff feedback and concerns seriously and for survey results, we commit to focus groups with all our staff, to ensure they are involved in the actions we take forward. We work directly with them on the barriers and solutions so that any improvements that are made reflect their day to day experiences at work.

In the same light, with any concerns that are raised with the Trust, we have implemented culture reviews to help us understand key cultural challenges, identify any risks/ key issues at a team level. This supports us in providing recommendations on action to mitigate any concerns. We are always committed to listening to the concerns of our employees and we work directly with our employees to understand how we can support them.

## 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

### Listening to our staff

Giving employees a voice is a critical component of establishing a workforce that is supported, happy, productive and engaged. As a Trust, we want to make EPUT a great place to work and your views and experiences are vital as we work towards our ambition 'to be the leading health and wellbeing service in the provision of mental health and community care'.

We have been on a huge journey over the last two years and our staff surveys provide us with the opportunity to use staff feedback as a measure of the progress we've made so far and the action we need to take to drive forward further improvements to working conditions and patient

care. We've also moved towards more regular feedback and introduced pulse surveys for the first time so that we can hear staff thoughts and experiences all year round.

### NHS Staff Survey

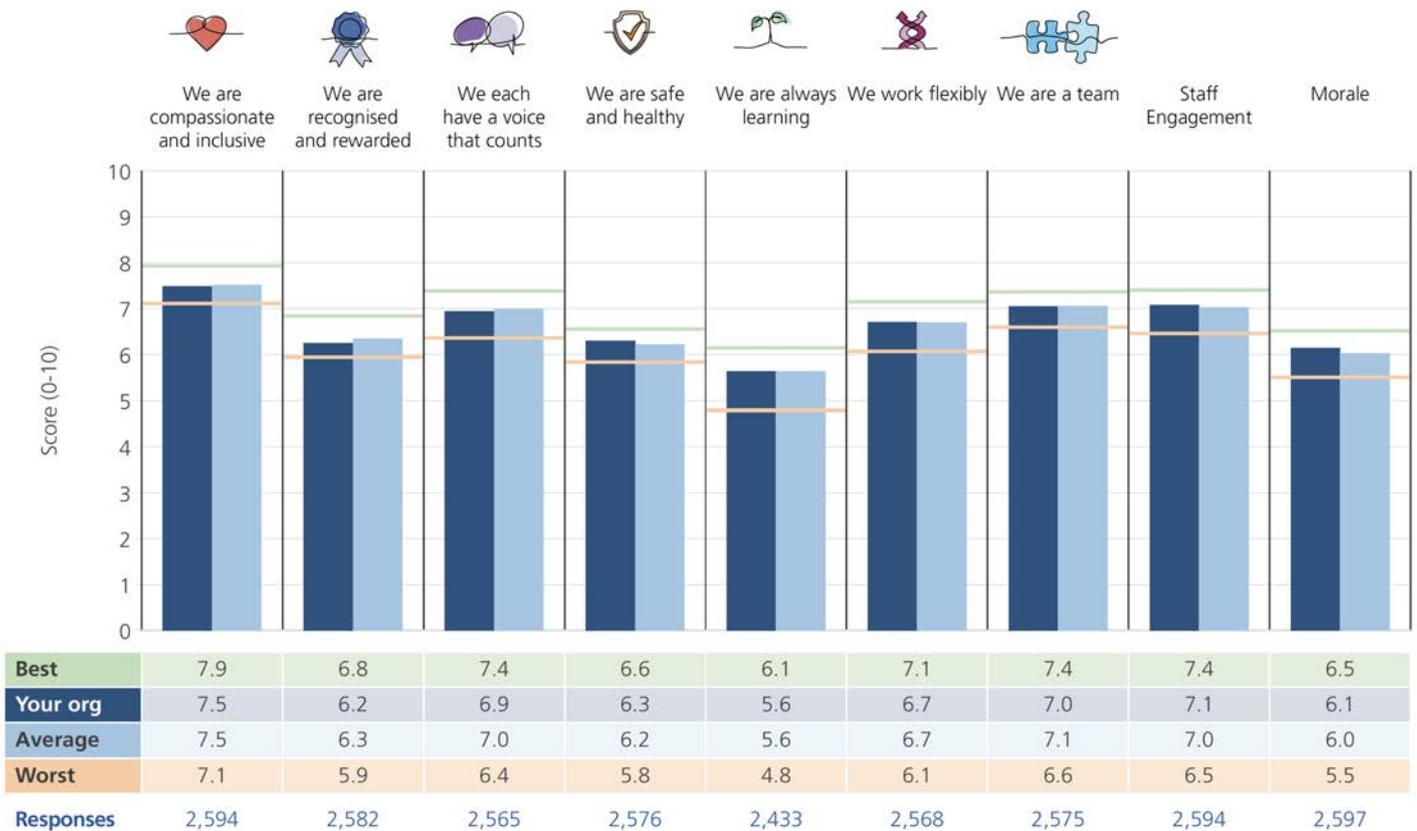
The NHS staff survey is conducted annually. From 2021/22 the survey questions align to the seven elements of the NHS People Promise which challenges us to work together to make the NHS a better place to work for everyone. The survey retains the two previous themes of engagement and morale. These replace the ten indicator themes used in previous years. All indicators are

based on a score out of 10 for specific questions with the indicator score being the average of those.

The response rate to the 2021/22 survey among trust staff was 47% (2020/21: 47%). 2,602 colleagues (47%) completed the 2021 confidential survey, and overall, the results show that we've made positive progress and have performed well relative to our peers. EPUT is benchmarked against Mental Health & Learning Disability and Mental Health, Learning Disability & Community Trusts. There were 51 organisations in this group and the median response rate was 52%. In 2020, our response rate was

also 47% with a total of 2305 colleagues completing the survey. While there is still work to do, we have plans in place to tackle those areas together. The results of the survey showed some really encouraging results around staff morale, wellbeing and engagement, the Trust scoring higher than the national average in each of these areas despite the challenges of the COVID-19 pandemic and related staffing pressures. A deeper dive into the detail of the survey results shows that the Trust has done well in looking after the Health and Wellbeing of staff, with an above average score in response to following question: 'My organisation takes positive action on health and well-being'.

Figure 1: EPUT's overview of results



## Significance testing – 2020 vs 2021

The table below presents the results of significance testing conducted on the theme scores calculated in both 2020 and 2021\*. Note that results for the People Promise elements are

not available for 2020. The table details the organisation’s theme scores for both years and the number of responses each of these are based on. The final column contains the outcome of the significance testing: ↑ indicates that the 2021 score is significantly

higher than last year’s, whereas ↓ indicates that the 2021 score is significantly lower. If there is no statistically significant difference, you will see ‘Not significant’. When there is no comparable data from the past survey year, you will see ‘N/A’.

Figure 2: Significance testing

People Promise elements	2020 score	2020 respondents	2021 score	2021 respondents	Statistically significant change?
<b>We are compassionate and inclusive</b>	-	-	7.5	2,594	N/A
<b>We are recognised and rewarded</b>	-	-	6.2	2,582	N/A
<b>We each have a voice that counts</b>	-	-	6.9	2,565	N/A
<b>We are safe and healthy</b>	-	-	6.3	2,576	N/A
<b>We are always learning</b>	-	-	5.6	2,533	N/A
<b>We work flexibly</b>	-	-	6.7	2,568	N/A
<b>We are a team</b>	-	-	7.0	2,575	N/A
Themes	2020 score	2020 respondents	2021 score	2021 respondents	Statistically significant change?
<b>Staff engagement</b>	7.2	2,303	7.1	2,594	Not significant
<b>Morale</b>	6.3	2,303	6.1	2,597	↓

Other highlights include:

- 89% of colleagues agree or strongly agree they are making a difference to patients and service users
- 92% of colleagues agree or strongly agree they are trusted to do their job and 76% say there are opportunities to show initiative in their role
- Just under 79% of colleagues feel secure and empowered to raise concerns about unsafe clinical practice
- 77% of colleagues believe their line manager takes a positive interest in their health and wellbeing and 78% agree their line manager values their work
- 76% of colleagues feel well respected by their colleagues at work

The Trust acknowledges there is more work to be done and staff have said there is room for improvement in the areas including reward and recognition, autonomy, and feeling empowered to speak up to raise concerns. We are committed to working on making improvements in these areas and engaging with our staff directly to implement positive change.

**Table 21:** 2019/20 and 2020/21 Staff Survey – 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 below.

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

## Future Priorities for improvement

We are working with our employees to understand what improvements and actions they would like to see implemented. We have carried out focus groups to take a deeper dive into all of the survey themes. In particular, our focus will be on Morale, Reward and Recognition, We each have a voice that counts and we are a team. We will measure our progress through pulse surveys, the 2022 Annual Staff Survey, local focus groups and culture review feedback.

## National Quarterly Pulse Survey

The National Quarterly Pulse Survey supports our employee listening strategy, and alongside the annual NHS staff survey, provides a more regular insight into the working experience of our people. We have implemented the National Quarterly Pulse Survey for the very first time this year as we move toward a continuous listening approach to employee feedback. The aim is for all staff to have the opportunity to feed back their views on their organisation every quarter. It provides our staff with frequent opportunities to share feedback, to help us understand employee experience, support decision making and drive actions for improvement. The NQPS replaces the previous Staff Friends & Family Test (SFFT).

The survey measures an employee's motivation, involvement and advocacy and we received 323 responses in total and the overall results were very positive with all questions were answered more favourably. We are engaging with all of our

people to identify the areas that they consider to be the key areas for improvement and learning from this.

## 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 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 Reporting Policy
- Lone Worker Safety Policy
- Health and Safety of Young Persons Policy

- Ligation Risk Assessment and Management Policy
- Manual Handling Policy
- Search Policy
- Work-relating Driving Policy
- Criminal Behaviour within a Health Environment (Zero Tolerance) Policy
- Therapeutic and Safe Interventions and De-escalation Policy (TASID)
- Security Policy
- Latex Policy
- Safety Alert Bulletin 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.

Ligation 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 ligation solution or have been included in a capital works programme 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 Team, Mental Health A&E Liaison Teams and other community based services are also required to complete a general work place risk assessment which identifies ligation hotspots within their building and actions to mitigate these 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 1465 devices issued and all staff have been trained in their use. Managers have access to data for monitoring staff usage and activity which is analysed on a monthly basis.

During 2021/22 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 to manage our response to COVID-19 via its command structures stepped up/down as required dependent on the level of incident at that time and by maintaining a virtual Incident Control Centre (ICC) operational 7 days a week 8am to 6pm to ensure appropriate and timely action is taken as new information is received.

A range of actions have been taken at different points in the year to respond to the COVID pandemic including opening and closing of COVID dedicated wards, enacting surge plans, enacting BCPs and continuing work at home where possible. The Trust has undertaken an analysis of the core impact of the pandemic and has developed a recovery plan which is being taken forward as we return to as near a business as usual as possible.

The Trust completed Phase 1 of 2 to implement body worn cameras on 30 wards in

2021/22. The majority of 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 when required. A task and finish group has been set up to monitor any post implementation queries in 2022/23, feedback from the group will inform the Phase 2 rollout to 18 wards/areas in 2022/23 which includes Health Based Places of Safety and Mental Health Liaison Teams.

The Trust has continued with our programme of ligature reduction work. This involved continued commissioning of training for the Trust Ward Managers, H&S Advisors and Estates staff to enhance understanding on how to identify environmental ligature risks and was further extended to Bands 4 and above in 2021/22 to enhance wider workforce knowledge and awareness. The Trust has instituted a regional Ligature Forum to liaise with neighbouring NHS Trusts to facilitate shared learning in ligature risk reduction and management.

The Trust has, and continues to, develop agreed risk reduced environmental standards that inform the Trust's investment and patient safety improvement works programme via its Ligature Risk Reduction Group.

Independent Assurance via external audit in May 2021 (BDO), the ensuing action plan is now complete with all the identified issues having been fully addressed.

There has been an ongoing programme of environmental risk stratification works in Trust ward environments to continue

to reduce ligature risks and in 2021/22, EPUT completed improvement works including accommodation upgrades, garden works and Access Control Technology (A.C.T). The Trust has continued to enhance and develop ligature risk assessment tools and following a successful pilot implemented an electronic ligature assessment tool.

The Trust has continued to work 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. To date, a total of 438 rooms have Oxevision installed.

## 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:

- Growth of the Here for you – Award winning staff psychological support service
- Continuation of access to Fast Track Physiotherapy
- Continuation of wellbeing support calls for staff absent due to sickness with enhanced support for those absence from work due to COVID

- Introduction of Long COVID support groups
- Introduction of dedicated support for Menopause
- Schwartz Rounds – Schwartz Rounds provide a structured forum where all staff, clinical and non-clinical, come together regularly to discuss various emotional and social aspects of working in healthcare.
- Team wellbeing and mindfulness sessions delivered by the ‘here for you service’
- Dedicated staff wellbeing page on intranet
- Financial wellbeing toolkit and support
- Virtual Staff Rest nests – small informal gathering with colleagues from across the Trust

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 through Optima and all contracts are monitored through contract performance meetings.

### 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.

### Expenditure on Consultancy

Consultancy is commissioned when the Trust does not have its own internal resource or expertise to undertake the work

in-house or when specific additional resource is required for a project.

During 2021/22, the Trust spent £0.6 million on consultancy expenditure in respect of the provision of objective advice and assistance to the Trust in delivering its purpose and objectives.

### 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 22:** *Highly-paid off-payroll worker engagements as of 31 March 2022 earning £245 per day or greater*

<b>Number of existing engagements as of 31 March 2022</b>	5
<b>Of which...</b>	
<b>Number that have existed for less than one year at time of reporting</b>	2
<b>Number that have existed for between one and two years at time of reporting</b>	2
<b>Number that have existed for between two and three years at time of reporting</b>	0
<b>Number that have existed for between three and four years at time of reporting</b>	0
<b>Number that have existed for four or more years at time of reporting</b>	1

**Table 23:** *All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2022 earning £245 per day or greater*

<b>Number of off-payroll workers engaged during the year ended 31 March 2022</b>	7
<b>Of which...</b>	
<b>Not subject to off-payroll legislation*</b>	0
<b>Subject to off-payroll legislation and determined as in-scope of IR35*</b>	0
<b>Subject to off-payroll legislation and determined as out-of-scope of IR35</b>	7
<b>Number of engagements reassessed for compliance or assurance purposes during the year</b>	1
<b>Of which: number of engagements that saw a change to IR35 status following review</b>	1

\* A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

**Table 24:** *For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022*

<b>Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year</b>	0
<b>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.</b>	7

## Staff Exit Packages (subject to audit)

During the year the Trust has incurred total termination of £941k in respect of 23 individuals. There were no instances where a special severance payment was made that required HM Treasury approval.

**Table 25:** Staff exit packages 2021/22

2021/22	Compulsory Redundancies		Other Departures Agreed		Total Termination Costs	
	Number	£000	Number	£000	Number	£000
< £10,000	3	16	0	0	3	16
£10,001 – £25,000	10	166	0	0	10	166
£25,001 – £50,000	5	199	0	0	5	199
£50,001 – £100,000	3	287	0	0	3	287
£100,001 – £150,000	1	113	0	0	1	113
£150,001 – £200,000	1	160	0	0	1	160
<b>Total</b>	<b>23</b>	<b>941</b>	<b>2</b>	<b>28</b>	<b>23</b>	<b>941</b>

**Table 26:** 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	0	0	1	25	1	25
£25,001 – £50,000	0	0	0	0	0	0
£50,001 – £100,000	1	51	0	0	1	51
£100,001 – £150,000	0	0	0	0	0	0
£150,001 – £200,000	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>59</b>	<b>2</b>	<b>28</b>	<b>4</b>	<b>87</b>

## 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 27:** *Non-compulsory departure payments 2021/22*

2021/22	Number	£000
<b>Voluntary redundancies including early retirement contractual costs</b>	-	-
<b>Mutually agreed resignations (MARS) contractual costs</b>		- -
<b>Early retirements in the efficiency of the service contractual costs</b>	-	-
<b>Contractual payments in lieu of notice</b>		- -
<b>Exit payments following Employment Tribunals or court orders</b>	-	-
<b>Non-contractual payments requiring HMT approval</b>	-	-
<b>Total</b>	-	-
<b>Of which:</b>		
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	-	-

**Table 28:** *Non-compulsory departure payments 2020/21*

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

## 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 2021 to 31 March 2022 is as below. The next report is due June 2022 and will be made available on the Trust's website.

**Table 29:** *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	Full-time equivalent trade union representatives	Full-time equivalent employee number
36	30.13	5,249.33

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?

**Table 29:** *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	10*
1-50%	25*
51%-99%	0*
100%	1*

\* 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.

**Table 30:** *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.

<b>Total cost of facility time</b>	£89,826.29*
<b>Total pay bill</b>	£311,628,000
<b>Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100</b>	0.03%

**Table 31:** *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.*

<b>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</b>	27.87%*
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\* 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.



# NHS FOUNDATION TRUST CODE OF GOVERNANCE

The purpose of the Code of Governance is to assist NHS Foundation Trust boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance. The Code is issued as best practice advice, but imposes some disclosure requirements. This Annual Report includes all the disclosures required by the Code.

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

The Board of Directors and Council of Governors are committed to continuing to operate according to the highest standards of corporate governance, and support and agree the principles set out in the Code.

There are no provisions within the NHS Foundation Trust Code of Governance that we did not comply with for the period 1 April 2021 to 31 March 2022.

## Board of Directors

The Board of Directors functions as a corporate decision-making body. The duty of the Board and of each Director individually is to ensure the long-term success of the Trust in delivering high quality health care. As a Board, all Directors have the same status and as Non-Executive and Executives sitting on a single Board, operate on the principle of a 'unitary board'.

All the powers of the Trust shall be exercised by the Board of Directors on behalf of the organisation. The rules and regulations within which the Board is expected to operate are captured in the Trust's corporate governance documents, which include the constitution (which contains the standing orders for the Board of Directors), its schedule of matters reserved for Board decision, standing financial instructions and scheme of delegation. These documents explain the respective roles and responsibilities of the Board of Directors and Council of Governors, the matters which require Board and/or Council approval and matters which are delegated to committees or executive management.

Collectively the Board of Directors have responsibility for:

- Providing leadership to the organisation within a framework of prudent and effective controls.
- Supporting an appropriate culture, setting strategic direction, ensuring management capacity and capability and monitoring and managing performance.
- Facilitating the understanding on the part of the Governors of the role of the Board and the systems supporting its oversight of the organisation.

Disagreements between the Board of Directors and Council of Governors are resolved through a process which aims to achieve informal resolution in the first instance, following which a formal process will be taken which involves a resolution discussion at a Board meeting.

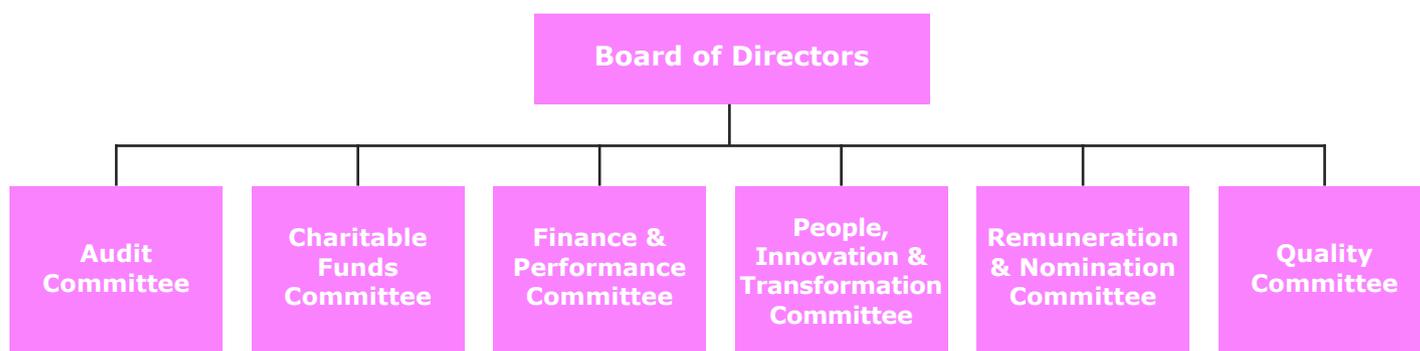
The Board takes active steps to ensure it interacts appropriately with the Council of Governors. Governors attend regular informal meetings with the Trust Chair and are regular observers of the Board assurance committees. Non-Executive

Directors are invited to attend the Council of Governor meetings and Council of Governor members attend the public Board meetings.

Trust and takes account of any potential risk, health and safety, patient experience, finance and working with partner organisations.

The limitations set on the delegation to executive management require that any executive action taken in the course of business does not compromise the integrity and reputation of the

The committee structure underpinning the Board of Directors, as at 31 March 2022, is detailed below.



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 seven 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 2022 is as follows:

Name	Role	Meetings Attended (actual/possible)
<b>Prof Sheila Salmon</b>	Chair	7/7
<b>Dr Rufus Helm</b>	Non-Executive Director	3/7
<b>Mateen Jiwani</b>	Non-Executive Director	6/7
<b>Manny Lewis (Vice Chair)</b>	Non-Executive Director	7/7
<b>Loy Lobo</b>	Non-Executive Director	6/7
<b>Dr Alison Rose-Quirie</b>	Non-Executive Director	7/7
<b>Amanda Sherlock</b>	Non-Executive Director	7/7
<b>Janet Wood</b>	Non-Executive Director	7/7
<b>Paul Scott</b>	Chief Executive	7/7
<b>Alexandra Green</b>	Executive Chief Operating Officer	7/7
<b>Prof Natalie Hammond</b>	Executive Nurse	7/7
<b>Dr Milind Karale</b>	Executive Medical Director	6/7
<b>Sean Leahy</b>	Executive Director of People & Culture	7/7
<b>Nigel Leonard</b>	Executive Director of Major Projects & Programmes	4/7
<b>Trevor Smith</b>	Executive Chief Finance Officer	6/7

## 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.

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 2021/22:

- Denver Greenhalgh, Senior Director of Governance and Corporate Affairs (Non-Voting – from 14 February 2022)
- A recruitment process was undertaken for an Executive Director of Digital, Transformation and Strategy (Non-Voting), with the successful candidate due to commence in post from the 1 April 2022.

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 Executive Director of People and Culture 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.

## Appointment of Non-Executive Directors

The appointment of Non-Executive Directors to the Board of Directors is undertaken by the Council of Governors 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. 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. From February 2021, any new NED appointments is appointed for a three-year term with a probationary review completed after one year, to review that 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.

The terms of office for a number of Non-Executive Directors were extended until the 31 July 2021 to ensure the stability of the Board of Directors was maintained during significant leadership changes and the COVID-19 pandemic. The Council of Governors on the 28 May 2021 approved the re-appointment of the following Non-Executive Directors, with the term backdated to the original expiration of their term of office:

- Janet Wood
- Amanda Sherlock
- Manny Lewis
- Alison Rose-Quirie
- Rufus Helm

## 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

Non-Executive Directors bring an independent oversight to the Board and all Non-Executive Directors are currently considered to be independent. The Trust is committed to

ensuring that the Board is comprised of a majority of independent Non- Executive Directors who objectively challenge management.

The Council of Governors is responsible for all decisions to reappoint Non-Executive Directors and is supported in its consideration by the recommendations it receives from the Chair and the Council of Governors Nominations Committee. Any recommendation to reappoint a Non-Executive Director beyond six years follows detailed review to ensure the continued independence of the individual Director. Any Non-Executive Director appointed beyond six years is subject to annual reappointment.

Non-Executive Directors declare their interests and in the unlikely event 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**

Our Board has a wide range of skills and a 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, digital technology, business and organisational development, risk and governance.

The Board considers that it is balanced and complete in its

composition, and appropriate to the requirements of the Trust. There is a clear division of responsibilities between the Chair and the Chief Executive. The Chair ensures that the Board has a strategy that delivers a service that meets the expectations and requirements of the communities that we serve and that the Trust has an Executive Team with the ability to deliver the strategy. The Chair also facilitates the contribution of the Non-Executive Directors and their constructive relationships with the Executives. The Chief Executive is responsible for the leadership of the Executive team and for implementing the strategy and delivering our overall objectives, and for ensuring that we have an appropriate risk management system in place.

The Board has demonstrated a clear balance in its membership through extensive debate and development.

All Directors are required to comply with the Fit and Proper Persons test (to meet the requirements of the general conditions of the provider license) and are required to make an annual declaration of compliance to this regard.

The current Board of Directors comprises eight Non-Executive Directors (including the Trust Chair) and seven Executive Directors (including the Chief Executive Officer). 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 and its Directors in relation to their performance. The evaluation of Board of Director Standing Committees is underway for completion in 2022/23.

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.

The Board of Directors completed a 360° appraisal using an online form provided by Clarity 4D using criteria developed using best practice and customisable by the Trust to ensure the questions are relevant. The results of the 360° appraisal were incorporated into the annual appraisals of all members of the Board of Directors. The results will be incorporated into the further development plans for the Board of Directors in 2022/23.

The performance evaluation of the Executive Directors is undertaken by the Chief Executive Officer 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 2020/21 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.

Board performance is also evaluated through focused discussions at Board Development Days and ongoing in-year review of the Board Assurance Framework. The Framework has been redesigned to provide clearer information and enables a continuous and comprehensive review of the performance of the Trust against agreed plans and objectives, linked to the 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 clinical governance structure

supporting the quality agenda (patient safety, experience and clinical outcomes) is established across EPUT. The structure includes a range of subject matter groups such as the Infection Prevention and Control Committee and Mortality Review Group which report through to the clinical governance committee and onto the Quality Committee, an assurance committee of the Board of Directors.

The Quality Committee receives a bi-monthly clinical governance assurance report covering the work of all the sub-committees. The Quality Committee is then able to provide assurance to the Board of Directors, escalating any specific risks or issues.

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 and to triangulate with reported metrics. The Trust plans to enhance this item to invite individual experts by experience to attend the meeting on a quarterly basis in 2022/23.

The Trust has in place a Patient Safety Strategy 2020 – 2023 which ensures there is a focus on safety as a key aspect of Clinical Governance and the development of a safety first culture. The strategy has been operational for 12 months and outcomes measures are in place to ensure effective monitoring through an Executive Safety Oversight Group and then to the Quality Committee.

In 2021/2022 the Trust implemented an accountability framework as an executive management system to oversee

performance and gain assurance in an integrated, consistent and transparent way of our operational service directorates. The framework covers five domains which includes metrics in quality and safety at local clinical operational care group level. We will hold our teams to account for being Well-led for clinical governance through the Accountability Framework. The framework will provide a focus on empowering clinical operational care groups to make decisions and develop an approach to clinical governance that mirrors that adopted by the Board of Directors. Aggregation of performance informs monthly reporting to the Board of Directors through the performance and quality score cards.

To support this the Trust has in place:

- Subject matter experts to provide support and guidance to clinical operational care groups.
- Clinical audit programme to test clinical standards are being met, and action taken where improvements are identified.
- Participation in relevant national audits and confidential enquiries.
- Process to disseminate new and revised NICE and best practice guidance.
- Ward heat maps collating intelligence on a range of CQC metrics, and support is provided by the Compliance Team should improvements be required.
- The Trust is an early adopter

of the national Patient Safety Incident Review Framework (PSIRF) and has worked with the national team and partner organisations to develop our approach which was launched in 2021. The PSIRF is aimed at identifying system learning and taking impactful action. The Board also approved a Patient Safety Incident Review Plan (PSIRP) identifying our local priorities which link with our approach to developing and sustaining a safety culture. The Trust has undertaken a review against the PSIRP to support future planning for 2022/23 onwards.

- The Trust has a designated resource in the form of Performance Management Office (Human Engine) tasked with assisting delivery of the Patient Safety Strategy.
- As a direct response to COVID-19 the Trust now has an infection control board assurance framework which is updated on a bi-monthly basis and reported to the Quality Committee.

In 2021/22, in line with national NHS guidance the Trust operated a 'governance lite' function and as the Trust moves back to its full governance arrangements we plan to review their effectiveness and take into account lessons learned through the COVID period. During this time the Trust's Quality Strategy lapsed and is set to be refreshed in 2022/23 and will set out the Trust approach to clinical governance and priorities for the next three year period.

## 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 Officer 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 six times during the year with the main considerations (relating to Nominations business) being the recruitment of the Executive Director of Digital, Transformation and Strategy as a non-voting member of the Board of Directors.

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 Assistant 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 review of a Non-Executive Directors whose terms of office ended on the 31 July 2021. The Committee were supported by the Trust Secretary, who provided a detailed report providing information to support the Committee in determining whether to recommend the Non-Executive Directors for re-appointment. The Committee agreed to recommend to the re-appointment of all the Non-Executive Directors for further terms of office as detailed earlier in this report.

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)
<b>Sheila Salmon</b>	Chair	1/1
<b>Brian Arney (until May 2021)</b>	Public Governor	1/1
<b>Pippa Ecclestone</b>	Public Governor	1/1
<b>Marianne Evans (until July 2021)</b>	Staff Governor	1/1
<b>Paula Grayson</b>	Public Governor	0/1
<b>John Jones</b>	Lead Governor	1/1
<b>Matt Webster</b>	Appointed Governor	0/1

## 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)
<b>Janet Wood</b>	Chair of Committee	7/7
<b>Amanda Sherlock</b>	Non-Executive Director	6/7
<b>Rufus Helm</b>	Non-Executive Director	3/6
<b>Alison Rose-Querie</b>	Non-Executive Director	2/3
<b>Mateen Jiwani</b>	Non-Executive Director	3/3

At the request of the Committee Chair, each meeting is attended by the Executive Chief Finance Officer, Director of Finance, 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 2021/22. 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, 2020 and 2021 meetings. All 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 2021/22 was £100,000 (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 new International Accounting Standard on Leases

(IFRS16) and the planning regime. Further matters relating to the 2021/22 annual accounts which were discussed by the Committee were as follows:

- Items of uncertainty and management judgement included in the basis of preparation of accounts
- Review of provisions including the independent inquiry
- Review of accounting policies
- Review of comparative analysis of financial results between 2020/21 and 2021/22
- Going concern assessment

### 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 provide views to the Board of Directors in the preparation of the Trust’s annual plan
- Sending a copy of the agendas to the Council before holding a Board meeting
- To amend / approve amendments to the Trust’s constitution
- To receive the Trust’s annual report and accounts and any report of the auditor on them and
- Sending copies of the approved minutes to the Council as soon as practicable after holding a Board meeting and
- To appoint / remove the Chair and other Non-Executive Directors
- To take decisions on significant transactions and on non-NHS income.
- Ensuring that Governors are equipped with the skills and knowledge they need to undertake their role.
- To approve the appointment of the Chief Executive
- The Council of Governors is required to meet a minimum of four times a year.
- To determine the remuneration, allowances and other terms and conditions of office of the Chair and Non-Executive Directors
- The Health and Social Care Act 2012 requires the Board of Directors to empower Governors by:
- Holding open Board meetings
- To appoint / remove the Trust’s external auditor

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

\* joint appointment

## 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 Officer 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 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 Officer 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 2022 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.

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;
  - Non-Executive Directors and Governors informal meetings held quarterly;
  - Constituency Meetings for Governors and their representative Non-Executive Directors
  - Chief Executive Officer 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 Officer, Directors,
- Senior Managers and Governors;
  - Annual Members Meeting;
  - Governors are invited to Mental Health Forums; and
  - Our website [www.eput.nhs.uk](http://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 33:** Council of Governors Meeting Attendance 2021-22

Name	Term		Attendance at Council of Governor Meetings (actual/possible)
<b>Public: Milton Keynes, Bedfordshire and Luton</b>			
<b>Paula Grayson</b>	2nd term: 3 years	Jun 2019 – Jun 2022	3/4
<b>John Jones</b>	2nd term: 3 years	Jun 2019 – Jun 2022	4/4
<b>Public: Essex Mid and South</b>			
<b>Keith Bobbin</b>	2nd term: 3 years	Sept 2020 – Jun 2023	2/4
<b>Dianne Collins</b>	1st term: 3 years	Jun 2019 – Jun 2022	4/4
<b>Mark Dale</b>	1st term: 3 years	Jun 2019 – Jun 2022	4/4
<b>Julia Hopper</b>	1st term: 1.5 years	Mar 2022 – Sept 2023	1/1
<b>Emmanuel Jessa (until Feb 2022)</b>	1st term: 3 years	Sept 2020 – Jun 2023	0/3
<b>Pamela Madison</b>	2nd term: 3 years	Sept 2020 – Jun 2023	4/4
<b>Ian Plunkett (until Mar 2022)</b>	1st term: 2 years	Jan 2021 – Jun 2022	1/4
<b>Elizabeth Rotherham</b>	1st term: 3 years	Sept 2020 – Jun 2023	1/4
<b>Stuart Scrivener</b>	1st term: 2 years	Nov 2020 – Jun 2022	4/4
<b>Judith Woolley</b>	2nd term: 3 years	Jun 2019 – Jun 2022	4/4
<b>Public: North East Essex and Suffolk</b>			
<b>Peter Cheng</b>	2nd term: 3 years	Jun 2019 – Jun 2022	4/4
<b>David Short</b>	1st term: 3 years	Sept 2020 – Jun 2023	4/4

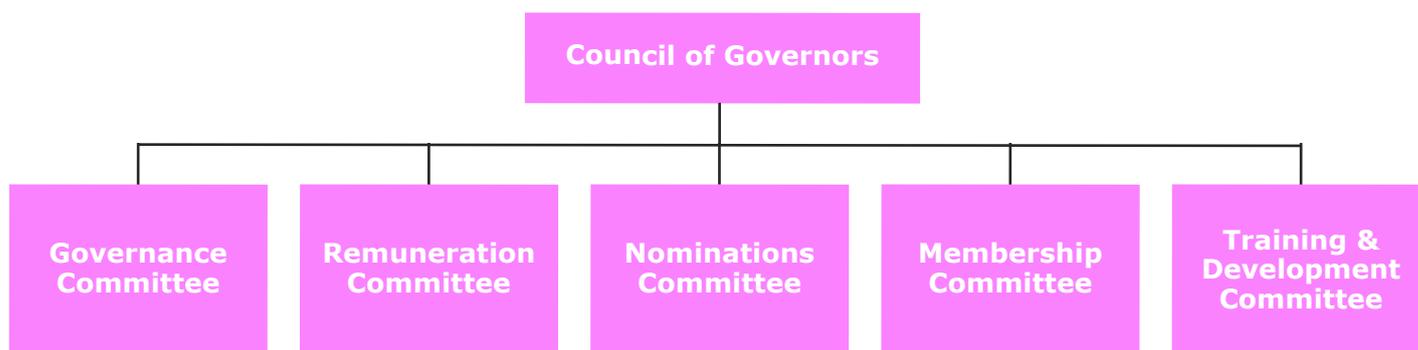
**Table 33:** Council of Governors Meeting Attendance 2021-22 (continued)

Name	Term		Attendance at Council of Governor Meetings (actual/possible)
<b>Public: West Essex and Herts</b>			
<b>Brian Arney (until May 2021)</b>	2nd term: 3 years	Sept 2020 – Jun 2023	1/1
<b>David Bamber</b>	2nd term: 3 years	Apr 2021 – Sep 2023	3/3
<b>Pippa Ecclestone</b>	2nd term: 3 years	Sept 2020 – Jun 2023	4/4
<b>Kate Shilling</b>	1st term: 3 years	Aug 2019 – Jun 2022	1/4
<b>Michael Waller</b>	2nd term: 3 years	Jun 2019 – Jun 2022	3/4
<b>Staff: Clinical</b>			
<b>Jared Davis</b>	1st term: 3 years	Sept 2020 – Jun 2023	3/4
<b>Marianne Evans (until June 21)</b>	1st term: 3 years	Jun 2019 – Jun 2022	0/1
<b>Nosi Murefu</b>	1st term: 3 years	Jun 2019 – Jun 2022	3/4
<b>Tracy Reed</b>	2nd term: 3 years	Sept 2020 – Jun 2023	4/4
<b>Staff: Non-Clinical</b>			
<b>Lara Brooks</b>	1st term: 3 years	Sept 2020 – Jun 2023	3/4
<b>Paul Walker</b>	1st term: 3 years	Sept 2020 – Jun 2023	4/4
<b>Essex County Council</b>			
<b>Mark Durham</b>	1st term: 3 years	Dec 2020 – Jun 2023	3/4
<b>Southend on Sea Council</b>			
<b>Laurie Burton (until May 2021)</b>	1st term: 3 years	Jun 2019 – Jun 2022	0/1
<b>Matt Dent</b>	1st term: 1 year	May 2021 – May 2022	1/3
<b>Thurrock Council</b>			
<b>Sue Shinnick (until May 2021)</b>	1st term: 3 years	May 2018 – May 2021	0/1
<b>Fraser Massey (until Feb 2022)</b>	1st term: 1 year	Jun 2021 – Feb 2022	1/2
<b>Anglia Ruskin and Essex Universities</b>			
<b>Matt Webster</b>	1st term: 2 years	Nov 2020 – Jul 2022	3/4
<b>CVC Essex</b>			
<b>Diane Fairchild (until Dec 2021)</b>	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 3:** Committee structure underpinning Council of Governors



In line with good governance practice, an effectiveness review of the Council of Governors and its sub-committee structure was undertaken in January / February 2022. The Council of Governors also undertook a self-assessment and results presented to the Council of Governors on the 21 March 2022. 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. There were some suggestions made for further strengthening the structure and processes. These were considered by the Council of Governors and agreed each sub-committee would review the feedback and identify any further action required.

The Council of Governors 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.

All Governors have undertaken a comprehensive induction programme which is regularly reviewed and updated, taking account of best practice from the centre. This includes a Governor Induction Handbook based on handbooks developed by NHS Providers which provides new Governors with information about the Trust and their role as Governors.

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 Officer 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 via an online web link which can be accessed to gain a real-time snapshot at any particular time:

[essexpartnership.mydeclarations.co.uk/declarations](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 £372.94 and were claimed by four Governors out of a total of 31 in office (2020/2021 £855.60 by three Governors).

### Governors Contact Details

Governors and/or directors can be contacted through the Membership Office by any of the following methods:

**Email:**

epunft.membership@nhs.net

**Freephone:**

01268 739 739

**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.

The changes in senior management, which we mentioned last year, 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.

The two new Non-Executive Directors we appointed last year, Dr Mateen Jiwani and Loy Lobo have, as expected, brought a fresh approach and new ideas from their wealth of experience outside the mental health world.

We did manage to undertake a few PLACE-lite visits during the summer which were undertaken without the Directors. This allowed us to find out 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 holds 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.

Additionally, it has been agreed that we now provide observers at Board of Directors Standing Committee meetings who give feedback, via the Chair, on the interaction between the Non-Executive and Executive Directors. This helps to fulfil part of our responsibility to hold the Non-Executive Directors to account.

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 2022, the Trust had members as follows:

Membership size and movements 2021/22		
	Public constituency	Staff constituency
<b>As at 01 April 2021</b>	5,086	6,570
<b>New members</b>	26	143
<b>Members leaving</b>	97	724
<b>As at 31 March 2022</b>	5,015	5,989

## Analysis of Current Membership

Public constituency	Number of members	Eligible membership
<b>Age Profile</b>		
<b>0-16</b>	0	652,323
<b>17-21</b>	8	165,532
<b>22+</b>	4,442	2,207,884
<b>Ethnicity</b>		
<b>White</b>	3,775	2,797,778
<b>Mixed</b>	100	52,900
<b>Asian or Asian British</b>	421	85,790
<b>Black or Black British</b>	282	56,790
<b>Other</b>	17	12,945
<b>Socio-economic groupings*</b>		
<b>AB</b>	1,308	291,932
<b>C1</b>	1,461	437,272
<b>C2</b>	1,057	303,219
<b>DE</b>	1,119	309,629
<b>Gender</b>		
<b>Male</b>	1,920	1,582,974
<b>Female</b>	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 Trust has a Public Engagement Strategy that recognises 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 identifies Governors and Members as specific stakeholders within the strategy.

The Engagement Strategy outlines the Trust's vision for stakeholder engagement and priorities 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.

The Framework will be refreshed in 2022/23, 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 Trust's 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 continued to work towards our aim of achieving a more active and representative membership during 21/22. This has been impacted by the limits imposed by the pandemic and the physical restrictions of meeting in place throughout the year.

Nevertheless, we were able to continue with two "Your Voice" meetings as the primary method of engagement. These were chaired by a member of the Council of Governors. The format of the meeting was a short presentation from members of the Trust about new innovations and services, followed by an expert-by-experience providing insight into their experiences accessing our services. This provided the opportunity for the public and members to hear about services / issues / topics as well as the opportunity to ask questions in an open forum.

The two "Your Meetings" were very well-attended and feedback received was positive, with most finding the sessions informative and enjoyable. As we move into the new normal, the format of these meetings will evolve and allow us to hold these face-to-face once again, but also continue to offer some sessions as virtual to allow for greater flexibility in attendance.

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

- E-communications
- Visiting our website [www.eput.nhs.uk](http://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
- Attending locality based patient/carer events
- Attending the Annual Members' Meeting and
- Attending Mental Health Forums



**Paul Scott**  
Chief Executive

Essex Partnership University  
NHS Foundation Trust

17 June 2022



# ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

## ANNUAL ACCOUNTS 2021/2022

### SECTION A: CERTIFICATE FOR ANNUAL ACCOUNTS

Statement of the Chief Executive's Responsibilities as the Accounting Officer of the Trust	104
Annual Governance Statement 2021/22	105
Independent Auditor's Report	116
Auditor's Certificate	120

### SECTION B: ANNUAL ACCOUNTS AND NOTES TO THE ACCOUNTS

Foreword to the Accounts	122
Statement of Comprehensive Income	123
Statement of Financial Position	124
Statement of Changes in Taxpayers' Equity	125
Statement of Cash Flows	126
Note 1 Summary of Accounting Policies and Other Information	127
Note 2 Operating Income from patient care activities	144
Note 3 Other Operating Income	145
Note 4 Additional Information on Revenue from Contracts	145
Note 5 Operating Expenses	146
Note 6 Employee Benefits	147
Note 7 The late payments of Commercial Debt (interest) Act 1998	150
Note 8 Operating Leases	151
Note 9 Finance Income and Finance Expenditure	151
Note 10 Intangible Assets	152
Note 11 Property, Plant and Equipment	153
Note 12 Investment Property	157
Note 13 Inventories	158
Note 14 Trade Receivables and Other Receivables	158
Note 15 Non-Current Assets Held for Sale	159
Note 16 Cash and Cash Equivalents	159
Note 17 Trade and Other Current Payables	159
Note 18 Other Liabilities	160
Note 19 Borrowings	160
Note 20 On-SoFP PFI, LIFT or Other Service Concession arrangements	161
Note 21 Provision for Liabilities and Charges	162
Note 22 Movements in Reserves	163
Note 23 Capital Commitments	163
Note 24 Events after the reporting period	163
Note 25 Contingencies	163
Note 26 Related Party Transactions	163
Note 27 Financial Instruments	164
Note 28 Third Party Assets	166
Note 29 Losses and special payments	166
Glossary	168

# 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 (the 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 the 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 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 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 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 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

17 June 2022

# ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

## 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 2022 and up to the date of approval of the annual report and accounts. As Accounting Officer I am satisfied the system of internal control in place enabled the Trust to respond quickly and effectively to the continued impact of COVID-19 pandemic.

## Capacity to handle risk

The overall responsibility for risk management within the Trust rests with me and the Executive Management team, along with the requirements to meet all statutory requirements and adhere to the guidance issued by NHS England and NHS Improvement and the Department of Health in respect of governance. As the Accountable Officer, I am accountable for ensuring that the Trust can discharge its legal duty for all aspects of risk. I have overall responsibility for

the management of risk and for maintaining a sound system of internal control.

Leadership arrangements for risk management are detailed in the Trust's risk management and assurance framework and further supported by the Board Assurance Framework and individual job descriptions. The risk management and assurance framework outlines our approach to risk and the accountability arrangements including the responsibilities of the Board and its committees, Executive Directors and all staff.

Active leadership from all managers at all levels to ensure effective risk management is a fundamental part of an integrated approach to quality, corporate and clinical governance, performance management and assurance.

The Director of Risk and Compliance has delegated responsibility for the Trust's Board Assurance Framework and for ensuring the implementation of the risk management framework within services. All Executive Directors have responsibility to identify and manage risk within their specific areas of control in line with the management and accountability arrangements in the Trust.

Directorates have identified leads for risk management.

The Board and its committees receive and scrutinise the risks to achieving our strategic objectives through the Board Assurance Framework. The Audit Committee has delegated responsibility for developing, maintaining and monitoring the risk management and assurance systems within the Trust and specifically the Board Assurance Framework.

Operational directorates and corporate directorate team meetings review their Risk Registers and the Trust's Executive Operational Group regularly reviews the Corporate Risk Register.

All members of staff have an important role to play in identifying, assessing and managing risk. To support staff, the Trust engenders a fair and open environment, and does not seek to apportion blame. Where staff feel that raising issues or concerns may compromise them or may not be effective, they are encouraged to follow alternative feedback mechanisms, including through the Freedom to Speak Up Guardian and/or the Trust's Raising Concerns (Whistleblowing) policy.

The Trust ensures that staff are equipped to manage risk in a variety of ways and at different levels of strategic and operational function. Staff are trained in various aspects of risk management including as part of the on-boarding process for new staff. The training is designed to provide an awareness and understanding of the risk management and assurance framework, the risk management process and to

give practice experience of completing risk assessments. Additional training is made available to all levels of staff, covering areas such as fire safety, health and safety, moving and handling, resuscitation and first aid. The Trust has regular communications to staff to ensure learning from good practice, experience and lessons learnt from incidents or near misses is shared quickly and effectively. The Trust uses QI methodology to encourage staff to learn from good practice as local improvement data is shared and visible to teams so that they can learn from, scale up and spread what works well.

## The risk and control framework

### Risk Management during COVID-19

The ongoing COVID-19 pandemic, the continuation of an NHS Level 4 incident and lockdown measures have had a significant impact on our staff, our service users, our services and our resources. In response, the Trust implemented its emergency planning, resilience and response, and business continuity plans. The Trust's capacity to manage risk was tested during the pandemic and structures and processes were put in place that have enabled an appropriate response to the emerging risks.

A Gold, Silver and Bronze Command structure was implemented to support the initial response, to provide leadership in managing the situation, monitoring progress and identify solutions to problems with a focus on service users, service impacts, staff,

risks and recovery. A clinical guidance group was established to triage new and revised guidance published during the pandemic period to ensure timeliness of review and dissemination. Consideration was also given to what we needed to do to rebalance and readjust services for the future.

### Key elements of the Risk Management Framework

The Trust considers risk management to be an intrinsic part of our governance and quality frameworks and an essential element of the entire management process and not a separate entity. The management of risk underpins the achievement of the Trust's strategic objectives, and effective risk management is imperative to provide a safe environment and improved quality of care for service users and staff.

Risk management including clinical, non-clinical, corporate, business and financial risks is intrinsic in the operational and strategic thinking of every part of service delivery within the organisation and applies to all staff. Risk management processes involve the identification, evaluation and treatment of risk as part of a continuous process aimed at helping the Trust and individuals to reduce the incidence and impact of the risks they face.

The Trust's risk management framework details our risk management arrangements. Potential risks are identified from a variety of sources including risk assessments, risk registers, incidents, safety alerts, management, complaints, claims, internal/external reviews,

and staffing trends. The framework overarches both clinical and non-clinical risk management, and define risk and identifies individual and collective responsibility for risk management within the organisation. It also sets out the Trust's approach to the identification, assessment, scoring, management and monitoring of risk. The framework also includes the Trust's risk appetite statement and during the year the Board has considered the levels and types of risk the Trust is prepared to accept in pursuance of its strategic priorities by considering the Trust's position against a range of factors including national policy, system requirements, and local plans and pressures, as well as the pandemic.

In 2021 the Trust, following stakeholder engagement, set new strategic objectives to align with significant changes within the environment; namely the development of Integrated Care Systems, a focus on collaboration rather than competition, a greater focus in Place based delivery, the COVID-19 pandemic, National Community Mental Health Framework and investment in and focus on earlier intervention and prevention. The risks on the Board Assurance Framework were therefore reviewed in the light of these changes. The Trust manages its most significant current and future potential risks to the achievement of our strategic objectives through the Board Assurance Framework that provides a structure for the effective and focused management of the principal risks. Risks are assessed by using a 5 x 5 risk matrix where the total score is an indicator as

to seriousness of the risk. Each risk is allocated an Executive Director lead and a lead committee of the Board, and these risks are reviewed at each committee meeting. The Board reviews the complete Board Assurance Framework at its meetings in public.

## Quality Governance

The last formal review of our corporate governance arrangements was undertaken by Deloitte in 2019 and no major areas of concern were identified. An action plan was developed to take account of a number of recommendations that were identified to strengthen the arrangements, and progress has continued to be monitored. In 2021/2022 the Trust implemented an accountability framework as an executive management system to oversee performance and gain assurance in an integrated, consistent and transparent way of our operational service directorates. The other directorates will be incorporated as part of the business planning cycle for 2022-2023. The framework covers five domains:

- Quality and safety
- Operational Performance
- Workforce and culture
- Finance
- External relations

Maintaining an effective quality governance system supports our compliance with national standards and we are committed to the continuous improvement of our systems. As a result, we have reviewed our Board and committee reporting

arrangements this year and implemented a number of changes to improve efficiency.

The key quality governance committee is the Quality Committee, a standing committee of the Board that is chaired by a Non-Executive Director. The committee seeks assurance that high standards of care are provided, that quality improvement and learning is embedded in the Trust, and ensures that there are adequate and appropriate governance structures, processes and controls are in place across the organisation. Groups that report into the Quality Committee include those focused on safeguarding, medicines management, infection control and health and safety.

The Board receives regular quality and performance reports at its meetings in public. The quality report provides the Board with assurance related to quality across the Trust, incorporating two domains of quality assurance and quality improvement. Quality control is covered in the quality and performance score card report that contains quality measures at an organisational level and provides an oversight of strategic performance and risk issues. The quality of performance information is assessed through the Data Security Protection Toolkit.

We aspire to provide care of the highest quality in collaboration with those who use our services. We have a quality management system to support this that incorporates quality planning, quality control, quality assurance and quality improvement. As an organisation, we embrace continuous improvement and learning, and to achieve this we

have an established quality improvement programme and training that helps everyone at all levels to develop the skills they need to lead change and deliver improvement focusing on what matters most to our service users and staff to improve patient experience and outcomes.

The Trust is registered with the Care Quality Commission (CQC), and current status is 'registered with conditions' for the services at Clifton Lodge and Rawreth Court Nursing Homes, with a requirement to have registered managers and a limitation on the number of beds provided by the services.

During May 2021, CQC carried out focused inspection of Child and Adolescent Mental Health Service (CAMHS). Subsequent to this, on the 9 June 2021, the CQC served the Trust with a Notice of Decision not to admit any new service users without written permission from the CQC and a requirement to ensure staffing levels to meet services user needs, under Section 31 of the Health and Social Act 2008 for the Children and Adolescent Mental Health Services (CAMHS) provided at Longview Ward, Larkwood Ward and the Poplar Unit. The inspection report was published in September 2021, whereby the service was re-rated from 'outstanding' to 'inadequate'.

The Trust has taken improvement actions and in March 2022 the CQC re-inspected the CAMHS services. At the time of writing this report the final inspection report is awaited. However the CQC have recommended that the Trust apply to have the condition limiting admissions removed.

This did not affect the Trust's overall rating which remains as 'good'.

## Embedding Risk Management in the Activity of the Organisation

Risk management is embedded throughout the Trust's operational structures with emphasis on ownership of risk within the directorates and a supporting role by the Risk and Compliance team. Directorates are responsible for maintaining their own risk registers that feed into the Trust's Corporate Risk Register. The local risk registers are reviewed at monthly Directorate meetings. The Assurance team receives risk registers from Directorates. Directorate representatives attend key committees of the healthcare governance framework ensuring formal channels of reporting, wide staff involvement, and sharing of learning. The implementation of incident and other risk-related policies and procedures throughout the Trust ensure the involvement of all staff in risk management activity.

The Trust has a Conflicts of Interests, Gifts, Hospitality Policy, and all Board 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 guidance) within the past twelve months as required by the *'Managing Conflicts of Interest in the NHS'* guidance.

## Trust's Major Risks

The Board Assurance Framework includes eight risks that align with the Trust's strategic objectives, and some risks and target scores reflect multi-year programmes. The lead Board committees review and discuss the controls and assurance for each of their assigned risks including the actions identified to address gaps and whether there should be any changes to the current and/or target risk scores. The Audit Committee has responsibility for ensuring that the Trust has good risk management processes in place, which operate effectively. To avoid duplication, the Audit Committee does not discuss in detail any risks that are the responsibility of other committees. During the year, the Audit Committee continued with the programme of deep dives into the key risks that may affect the achievement of the Trust's strategic objectives.

As at 31 March 2022, the Trust identified the most significant risks to the achievement of its strategic objectives as being:

- SR1: If we do not invest in safety or effectively learn lessons from the past then we may not meet our safety ambitions resulting in a possibility of experiencing avoidable harm, loss of confidence and regulatory requirements. Oversight of the Safety First Safety Always strategy has been enhanced through an executive safety oversight group, with review and reporting to the Board through the Board Safety Oversight Group. Of note the 12 month progress report shows an increase in reporting of incidents, even

when these resulted in little or no harm which reflects the commitment of staff to safety. We are capturing more learning and disseminating this widely in the organisation and across the system. **(Risk Score 20)**

- SR2: If we do not adequately address and manage fluctuating staff supply and demand then we will be unable to deliver high quality care or experience resulting in not attaining our vision, values, safety, quality and compliance. COVID-19 has enabled a positive change in staff engagement detail provided on Page 71. The Trust has significant activity to transform our workforce through investment, international recruitment, enhanced oversight of daily staffing and surge planning, and have commenced a functional redesign of our inpatient service delivery ensuring the best quality care for our patients and outstanding experience for our staff. **(Risk Score 20)**
- SR3: If our systems, processes and infrastructure do not continue to adapt to support clinical services then we may not have the right facilities/ resources to deliver safe, high quality care resulting in not attaining our safety, quality/ experience and compliance ambitions. **(Risk Score 15)**
- SR4: If we do not effectively address demands then our resources may be over-stretched resulting in an inability to deliver high quality safe care, transform, innovate and meet our partnership ambitions. The Trust has

development and is implementing the target operating model to enhance Place based care and increase collaborative working arrangements with system partners. **(Risk Score 20)**

- SR5: If EPUT is not open, transparent or demonstrates learning from or effectively manage the Essex Mental Health Independent Inquiry then it may not deal with the consequences of past failings resulting in not attaining our safety, quality/ experience and compliance ambitions. The high profile independent inquiry is in progress, linked to HSE investigation. The Trust continues to fully cooperate with the inquiry team and has in place a programme team to ensure timely and effective responses. The Trust has continued to take actions to ensure systematic and sustained embedding of learning. **(Risk Score 15)**
- SR6: If we experience a cyber-attack then we may encounter system failures and downtime resulting in a failure to achieve our safety ambitions, compliance, and consequential financial and reputational damage. The Trust has achieved cyber essentials plus accreditation and continues to have in place business continuity plans for IT disruption and continues to develop to be cyber secure. **(Risk Score 15)**

Risks are identified through many sources such as risk assessments, clinical benchmarking, audit data, clinical and non-clinical incident reporting, complaints, claims

patient and public feedback, stakeholder and partnership feedback and internal/external assessment, including Care Quality Commission inspection reports.

At Essex Partnership University NHS Foundation Trust, we believe that every incident offers an opportunity to learn. The reporting of incidents is a fundamental building block in achieving an open, transparent and fear-free way of fulfilling this aim. Our structures and frameworks promote learning, escalation, treatment and mitigation of, or from, risk.

We recognise that uncertainties remain about the longer term impact of the pandemic. In addition, the current rapidly changing health and social care landscape – both nationally and locally – combined with wider system pressures both poses potential risks to the sustainability of high quality service provision for the populations we serve and our financial sustainability as well as providing opportunities for further improvement. At the time of writing the report the Board is refreshing its strategy and will be reviewing the risks that may impact on the Trust's achievement of its strategic priorities.

### NHS Foundation Trust Licence Condition Compliance

The Trust's risk and governance frameworks as described in this statement ensure that the organisation can confirm validity of its Corporate Governance Statement as required under NHS foundation trust condition 4(8)(b). The Trust Executive team carries our regular reviews

of its compliance with these conditions and flags for the Board's attention those areas where action is required. The Corporate Governance Statement itself, with a summary of the evidence supporting it, is reviewed by the Board of Directors. The Board has not identified any principle risks to compliance with provider licence condition FT4.

A self-assessment of compliance against the Trust's licence is undertaken by the Director of Corporate Governance and reviewed by the Audit Committee. The Trust also has a programme of internal audit in place aligned to key areas of potential financial and operational risk.

## Involvement of Stakeholders

The interests of service users, carers, staff, our members and local partner organisations are embedded in our values and demonstrated in our ways of working.

The Trust has a continuing positive relationship with stakeholders and staff through the delivery of our strategic plans and delivering performance against contracts. Risks to public stakeholders are managed through formal review processes with the NHS England and NHS Improvement and the local commissioners through joint actions on specific issues, such as emergency planning and learning from incidents, and through scrutiny meetings with Local Authorities' Health and Overview Scrutiny Committees. We work across the local health economy including engagement with and involvement in the integrated

care systems, particularly on the delivery of integrated care pathways. This way of working has been particularly highlighted and effective in our collaborative working arrangements for specialist mental health services and community services.

The interests of our service user is overseen by the Director of Patient Experience through forums including service user members, as well as the inclusion of representatives on various groups at the Trust including in coproduction of services, quality improvement initiatives and the service user led programmes.

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

## The Trust's Workforce

### Staffing

During the year, the Trust's workforce planning has continued to focus on ensuring the organisation is prepared for any COVID-19 surge, emergency powers of redeployment, bringing qualified staff up to date with training for any redeployment, and flexible roles working across systems. In addition, the Trust was nominated as the lead employer for COVID-19 vaccination centres across the populations were serve, leading on recruitment activity on behalf of partner NHS organisations.

Safer staffing and the creation of flexibility within the workforce has been integral in the Trust's response to the ongoing pandemic and has been monitored by the Board.

The Trust has in place effective systems and processes which assure the Board that staffing is safe, sustainable and effective, ensures provision of a quality service and that care and treatment needs are met. The Trust reviews staffing establishments, assessing that the right number and skill mix of staff are available to meet the needs of the people using our services. These reviews include use of evidence based tools where available, national guidance, reviews of quality measures and outcomes and professional judgement. We did not carry out an establishment review in 2021/2022 due to the continued NHS level 4 major incident. However, staffing was continuously reviewed to proactively and reactively respond to the impact of COVID on our patient and staffing profiles. The Trust will re-establish full staffing reviews in 2022-23.

We have in place an electronic roster system for nursing staff which details the type and number of staff that are required to ensure there are suitably qualified, competent, skilled and experienced staff to meet the patients care and treatment needs effectively. We work in partnership with bank and agency provision to bridge gaps in our rotas. We have commenced a functional redesign of our inpatient service delivery ensuring the best quality care for our patients and outstanding experience for our staff.

On a daily basis professional teams carry out daily staffing reviews (risk assessments) in line with standard operating procedure. These take into account staff numbers, skill mix and competencies, patient acuity and dependency and activity. Where indicated staff are used flexibly to provide cover and risks are formally escalated for action. Where such mitigations are insufficient to address the identified gap, business continuity plans are enacted with escalation as appropriate to executive directors or out of hours director on call.

Establishment and skill mix reviews are presented to the Board, rotas for trainee doctors across the Trust are monitored for compliance, with oversight from the Guardian of Safe Working whose work is overseen by the People, Equality and Culture Committee (PECC). All changes to skill mix and introduction of new roles undergo a quality impact assessment which signed off by the Executive Nurse and Executive Medical Director.

The PECC oversees the Trust's wider talent management, leadership development and training initiatives designed to create resilience and capacity within the workforce.

### **NHS Pension Scheme**

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.

### **Equality, Diversity and Human Rights Legislation**

Control measures are in place to ensure that all the Trust's obligations under equality, diversity and human rights legislation are complied with. In addition, strategies are in place to further equality, diversity and inclusion.

Financially viable programmes are subject to Quality Impact Assessment and Equality Impact Assessment as necessary and ongoing monitoring to ensure that efficiencies do not adversely impact on the quality of service delivery.

### **Climate Change Obligations**

The foundation trust has undertaken risk assessments and has plans in place (Green Plan) in which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

### **Review of Economy, Efficiency and Effectiveness of the Use of Resources**

As Accountable Officer, I have responsibility for ensuring economy, efficiency and effectiveness of the use of resources and am supported by my Executive team that has responsibility for overseeing the

day-to-day operations of the Trust. Performance in this area is monitored by the Board on a regular basis and through assurance reports from its standing committees. The Board discusses and approved the Trust's strategic and annual plans (and budgets) taking into account the views of the Council of Governors.

Throughout the year the Board receives regular finance, financial viability, quality and performance reports which enable it to monitor progress in implementing the annual plan, the Trust's strategic objectives and the performance of the Trust. The Board's quality and performance scorecard provides assurance to the Board on the delivery of the Trust-wide performance, finance and compliance matters, and seeks to demonstrate how the Trust is improving the quality of life for all we serve. The Executive team, the Board and its standing committees continued to meet during the continued COVID-19 period, maintaining control of decision-making and oversight of risk and performance.

The key processes embedded within the Trust to ensure that resources are used economically, efficiently and effectively centre on a robust budget-setting and control system which includes activity related budgets and periodic reviews during the year which are considered by the Executive Directors, the Board's Finance and Performance Committee, and the Board. The budgetary control system is complemented by Standing Financial Instructions, a Scheme of Delegation and financial approval limits.

The Trust'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. The scope of the Audit Committee's work is defined in its terms of reference and encompasses all the assurance needs of the Board and the Accounting Officer. The Audit Committee has engagement with the work of internal audit and external audit, and is chaired by a Non-Executive Director.

## Information Governance

Risks to information including data security are managed and controlled by the Trust in a robust way. The Executive Chief Finance and Resources Officer is the Executive lead for information governance and is supported by key staff within the Information Governance Team and directorate leads.

The Trust has a nominated Caldicott Guardian which is the Executive Medical Director and the Executive Chief Finance and Resources Officer is the Senior Information Risk Owner (SIRO). Policies are in place that are compliant with NHS guidelines, and incident reporting procedures are in place and utilised by staff.

An Information Governance Steering Committee forms part of the Trust's healthcare governance framework and the Board receives reports on compliance with the Data Security and Protection Toolkit (DSPT). The Board has been assured by the SIRO, in the annual DSPT assessment, that effective arrangements are in

place to management and control risks to information and data security and the Trust was Cyber Essentials Plus accredited in 2020. The Trust is currently undergoing re-accreditation with the requirements to be re-accredited by December 2022.

There were 48 reportable incidents via the Data Security and Protection Reporting Tool in 2021/2022. One of these incidents met the threshold for notification to the Information Commissioner's Office.

## Data Quality and Governance

As Accountable Officer I have a personal commitment to quality in everything we do and this is shared by our Chair and all members of the Board.

A fundamental requirement for the Trust delivering safe, high quality care is the ability to have timely and effective monitoring reports, using complete data. Key performance indicators are reported regularly to the Board as part of performance monitoring arrangements.

Scrutiny of the information contained within the indicators and its implication as regard to clinical outcomes, patient safety and patient experience takes place at the Board committees.

Reviews of data quality and the accuracy, validity and completeness of Trust information fall within the remit of the Audit Committee, which is informed by the reviews of internal and external audit management assurances.

The Trust achieved an average Data Quality Maturity Index score of 96.3% for Q1, and 95.2% for Q2 (noting that Q3 and Q4 are yet to be published).

## Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Essex Partnership



University NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on performance information available to me. My review is also informed by the comments made by the external auditors in their management letter and other reports. A plan to address weaknesses and ensure continuous improvement of the system is in place. Progress against actions are monitored by the Executive team, Audit and Quality Assurance Committees. My review also takes account of the Trust's continued responsiveness to the COVID-19 pandemic.

The following processes have been applied in maintaining and reviewing the effectiveness of the system of internal control:

- The Board met six times in public during 2021/2022 and received a report at each meeting relating to finance, performance and quality inviting scrutiny and challenge, as well as specific updates relating to the ongoing management of COVID-19.
- 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.
- The Board has identified strategic risks facing the Trust that are included in the Board Assurance Framework, and has monitored the controls in place and the assurances

available to ensure that these risks are being appropriately managed.

- The Board receives the Board Assurance Framework at each meeting as well as assurance reports from all standing committees.
- Executive Directors ensure that key risks have been identified and monitored within their directorates and the necessary action taken to address them. They are also directly involved in monitoring and reviewing the Board Assurance Framework, and attend the assigned lead committees to report on risk within their areas of control.
- The Audit Committee provides the Board with an independent and objective view of arrangements for internal control and risk management within the Trust and ensures the internal audit service complies with mandatory audit standards. It approves the annual audit plans for internal and external audit activities, receives regular progress reports and individual audit reports, and ensures that recommendations arising from audits are actioned by Executive management.
- The Quality Committee also receives internal audit reports at each of its meetings pertaining to quality related updates. A Non-Executive Director member of the Quality Committee is also a member of the Audit Committee.
- A clinical audit programme is in place to drive up quality standards. The Quality

Committee considers the clinical audit plan, and management ensures that appropriate action is being taken to address any areas of under-performance. An annual report of results is produced.

- The Trust has a local counter fraud service in place. The Audit Committee receives regular reports from the local counter fraud specialist.
- Internal audit services are outsourced to BDO LLP who provide an objective and independent opinion on the degree to which risk management, control and governance support the achievement of the Trust's agreed objectives. Individual audit reports include a management response and action plan. Internal audit routinely follows up actions with management to establish the level of compliance and the results are reported to the Audit Committee.
- Our regular reporting to NHS England and NHs Improvement provides additional assurance with regard to the Trust's governance arrangements and complaint with the Trust's provider licence.
- The comprehensive programme of internal audit is aligned to key areas of potential financial and operational risk.

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.

## Head of Internal Audit Opinion

In accordance with the Public Sector Internal Audit Standards (PSIAS), internal audit provides the Trust with an independent and objective opinion to the Accounting Officer, the Board of Directors and the Audit Committee on the degree to which risk management, control and governance support the achievement of the Trust’s agreed objectives.

Internal audit issued eight reports in 2021/2022 – see table below.

## Site Visits

The internal audit limited assurance review focused in the following policies and procedures at a selection of 14 sites:

- Local Induction
- Clinical Risk Assessment and Safety Management
- Adverse Incident
- Security

The auditors concluded that there was generally a sound system of control designed to achieve system objectives with some exceptions (Moderate Assurance) and that there was non-compliance with key procedures and controls placing system objectives at risk (Limited Assurance). Management action is being taken to address the four recommendations made by the auditors and internal audit will routinely follow up to establish levels of compliance and report to the Audit Committee.

## Medical Devices

The auditors found that in general, there is a sound system design, however identified instances of gaps in control design and non-compliance with Trust medical device management policy, procedures and controls. Recommendations were made due to lack of dedicated resource for medical device management; lack of awareness of local record keeping requirements and procurement responsibilities; non- response to our information request due in part to other staff priorities; sample devices not held on the wards; reported missing device; discrepancies in

eEquip PPM dates; missed PPMs; lack of guidance on dealing with e.g. internal transfers, unconfirmed PPM assets. In particular, there is a need for a medical device replacement strategy; dedicated resource for the Trust’s medical device management activity; maintenance and oversight of a trust wide centrally managed medical device asset register and local registers.

Overall, this led to a final assessment of moderate assurance over the control design and limited assurance over the control effectiveness. Management action is being taken to address the recommendations made by the auditors and internal audit will routinely follow up to establish levels of compliance and report to the Audit Committee.

## Trust Accommodation

The internal audit limited assurance review focused on the Trusts property management processes for tenancy accommodation at The Lodge. The auditors reported that there was no policy and procedures in place in relation to the management of the accommodation function and

	Audit	Design	Effective	Status
1.	Complaints	Moderate	Moderate	Final
2.	Site	Moderate	Limited	Final
3.	Medical Devices	Moderate	Limited	Final
4.	Accommodation	Limited	Limited	Final
5.	Purchasing Card	Moderate	Moderate	Draft
6.	Data Toolkit	n/a	n/a	Advisory
7.	Clinical Audit	n/a	n/a	Advisory
8.	Serious Incident	n/a	n/a	Advisory

that there was no central record of all accommodation and booking request in place. There is no reconciliation undertaken between the expected and actual revenue, which meant that monitoring and identification and debt recovery actions are significantly delayed.

Management action is being taken to address the four recommendations made by the auditors and internal audit will routinely follow up to establish levels of compliance and report to the Audit Committee.

### Serious Incident Review Framework

The purpose of the review was to provide an advisory analysis of the Trust's patient safety incident investigations, with a focus on qualitative information; contrasting the use of the historical, Serious Incidents Framework 2015 (SIF 2015) and the Patient Safety Incident Response Framework (PSIRF) model. The auditors reported that Trust demonstrates excellent duty of candour and empathy towards families. The Trust's involvement of family members and staff when investigating is also commendable, and has earned the Trust's Family Liaison Response Team recognition in their dealings with families following patient safety incidents. This review did not form part of the Head of Internal Audit Opinion.

Further management advisory audits were undertaken which do not form part of the head of internal audit opinion.

The framework for monitoring and review of action in response to internal audit reports is

established and status for each is reported at each Audit Committee meeting.

For the twelve months ended 31 March 2022, the head of internal audit opinion for Essex Partnership University NHS Foundation Trust is as follows:

The annual report from internal audit provided:

#### Moderate – Significantly meets expectations

An overall 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.

The internal audit service provides Essex Partnership University NHS Foundation Trust with moderate assurance that there are no major weaknesses in the internal control system for the areas reviewed in 2021-22.

### Conclusion

My review confirms that the Trust has an adequate and effective system of internal control and in considering any significant issues, the following has been recognised:

- The CQC enforcement action is consider a significant internal control issue for EPUT. We consider that the Trust's governance structure enabled a prompt response to the Section 31 notice in June 2021 and to the 13 'must do' recommendations made by the CQC (September 2021). The Trust initiated a CAMHS Clinical Intensive Support

Group and has delivered 20 or the 22 actions arising from the CQC action. The two remaining actions required longer term programmes of work and are ongoing associated with implementation of new Mental Health Staffing Tool (an evidence based and multidisciplinary NHS Safer Staffing Support Tool) and final sign off and contractor handover of a new dedicated HTU/Long Term segregation room ensuring access is dignified and safe for service users. There has been and will continue to be substantial oversight by the Executive team to ensure improvements are sustained over time. At the point of writing this report the CQC have re-inspected the CAMHS service and the report is pending.

The control issues identified in this statement are being addressed through robust action plans. The Audit Committee and the Board will continue to monitor these areas closely and agree additional action as required.



**Paul Scott**  
Chief Executive

Essex Partnership University  
NHS Foundation Trust

17 June 2022

# 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 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes 1 to 29, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Financial Reporting Standards as interpreted and adapted by the 2021/22 HM Treasury's Financial Reporting Manual (the 2021/22 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 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2021 to 2022; and

- have been properly prepared in accordance with the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Accounting 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 up to the end of July 2023.

Our responsibilities and the responsibilities of the Accounting 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 Accounting Officer is 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.

We have nothing to report in this regard.

## Opinion on matters prescribed by the Code of Audit Practice

In our opinion:

- the information given in the performance report and accountability report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the parts of the Remuneration and Staff report identified as subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2021/22.

## 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 Foundation Trust, or a director or officer of the Foundation Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency;
- We are not satisfied that the Foundation 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 2021/22 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.

## Responsibilities of Accounting Officer

As explained more fully in the Statement of the Chief Executive's Responsibilities as the

Accounting Officer of the Trust set out on page ii the Chief Executive is the Accounting Officer of Essex Partnership University NHS Foundation Trust. The Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Accounting Officer is responsible for assessing the Foundation Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council of Governors intend to cease operations, or have no realistic alternative but to do so.

As explained in the statement of the Statement of the Chief Executive's Responsibilities as the Accounting Officer of the Trust, as the Accounting Officer of the Essex Partnership University NHS Foundation Trust, the Accounting Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Foundation 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 Foundation 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

Foundation 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, those charged with governance and the Trust’s legal team 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 Foundation Trust’s board minutes and through the inspection of the Trust’s Constitution, 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 Foundation 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 through

improper recognition of revenue), inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.

To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue 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 investigated differences with counter-parties, which we considered to be significant; and
- Focussed our testing by corroborating non-NHS revenue and expenditure, and manual year-end debtor and creditor accruals to appropriate evidence, where we believed the risk of management override and/or inappropriate revenue recognition to be greater.

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

- Performed tests of journals designed to identify revenue expenditure being inappropriately transferred to capital; and
- Tested the Foundation Trust’s 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.

To address our fraud risk of management override of controls, we implemented a journal entry testing strategy, assessed accounting estimates for evidence of management bias and evaluated the business rationale for significant unusual transactions. This included:

- Testing the appropriateness of manual journal entries recorded in the general ledger and other adjustments made in preparing the financial statements; and
- Testing specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in December 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 2022.

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 Foundation 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

### Delay in certification of

## completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2022. We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

## 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*  
Ernst + Young LLP

### Debbie Hanson

for and on behalf of  
Ernst & Young LLP Luton  
22 June 2022

## AUDITORS CERTIFICATE WHERE THE OPINION PREVIOUSLY ISSUED IN ADVANCE OF CLOSURE OF THE AUDIT

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

#### Issue of audit opinion on the financial statements

In our audit report for the year ended 31 March 2022 issued on 22 June 2022 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the financial position of Essex Partnership University NHS Foundation Trust as at 31 March 2022 and of its income and expenditure for the year then ended;
- had been prepared properly in accordance with the Department of Health and Social Care's Group Accounting Manual 2021 to 2022; and
- had been properly prepared in accordance with the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

#### Certificate

In our report dated 22 June 2022, we explained that we could not formally conclude the audit on that date until we had issued our Auditor's Annual Report for the year ended 31 March 2022. We have now completed our procedures and no matters have come to our attention that would have resulted in a different opinion on the financial statements or additional exception reporting on significant weaknesses in the Foundation Trust's value for money arrangements.

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 National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

*Debbie Hanson*  
*Ernst + Young LLP*

*Debbie Hanson*  
*For and on behalf of Ernst & Young LLP*  
*Luton*  
*29 June 2022*



# FOREWORD TO THE ACCOUNTS

## ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

These accounts, for the year ended 31 March 2022, have been prepared by Essex Partnership University NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within 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

17 June 2022

# FINANCIAL STATEMENTS AND ACCOUNTS

## 31 MARCH 2021

### Statement of Comprehensive Income as at 31 March 2022

		2021/22	2020/21
	NOTE	£000s	£000s
Operating income from patient care activities	2	<b>411,771</b>	319,604
Other operating income	3	<b>45,399</b>	41,005
Operating expenses	5	<b>(454,857)</b>	(356,197)
<b>Operating surplus from continuing operations</b>		<b><u>2,314</u></b>	<u>4,412</u>
Finance income	9	<b>452</b>	391
Finance expenses	9	<b>(3,050)</b>	(3,031)
PDC dividends payable		<b>(4,828)</b>	(4,106)
<b>Net finance costs</b>		<b><u>(7,426)</u></b>	<u>(6,746)</u>
Other gains	11,12	<b>928</b>	718
<b>Deficit for the year from continuing operations</b>		<b><u>(4,184)</u></b>	<u>(1,616)</u>
<b>Other comprehensive income</b>			
Impairments	11	<b>(6,201)</b>	-
Revaluations	11	<b>14,708</b>	540
Remeasurements of the net defined benefit pension scheme asset	6.3.7	<b>332</b>	585
<b>Total comprehensive income / (expense) for the period</b>		<b><u>4,655</u></b>	<u>(490)</u>
<b>Adjusted financial performance (control total basis):</b>			
Deficit for the period		<b>(4,184)</b>	(1,616)
Remove net impairments not scoring to the Departmental expenditure limit		<b>4,114</b>	(25)
Remove I&E impact of capital grants and donations		<b>4</b>	4
Remove non-cash element of on-SoFP pension costs		<b>104</b>	51
<b>Adjusted financial performance surplus / (deficit)</b>		<b><u>38</u></b>	<u>(1,586)</u>

The notes on pages 127 to 166 form part of these accounts. All income and expenditure is derived from continuing operations.

## Statement of Financial Position as at 31 March 2022

		31 March 2022	31 March 2021
	NOTE	£000	£000
<b>Non-current assets</b>			
Intangible assets	10	8,056	8,289
Property, plant and equipment	11	217,100	204,672
Investment property	12	17,925	18,305
Receivables	14	176	-
Other assets	6.3.3	559	331
<b>Total non-current assets</b>		<b><u>243,815</u></b>	<b><u>231,596</u></b>
<b>Current assets</b>			
Inventories	13	438	445
Receivables	14	15,768	6,387
Non-current assets for sale and assets in disposal groups	15	550	525
Cash and cash equivalents	16	77,417	94,004
<b>Total current assets</b>		<b><u>94,173</u></b>	<b><u>101,360</u></b>
<b>Current liabilities</b>			
Trade and other payables	17	(53,124)	(49,509)
Borrowings	19	(1,611)	(8,617)
Provisions	21	(12,803)	(4,853)
Other liabilities	18	(4,984)	(5,059)
<b>Total current liabilities</b>		<b><u>(72,522)</u></b>	<b><u>(68,038)</u></b>
<b>Total assets less current liabilities</b>		<b><u>265,466</u></b>	<b><u>264,918</u></b>
<b>Non-current liabilities</b>			
Trade and other payables	17	(887)	(1,199)
Borrowings	19	(26,007)	(27,599)
Provisions	21	(7,770)	(13,153)
<b>Total non-current liabilities</b>		<b><u>(34,664)</u></b>	<b><u>(41,952)</u></b>
<b>Total assets employed</b>		<b><u>230,802</u></b>	<b><u>222,967</u></b>
<b>Financed by</b>			
Public dividend capital		139,030	135,850
Revaluation reserve		71,534	63,027
Other reserves		559	331
Income and expenditure reserve		19,678	23,759
<b>Total taxpayers' equity</b>		<b><u>230,802</u></b>	<b><u>222,967</u></b>

The Financial statements on pages 123 to 124 were approved by the Board on 17th June 2022 and signed on its behalf by:



**Paul Scott**  
Chief Executive

17 June 2022

## Statement of Changes in Equity for the year ended 31 March 2022

	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at 1 April 2021 – brought forward</b>	<b>135,850</b>	<b>63,027</b>	<b>331</b>	<b>23,759</b>	<b>222,967</b>
Deficit for the year	-	-	-	(4,184)	(4,184)
Other transfers between reserves	-	-	(104)	104	-
Impairments	-	(6,201)	-	-	(6,201)
Revaluations	-	14,708	-	-	14,708
Remeasurements of the defined net benefit pension scheme asset	-	-	332	-	332
Public dividend capital received	3,180	-	-	-	3,180
<b>Taxpayers' and others' equity at 31 March 2022</b>	<b>139,030</b>	<b>71,534</b>	<b>559</b>	<b>19,678</b>	<b>230,802</b>

## 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
<b>Taxpayers' and others' equity at 1 April 2020 – brought forward</b>	<b>128,457</b>	<b>62,487</b>	<b>(203)</b>	<b>25,323</b>	<b>216,064</b>
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
<b>Taxpayers' and others' equity at 31 March 2021</b>	<b>135,850</b>	<b>63,027</b>	<b>331</b>	<b>23,759</b>	<b>222,967</b>

## Statement of Cash Flows as at 31 March 2022

	NOTE	2021/22 £000s	2020/21 £000s
<b>Cash flows from operating activities</b>			
Operating surplus		2,314	4,412
<b>Non-cash income and expense:</b>			
Depreciation and amortisation	10 & 11	7,855	7,196
Net impairments	15	4,114	(25)
Non-cash movements in on-SoFP pension liability		104	51
(Increase) / decrease in receivables and other assets		(9,709)	12,148
(Increase) / decrease in inventories		7	(56)
Increase in payables and other liabilities		4,713	16,191
Increase in provisions		2,665	2,481
Other movements in operating cash flows		8	(2)
<b>Net cash flows from operating activities</b>		<b>12,070</b>	<b>42,396</b>
<b>Cash flows from investing activities</b>			
Interest received		42	12
Purchase of intangible assets		(1,294)	(2,380)
Purchase of Property, Plant & Equipment and Investment Property		(14,566)	(11,498)
Sales of Property, Plant & Equipment and Investment Property		1	157
<b>Net cash flows used in investing activities</b>		<b>(15,817)</b>	<b>(13,709)</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received		3,180	7,393
Movement on loans from DHSC		(7,386)	(1,636)
Capital element of PFI, LIFT and other service concession payments		(1,205)	(900)
Interest on loans		(104)	(157)
Interest paid on PFI, LIFT and other service concession obligations		(2,648)	(2,494)
PDC dividend paid		(4,677)	(4,611)
<b>Net cash flows used in financing activities</b>		<b>(12,840)</b>	<b>(2,405)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>(16,587)</b>	<b>26,282</b>
<b>Cash and cash equivalents at 1 April – brought forward</b>		<b>94,004</b>	<b>67,722</b>
<b>Cash and cash equivalents at 31 March</b>	16	<b>77,417</b>	<b>94,004</b>

## 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 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.2 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 Trusts continued funding and provision of services. The financial plan for 2022/23 was presented to the Board of Directors in March 2022 as draft and April 2022 as final. A further update was provided in June 2022 to take account of material changes to inflation and an increase in commissioner contract income. The plan includes the continued provision of services by the Trust and did not identify any circumstances causing the Directors to doubt the continued provision of NHS services.

Against the adjusted financial performance measure, the Trust has reported a surplus of £38k (2020/21: £1.586m deficit). Income from Commissioners was largely based on the simplified block payment system introduced in response to the COVID-19 pandemic. Additional costs arising from the Trust acting as lead provider for the mass vaccination programme were supported on an actual cost reimbursement basis throughout the year.

For 2022/23, there is a return towards previous contracting. The Trust is negotiating aligned incentive contracts for the majority of the Trust's income being received via block monthly payments and reimbursement for mass vaccination expenditure being quarterly in arrears based on an actual cost basis. Additional funding to support Mental Health Investment Standards is also included.

The Trust has produced its 2022/23 financial plans based on these assumptions which have been approved by the Trust Board and show a breakeven position.

Our going concern assessment is made up to the end of July 2023. The Trust has prepared a cash forecast modelled on the above expectations for funding during the going concern period which 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 main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at an Integrated Care System level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. 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 also receives additional income outside of the block payments to reimburse specific costs incurred and in 2020/21 and 2021/22, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

### **Mental health provider collaboratives**

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

### **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.

### 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 the NEST Corporation, who are a Trustee body representing the employees. 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 2022, the actuaries have rolled forward the value of the Employer's liabilities calculated for the latest full funding valuation, using financial assumptions compliant with IAS19.

To calculate the Employer's asset share, the actuaries have rolled forward the assets allocated to the Employer at the latest valuation date 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. Re-measurements 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**

### **1.7.1 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, meeting the 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 carries 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. For the 2021/22 financial year, the Trust instructed the District Valuer to conduct a full revaluation of its land and building, in line with the Trust's policy and International Accounting Standards (IAS 16) recommendations. Therefore, the Trust's land and buildings have been revalued based on the District Valuer's valuation report as at the 31 March 2022.

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.

<b>Main Asset Category</b>	<b>Sub Category</b>	<b>Minimum Useful Life (in years)</b>	<b>Maximum Useful Life (in years)</b>
<b>Buildings – owned</b>	Structure	5	80
	Engineering and installations	1	35
	External works	5	80
<b>Buildings – PFI schemes</b>	Structure	59	62
	Engineering and installations	19	29
	External works	39	43
<b>Plant, machinery and equipment</b>	Medical and surgical equipment	5	15
	Office equipment	5	5
	IT Hardware	5	10
	Other engineering works	5	30
<b>Furniture and fitting</b>	Furniture	10	10
	Soft furnishings	7	7
<b>Motor vehicles</b>		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.

This includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

## **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, or 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 or 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 Economic Life Minimum (in years)	Useful Economic Life Maximum (in years)
Intangible assets	Software	5	15

## 1.9 Investment Properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, to 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.

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.

In 2021/22 and 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

## **1.12 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 as a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

### **Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables 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 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 from 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 2022.

### **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.

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](http://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 Taxation**

The 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 £50,000 per annum. There is no corporation tax liability arising in the current financial year.

### **1.17 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.

### 1.18 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.

### 1.19 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.

### 1.20 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 respectively as '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.

### 1.21 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.

### 1.22 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 Trust's 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 balance to determine the provision required as at the end of the financial year. The real discount rate applicable on 31 March 2022 was -1.30% (the previous year's rate was -0.95%). The total provisions relating to post-employment benefits as at the end of the financial year was £7,547k.

The Trust 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

£4,575k with the expected timing of cashflow being over the next financial year. The real discount rate applicable on 31 March 2022 was 0.47%.

The Trust also holds provisions in respect of its obligations to service the Independent Inquiry announced in November 2020 into the deaths of NHS patients in its care in Essex between 2000 and 2020. The total provision held amounts to £4,793k and the real discount rate applicable on 31 March 2022 was 0.47%.

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 assumption and estimation.

### **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; 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 recognised 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. The Trust is a corporate trustee of the Essex Partnership NHS Foundation Trust General Charitable Fund, and the purpose of the Charity is to assist Trust NHS patients, hence the Trust has control over and benefits from the Charity's activities, so the requirements of the relevant accounting standards would be 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 approximately 0.5% of the Trust's total assets employed, and are therefore not considered to be material in the context of the Trust's wider accounts. As such, the Board of Directors have noted and approved that the Charity's Accounts will not be consolidated into the main Trust Accounts for 2021/22. This is subject to an annual materiality review each financial year.

## **1.23 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 differ to previous estimates. Where this is the case, the carrying amounts of the relevant assets are updated as a result of the adjustment of their useful lives, in line with current expectations of the future benefits associated with the assets.

## 1.24 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 separately 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, subject to similar risks and rewards, and all assets are managed as one central pool. This is consistent with the monthly financial report to the Trust Board.

## 1.25 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.

## 1.26 Accounting standards that have been issued but have not yet been adopted

The DHSC GAM does not require the following Standard to be applied in 2021/22.

### 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 without restatement and 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. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments.

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 Trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

£000s

**Estimated impact on 1 April 2022 Statement of Financial Position**

Additional right of use assets recognised for existing operating leases	44,124
Additional lease obligations recognised for existing operating leases	(44,124)
Changes to other statement of financial position line items	0
<b>Net impact on Net Assets on 1 April 2022</b>	<b>0</b>

**Estimated in-year impact on 2022/23 Statement of Comprehensive Income**

Additional depreciation on right of use assets	(4,003)
Additional finance costs on lease liabilities	(402)
Lease rentals no longer charged to operating expenditure*	4,218
Other impact on income / expenditure	(2)
Estimated impact/charge to 2022/23	<b>(189)</b>

**Estimated increase in capital additions for new leases commencing in 2022/23****877**

\* Lease rentals no longer charged to operating expenditure relate solely to leases converted that have established a right of use asset and associated lease obligation.

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 liability will be remeasured when a change in the index causes a change in future repayments 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.

**1.27 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 combined cost and accumulated depreciation/amortisation 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 Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

In 2021/22, there were no transactions required to be accounted for as a transfer by absorption.

**1.28 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 Trust'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 though 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 2021/22.

## 2. Operating income from patient care activities

### 2.1 Income from patient care activities (by nature)

	2021/22 £000	2020/21 £000
<b>Mental health services</b>		
Block contract / system envelope income	225,184	202,973
Services delivered under a mental health collaborative	24,701	-
Income for commissioning services in a mental health collaborative	41,551	-
Clinical partnerships providing mandatory services (including S75 agreements)	3,967	3,657
Other clinical income from mandatory services	8,905	8,543
<b>Community services</b>		
Block contract / system envelope income	78,620	76,145
Income from other sources (e.g. local authorities)	17,525	15,247
<b>All services</b>		
Private patient income	32	30
Additional pension contribution central funding*	11,285	9,743
Other clinical income**	-	3,266
<b>Total income from activities</b>	<b><u>411,771</u></b>	<b><u>319,604</u></b>

\* 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 contributions at the former rate with the additional amount being paid by NHS England on provider's behalf. The full cost and related funding have been recognised in these accounts.

\*\* In 2020/21, other clinical income included income received relating to increases in annual leave.

### 2.2 Income from patient care activities (by source)

	2021/22 £000	2020/21 £000
<b>Income from patient care activities received from:</b>		
NHS England	88,058	54,403
Clinical commissioning groups	286,061	238,455
Other NHS providers	20,281	10,586
Local authorities	15,340	13,967
Non-NHS: private patients	32	30
Non NHS: other	2,000	2,163
<b>Total income from activities</b>	<b><u>411,771</u></b>	<b><u>319,604</u></b>

### 3. Other operating income

	2021/22			2020/21		
	Contract	Non-contract	Total	Contract	Non-contract	Total
	income	income		income	income	
	£000	£000	£000	£000	£000	£000
Research and development	533	-	533	399	-	399
Education and training	12,077	-	12,077	8,799	-	8,799
Non-patient care services to other bodies	43	-	43	1	-	1
Reimbursement and top up funding	23,147	-	23,147	21,867	-	21,867
Income in respect of employee benefits accounted on a gross basis	499	-	499	735	-	735
Charitable and other contributions to expenditure	-	490	490	-	3,445	3,445
Rental revenue from operating leases	-	2,565	2,565	-	2,592	2,592
Other income	6,046	-	6,046	3,167	-	3,167
<b>Total other operating income</b>	<b>42,345</b>	<b>3,054</b>	<b>45,399</b>	<b>34,968</b>	<b>6,037</b>	<b>41,005</b>

#### 3.1 Analysis of other contract income

	2021/22	2020/21
	£000	£000
Catering	105	96
Pharmacy sales	66	36
Staff accommodation rental	58	78
Estates recharges (external)	1,828	892
IT recharges (external)	2,833	1,436
Other income not already covered (recognised under IFRS 15)	1,155	629
<b>Total other contract income</b>	<b>6,046</b>	<b>3,167</b>

### 4. Additional information on income

#### 4.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2021/22	2020/21
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	<b>4,615</b>	<b>2,479</b>

## 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:

	2021/22 £000	2020/21 £000
Income from services designated as commissioner requested services	411,739	319,574
Income from services not designated as commissioner requested services	32	30
<b>Total</b>	<b>411,771</b>	<b>319,604</b>

## 5. Operating expenses\*

	2021/22 £000	2020/21 £000
Purchase of healthcare from NHS and DHSC bodies	3,199	2,824
Purchase of healthcare from non-NHS and non-DHSC bodies	12,059	7,696
Mental health collaboratives (lead provider) – purchase of healthcare from NHS bodies	24,142	-
Mental health collaboratives (lead provider) – purchase of healthcare from non-NHS bodies	17,409	-
Staff and executive directors costs	307,881	263,253
Remuneration of non-executive directors	178	179
Supplies and services – clinical (excluding drugs costs)	6,960	9,507
Supplies and services – general	5,571	4,974
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	5,210	5,220
Consultancy costs	3,141	2,753
Establishment	6,056	4,179
Premises	15,401	16,464
Transport (including patient travel)	3,395	2,503
Depreciation on property, plant and equipment	6,334	5,944
Amortisation on intangible assets	1,521	1,252
Net impairments	4,114	(25)
Movement in credit loss allowance: contract receivables / contract assets	(401)	(471)
Increase/(decrease) in other provisions	(323)	1,595
Change in provisions discount rate(s)	194	(188)
Fees payable to the external auditor: audit services – statutory audit	128	85
Internal audit costs	111	96
Clinical negligence	2,802	2,148
Legal fees	2,565	1,068
Insurance	479	449
Research and development	563	467
Education and training	5,200	3,176
Rentals under operating leases	10,816	14,410
Redundancy cost & movement in provision	838	(19)
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,421	1,782
Car parking & security	4,092	1,201
Hospitality	17	9
Losses, ex gratia & special payments**	263	1,717
Other services, e.g. external payroll	3,206	1,892
Other	318	57
<b>Total</b>	<b>454,857</b>	<b>356,197</b>

\* Operating expenses in 2021/22 includes a full year cost of the Trust delivering mass vaccination services totalling £23m (£6.3m in 2020/21) and hosting Provider Collaborative Adult Secure services from 1 July 2021 totalling £41.6m.

\*\* Prior year Losses, ex gratia & special payments includes £1,586k in relation to the HSE fine incurred in 2020/21.

## 6. Employee benefits\*

	<b>2021/22</b>	<b>2020/21</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	<b>225,006</b>	198,667
Social security costs	<b>25,804</b>	19,728
Apprenticeship levy	<b>1,085</b>	938
Employer's contributions to NHS pensions	<b>33,446</b>	32,923
Pension cost – other	<b>228</b>	173
Other post employment benefits	<b>(126)</b>	(135)
Termination benefits	<b>188</b>	8
Temporary staff (including agency)	<b>25,997</b>	13,782
<b>Total gross staff costs</b>	<b><u>311,628</u></b>	<b><u>266,084</u></b>

\* Employee benefits includes hosting full year of mass vaccination services in 2021/22.

### 6.1.1 Retirements due to ill-health

During the year, there were 4 early retirements from the Trust agreed on the grounds of ill-health (7 in 2020/21). The estimated additional pension liabilities of these ill-health retirements is £164k (£221k in 2020/21).

### 6.1.2 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](http://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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 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 also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially 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.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports](http://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports).

**6.2 Director Remunerations and Staff Costs**

The analysis of directors’ remunerations and pension benefits for the year ended 31 March 2022 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 2022 are in the staff report section of the Annual Report.

**6.3 Employee retirement benefit obligation**

**6.3.1 Amounts recognised in the SoCI**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£000</b>	<b>£000</b>
Current service cost	<b>(238)</b>	(173)
Interest (expense) / income	<b>8</b>	(3)
Administration expenses	<b>(10)</b>	(10)
<b>Total net (charge) / gain recognised in SOCI</b>	<b><u>(240)</u></b>	<b><u>(186)</u></b>

**6.3.2 Principal actuarial assumptions**

	<b>2021/22</b>	<b>2020/21</b>
	<b>%</b>	<b>%</b>
Discount rate	<b>2.6</b>	2.0
Pension increases	<b>3.2</b>	2.8
Rate of increase in salaries	<b>4.2</b>	3.8

### 6.3.3 Amounts recognised in the Statement of Financial Position

	2021/22 £000	2020/21 £000
Present value of the defined benefit obligation	(19,679)	(20,335)
Plan assets at fair value	20,238	20,666
<b>Net defined benefit asset recognised in the SoFP</b>	<b>559</b>	<b>331</b>
Fair value of any reimbursement right	-	-
<b>Net asset recognised in the SoFP</b>	<b>559</b>	<b>331</b>

### 6.3.4 Change in benefit obligation

	2021/22 £000	2020/21 £000
<b>Present value of the defined benefit obligation at 1 April</b>	<b>(20,335)</b>	(16,419)
Current service cost	(238)	(173)
Interest cost	(402)	(382)
Contribution by plan participants	(36)	(38)
Remeasurement of the net defined benefit (liability) / asset:		
– Actuarial (gains) / losses	815	(3,661)
Benefits paid	517	338
<b>Present value of the defined benefit obligation at 31 March</b>	<b>(19,679)</b>	<b>(20,335)</b>

### 6.3.5 Change in fair value of plan assets

	2021/22 £000	2020/21 £000
<b>Plan assets at fair value at 1 April</b>	<b>20,666</b>	16,216
Interest income	410	379
Remeasurement of the net defined benefit (liability) / asset:		
– Return on plan assets	1,638	4,246
– Changes in the effect of limiting a net defined benefit asset to the asset ceiling	(2,121)	-
Contributions by the employer	126	125
Contributions by the plan participants	36	38
Benefits paid	(517)	(338)
Business combinations	-	-
<b>Plan assets at fair value at 31 March</b>	<b>20,238</b>	<b>20,666</b>

### 6.3.6 Analysis of Fair Value of Plan Assets

	2021/22 £000	2021/22 %	2020/21 £000	2020/21 %
Equities	13,418	60%	12,770	62%
Gilts	534	2%	533	3%
Other Bonds	979	4%	1,037	5%
Property	1,833	8%	1,471	7%
Cash / Temporary Investments	567	3%	975	5%
Alternative Assets	2,762	12%	2,388	12%
Other Managed Funds	2,256	10%	1,492	7%
<b>Plan assets at fair value at 31 March</b>	<b>22,349</b>	<b>100%</b>	<b>20,666</b>	<b>100%</b>

### 6.3.7 Remeasurement in Other Comprehensive Income

	2021/22	2020/21
	£000	£000
Return on funds assets in excess of interest	1,638	4,246
Change in financial assumption	865	(4,151)
Change in demographic assumptions	0	272
Experience gain/(loss) on defined benefit obligation	(50)	218
Change in impact of asset ceiling	(2,121)	-
<b>Remeasurement of the net assets / (defined liability)</b>	<b>332</b>	<b>585</b>

### 6.3.8 Projected pension expenses

	2022/23
Service cost	212
Net interest on defined liability	(16)
Administration expenses	10
<b>Total</b>	<b>206</b>
Employer contributions	126
<b>Total</b>	<b>126</b>

### 6.3.9 Sensitivity analysis

<b>Adjustment to discount rate</b>	<b>0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value total obligation	£19,297	£19,669	£20,048
Projected service cost	£207	£212	£217
<b>Adjustment to long term salary increase</b>	<b>0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value total obligation	£19,694	£19,669	£19,644
Projected service cost	£212	£212	£212
<b>Adjustment to pension increases and deferred revaluation</b>	<b>0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>
Present value total obligation	£20,021	£19,669	£19,324
Projected service cost	£217	£212	£207
<b>Adjustment to life expectancy assumptions</b>	<b>+1 year</b>	<b>None</b>	<b>-1 year</b>
Present value total obligation	£20,462	£19,669	£18,907
Projected service cost	£221	£212	£203

## 7. The Late Payment of Commercial Debts (interest) Act 1998

There was a total interest payment (including administrative charges) of £317 relating to the late payment of commercial debts in the year ended 31 March 2022 (2020/21: £552).

## 8. Operating leases

### 8.1 Trust as a lessor

This note discloses income generated in operating lease agreements where the Trust is the lessor.

	2021/22 £000	2020/21 £000		
<b>Operating lease revenue</b>				
Minimum lease receipts	2,565	2,592		
<b>Total</b>	<u>2,565</u>	<u>2,592</u>		
	Building £000	2021/22 Other £000	Total £000	2020/21 Total £000
<b>Future minimum lease receipts due:</b>				
- not later than one year;	1,625	317	<b>1,942</b>	1,914
- later than one year and not later than five years;	920	202	<b>1,122</b>	1,000
- later than five years.	750	-	<b>750</b>	494
<b>Total</b>	<u>3,295</u>	<u>520</u>	<u>3,814</u>	<u>3,408</u>

### 8.2 Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where the Trust is the lessee.

	2021/22 £000	2020/21 £000		
<b>Operating lease revenue</b>				
Minimum lease payments	10,816	14,410		
<b>Total</b>	<u>10,816</u>	<u>14,410</u>		
	Building £000	2021/22 Other £000	Total £000	2020/21 Total £000
<b>Future minimum lease payments due:</b>				
- not later than one year;	7,274	943	<b>8,217</b>	12,044
- later than one year and not later than five years;	4,712	530	<b>5,242</b>	5,253
- later than five years.	49,547	-	<b>49,547</b>	50,382
<b>Total</b>	<u>61,533</u>	<u>1,473</u>	<u>63,006</u>	<u>67,679</u>

## 9. Finance income and Finance expenditure

### 9.1 Finance income

Finance income represents interest received on assets and investments in the period.

	2021/22 £000	2020/21 £000
Interest on bank accounts	42	12
Other finance income	410	379
<b>Total finance income</b>	<u>452</u>	<u>391</u>

## 9.2 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2021/22 £000	2020/21 £000
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	99	154
Main finance costs on PFI and LIFT schemes obligations	1,586	1,642
Contingent finance costs on PFI and LIFT scheme obligations	1,061	852
<b>Total interest expense</b>	<u>2,746</u>	<u>2,648</u>
Unwinding of discount on provisions	(98)	1
Other finance costs	402	382
<b>Total finance costs</b>	<u><u>3,050</u></u>	<u><u>3,031</u></u>

## 10. Intangible assets – 2021/22

	Software licences £000	Intangible assets under construction £000	Total £000
<b>Valuation / gross cost at 1 April 2021 – brought forward</b>	<b>20,173</b>	<b>324</b>	<b>20,497</b>
Additions	1,166	128	1,294
Disposals / derecognition	(2,372)	-	(2,372)
<b>Valuation / gross cost at 31 March 2022</b>	<u><b>18,967</b></u>	<u><b>452</b></u>	<u><b>19,419</b></u>
<b>Amortisation at 1 April 2021 – brought forward</b>	<b>12,208</b>	-	<b>12,208</b>
Provided during the year	1,521	-	1,521
Disposals / derecognition	(2,366)	-	(2,366)
<b>Amortisation at 31 March 2022</b>	<u><b>11,363</b></u>	<u>-</u>	<u><b>11,363</b></u>
<b>Net book value at 31 March 2022</b>	<b>7,604</b>	<b>452</b>	<b>8,056</b>
Net book value at 1 April 2021	7,965	324	8,289

### 10.1 Intangible assets – 2020/21

	Software licences £000	Intangible assets under construction £000	Total £000
<b>Valuation / gross cost at 1 April 2020 – brought forward</b>	<b>18,001</b>	<b>116</b>	<b>18,117</b>
Additions	2,172	208	2,380
<b>Valuation / gross cost at 31 March 2021</b>	<u><b>20,173</b></u>	<u><b>324</b></u>	<u><b>20,497</b></u>
<b>Amortisation at 1 April 2020 – brought forward</b>	<b>10,956</b>	-	<b>10,956</b>
Provided during the year	1,252	-	1,252
<b>Amortisation at 31 March 2021</b>	<u><b>12,208</b></u>	<u>-</u>	<u><b>12,208</b></u>
<b>Net book value at 31 March 2021</b>	<b>7,965</b>	<b>324</b>	<b>8,289</b>
Net book value at 1 April 2020	7,045	116	7,161

## 11. Property, plant and equipment – 2021/22

	Land £000	Buildings excluding dwellings £000	Assets under Dwellings £000	construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Fixtures & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2021 – brought forward</b>	<b>49,863</b>	<b>152,892</b>	<b>1,140</b>	<b>7,985</b>	<b>5,625</b>	<b>347</b>	<b>16,636</b>	<b>2,185</b>	<b>236,674</b>
Additions	-	6,137	27	5,349	824	33	711	-	13,081
Impairments	(1,213)	(9,379)	-	-	-	-	-	-	(10,592)
Reversals of impairments	-	252	-	-	-	-	-	-	252
Revaluations	1,205	(4,993)	169	-	-	-	-	-	(3,619)
Reclassifications	435	3,095	-	(2,180)	-	-	-	-	1,350
Disposals/derecognition	-	-	-	(37)	(682)	(84)	(9,458)	(1,934)	(12,195)
<b>Valuation/gross cost at 31 March 2022</b>	<b><u>50,290</u></b>	<b><u>148,004</u></b>	<b><u>1,336</u></b>	<b><u>11,117</u></b>	<b><u>5,767</u></b>	<b><u>296</u></b>	<b><u>7,889</u></b>	<b><u>251</u></b>	<b><u>224,951</u></b>
<b>Accumulated depreciation at 1 April 2021 – brought forward</b>	-	<b>13,335</b>	<b>138</b>	-	<b>4,129</b>	<b>347</b>	<b>11,868</b>	<b>2,185</b>	<b>32,002</b>
Provided during the year	-	4,808	46	-	330	2	1,148	-	6,334
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(18,143)	(184)	-	-	-	-	-	(18,327)
Reclassifications	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	-	(682)	(84)	(9,458)	(1,934)	(12,158)
<b>Accumulated depreciation at 31 March 2022</b>	<b><u>-</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>-</u></b>	<b><u>3,777</u></b>	<b><u>265</u></b>	<b><u>3,558</u></b>	<b><u>251</u></b>	<b><u>7,851</u></b>
<b>Net book value at 31 March 2022</b>	<b>50,290</b>	<b>148,004</b>	<b>1,336</b>	<b>11,117</b>	<b>1,990</b>	<b>31</b>	<b>4,331</b>	<b>-</b>	<b>217,100</b>
Net book value at 1 April 2021	49,863	139,557	1,002	7,985	1,496	0	4,768	-	204,672

## 11.1 Property, plant and equipment – 2020/21

	Land £000	Buildings excluding dwellings £000	Assets under Dwellings construction £000	£000	Plant & machinery £000	Transport equipment £000	Information technology £000	Fixtures & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2020 – brought forward</b>	<b>49,425</b>	<b>146,431</b>	<b>1,140</b>	<b>2,486</b>	<b>5,279</b>	<b>388</b>	<b>15,416</b>	<b>2,185</b>	<b>222,750</b>
Additions	-	4,876	-	7,098	354	-	1,322	-	13,650
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	398	142	-	-	-	-	-	-	540
Reclassifications	40	1,442	-	(1,482)	-	-	-	-	-
Transfers to/from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	(116)	(8)	(41)	(102)	-	(267)
<b>Valuation/gross cost at 31 March 2021</b>	<b>49,863</b>	<b>152,892</b>	<b>1,140</b>	<b>7,985</b>	<b>5,625</b>	<b>347</b>	<b>16,636</b>	<b>2,185</b>	<b>236,674</b>
<b>Accumulated depreciation at 1 April 2020 – brought forward</b>	-	<b>8,673</b>	<b>92</b>	-	<b>3,827</b>	<b>382</b>	<b>10,957</b>	<b>2,185</b>	<b>26,116</b>
Provided during the year	-	4,662	46	-	307	6	923	-	5,944
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to/from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals/derecognition	-	-	-	-	(5)	(41)	(12)	-	(58)
<b>Accumulated depreciation at 31 March 2021</b>	-	<b>13,335</b>	<b>138</b>	-	<b>4,129</b>	<b>347</b>	<b>11,868</b>	<b>2,185</b>	<b>32,002</b>
<b>Net book value at 31 March 2021</b>	<b>49,863</b>	<b>139,557</b>	<b>1,002</b>	<b>7,985</b>	<b>1,496</b>	<b>0</b>	<b>4,768</b>	-	<b>204,672</b>
Net book value at 1 April 2020	49,425	137,758	1,048	2,486	1,452	6	4,459	-	196,634

## 11.2 Property, plant and equipment financing – 2021/22

	Land £000	Buildings excluding dwellings £000	Assets under Dwellings construction £000	£000	Plant & machinery £000	Transport equipment £000	Information technology £000	Fixtures & fittings £000	Total £000
<b>Net book value at 31 March 2022</b>									
Owned – purchased	50,290	114,232	1,336	11,117	1,990	31	4,331	-	183,328
On-SoFP PFI contracts and other service concession arrangements	-	33,654	-	-	-	-	-	-	33,654
Owned – donated/granted	-	118	-	-	-	-	-	-	118
<b>NBV total at 31 March 2022</b>	<b>50,290</b>	<b>148,004</b>	<b>1,336</b>	<b>11,117</b>	<b>1,990</b>	<b>31</b>	<b>4,331</b>	-	<b>217,100</b>

## 11.3 Property, plant and equipment financing – 2020/21

	Land £000	Buildings excluding dwellings £000	Dwellings	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Fixtures & fittings £000	Total £000
<b>Net book value at 31 March 2021</b>									
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
<b>NBV total at 31 March 2021</b>	<b>49,863</b>	<b>139,557</b>	<b>1,002</b>	<b>7,985</b>	<b>1,496</b>	<b>0</b>	<b>4,768</b>	<b>-</b>	<b>204,672</b>

## 11.4 Revaluation of property plant and equipment

### Analysis of revaluation of property plant and equipment

	2021/22				
	Net revaluation impact £000	Revaluation reserve surplus £000	Operating income reversal of impairment £000	Revaluation reserve impairment £000	Operating expenses impairment £000
Land	(8)	1,205	-	(473)	(740)
Buildings	4,375	13,503	252	(5,728)	(3,651)
<b>Total</b>	<b>4,367</b>	<b>14,708</b>	<b>252</b>	<b>(6,201)</b>	<b>(4,391)</b>

There was significant market uncertainty over the last two financial years, with the District Valuer declaring 'material valuation uncertainty' in 2019/20 at the peak of the Coronavirus pandemic. The Trust instructed the District Valuer to conduct a full revaluation of its land and building in 2021/22. This is in line with the Trust's policy and International Accounting Standards (IAS 16) recommendations, in order to ensure that the carrying amounts of assets do not differ materially from their fair value at the Statement of Financial Position date.

The Trust's land and buildings have been revalued based on the District Valuer's valuation report as at the 31 March 2022. This resulted in a net revaluation gain of £4,367k as shown in the above table and includes gross revaluation gains of £14,959k offset by gross revaluation losses of £10,592k. Of the gross revaluation gains, £14,708k has been recognised in the Revaluation Reserve in the Statement of Financial Position and £252k recognised in operating expenses in the Statement of Comprehensive Income as a reversal of previously recognised impairments. Similarly of the gross revaluation losses, £6,201k has been recognised in the Statement of Financial Position against available Revaluation Reserves of relevant assets and the remaining £4,391k recognised as an impairment in operating expenses in the Statement of Comprehensive Income.

The net impact to the Statement of Comprehensive Income is £4,139k in respect of plant, property and equipment. This reduces to the £4,114k shown within operating expenses (Note 5) when the revaluation gain on the asset held for sale (Note 15) is included.

## 11.5 Remaining Economic lives of Property, Plant and Equipment

Main Asset Category	Sub Category	Minimum Useful Life (in years)	Maximum Useful Life (in years)
<b>Buildings – owned</b>	Structure	5	80
	Engineering and installations	1	35
	External works	5	80
<b>Buildings – PFI schemes</b>	Structure	59	62
	Engineering and installations	19	29
	External works	39	43
<b>Plant, machinery and equipment</b>	Medical and surgical equipment	1	13
	Office equipment	0	0
	IT Hardware	1	7
	Other engineering works	2	30
<b>Furniture and fitting</b>	Furniture	0	0
	Soft furnishings	0	0
<b>Motor vehicles</b>		7	7

## 11.6 Assets under PFI contract

	<b>2021/22</b>
	<b>£000</b>
<b>Cost or valuation</b>	
Cost/Valuation at 1 April 2021	33,460
Additions during the year	5
Impairments	(355)
Revaluation	543
<b>Cost/Valuation at 31 March 2022</b>	<b><u>33,654</u></b>
<b>Accumulated depreciation</b>	
Cost/Valuation at 1 April 2021	(2,288)
Provided during the year	(767)
Revaluation	3,056
<b>Accumulated depreciation at 31 March 2022</b>	<b><u>0</u></b>
Net Book Value at 1 April 2021	31,172
<b>Net Book Value at 31 March 2022</b>	<b><u>33,654</u></b>

### Elderly Mentally Ill (EMI) Homes – PFI

In 2004, two homes were opened for the provision of care for the EMI which have since been re-designated under CQC registration as Nursing Homes. The construction has been financed by a private finance initiative, between the Trust, legacy South Essex Partnership 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 the 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 Trust, legacy South Essex Partnership 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

	<b>2021/22</b> <b>£000</b>	<b>2020/21</b> <b>£000</b>
<b>Carrying value at 1 April – brought forward</b>	<b>18,305</b>	17,535
Movement in fair value	970	770
Reclassifications to Property Plant & Equipment	(1,350)	-
<b>Carrying value at 31 March</b>	<b><u>17,925</u></b>	<b><u>18,305</u></b>

The Trust's policy is to annually revalue its investment properties in accordance with accounting guidance. The revaluation as at 31 March 2022, provided by the District Valuer, showed an increase of £970k during 2021/22.

### 13. Inventories

	2021/22 £000	2020/21 £000
Drugs	154	148
Wheelchairs	284	297
<b>Total inventories</b>	<u>438</u>	<u>445</u>

### 14. Trade and Other Receivables

	2021/22 £000	2020/21 £000
<b>Current</b>		
Contract receivables*	13,482	4,854
Allowance for impaired contract receivables / assets	(832)	(1,482)
Prepayments (non-PFI)	1,754	2,045
PDC dividend receivable	261	412
VAT receivable	971	507
Other receivables	133	51
<b>Total current receivables</b>	<u>15,768</u>	<u>6,387</u>
<b>Non-current</b>		
Other receivables	176	-
<b>Total non-current receivables</b>	<u>176</u>	<u>-</u>

\* The increase in contract receivables largely relates to a higher level of reimbursement due from NHSEI for the mass vaccination programme which is paid quarterly in arrears.

#### 14.1 Allowances for credit losses

	2021/22 Contract receivables & contract assets £000	2020/21 Contract receivables & contract assets £000
<b>Allowances as at 1 April – brought forward</b>	<b>1,482</b>	2,136
New allowances arising	217	1,353
Reversals of allowances	(618)	(1,824)
Utilisation of allowances (write offs)	(248)	(183)
<b>Allowances as at 31 March 2022</b>	<u><b>832</b></u>	<u>1,482</u>

## 15. Non-current assets held for sale

	2021/22 £000	2020/21 £000
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April</b>	<b>525</b>	500
Impairment of assets held for sale	-	-
Reversal of impairment of assets held for sale	<b>25</b>	25
<b>NBV of non-current assets for sale and assets in disposal groups at 31 March</b>	<u><b>550</b></u>	<u>525</u>

As at 31st March 2022, the Trust held one property for sale i.e. No. 4 The Glade, Bedfordshire.

## 16. Cash and cash equivalents movements

	2021/22 £000	2020/21 £000
<b>At 1 April</b>	<b>94,004</b>	67,722
Net change in year	<b>(16,588)</b>	26,282
<b>At 31 March</b>	<u><b>77,417</b></u>	<u>94,004</u>
<b>Broken down into:</b>		
Cash at commercial banks and in hand	<b>203</b>	541
Cash with the Government Banking Service	<b>77,214</b>	93,463
<b>Total cash and cash equivalents as in SoFP</b>	<u><b>77,417</b></u>	<u>94,004</u>

## 17. Trade and other payables

	2021/22 £000	2020/21 £000
<b>Current</b>		
Trade payables	<b>7,604</b>	6,548
Capital payables	<b>3,468</b>	4,954
Accruals	<b>32,050</b>	29,145
Social security costs	<b>3,691</b>	3,254
Other taxes payable	<b>2,744</b>	2,374
Other payables	<b>3,567</b>	3,234
<b>Total current trade and other payables</b>	<u><b>53,124</b></u>	<u>49,509</u>
<b>Non-Current</b>		
Accruals	<b>887</b>	1,199
<b>Total current trade and other payables</b>	<u><b>887</b></u>	<u>1,199</u>

## 18. Other liabilities

	2021/22 £000	2020/21 £000
<b>Current</b>		
Deferred income: contract liabilities	4,984	5,059
<b>Total other current liabilities</b>	<u>4,984</u>	<u>5,059</u>

## 19. Borrowings

	2021/22 £000	2020/21 £000
<b>Current</b>		
Loans from DHSC	419	7,412
Obligations under PFI, LIFT or other service concession contracts	1,192	1,205
<b>Total current borrowings</b>	<u>1,611</u>	<u>8,617</u>
<b>Non-Current</b>		
Loans from DHSC	2,803	3,203
Obligations under PFI, LIFT or other service concession contracts	23,204	24,396
<b>Total non-current borrowings</b>	<u>26,007</u>	<u>27,599</u>

The Trust is responsible for ensuring that it is able to repay its borrowings and any associated interest charges. Three out of the four loans that were outstanding as at the financial year ending 2020/21, have been fully settled in this financial year 2021/22 with one remaining loan with the Secretary of State:

	Amount Outstanding (Current) £000	Amount Outstanding (Non-Current) £000	Interest Rate	Repayment Date
Remaining loan	419	2,803	2.17%	March 2030
<b>Total</b>	<b>419</b>	<b>2,803</b>		

## 20. On-SoFP PFI, LIFT or other service concession arrangements

### 20.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	2021/22 £000	2020/21 £000
<b>Gross PFI, LIFT or other service concession liabilities of which liabilities are due</b>	<u>37,728</u>	<u>40,519</u>
- not later than one year;	2,704	2,791
- later than one year and not later than five years;	10,505	10,920
- later than five years.	24,519	26,808
Finance charges allocated to future periods	(13,332)	(14,918)
<b>Net PFI, LIFT or other service concession arrangement obligation</b>	<u>24,396</u>	<u>25,601</u>
- not later than one year;	1,192	1,205
- later than one year and not later than five years;	5,219	5,306
- later than five years.	17,985	19,090
	<u>24,396</u>	<u>25,601</u>

### 20.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

	2021/22 £000	2020/21 £000
<b>Total future payments committed in respect of the PFI, LIFT or other service concession arrangements*</b>	<u>102,469</u>	<u>76,460</u>
<b>of which payments are due:</b>		
- not later than one year;	5,678	5,249
- later than one year and not later than five years;	24,380	18,327
- later than five years.	72,411	52,884

\* The Trust has calculated future payments in respect of PFI based on the average inflation rate over the historic life of the scheme, including actual rates for 2022/23. These have been discounted to the net present value.

### 20.3 Analysis of amounts payable to service concession operator

	2021/22 £000	2020/21 £000
<b>Unitary payment payable to service concession operator consisting of:</b>	<u>5,272</u>	<u>5,176</u>
- Interest charge	1,586	1,642
- Repayment of balance sheet obligation	1,204	900
- Service element and other charges to operating expenditure	1,207	1,569
- Revenue lifecycle maintenance	214	213
- Contingent rent	1,061	852
<b>Total amount paid to service concession operator</b>	<u>5,272</u>	<u>5,176</u>

## 20.4 Commitments in respect of the service element

	2021/22 £000	2020/21 £000
<b>Of which commitments are due</b>		
Not later than one year	1,998	1,207
Later than one year and not later than five years	6,206	5,000
Later than five years	16,176	13,038
<b>Total</b>	<b>24,380</b>	<b>19,244</b>

## 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
<b>At 1 April 2021</b>	<b>5,677</b>	<b>2,783</b>	<b>142</b>	<b>104</b>	<b>9,301</b>	<b>18,006</b>
Change in the discount rate	117	95	-	-	(19)	194
Arising during the year	-	-	37	942	4,056	5,034
Utilised during the year	(437)	(136)	(20)	(250)	(969)	(1,812)
Reversed unused	(78)	(375)	-	(104)	(194)	(752)
Unwinding of discount	(69)	(31)	-	-	1	(98)
<b>At 31 March 2022</b>	<b>5,210</b>	<b>2,336</b>	<b>158</b>	<b>692</b>	<b>12,176</b>	<b>20,573</b>
<b>Expected timing of cash flows:</b>						
- not later than one year;	503	155	158	692	11,295	12,803
- later than one year and not later than five years;	2,055	640	-	-	881	3,577
- later than five years.	2,652	1,541	-	-	-	4,193
<b>Total</b>	<b>5,210</b>	<b>2,336</b>	<b>158</b>	<b>692</b>	<b>12,176</b>	<b>20,573</b>

\* 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 provisions relating to the non-statutory Independent Inquiry announced in November 2020.

The total value of clinical negligence provisions carried by the NHS Resolution on the Trust's behalf as at 31 March 2022 was £26,290k which includes Periodical Payment Order (PPO) claims balance in relation to the former North Essex Partnership NHS Foundation Trust; £5,071k excluding PPO claims balance (2020/21: £22,771k; £4,919k excluding PPO claims balance).

## 22. Movements on Reserves

	Total	Revaluation	Income and	Other
	Reserve	Reserve	Reserves	Expenditure
	£000	£000	£000	Reserve
				£000
<b>Taxpayers' equity at 1 April 2021 – brought forward</b>	<b>87,117</b>	<b>63,027</b>	<b>331</b>	<b>23,759</b>
Deficit for the year	(4,184)	-	-	(4,184)
Transfers between reserves	-	-	(104)	104
Net impairments	(6,201)	(6,201)	-	-
Revaluations – property, plant and equipment	14,708	14,708	-	-
Remeasurements of defined net benefit pension scheme liability / asset	332	-	332	-
<b>Taxpayers' equity at 31 March 2022</b>	<b>91,772</b>	<b>71,534</b>	<b>559</b>	<b>19,678</b>

## 23. Capital Commitments

The value of the capital commitments under expenditure contracts at 31 March 2022 was £211k (nil in 2020/21).

## 24. Events after the Reporting Period

### 24.1 Authorising Accounts for Issue

In accordance with IAS 10, the Trust's Annual Accounts were authorised for issue by the Chief Executive / Accounting Officer on 17 June 2022.

## 25. Contingencies

As at 31 March 2022, the Trust had contingent liabilities in respect of the Liabilities to Third Parties Scheme and Property Expenses Scheme totaling £88k (2020/21: £94k).

## 26. Related Party Transactions

The 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 2022 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 and The Princess Alexandra Hospital NHS Trust.

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 the 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

The Trust is the Corporate Trustee of the Essex Partnership NHS Foundation Trust General Charitable Fund. During the year ended 31 March 2022, 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 Trust Board.

## **26.1 Director's Interests**

During the year none of the Board Members or parties related to them has undertaken any material transactions with Essex Partnership University NHS Foundation Trust.

## **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. Due to 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 limited 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 Trust's income is from contracted arrangements with commissioners. As such any material credit risk is limited to administrative and contractual disputes.

Where a dispute arises, provision will be made on the basis of the age of the debt and the likelihood of a resolution being achieved.

### **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. The 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, it 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
<b>Carrying values of financial assets as at 31 March 2022</b>		
Trade and other receivables excluding non financial assets	12,960	12,960
Cash and cash equivalents	77,417	77,417
<b>Total at 31 March 2022</b>	<b><u>90,377</u></b>	<b><u>90,377</u></b>

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2021</b>		
Trade and other receivables excluding non financial assets	3,423	3,423
Cash and cash equivalents	94,004	94,004
<b>Total at 31 March 2021</b>	<b><u>97,427</u></b>	<b><u>97,427</u></b>

## 27.2 Carrying values of financial liabilities

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2022</b>		
Loans from the Department of Health and Social Care	3,222	3,222
Obligations under PFI, LIFT and other service concession contracts	24,396	24,396
Trade and other payables excluding non financial liabilities	38,579	38,579
Provisions under contract	13,026	13,026
<b>Total at 31 March 2022</b>	<b><u>79,224</u></b>	<b><u>79,224</u></b>

	Held at amortised cost £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2021</b>		
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
<b>Total at 31 March 2021</b>	<b><u>86,024</u></b>	<b><u>86,024</u></b>

## 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.

	2021/22 £000	2020/21 £000
In one year or less	53,914	54,660
In more than one year but not more than five years	13,167	17,871
In more than five years	25,770	28,412
<b>Total</b>	<b>92,851</b>	<b>100,943</b>

## 28. Third Party Assets

The Trust held £221k (2020/21: £255k) cash at bank and in hand at 31 March 2022 which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

## 29. Losses and special payments

	2021/22		2020/21	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
<b>Losses</b>				
Cash losses	21	20	8	32
Constructive losses	-	-	1	20
Bad debts and claims abandoned	-	-	9	5
Damage to property	-	-	1	1
<b>Total losses</b>	<b>21</b>	<b>20</b>	<b>19</b>	<b>58</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award*	4	1	2	1,586
Ex-gratia payments**	11	216	18	17
Special severance payments	-	-	2	28
Extra-statutory and extra-regulatory payments	-	-	6	172
<b>Total special payments</b>	<b>15</b>	<b>217</b>	<b>28</b>	<b>1,803</b>
<b>Total losses and special payments</b>	<b>36</b>	<b>237</b>	<b>47</b>	<b>1,861</b>

\* Compensation under court order or legally binding arbitration award in prior year includes £1,586k of Health & Safety Executive fine.

\*\* Within overtime corrective payments in 2021/22, the Trust has accounted for the payments made to staff arising from the Flowers Judgement following approval as a special payment by HM Treasury.



# GLOSSARY

<b>BAME</b>	Black Asian and Minority Ethnic
<b>CBI</b>	Confederation of British Industry
<b>CCG</b>	Clinical Commissioning Group
<b>CHS</b>	Community Health Services
<b>COG</b>	Council of Governors
<b>COVID-19</b>	Coronavirus
<b>CPA</b>	Care Programme Approach
<b>CQC</b>	Care Quality Commission
<b>CPR</b>	Castle Point and Rochford
<b>DQMI</b>	Data Quality Maturity Index
<b>EPUT</b>	Essex Partnership University NHS Foundation Trust
<b>ERS</b>	Employer Recognition Scheme
<b>FEP</b>	First Episode Psychosis
<b>FFT</b>	Friends and Family Test
<b>FREED</b>	First episode Rapid Entry intervention for Eating Disorders
<b>FRF</b>	Financial Recovery Fund
<b>FT</b>	Foundation Trust
<b>FTE</b>	Full Time Equivalent
<b>F2SU</b>	Freedom to Speak Up
<b>GP</b>	General Practitioner
<b>HSE</b>	Health and Safety Executive
<b>IAPT</b>	Improving Access to Psychological Therapies
<b>KPI</b>	Key Performance Indicator
<b>KSF</b>	Knowledge and Skills Framework
<b>LA</b>	Local Authority
<b>LGBTQ+</b>	Lesbian, Gay, Bisexual, Transgender, Questioning

<b>LGPS</b>	Local Government Pension Scheme
<b>MH</b>	Mental Health
<b>MHS</b>	Mental Health Services
<b>MHSDS</b>	Mental Health Services Data Set
<b>NEP</b>	North Essex Partnership NHS Foundation Trust
<b>NHS</b>	National Health Service
<b>NHSI</b>	NHS Improvement
<b>NHSE/I</b>	NHS Executive / Improvement
<b>NHS OF</b>	NHS Oversight Framework
<b>NICE</b>	National Institute for Health and Care Excellence
<b>OBD</b>	Out of area Bed Day
<b>PFI</b>	Private Finance Initiative
<b>PHEV</b>	Plug In Electric Vehicle
<b>PLICS</b>	Patient Level Information and Costing Systems
<b>PSF</b>	Provider Sustainability Funding
<b>SE</b>	South Essex
<b>SEPT</b>	South Essex Partnership NHS Foundation Trust
<b>SID</b>	Senior Independent Director
<b>SIRO</b>	Senior Information Risk Owner
<b>SOS</b>	Southend-on-Sea
<b>SRO</b>	Senior Responsible Officer
<b>STP</b>	Sustainability and Transformation Partnership
<b>ICS</b>	Integrated Care System
<b>STOMP</b>	STopping Over-Medication of People with learning disabilities, autism or both
<b>WE</b>	West Essex
<b>WTE</b>	Whole Time Equivalent



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