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Essex Partnership University
NHS Foundation Trust

ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

ANNUAL REPORT AND ACCOUNTS 2022-23

EPUT

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Annual Report and Accounts 2022/2023

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

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FOREWORD

FROM THE CHAIR AND CHIEF EXECUTIVE

As we look back over the 22/23 financial year we have been impressed by the continued resilience and dedication of our staff. A clear legacy of the pandemic has been an increased demand for services, alongside increased complexity of cases across the wider healthcare sector. There have undoubtedly been challenges over the last year, alongside sustained external scrutiny but there have also been achievements and it is important to celebrate these and the difference they make to service users, patients, their families and carers.

Patient and carer involvement

As we move forward we have a clear focus on the importance of involving patients, service users, their families and carers in the development of care and service provision.

The Patient, Carer and Family Collaborative launched in November 2022 and meets quarterly. It will become a key decision-making body, which has direct input from and to the executive team via a service user representative attending other key decision making groups and is made up of staff, patients, carers, governors, executives, volunteers and partners.

The EPUT forum was relaunched in March 2022 with the aim of ensuring that the people and community we serve have an opportunity to be listened to. More and more as an organisation we are striving to ensure those that use our services have an increasing say in their care and how our services are designed to meet their needs.

The Trust has also adopted *iWantGreatCare* as a way for services users, their families and carers to feedback on our services and provides mix of methods for people to leave feedback including paper forms, web, mobile, and tablet.

We have also redesigned the way in which we handle complaints throughout the spring and summer of 2022 in partnership with service users and those with lived experience of our services. New processes and systems were launched in January 2023 with a focus on repairing relationships and resolving issues.

Our networks have grown, and we now have several networks for services and service users, covering a range of services and communities. These can be service specific, like The Lighthouse Parent and Carer Network, community- specific, i.e. The Lived Experience Network, or based on a group of shared characteristics such as the Learning Disabilities and Autism Network.

Mental Health Urgent Care Department

The innovative new Mental Health Urgent Care Department opened on 20 March 2023, at Basildon Hospital. The Trust has worked with health and social care partners from across mid and south Essex over a number of months to develop this new facility. More than £5 million investment from the Mid and South Essex Integrated Care System has made this project possible.

Hospital emergency departments are not always the right environment for people experiencing mental health difficulties. The new department will provide an alternative, calm and therapeutic space with access to mental health specialists and its design meets high standards of comfort and safety.

The department has been developed in close collaboration with local people who have previously used mental health crisis services, learning from their experience to provide better care. It had been designed to meet high standards of comfort and safety for patients and staff and will be open 24 hours a day, seven days a week, offering services to people aged 18 and over. The service launched with a phased approach, initially accepting referrals from primary care, secondary care, NHS 111, ambulance and police services and Basildon residents in March 2023. Referrals then opened up to Southend and Chelmsford residents in April and May.

Extension of virtual wards

We are working in a more integrated way with system partners to give people the right care, at the right time and in the right place. The virtual hospital services in west Essex and mid and south Essex are examples of where this is working successfully. The mid and south Essex Virtual Hospital has a Frailty Virtual Ward and a Respiratory Virtual Ward and the Urgent Community Response team acts as its emergency department service.The West Essex Virtual Hospital treats patients with a wide

range of conditions including frailty, respiratory conditions, and long term conditions such as heart failure and dementia.

Working with our partners, we are giving patients more choice in where they are cared for and offering them high quality, personalised care that helps them stay independent and recover faster.

It is a safe, alternative way of enabling people to receive the same treatment they would otherwise receive in a hospital. At the same time, we are helping them stay well so they do not need to go into hospital in the first place, which also means colleagues in our acute hospitals can focus on treating people in most immediate need of their specialist care.

Neuromodulation

The Trust launched the first specialist neuromodulation service in the east of England. The Essex Neuromodulation Service is the only centre in the region to offer a range of neuromodulation treatments for patients living with long-term depression for who medication has proven ineffective.

The pioneering new clinic based at Brentwood Resource Centre in Greenwich Avenue offers repetitive transcranial magnetic stimulation (rTMS) and vagus nerve stimulation (VNS) alongside the Trust's existing electroconvulsive therapy clinics in Colchester, Basildon and Chelmsford, bringing all neuromodulation treatments under one umbrella service. Advances in neuromodulation are transforming the lives of patients with long-term depression who have tried a number of types of anti-depressant medication but experienced no improvement in symptoms.

Bariatric mother and baby room

A new bedroom for bariatric patients is one of the first of its kind across England and Wales. The Rainbow Mother and Baby Unit at the Linden Centre, Chelmsford, is one of the only perinatal mental health wards to provide the facility for women with a high body mass index.

We took action to extend and re-design the original four-bedroom unit to create the additional bedroom after struggling to find appropriate care for a bariatric patient and her child nationally.

Rainbow Mother and Baby Unit provides specialist mental health care and treatment for women during the late stages of pregnancy and up to one year after the birth of their baby. The ward provides mental health care while helping mums to develop nurturing relationships with their child and supporting families involved in both the mother's and baby's care.

We also provide a community perinatal mental health service for women who are experiencing, or are likely to experience, mental health difficulties. The service supports them during pregnancy and up to their child's first birthday.

Essex Mental Health Independent Inquiry

The Essex Mental Health Independent Inquiry is reviewing the care and treatment pathways and the circumstances and practices surrounding the deaths of mental health inpatients. The Inquiry is investigating the deaths which took place in mental health inpatient facilities across NHS Trusts in Essex between 1 January 2000 and 31 December 2020. It will draw conclusions in relation to the safety and quality of care provided locally and nationally to mental health inpatients.

EPUT's Board of Directors agreed at the commencement that the Trust's approach to the Inquiry should be one of openness and candour. Every opportunity should be taken to ensure that the Trust is seen to be learning the lessons of any failures that are identified by the Inquiry team or by the Trust's own work. A Project Team working exclusively on the Inquiry was established in 2021. The Team's focus is to review and administer all requests for information and data from the Inquiry. A project working group has been established to provide oversight of the progress of the Inquiry. Reports are regularly provided to the Audit Committee, with assurance provided to the Trust Board of Directors each time they meet.

A key difficulty identified at the commencement of the Inquiry in 2021 was the availability of records for the 21 year period as a result of multiple organisation and information system changes.

EPUT has encouraged all staff to engage with the Inquiry by coming forward as part of the evidence gathering phase to share their experience of work for the Trust and its predecessors.

The Inquiry had originally intended to publish its findings and recommendations in spring 2023, however the Chair advised in an open letter in January 2023 that this will no longer be possible. The Secretary for Health and Social Care made a statement in Parliament on the 28 June 2023 indicating intention to give the inquiry statutory powers. The Trust and its

board members will continue to work with the inquiry in an open and transparent manner.

The Trust's top priority continues to be the safety and wellbeing of its patients.

'Safety First, Safety Always' (Year 2)

Patient safety continues to be the top priority for the Trust and touches all areas of the organisation.

We launched our patient safety strategy, Safety First, Safety Always, in 2021 with an ambition to provide the safest possible care for our patients. Our Board and local leadership teams are wholly committed to delivering the vision of making Essex Partnership University Trust the safest possible organisation. This is the agenda that drives everything we do and the evidence shows that it is having a real, visible and measureable effect in the organisation.

At the end of the second year of the strategy we must recognise that whilst there has been progress there is more to do to build the confidence of patients, families and partners.

Our 'Safety First, Safety Always' strategy will continue to adjust to reflect learning within the organisation alongside recommendations arising from the Essex Mental Health Independent Inquiry which commenced in April 2021.

Staff across the Trust have shown extraordinary commitment throughout the pandemic and beyond, giving far more that could be asked of them. Against a backdrop of both unprecedented demand and workforce challenges, staff across the Trust have embraced the 'Safety First, Safety Always' message.

Our work has gained national recognition in some areas, including our national award-winning apprenticeship in clinical psychology, which is helping to address the workforce challenges of the present and future.

In March 2023, the Board received a report highlighting the progress we have made against the priorities with the safety strategy and against the four priority areas for quality improvement in the Mental Health Safety Improvement Plan.

- 80% of patients who have self-harmed said that their urge to do so reduced as a result of a self-harm reduction pilot project.
- 94% of staff say that Oxevision (a digital tool that allows for contactless monitoring of vital signs and movement to improve patient safety, quality, and efficiency of care) enabled them to identify incidents they may not have known about; and 90% stated that this technology had enabled them to prevent a potential incident from occurring.
- 80% reduction in seclusion incidents since November 2020.
- 95% reduction in use of prone restraint since January 2020.
- A sustained reduction in serious incidents.

As we move into year three of the strategy, there is more to do and we look forward to doing this in collaboration with patients, carers, families and partners. More information on our 'Safety First, Safety Always' progress can be found in our Quality Account 2022/23 or on our website.

Looking forward

As we move forward we have clear priorities which are aimed at improving the care we provide for the communities that rely on us – these will centre on a number of areas and at the centre of this will be a significant expansion of patient and families driving decision making and giving feedback, building on our current success.

We also have plans in place to improve staffing levels across our services and to increase inpatient bed availability so that those in a critical phase of their illness have the support they need. We also have a transformation strategy which will benefit service users and patients by supporting clinicians to spend more time in direct patient care as well as giving them better access to clinical records.

In closing we would like to thank those who use our services, the volunteers and staff who work tirelessly to contribute to the future of the Trust and share our vision of making EPUT the leading health and wellbeing service in the provision of mental health and community care.

Professor Sheila Salmon
Chair
27 June 2023

Paul Scott
Chief Executive
27 June 2023

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

As CEO my reflection on EPUT's performance over 2022/23 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.

EPUT provides community health, mental health, learning disability and social care services to over 3.2 million people across the East of England in Bedfordshire, Luton, Essex, Southend, Thurrock, and Suffolk. Our services are delivered by more than 6,000 staff working across more than 200 sites. At any one time, we care for more than 100,000 people.

The Trust's turnover has increased by £63.8m compared to 2021/22 with turnover of £521m. Increases include the provision of new services and initiatives under the Mental Health Investment Standards, the hosting of provider collaboratives and inflationary uplifts for expected pay awards.

Our services

We provide a range of services to our population including community health services, mental health services, learning disability services and social care. Our approach is underpinned by our aim to provide individualised care that supports people to live independently and within their own homes for as long as possible.

- **Community health services:** 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 people's homes.
- **Mental health services:** We provide a wide range of treatment and support to adults and older people and children and adolescents experiencing mental illness within primary care, community and in secure and specialised inpatient care settings. We deliver a range of tertiary services including forensic services and specialist health outreach services to marginalised communities. Several of our specialist services have achieved accreditation from the Royal College of Psychiatrists. Our local population can access our mental health services 24/7 via NHS 111 Press 2 for mental health crisis.
- **Learning disability services:** We provide inpatient learning disability services, working in partnership with Hertfordshire Partnership University NHS Foundation Trust. As part of our 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.
- **Social care:** We provide individualised social care to people with a range of needs, including people with learning disabilities or mental illness, supporting people to live independently. Three local authorities have Section 75 Partnership Agreements in place with us which mean some statutory social care responsibilities are delegated to EPUT and some functions are delivered in partnership. Each year we agree performance targets with them for each nationally-defined social care indicator.

We deliver our services through six care units which are responsible for place-based and Trust-wide services and each have their own multi-disciplinary team:

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

In 2022/23, we:

- Received **512,065** referrals into our services
- Delivered **1,746,120** face to face contacts
- Carried out **49,807** digital face to face contacts
- Held **317,942** telephone contacts
- Cared for **236,594** patients / services users
- Of which, **3,804** patients having an inpatient episode.

Our partnerships

EPUT is part of four Integrated Care Systems (ICSs) in Hertfordshire and West Essex; Mid and South Essex; Suffolk and North East Essex; and Bedfordshire, Luton, and Milton Keynes, where we provide some specialist services.

At a more local level, we are actively involved in place-based Alliances in:

- North East Essex
- West Essex
- Mid Essex
- Basildon and Brentwood
- Thurrock
- South East Essex (including Southend)

We work in partnership with Essex County Council, Thurrock Borough Council, Southend City Council as well as local district and borough councils.

We also work closely with other providers of NHS services including GP practices and primary care networks, acute trusts, mental health and community trusts, voluntary, community and social enterprise organisations and independent sector providers.

We have established specific collaborative arrangements with other providers in NHS services in:

- Mid and South Essex – the Community Collaborative brings together providers delivering community health services (managed within a contractual joint venture agreement)
- North East Essex – the Community Collaborative brings together providers delivering community health services (and is hosted by East Suffolk and North Essex NHS Foundation Trust)
- East of England – the Regional Specialist Mental Health Commissioning Collaborative brings together mental health providers across the region. It focuses on specialist services, such as children and young people's inpatient services, and forensic services, which are led by EPUT within the East of England provider collaborative. Overall during the year, the collaborative has achieved reductions in the number of young people waiting for admission to hospital and the length of time waiting for admission, a reduction in the number of people who are in secure hospital settings and a reduction in the length of time that people who have an eating disorder wait for hospital treatment. These have been achieved through investment in alternatives to hospital treatment ably led by a lead consultant psychiatrist for each clinical specialty working alongside colleagues from across the region in partnership with people who use these services.

We provide education and training for students from Anglia Ruskin University and the University of Essex as well as training placements for junior doctors. We are building our academic partnerships to support innovation and research that will benefit our services.

The success of EPUT will increasingly be judged against our contribution to the objectives of the integrated care systems in which we operate, in addition to our existing duties to deliver safe, effective care and effective use of resources.

EPUT is committed to engaging consistently in shared planning and decision-making; to taking collective responsibility with partners for delivery of high quality and sustainable services; and taking responsibility for delivery of agreed system improvements and decisions.

EPUT executives are active partners within our local integrated care systems, with our Chief Executive being a member of the Mid and South Essex Integrated Care Board; Executive Chief Operating Officer a member of the Herts and West Essex Integrated Care Partnership; Executive Director Strategy, Transformation and Digital a member of the Suffolk and North

East Essex Integrated Care Partnership; and our Executives actively participating in their respective System and Regional meetings. Further to this, EPUT has aligned the business model to enable our leadership teams to actively participate with partners in the systems and placed based partnerships (Alliances).

As detailed above we have established specific collaborative arrangements with other providers to develop shared plans and priorities.

The Mid and South Essex System (MSE) has operated a System Investment Group, chaired by EPUT since October 2021. This forum has been used to discuss and recommend major investment cases to the Senior Finance Leaders Group, and more recently the Finance Investment Committee, since the creation of the Integrated Care Board.

The System Investment Group has also been the forum at which capital allocations and plans are reviewed and agreed, this includes the current five year investment plan for the system. The system worked well to deliver on the system position for both 2021/22 and 2022/23 and looks to continue to build on this with further system-wide developments in 2023/24.

EPUT delivers services across four integrated care systems and shares information about the capital plan and initiatives through finance and estates networks.

A number of business cases are in progress or already approved for 2023/24 for utilisation of MSE system capital resource. This includes Electronic Patient Record which is a system-wide project which has gone through internal governance ahead of submission to NHS England.

Our vision, values and purpose

People are at the heart of everything we do, and our strategy is focused on providing high-quality, safe, individualised care and supporting people to live well throughout their lives. Our approach is underpinned by partnership working, championing lived experience and co-production, continuous development, and a caring, learning, and empowering culture. We agreed our new vision, purpose, values and strategic objectives to reflect this in September 2021 after discussion with our staff and service partners.

The Trusts' vision, values, purpose and strategic objectives create the framework whereby through engagement with our staff, partner organisations and representatives of the communities that we serve, we have 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 services users can received joined up care.

We have carried out extension engagement with our service users, and their carers and families, as well as our staff and partners, to look at what we need to do to achieve those goals over the next five years.

Our Strategic Plan for 2023 to 2028 is the result of that work, and sets out our priorities and commitments, and how we will work together to deliver our vision.

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

For more information visit our website to see our strategic plan, along with a short video: [2023-2028 Strategic Plan | Essex Partnership University NHS Trust (eput.nhs.uk)]

Our performance

The Trust delivers a wide range of services commissioned by different Integrated Care Systems (ICSs) 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 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 2022-2023, 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. The Trust continues to face 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.
- Financial constraints within the local Integrated Care System (ICSs).
- National standards for clinical service quality continue to rise and maintaining compliance is challenging in some areas.

Opportunities

- We operate in systems that continues to develop 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 & south essex and North Essex. Provider collaborative arrangements with maturity continuously developing.
- We are partners in the specialist mental health collaborative.
- New ways of working with Integrated Care Boards under established statutory powers.

Risks

The Trust captures its principle risks in both the Strategy Risk Register (SR) and the high level operational risks within a Corporate Risk Register (CRR). 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.
- SR7: If EPUT does not have sufficient capital resource, e.g. digital and EPR, then we will be unable to undertake essential works of capital dependent transformation programmes, resulting in non-achievement of some of our strategic and safety ambitions.
- SR8: If EPUT (as part of Mid and South Essex Integrated Care System) does not effectively and efficiently manage its use of resources, then it may not meet its financial control total, resulting in potential failure to sustain and improve services.

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.
- CRR81: Ligature reduction – a large number of mitigating actions have been undertaken and continues to be overseen by a Ligature Reduction Reporting Group.
- CRR92: Addressing Inequalities - the Trust has a team of employee experience managers supporting activities to address inequalities and deliver the ambitions set out in our Equality Diversity and Inclusion Framework.
- CRR95: Delivery of new vaccination programme – context delivery of the autumn vaccination programme. If EPUT is uncertain of its role and available budget to deliver the autumn vaccination programme then then there may be significant cost and workforce shortfalls resulting in a challenge to delivering future programmes and potential reputational damage.
- CRR96: Loggists (the people who capture decisions and management actions during the course of a major incident) – low number of loggists currently available and no training available currently from the region. If EPUT is unable to increase number of trained loggists and increase hours of availability for 24/7 then there may not be sufficient loggists available to log a major incident resulting in poor decision/ action audit trail in the event of a major incident occurring.
- CRR98: Pharmacy resource – context of need for full establishment in order to fulfil operational requirements. If EPUT is unable to fill new and pre-existing positions within pharmacy services then there will be a protracted period of operating within business continuity leading to a reduced pharmacy service to our care units and potential impact on the wellbeing of our staff.

- CRR99: Safeguarding referrals – context need to manage increase in safeguarding referrals across the Trust. If EPUT is unable to manage the increase in safeguarding referrals then it may not adequately assess patients' needs resulting in compromised patient safety, wellbeing and compliance with safeguarding best practice and regulation.
- 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

- CRR82: Efficiencies – risk closed in May 2022 following the closure of the financial year. A new strategic risk for 2022/23 was added to the risk register looking at the wider context of 'use of resources'.
- CRR83: COVID-19 financial plan – the rationale for closure of this risk was a reduction in the national incident rate for COVID-19 and the introduction of robust 'business as usual' emergency planning arrangements.
- CRR85: Mass vaccinations – the rationale for closure of this risk being the successful completion of the programme and cessation of all sessions.
- CRR90: Management of COVID-19 – The rationale for closure of this risk was a reduction in the national incident rate for Covid-19 and the introduction of robust 'business as usual' emergency planning arrangements.
- CRR91 CAMHS Tier 4 System Bed Pressures – the rationale for the closure of this risk was the removal of the Care Quality Commission conditions and a return to business as usual referral management.
- CRR79: Seasonal flu – risk closed in May 2022. There was no re-opening of this risk as a consequence of delivering flu vaccinations in conjunction with COVID booster vaccinations and a system (rather than organisational) Commissioning for Quality and Innovation indicator for 2022/23.

Emergent risks

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

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 Trust's continued funding and provision of services. The interim financial plan for 2023/24 was presented to the Board of Directors in March 2023 with the final submission made on 4 May 2023. 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 £96k (2021/22: £38k surplus). Income from commissioners was largely based on Aligned Payment and Incentive (API) contracts following a move towards a more traditional contracting basis for 2022/23, with reimbursement for mass vaccination expenditure being received quarterly in arrears. During 2022/23, the Trust received additional income from the Integrated Care Board (ICB) to support ongoing costs associated with the Inquiry. The Trust also continued to receive additional funding to support achievement of Mental Health Investment Standards.

The Trust has produced its 2023/24 financial plans based on these assumptions. The final plan records a breakeven position for the year.

Our going concern assessment is made up to the end of July 2024. 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

EPUT 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 stated maximum of 35 beds to be provided by these two services at each site.

In July 2022, the CQC published their report in relation to an inspection carried out in March 2022 for our CAMHS services. The service was re-rated from 'inadequate' to 'requires improvement'. All restrictions imposed during 2021 were removed from our Children and Adolescent Mental Health services (CAMHS).

During October 2022, the CQC suspended the Trust's rating for the acute wards for adults of working age and psychiatric intensive care units as result of concerns raised about the service ahead of high profile media coverage and pending responsive focused inspection at two adult acute mental health wards. The CQC considered that there was a need for immediate improvement and issued a warning notice under Section 29A of the Health and Social Care Act 2009 on the 30 October 2022, for the acute wards for adults of working age and psychiatric intensive care units, setting out six areas for immediate action by the 18 November 2022. On receipt the Trust took immediate action and responded with assurance to the CQC confirming actions being taken to address the concerns identified.

The final inspection report was published by the CQC on 3 April 2023 whereby the service was re-rated from 'requires improvement' to 'inadequate' for the safety domain, with 8 'must do' action and 2 'should do' actions stated. The executive team is actively overseeing action to address the identified breaches within the report and wider learning across the Trust.

Further to this the CQC undertook an unannounced core service inspection over a three day period, commencing 22 November 2022, of the following six core services:

- Acute wards for adults of working age and psychiatric intensive care units
- Wards for older people with mental health problems
- Wards for people with learning disability or autism
- Mental health crisis service and mental health-based places of safety
- Substance misuses services
- Community-based mental health services for adults of working age.

The Trust is awaiting the final report from the CQC, following this inspection.

In January 2023, the CQC undertook a Well Led inspection. The Trust is awaiting the final report following this inspection.

The Trust's overall rating in 2022/23 remained rated as 'good'.

Our performance

Table 1: Summary of 2022/23 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
CQC rating of Good or above	**Good or above**	Overall "Good" Awaiting the outcome of core services and well led inspection carried out in 2022/23.
Written Complaint Rate per 100 WTE	**No target Set**	9.5 (2021/22: 8.6)
National Quarterly Pulse Survey	**No target set**	Overall EPUT results found staff answered more favourably than negatively to all three themes of Motivation, Involvement, and Advocacy
Never Events	**0**	ACHIEVED 0
There will be 0 Safety Alert breaches	**0**	ACHIEVED 0
CQC community mental health patient survey	**No target set**	Achieved 'about the same' in 21 of 30 domains in 2022 survey. Two questions scored 'somewhat worse than expected'. Seven scored 'worse than expected'.
I Want Great Care	**No target set**	92.9% positive score in March 2023

Quality of care and outcomes	NHS Oversight Framework target	Year end position
People on Care programme approach (CPA) are followed up within 7 days of discharge from hospital	**95%**	99.2%
Clients in settled accommodation	**No target set**	66.7% (LA Target 70%)
Clients in employment	**No target set**	39.9% (LA Target 7%)
Potential under-reporting of patient safety incidents	**No target set**	48.9 / 1,000 bed days Reporting better than benchmark (MH benchmark 44.3)
Admissions to adult facilities of patients under 16 years old	**No target set**	0

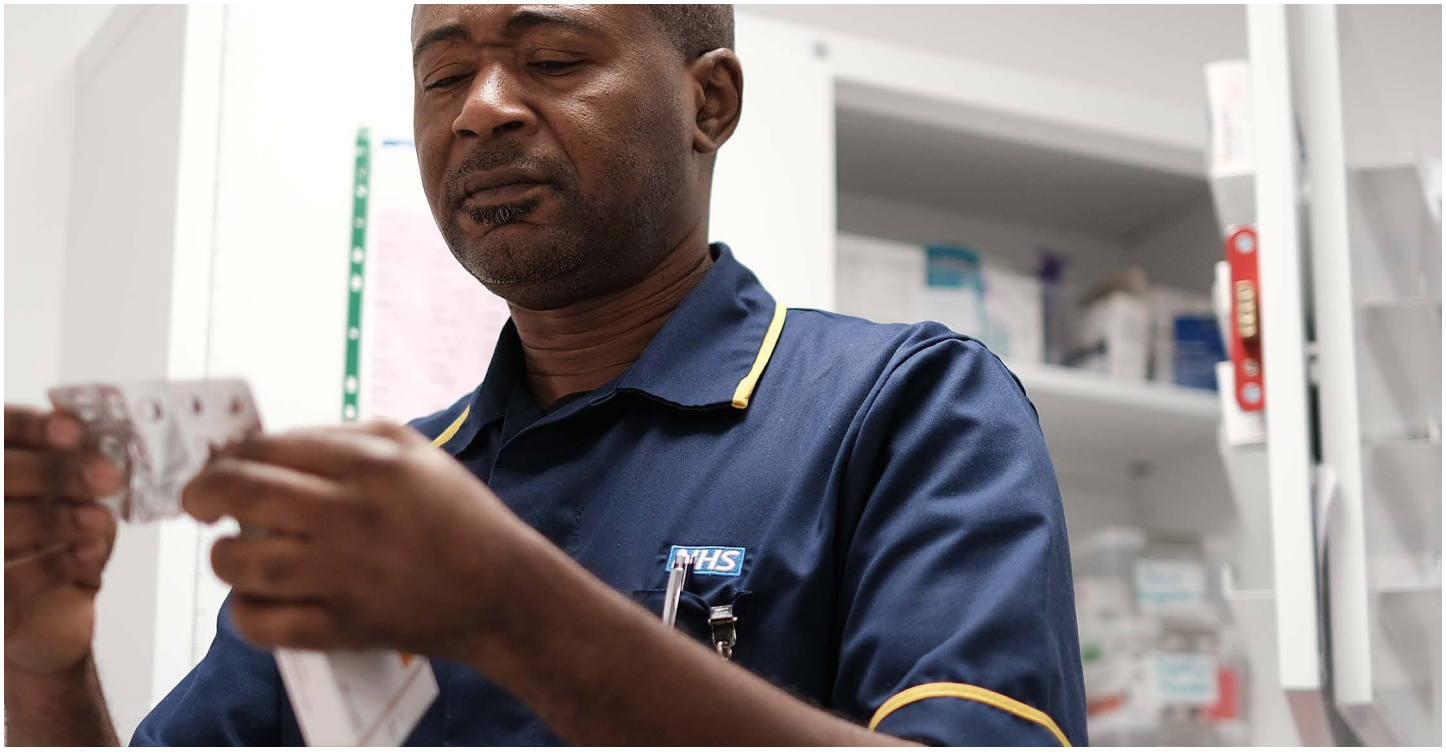
Operational metric	NHS Oversight Framework target	Year end position
People with a first episode of psychosis (FEP) begin treatment with a NICE-recommended care package within two weeks of referral	**60%**	ACHIEVED 82.6%
Data Quality Maturity Index (DQMI) – MHSDS dataset	**95%**	ACHIEVED 96.3%
Improving Access to Psychological Therapies (IAPT) /talking therapies a) 50% of people completing treatment who move to recovery	**50%**	Castle Point & Rochford(CPR) 51.8% Southend of Sea (SOS) 49.7% North East Essex (NEE) 50.8%

Operational metric	NHS Oversight Framework target	Year end position
Improving Access to Psychological Therapies (IAPT)/talking therapies b. waiting time to begin treatment: 75% within 6 weeks 95% within 18 weeks	**75%** **95%**	Castle Point & Rochford and Southend: 6 weeks 100% 18 weeks 100% North East Essex: 6 weeks 100% 18 weeks 100%
Continued reduction in inappropriate Out of Area Bed days to 0	**Reduction**	1,871 OBDs

Operational workforce	NHS Oversight Framework target	Year end position
Staff Sickness Rates	**No target set**	6.1% (Feb 23) (Mental health benchmark of <6%)
Staff Turnover	**No target set**	10.6% (Local target based on national benchmarking <12%)
Proportion of Temp Staff	**No target set**	6% (9.8% Feb 22)
Staff Survey	**No target set**	Theme Scores: 3 Above Average 3 Average 3 Below Average

In addition to the performance against the NHS Oversight Framework detailed above, the following summarise performance innovation against a small number of other targets over 2022/23. Further information on these, and a range of other indicators, is contained within the Quality Account 2022/23.

- During and following the COVID-19 pandemic the Trust experienced higher levels of patients in both our community and inpatient services. Within the community mental health services this presented challenges to the provision of regular reviews for patients. In 2022 the Trust introduced the Management and Supervision Tool (MaST) which supports community mental health staff with the day to day management of caseloads and provide the best possible care for people engaging with the service. This tool has also allowed staff to quickly identify groups of people who may need to be prioritised for follow up because of their mental health needs. With the introduction of this tool, performance against review compliance improved. Patients requiring a review are able to be scheduled promptly, and have their continued care planned and monitored based in their own changing needs.
- The number of patients accessing services through the Trusts Improving Access Psychological Therapies (IAPT) service has witnessed a decline in 2022/23. Across the service a number of innovations have been deployed to improve performance. The Trust has partnered with Xyla Digital Therapies which is generating additional clinical capacity to assess and treat patients. New referrals are encouraged through online self-referral options via the IAPT website. The Trust is developing processes to reduce dropout rates by encouraging patients to choose and book their own appointment via an online booking appointment facility. The service is exploring provisions for care and support for patients on a waiting list through an artificial intelligence platform (Limbic AI). These innovations are in addition to those being undertaken as part of the standard service approach to promotion and development, all of which are expected to improve access rates for the service.
- With increased demand for inpatient mental health services the Trust has focused a great deal of attention and development to its Inpatient 'Flow and Capacity' processes. Occupancy, average length of stay, delayed transfers of care, and out-of-area placements have all remained an integral part of performance reporting throughout the year. In recent months improvement has been evident across these measures, reflecting the work and innovation which has gone in to better processes for inpatient flow. Multi Agency Discharge Events (MADE) and system escalations allow better oversight and progression of barriers to discharge, therefore ensuring patients remain on an inpatient unit only as long as necessary. Consultant-led reviews take place to assess patient's length of stay to ensure continued therapeutic benefit. The Trust holds itself accountable to its overarching 'Flow' action plan which strives to develop and maintain flow improvements, and reduce the requirement for out-of-area placements.



- **Infection control:** The director of infection prevention and control (DIPC) and Infection Prevention and Control (IPC) team have continued to work through unprecedented demand during 2022/23 as the COVID-19 pandemic continued. Specialist advice has been provided to all levels of the organisation both from a clinical and non-clinical perspective in order to support staff and patients. Assurance of policy has been provided through regular updating of the Infection Prevention and Control Board Assurance Framework, which has been reviewed bi-monthly and reported at our Quality Committee and linked with the updated IPC Code of Practice, which was updated late in 2022.

  The team have continued to provide training for staff as part of the induction programme and ongoing mandatory training. In August 2022 the Trust transitioned to take on the National IPC training e-learning programme to align with key care partners across Essex.

  Increased resource allocation has seen the development of having an infection prevention and control nurse supporting each of the care units strengthening the multi-disciplinary leadership to our front line service provision.

Table 2: Infection control performance.

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	Zero cases attributed to the Trust
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	Achieved target to have zero cases of MRSA bacteraemia
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.	Zero cases reported.
Hand hygiene monitoring - We monitor compliance with best practice for hand hygiene in all clinical inpatient areas every quarter.	Overall compliance 87%
Covid-19 Outbreaks - 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 70 outbreaks of nosocomial infection in EPUT. (2021/22: 70)

- **Prevention of future deaths:** The Trust have received five prevention of future death reports in 2022/23. 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 COVID-19 pandemic and recommenced in June 2022. In 2022/23 five visits were undertaken by our governors; 47 by non-executive directors; and 158 by our executive directors.
- **COVID-19 Vaccination programme:** Although one could be forgiven for thinking that the COVID-19 pandemic is no longer a problem in society, the fact remains that the virus remains with us and continuous mutations or variants will occur the more that the virus circulates, which means that

we can never say entirely that COVID-19 is no longer a threat.

As society has moved to 'living with COVID' the Trust has responded in line with guidance from NHS England and the Joint Committee on Vaccination and Immunisation (JCVI) and change our model of delivery from large mass vaccination centres in place in Mid & South Essex (MSE) and Suffolk & North East Essex (SNEE) during most of 2022. Now just one vaccination centre remains, at the Trust Head Office at The Lodge, Wickford, Essex to serve the evergreen offer for those still needing primary doses or boosters and the now twice yearly seasonal campaigns run for selected senior cohorts and the immunosuppressed as well as care home and housebound residents.

Following on from its successful spring and autumn booster campaigns of 2022, the Trust has just embarked on the spring booster campaign and is pleases to be able to meet the increased demand for care homes and housebound vaccinations in both MSE and SNEE in support of local primary care networks and community pharmacists.

EPUT colleagues also took some time to celebrate its successes of having administered over 1.6 million vaccinations across both ICBs with the teams responsible for that success in both MSE and SNEE in the early part of this year.

Whilst COVID-19 has not gone away the Trust's delivery model for the vaccine, like other NHS providers throughout the UK is looking to transform what has been a hugely successful stand-alone programme into a business as usual model and over the coming months will absorb the COVID-19 vaccination programme into its other mainstream immunisation work programmes. We have also transferred our innovative and successful specialist allergy clinic to West Suffolk Hospital to embed this service within the NHS in a longer term basis.

Service developments in 2022/23

Services expansion (The Lighthouse Children's): On the 01 March 2022, EPUT took on a new children's contract, and expansion to its offer for children and families in south east Essex, when the 'Lighthouse' (Children's neuro-development assessment and treatment service) transferred from Mid and South Essex NHS Foundation Trust. The team joined the existing children's community services to provide a more integrated comprehensive service to our patients, carers and families. As the service transferred to EPUT and included ongoing pathways for referrals received prior to March 2022 as well as new referrals. At point of transfer the service was holding an inherited backlog of children on the waiting list and a significant active caseload. The Trust, with the support of the Elective Care Intensive Support team is working to validate the waiting list to enable accurate reporting of Referral to Treatment (RTT) performance metrics. We continue to work towards eradicating long waits for the service users at the centre, with funding provided to clear the backlog of waits alongside the model of care being reviewed.

Neuromodulation Service: EPUT launched the first neuromodulation service in the east of England, being the only centre in the region to offer a range of neuromodulation treatments for patients living with long-term depression for who medication has proven ineffective. Neuromodulation uses targeted delivery of either chemical, electro-magnetic or electrical stimulation to alter nerve activity in the part of the brain that regulates mood, helping to reduce and relieve the symptoms of depression and anxiety. The pioneering new clinic offers repetitive transcranial magnetic stimulation (rTMS) and vagus nerve stimulation (VNS) alongside the Trust's existing electroconvulsive therapy clinics, bringing all neuromodulation treatments under one umbrella service.

Mental Health Urgent Care Department: Our innovative new Mental Health Urgent Care Department opened on the 20 March 2023, at Basildon Hospital. EPUT worked with health and social care partners from across mid and south Essex over a number of months to develop the new facility. Hospital emergency departments are not always the right environment for people experiencing mental health difficulties. The new department will provide an alternative, calm and therapeutic space with access to mental health specialists and its meets high standards of comfort and safety. The department was designed in close collaboration with local people who have previously used mental health crisis services, learning from their experience to provide better care. Its team of specialist doctors, nurses and other healthcare professionals work with people to understand how they are feeling, what has triggered their crisis and provide support to return home or facilitate referral to an appropriate service. More than £5 million investments from the Mid and South Essex Integrated Care System made this project possible.

'Time to Care' programme: In order to address the long-term staffing challenge, the Trust Board with the support of local commissioners commissioned the 'Time to Care' programme, with the objective of releasing significant and quantifiable time to care on inpatient mental health and specialist service wards. The programme has four core components:

1. **Staffing model redesign:** Review and redesign of staffing model to meet patients' needs, increase capacity and improve quality and safety. This includes review and redesign of existing and new roles.
2. **Process improvement:** Identification of solutions to optimise ways of working and streamline processes to free up the time of staff involved in direct patient care.
3. **Data and technology improvement:** Optimise the use of data and technology to support frontline teams and the delivery of care.
4. **Engagement and inclusivity:** Co-creation and implementation of solutions with Trust staff, whilst also recognising and adapting engagement and solutions to take account of the challenges and impact on staff wellbeing.

The design and development throughout 2022 was through extensive engagement with our staff, patients, families and carers and people with lived experience. In 2023/24 the business case for change will be considered by our Board of Directors.

Over the course of 22/23, we have seen a 9.6% net growth across all registered nursing numbers taking vacancy rate to 19% by March 23. We have focused on more localised recruitment initiatives, ensuring roles are filled according to needs of patients and service users in particular localities, and prioritisation is clinically driven and operationally led. Each operational Care Group has a Staffing Plan, encompassing recruitment and retention, temporary staffing and cultural interventions, all designed to strengthen our ability to both attract and retain staff. International recruitment of registered general and mental health nurses has also formed a significant part of our strategy, with 195 arriving in 2022, and a further 70 planned over the course of 2023. As the next year progresses, we will be prioritising student placement and conversion, with increased university in-reach and a focus on student experience and progression.

Early Psychological Intervention Clinic (EPIC): Like all psychological services (and other) teams, we are always looking to find new ways of improving access to services, minimising waiting times, whilst working within a resource limit.

EPIC (Early Psychological Intervention Clinic) is an innovation improving access to psychological interventions in Early Intervention in Psychosis (EIP) teams. The idea being that service users all have access to and can book themselves in for 'EPIC' appointments – which gives them up to four sessions (in the first instance) with a member of the psychological services team. This can be for extended assessment, formulation or a brief intervention. Service users can then go on a waiting list for ongoing therapy if still required.

What we found was that it:

- improved access, and satisfaction, with how psychological services could be accessed for service users
- because service users staggered their attendance over a period of weeks or months, it gave them control over their appointments
- it reduced 'DNA's, i.e. more appointments were attended
- serendipitously, this staggered attendance, reduced bottlenecks in the system, meaning the waiting list for ongoing therapy was shortened considerably, and at times all but eliminated
- it gave the psychological services staff a deeper understanding of what a service user was facing and why, so they could advise the care coordinator more comprehensively, and had more information with which to offer guidance for the service user on what they could do whilst waiting for further interventions, with the support of their care coordinator.

Audits have confirmed these findings and we have demonstrated that the clinical outcomes are excellent. The latest audit was accepted as a poster at a recent Early Intervention Psychology National Network Conference, and has also been accepted for publication in the national publication: Clinical Psychology Forum. We have been shortlisted for a Quality and Excellence Award in EIP.

West Essex Care Co-Ordination Centre: Our Care Co-ordination Centre (CCC) was launched in April 2022. The CCC is central to the West Essex Health and Care Partnership transformation programme, supporting the delivery of the community care and support to our west Essex population.

Through a multi-disciplinary team, encompassing professionals from community physical and mental health and social care and the CCC aims to understand the needs of adults who need to support to be safely transferred to, or remain in their own home environment. This multi-professional, partnership approach enables an holistic overview of the person's needs to help achieve the earliest possible discharge from hospital, reduce escalating need and avoid hospital where care can be provided safely in a person's own home and access to rehabilitation. The CCC also has an oversight of system capacity to support decision making and ensure timely care is in place.

Children and Young Peoples Service - 72

Hour Bed Pathway: This new and innovative pathway is provided in partnership our partners in North East London Foundation Trust and aims to provide crisis intervention for young people, where it cannot be provided safely in the community for a period of 72 working hours. This intervention enables space for rapid stabilisation of the young person's mental health and for the community resources/ support packages to be put in place to support the young person/family/carers with the return of the young person to their home. This reduces the likelihood of prolonged stay within the inpatient setting, improves the young person's experience, decreases unnecessary inpatient stays and enables the right package of community care to wrap around and support the young person.

Goals of the admission are to provide new and strengthen existing coping strategies and skills for the young person and their network, specifically concentrating on distress tolerance, effective regulations of emotions and safe management of deliberate self-harm incidents.

Patient led assessment of the care environment (PLACE):

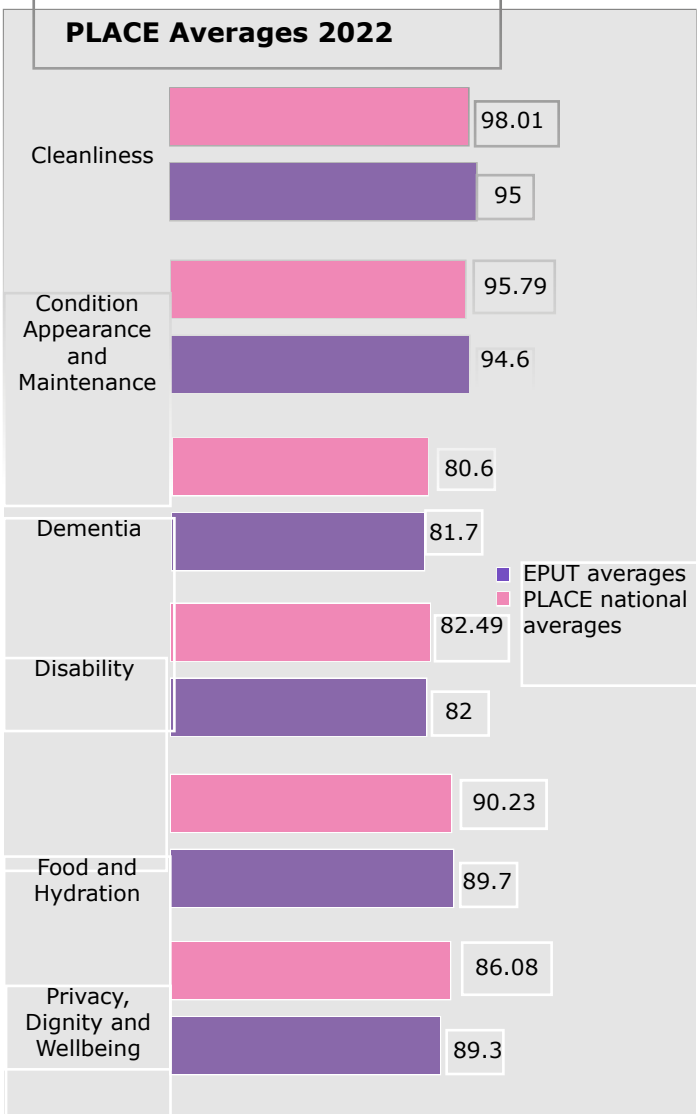
PLACE are an annual appraisal of the non-clinical aspects of the NHS healthcare settings, undertaken by teams made up of staff and members of the public (known as patient assessors). The team must include a minimum of two patient assessors. The results are shared with our Council of Governors and with the Board of Directors.

PLACE assessments provide a framework for assessing quality against comment guidelines and standards in order to quantify the facility's cleanliness, food and hydration, the extent to which the provision of care with privacy and dignity is supported, and whether the premises are equipped to meet the needs of the people with dementia or with a disability.

The 2022 programme was heavily impacted by the COVID-19 pandemic (nationally seeing fewer completed assessments), and further reduced by the need to enforce minimum patient assessor numbers. The national team at NHS England have therefore advised that the results should not be compared with earlier years. The Trust's assessments were excluded from the national publication in March 2023 due to missing mandatory assessment components (i.e. insufficient number of patient assessors).

Below we have provided the Trust scores against the national published benchmark (based on the 936 assessments undertaken in 2022 that met the mandatory components).

Graph 1: PLACE averages 2022



(NHS England 2023)

The 2022 assessments have highlighted the need for the Trust to continue to have a focus on the following areas:

- Accessibility of our sites for those with a disability (e.g. effective use of colours, and clearly marking uneven surfaces) and availability of parking where possible
- Enhancing the signage and outside spaces across our sites
- Increasing variety and choice of food.

The Trust is committed to continually improving the care environment and since 2020 there has been a £20m investment in our inpatient wards enabling significant improvements in the physical environment, and safety, across our estate.

The Trust will use the feedback from the PLACE assessments in our planning for 2023/24.

(Patient safety partners with our director of patient safety, Moriam Adekunle)

Patient and public involvement

The Trust believes that working in partnership with the people and communities that use our services is crucial to driving forward improvements and maintaining the high-quality standards we set ourselves. One of the key priorities within our Strategy (objective 3) is our commitment to work together with partners to make our services better. Our most important partnership is with our service users, their families, and supporters. In 2022/23 we have continued to evolve how we work together with people who have lived experience to design and deliver our services, creating the environment to coproduce, co-design, and for shared decision making at both an operational and strategic level.

A range of mechanisms are used to listen to, learn from, and collaborate with people who use our services:

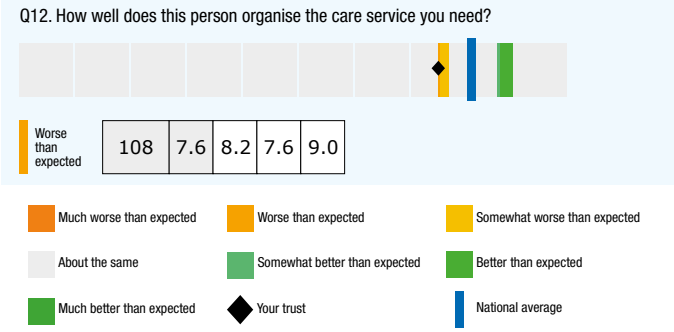
- Launched '*i Want Great Care'* in January 2022 making giving feedback on our services easier. As an example, patient insight and intelligence drawn from IWGC feedback has driven changes within the Lighthouse service, such as more staff, upgraded telephone system, additional services, and more appointments to reduce waiting times. Feedback from both staff and services users indicates that the changes have resulted in significant improved service.

  The patient experience team continues to focus on improving the uptake to maximise our ability to use IWGC patient insight.
- Established and continue to develop the Lived Experience team, which continues to grow and has people with lived experience working on a number of projects across the trust. For example, there are patient safety partners, Involvement Leads for our 'Time to Care' programme and for the Urgent Care Department. Further to this representation on key steering groups e.g. Transformation, Strategy and Patient & Carer Experience with the focus on shared decision making.
- Focus group and networks - redesigned public forums continue to provide the opportunity for service users, carers, and staff to discuss services in their area and share feedback. These are chaired by the Lived Experience team and open to all members of the public, with on average 69% of attendees being members of the public. We have been developing a network of peer networks, service and service user-specific, chaired by members of the Lived Experience team wherever possible.

  New networks setup in the last year include, the Lighthouse Parent, Carer, and Young Person Network, the Learning Disability and Autism Network, and the Lived Experience Network. With peer networks planned for setup in 2023/24 being, The Young Persons Network and the Hidden Voices Network.
- Patient Carer and Family Collaborative (EPUT's Citizens Panel) launched in November 2022. This collaborative is a steering group which is public facing and will feed directly into the Patient and Carer Experience Group.
- 'Your Voice' meetings chaired by our governors continue to give a voice to the public and our membership. Topics discussed in 2022/23 included the new Strategy; Working with People and Communities; Co-production: Time to Care and much more.

- 'You Said We Did' continues to be used and feeds into the Lessons team.
- The CQC National Community Mental Health Survey published in October 2022.

With 1,250 service users invited to take part and 238 completed the survey 20% response rate (27% in 2021). The Trust when compared with all other trusts was 'about the same' on 21 questions; 'somewhat worse than expected' on 2 questions; and 'worse than expected' on 7 questions. There was no significant change in the Trust findings for 2022 when compared to 2021, with the exception question 12: How well does the person organise the care and services you need? (7.6, against the 2022 National Average of 8.2).



The Trust's focus areas for 2023/24 are: care planning; care coordination; integration of mental health and physical health services; feedback; and additional support beyond healthcare services.

The full report can be found on the Care Quality Commission website at: All Files - NHS Surveys

- Patient Advice and Liaison Service (PALS) and Complaints is fundamental in giving the people and communities that use our service a platform for being heard and seeking improvements. This year we have made fundamental changes to the way we handle complaints, following a comprehensive review through coproduction with services, service users and complainants. The new process launched in January 2023 and we are already seeing significant improvement in our ability to respond and resolved complaints, with a 35% reduction in the average response time. The Trust remains focused on embedding the new processes and continuous improvement in this area.

The Complaints and Compliments Annual Report 2022/23 is available on our website: https://eput.nhs.uk/contact/complaints-compliments/

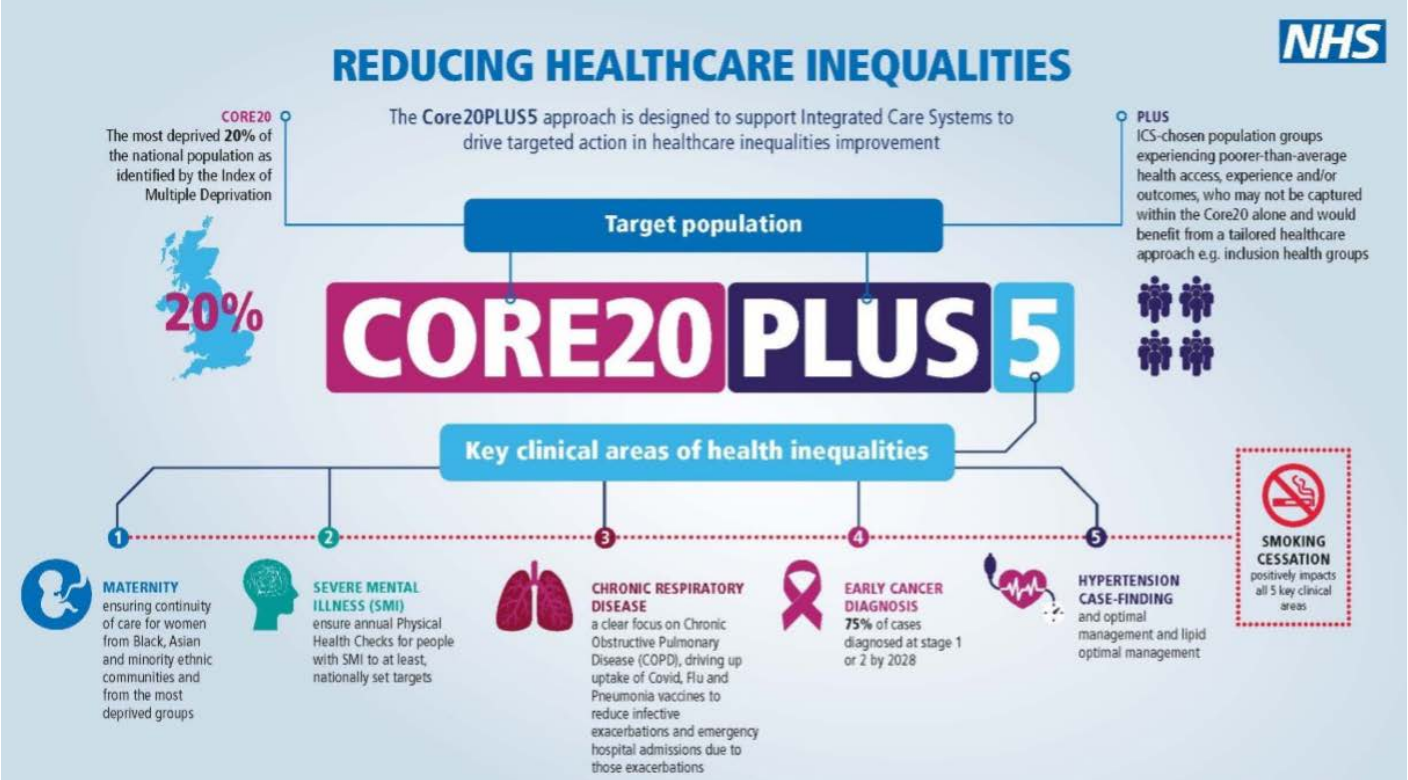
Within the year seven new cases were referred to the Parliamentary and Health Services Ombudsman (PHSO) where the complainant was dissatisfied with the response received from the Trust. Five cases were closed with no further investigation after assessment by the PHSO; one referral is awaiting an initial assessment; and one case is under investigation.


NHS
Essex Partnership University
NHS Foundation Trust
Blessing
Freedom to Speak Up Guardian
f2su.eput@nhs.net

Equality of service delivery

Core20Plus

The Mid and South Essex Integrated Care Board is a Core20Plus accelerator site for the National Health Inequalities team, in which EPUT is a key partner. Together as system partners, we are delivering a program of work to address health inequalities for people living with severe mental illness (SMI) by improving the take-up, completion, and onward referrals for annual health checks. The data tells us that people with SMI die prematurely, and we hope that by improving the take-up of physical health checks we will increase the life expectancy for people living with an SMI in Essex.



Patient and Carer Race Equality Framework

EPUT joined the pilot project for NHS England's National Patient and Carer Race Equality Framework (PCREF) in October 2022, with a commitment to address inequalities of access, experience, and outcomes for our racialised communities.

Given the size, complexity and variety, of areas covered within the scope of the PCFREF the Trust is initially focusing on issues around 'Sectioning for Black Men from the Criminal Justice System'. The Mental Health Act dashboard demonstrates a significant disproportionality in this group, highlighting a number of complex and intersectional issues for both health and social care and we will look to work collaboratively with Southend City Council; the Youth Justice Board; and with local service user groups to effectively co-design culturally appropriate solutions together.

More information about the PCREF and alignment to the national Advancing Mental Health Strategy is available at: https://www.england.nhs.uk/publication/advancing-mental-health-equalities-strategy/

Equality monitoring policies

We currently adhere to the Equality Monitoring Policy and Procedure (CP27 and CPG27 respectively). This shows the Trust's commitment to support the implementation of the national requirements on ethnicity monitoring (DSCN 02/2001, DSCN 03/2001 and DSCN 21/2000), in which the ethnicity of our service users and staff are recorded based on key ethnicity groups. This also includes the Sexual Orientation Monitoring Standard (a non-mandated standard that requests we record sexual orientation in a similar standard) to ensure that the way we request this data from staff and patients is done in an inclusive manner.

Accessible Information Standard (AIS)

The Accessible Information Standards require all NHS and adult social care systems to have a consistent approach to identifying, recording, flagging, sharing and meeting the needs of anyone accessing our services. It is part of our induction for all new staff, and information is available for all staff on the Trust intranet.

Faith and chaplaincy services

We have worked closely with our chaplaincy services throughout this period, in particular providing guidance on how staff members can observe their faith and spirituality. Our

Chaplaincy Service have supported us in providing guidance in how we as a Trust can best support the spiritual and faith needs of those accessing our services.

Interpreting and translation services

The Trust has a contract in place with Language Empire to provide interpreting and translation services for our patients and service users. Supplying our service users with translation / interpreting helps bridge any language or cultural gaps between our patients and their healthcare providers. It also allows service users to communicate accurate information to clinicians and practitioners.

Equality impact assessments

The Trust has processes in place to ensure that equality impact assessments are completed for all policies and key decisions, to good quality standards. This includes all decision-making processes and proposals presented to official committees. We are currently working to improve this model to make it easier to access, understand and complete by staff, as well as making it a mandatory part of submission to Trust Board.

Overseas operations

The Trust did not undertake any overseas operations during the year 2022/23.

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

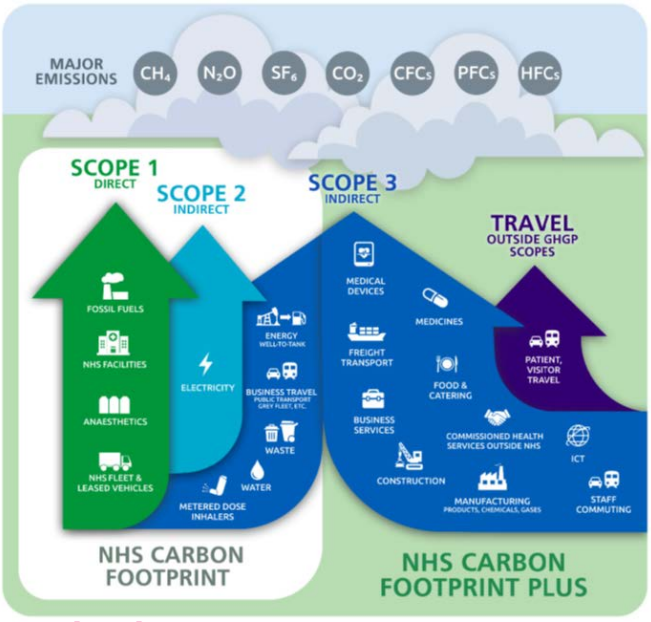
Leadership and engagement

The Trust is committed to reducing the impact of its operations on the environment and to achieving its responsibilities under the delivering a 'Net Zero' NHS. The Trust will adopt the overarching principles and practices in the next iteration of the National Adaption Programme and the NHS England Standard Contract 2023/24. The Trust continues with is sustainability journey as outlined in its Green Plan (2021 to 2023).

Sustainability and environmental stewardship remains a high priority within the Trust and is represented at Board level by Manny Lewis, Non-Executive Director and Trevor Smith, Chief Finance Officer. The Board is supported by a senior director estates & facilities, an associate director of estates and a head of sustainability.

The Trust recognises and acknowledges its duties as part of the NHS public health and care system to contribute towards the 'Net Zero' targets set in 2020 for the reduction of 'Green House Gas Emissions:- Scope 1 and 2' by 80% for emissions directly produced from the Trust's operations by 2028 – 2032 and net zero by 2040 (Diagram 1). The Trust continues with its long-term commitments to support the reduction of 'Scope 3 indirect emissions from third parties (staff, patients & supply chain)', which have longer term targets for emissions reduction.

Diagram 1: Greenhouse gas emissions by activity / scope



Staff engagement in sustainability agenda

The Trust has witnessed an increasing appetite by its staff, patients, visitors and the supporting supply chain to engage and drive forward the Trust's sustainability agenda and the aspirations set out in our Green Plan. Individuals and teams are engaged with our Green Champions network which seeks to raise awareness of the Trust's activities in reducing its impact on the environment and to make suggestions for enhancing the Trust's sustainability credentials. Through the Trust's internal and external sustainability networks staff and volunteers have contributed to the restoration and creation of suitable spaces for patients, visitors and staff to enjoy, creating an environment for promoting wellbeing and mindfulness promoting a positive attitude towards mental health wellbeing. The Trust continues with its commitment to create spaces and opportunities for staff, patients and visitors to connect with the immediate environment and urban nature.

Employment practices and supporting the workforce

Further details of the staff engagement activities the Trust undertakes to support its workforce including the Trust's commitment to staff wellbeing, are detailed in the Staff Report section of the Annual Report.

Resources, purchasing and waste

The significant increases in the cost of energy has brought into sharp focus the need to reduce the Trust's dependency on fossil fuels and to ensure action is taken to prevent waste across is operations. The Trust continues with is aspirations to decarbonise its properties, looking at developing, new and existing technologies to reduce its carbon footprint and the impact of its operations on the environment.

The Trust remains commitment to purchasing renewal energy through Crown Commercial Service, ensuring the Trust obtains best value for its purchases of gas and electricity. In support of the Trust long-term aspirations to decarbonise we continue with our strategy to support a Public Service Electric Vehicle charging network across Trust sites which supports the Trusts transition to electric vehicles, but also supports staff, patients and visitors in their aspiration to move to electric vehicles, with the corresponding reductions in CO2e emissions. The Trust has committed to undertake actions across its properties to reduce its consumption of energy, it includes but is not limited to the installation of LED lighting, ground and air source heat pumps. The Trust continues with the operation of its photovoltaic system and is looking to extend many of these technologies across its Estate.

The Trust continues to evaluate its properties for opportunities to improve energy efficiency and the use of alternative technologies, the following properties have been surveyed: Thurrock Hospital, St Aubyn's Centre Colchester, Crystal, Edward and Linden Centre in Chelmsford to evaluate the opportunities for the installation of ground and air source heat pumps and photovoltaic system. The Trust has commissioned an independent review of its property portfolio (6 Facet Survey) which will review amongst other things sustainability and environmental management within the Trust. The survey will be used by the Trust to identify strategic and operational priorities required amongst other things to improve the Trusts performance in sustainability and environmental management. The Trust has a target to decarbonise its Estate by 2045 and is currently formulating plans to achieve this objective. The Trust is to explore capital funding opportunities to facilitate the Trusts transition to a decarbonised Estate.

Energy – direct consumption

The previous 12 months (2022/23) have seen unprecedented increases in the costs associated with the purchase of gas and electricity, which is forecasted to continue for the financial year 2023/24 with an estimated increases in energy costs predicted at 30%. Whilst the cost of energy has significantly increased, the Trusts through its partnership with Crown Commercial Services only purchases renewable electricity, which makes a significant contribution to the Trust commitment to reduce greenhouse gas emissions. Further reductions in emissions will be achieved as the Trust progresses with its decarbonisation plans, however, it should be noted that these are long-terms plans which form part of the Trusts overarching estates strategy for the reduction of greenhouse gas emissions.

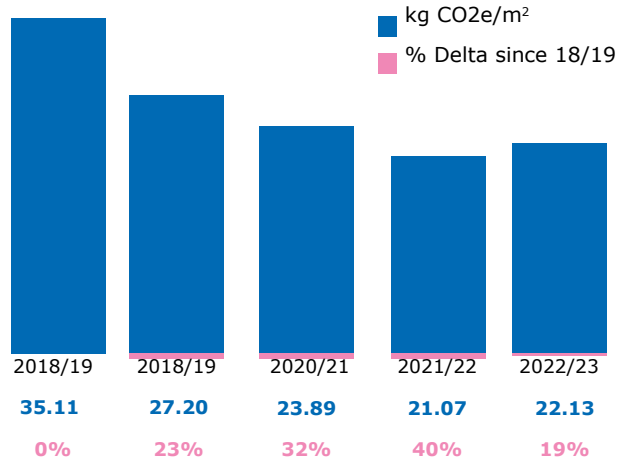
Table 3 below depicts the Trust energy consumption from a base line year of 2018/19. It should be noted that as a results of the Trusts decision to purchase renewable energy and to transition to electrification, whilst increasing the costs associated with the purchase of electricity will not result in a corresponding increase in greenhouse gas emissions, this is one of the positive contributions to reducing the Trusts impact on the environment.

Table 3: Energy – direct consumption (kW

	Collection				
	Occupied Floor area (m²)	Total Electricity Consumed (kWh)	Gas consumed (kWh)	Renewable Energy - Electricity (kWh)	Site energy consumed per occupied floor area (kWh/m²)
2018/2019	146,180	7,319,779	16,651,433	4,121,485	164
2019/2020	141,254	7,773,231	17,122,441	6,745,958	176
2020/2021	139,913	5,996,494	14,857,677	4,985,055	149
2021/2022	139,914	7,645,126	14,191,374	7,645,126	156
2022/2023	139,664	7,140,470	14,872,663	7,140,470	158

Table 3 above shows a small reduction on electricity consumption, and an increase in gas consumption, which has resulted in a small increase in greenhouse gas emissions as reflected in chart. Overall the Trust has maintained a 19% reduction in greenhouse gas emissions when compared to its base year of 2018/19.

Graph 2: Greenhouse gas emissions (CO2e) kg CO2e/m2 from base year



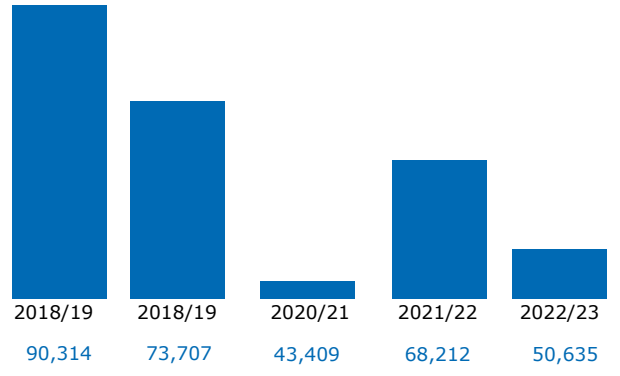
Water – direct consumption

The consumption of water and the production of waste water, both of which the Trust is charged for is a sustainability opportunity to be explored in the future with the support of the Trusts supply chain. The Trust is in the process of consolidating its water and waste water suppliers through Crown Commercial Service with a view to working in partnership with our providers to reduce the Trusts consumption of water and the corresponding reductions in waste water. The consolidation of the providers will ensure that the Trust obtains best value for the supply of water, but also provide a platform for the accurate collection of water and waste water data to allow the Trust to undertake targeted activities to reduce water consumption.

Graph 3 below provides details of water consumption by the trust (The data for water/ waste water is fragmented and often based on estimated usage, notwithstanding billing cycles).

Graph 3: Water consumption

Water Consumption (cu.m)



Note: The decrease in consumption for 2020/21 year is largely due to lockdown from the pandemic and the work from home directive.

The Trust remains committed to reducing its impact on the environment, and this includes undertaking activities to reduce water consumption and the production of waste water.

Due to the contractual arrangements with the various water/waste water providers, the Trust is often shown as having 100% purchased water going to waste. Given that more often than not water consumption is estimated for the Trust, the corresponding waste water is also estimated and as such is not a true reflection of the Trusts water consumption and or the waste water produced.

Waste

The Trust continues with its activities to prevent, reduce, and recycle all forms of waste. The launch of the revised Health Technical Memorandum HTM 07-01 (2023) provides a clear framework for the management of waste and highlights opportunities for new perspectives on the management of waste including but not limited to committing to working with its supply chain to reduce waste encompassing the circular economy and the Trust's own recycling initiatives.

Diagram 2: Circular economy

Waste and the circular economy in action:

In 2022/2023 it is estimated that the Trust reused/recycled:

- **3,596** items of Technology WEEE waste (electrical & electronic equipment) recycled and or repurposed, diverting 215,000 kg of electric waste from landfill.
- **122,687 kg** of paper waste has been diverted from landfill and recycled producing 145 tonnes of recycled fibre for use in other products.

The Trust continues with its use of the Warp-It recycling platform, an online facility for staff and managers to advertise the availability of surpluses items for redistribution across the Trust, facilitating the repurposing and use of existing resources. For the year 2022/23 20

items were reused/repurposed, resulting in 1,214 kg of waste being diverted from landfill.

Supply chain impact

The Trust is in the process of tendering for its waste management services, the tender specification incorporates a significant number of activities to reduce waste to landfill, segregation and recycling of waste to reduce the impact of the Trust's activities on the environment.

The Trust in working with its supply chain to reducing the impact of its activities on the environment and those of its supply chain partners. To this end the Trust works with the supply chain to identify opportunities to support the decarbonisation of its supply chain, for example by encouraging the use of electric vehicles for the collection of waste from its properties.

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.

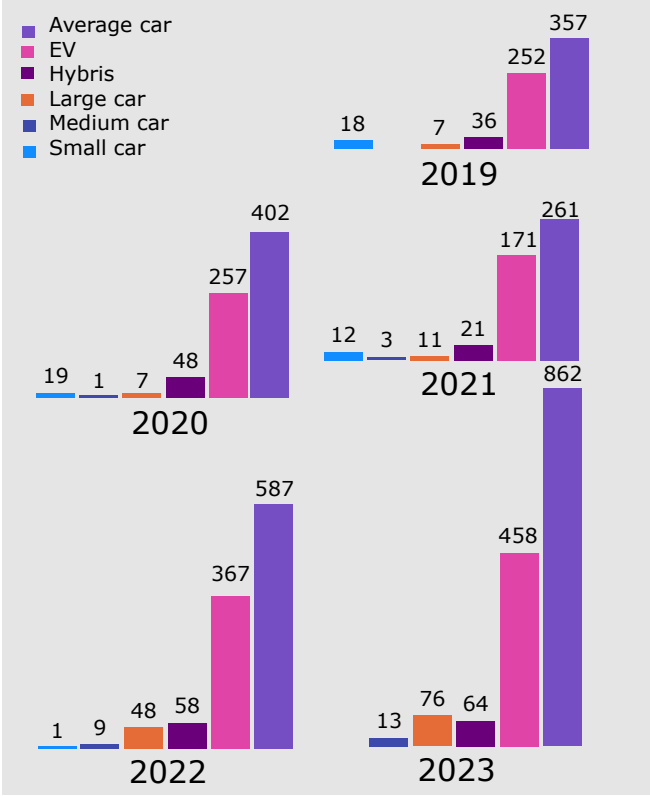
Travel

The Trust its staff, patients and visitors and the Trust supply chain undertake a significant amount of business related travel, which contributes to the amount of CO2e emissions attributed to the Trust's activities directly and indirectly. It is encouraging to see that the number of electric and hybrid vehicles used by staff in connection with Trust business activities has increased significantly from 50 vehicles in 2021/22 to 89 in 2022/23 a 43% increase in the use of these types of vehicle.

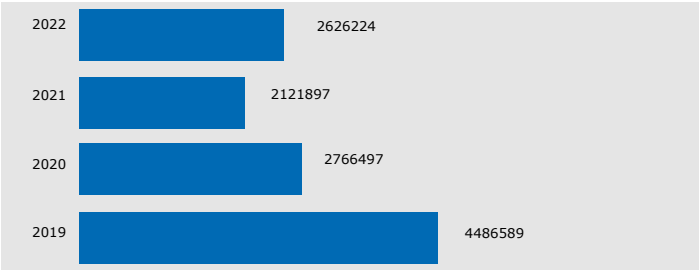
Table 4: Miles claimed by vehicle type and year

Year	Miles Claimend
2018	761,339.00
2019	4,486,589.00
2020	2,766,497.00
2021	2,121,897.00
2022	2,626,224.00
2023	399,357.00
Diesel	102,928.00
EV	4,029.00
Hybrid	22,593.00
Not specified	34.00
Petrol	34.00
Total	13,161,994.00

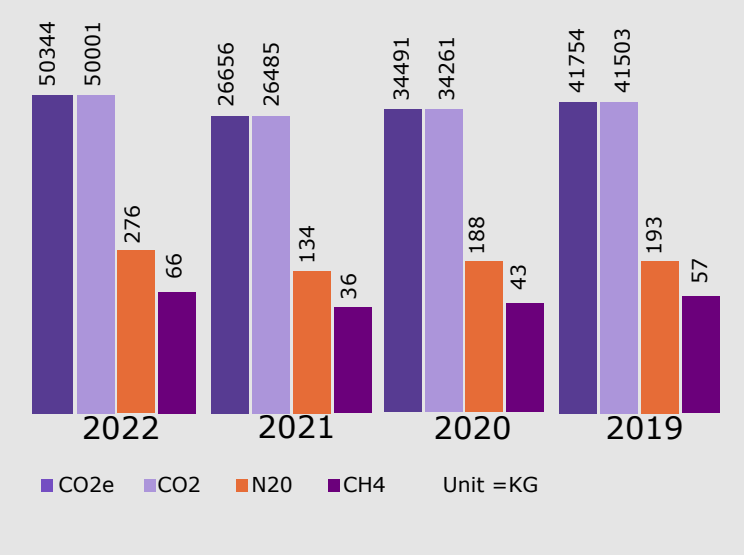
Graph 4: Number of vehicle by type and year



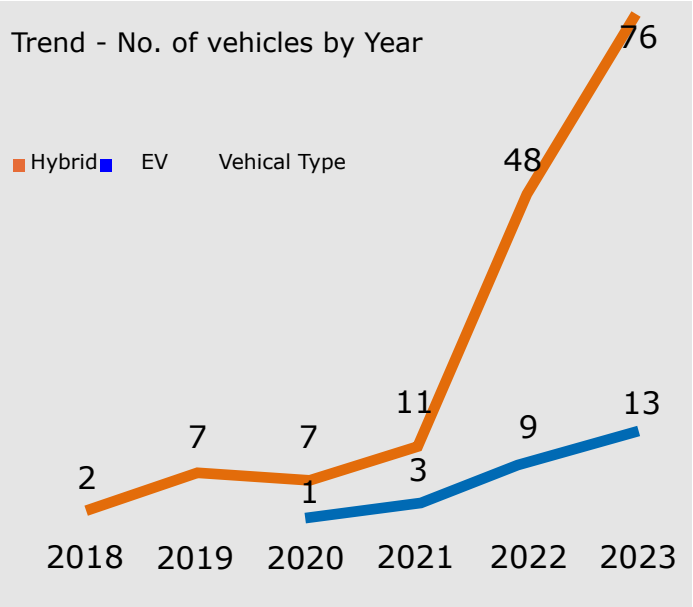
Graph 5: Miles claimed by year



Graph 6: Total emission by Year



Graph 7: Trend - No. of vehicles by Year



operational demands of the Trust in meeting patient needs, the predominate car of choice are small vehicles, which produce fewer vehicles emissions. Despite the increase in the number of vehicles used in connection with Trust business the overall business miles claimed has reduced, this trend appears to follow the Trust's commitment to holding virtual meetings.

The Trust remains committed to reducing its impact on the environment and has as a result facilitated a number of actions designed to reduce vehicle emissions. These actions include, but are not limited to replacing physical meeting attendance with virtual meeting; facilitating staff remote working; the provision of an electric vehicles charging infrastructure at some of its main sites to support staff and patients using electric vehicles; the Trust commitment to transition to an electric vehicles fleet; and through its contractual tendering processes the Trust works with the supply chain to reduce the number of vehicle journeys and transition of the supply chain to electric vehicles.

Notwithstanding the above, the Trust supports active travel, cycle purchase scheme, the use of public transport and other related activities to reduce vehicle journeys and to promote staff, patient and visitor wellbeing.

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 strategic objectives influence the way we promote equality diversity and inclusion (EDI) within the Trust, enabling each other to be the best we can, helping our communities thrive requires us to understand the experiences of those from marginalised groups both in our workforce, and in the localities we serve.

EPUT uses the TRAC online system to ensure that application and shortlisting for any position prevents potential unconscious-bias. 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. For senior positions (above NHS agenda for change band 8a grading), inclusion ambassadors are also part of this panel; Staff network volunteers providing lived experience as part of the interview.

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.

As a Trust we work to reduce the gender pay gap for our employees, and publish our reporting for this on our website https://eput.nhs.uk/about-us/equality-and-diversity/slavery

Supporting disability and long term conditions (Disability Confident)

At present, approximately 6.35% of our workforce have declared themselves as disabled or living with a long-term condition. We encourage staff to list any disabilities or long-term conditions on their Electronic Staff Record when joining the Trust (if they are comfortable in doing so). We use a range of measures to ensure that people with disabilities are treated fairly, both when seeking employment with us and during their employment with us:

- Robust recruitment processes that guarantee applicants with disabilities an interview if they meet the minimum criteria
- Online and offline resources as part of our EDI Hub, including advice on how to ensure employees are supported in the workplace
- A dedicated disability, mental health and long-term conditions Staff Equality Network, open to all members of EPUT staff
- Reasonable adjustments passports to help their managers better understand their needs and encourage regular updates to ensure these adjustments are still beneficial. These are part of Trust Policy and Procedure, with training tools for staff and their supervisors to support implementation
- Secure job offers before any health information is requested, adjustments can be put in place without formal diagnosis
- Observing awareness events, and promoting the contributions and achievements of our Disability and Mental Health Network.

In 2023, our Disability and Mental Health Network achieved the government's Disability Confident Leader status (Level 3), meaning we pledged to take action regarding the employment, retention, training and career development for disabled employees, including:

- To interview all disabled applicants who meet the essential criteria for a job vacancy as part of a guaranteed interview scheme
- To support those with disabilities in the workplace via reasonable adjustments
- To raise disability awareness in all staff in order to make these commitments work
- To review these commitments and develop ways to improve the support we provide for people with disabilities.

EPUT are proud to be a signatory to the Charter for Employers who are Positive about Mental Health. Mindful Employers support mental wellbeing at work, increase awareness of mental health, demonstrate commitment to the mental wellbeing of all staff.

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 have observed LGBTQ+ History Month and LGBTQ+ Pride month, with articles from staff volunteers and positive messaging throughout both
- We have supported staff in requesting badges or ID cards with their pronouns listed
- We train our staff to both understand key concepts in sex and gender identity, as well as respecting a patient or colleagues' pronouns and gender identity in the workplace
- The NHS Employers LGBTQ+ Inclusion Framework has been used by the Network to identify areas for improvement.

Race equality

At present 26.7% of our staff are black, Asian or from a minority ethnicity (BAME). We are aware that our Workforce Race Equality Standard results show a need for improvement, in particular action to mitigate bullying and harassment reported by staff, which has not improved from previous years and is higher than average benchmarking figures for 2022.

In response to this, we launched the No Space for Abuse campaign in EPUT in collaboration with Essex Police and our Violence and Aggression Prevention and Reduction (VAPR) team. These both provide staff with guidance on how to report racism or any form of discriminatory behaviour, as well as clear messaging that this is not accepted from people accessing our services. In addition, to provide staff affected by racial and violent abuse support, a new debrief process has been implemented for managers and senior staff in the inpatient units, encouraging a wellbeing check and support for those affected by racist or discriminatory behaviour. We are also developing a Racial Abuse Steering Group within the organisation, involving senior leaders across the Trust to implement solutions. We as an organisation have also signed Unison's Anti-Racism Charter and are part of Mid and South Essex ICS's Anti-Racism Strategy.

We as an organisation are also working to improve career progression opportunities within the organisation, and our RISE program (designed to enhance BAME staff confidence with topics including leadership skills and emotional intelligence), is a strong example of an equitable approach in EPUT.

Future priorities and actions

Involvement of the executive team to promote equality, diversity and inclusion (EDI) at a senior level is a crucial first step in driving the actions on our Workforce Race Equality Standard and Workforce Disability Equality Standard action plans and the Equality and Inclusion Strategy. We need to build upon our existing data sources to ensure we are responding to trends, achieving our KPI's and addressing hotspot areas where discriminatory behaviour is an issue.

The first steps of this would begin with improving the quality of our Electronic Staff Record data, promoting the completion of this with new starters in the organisation to ensure EPUT's demographic data is robust. This data and the investment from our senior leads will allow us to address disproportionate levels of bullying and harassment reported in the PSED, as well as similar findings in our Workforce Race Equality Standard and drive positive changes throughout the year as part of our Equality and Inclusion Strategy / Workforce Disability Equality Standard Action Plans. Developing a Racial Discrimination Steering Group with key stakeholders from across the Trust committed to driving this agenda will be a vital step in ensuring this is engaged by the entire organisation.

We will also work alongside system partners and our own Recruitment and Employee Relations teams to ensure that our Recruiting and Hiring processes are inclusive and in line with NHS England's "No More Tick Boxes" guidance. Removing potential systemic discrimination from our Employee Relations processes. We also are focussing on retention of staff across all demographic groups, with it being a key element of the People Strategy.

To develop an inclusive culture in line with our Trust Behavioural Framework an EDI training offer available to all staff has been proposed, as well as developing specific guidance aimed at middle-managers in the organisation to promote inclusion. We are currently commissioning a mandatory Transformational Cultural Programme focussed on our Leaders (L50 / L300).

Financial review

Overview

This part of the Performance Report provides a commentary on the financial performance of the Trust. The Trust's annual report and accounts cover the period of 1 April 2022 to 31 March 2023, and have been prepared in accordance with directions issued by NHS England (NHSE) 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

For the 2022/23 financial year, the Trust submitted a balanced financial plan with a total efficiency requirement of £17.3 million. Against this plan, the Trust ended the financial year with an adjusted surplus of £96k.

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

Table 5: Summary of Statement of Comprehensive Income

	2022/23 £000	2021/22 £000
Total Income	520,987	457,170
Operating Expenses	(518,259)	
Finance Costs / Other Gains and Losses	(2,845)	(6,498)
Reported Deficit for the year*	**(117)**	**(4,184)**
Exclude: I & E Impairments / (Reversals)	96	4,114
Exclude: Local Government Pension Scheme	111	104
Exclude: Depreciation on Donated Assets	5	4
Adjusted Surplus / (Deficit) for the year	**96**	**38**

* 2021/22 deficit includes impairments of £4.1m.

Income from healthcare activities

Total income from all sources was £521 million, of which income received from patient care activities totalled £487.2 million with other income of £33.8 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).

Total income increased by £63.8 million from the previous financial year including:

(i) £17.9 million additional income from its role of lead Provider for adult secure mental health services across the East of England from July 2021. Income received in relation to this increased from £66.2 million in 2021/22 to £84.1 million in 2022/23.

(ii) The Trust also received £10 million additional investment in mental health services to support delivery of mental health investment standards.

(iii) A further £11.6 million of income from NHS England is included in respect of the pay award offer for 2022/23

The Trust's income includes:

- £15.6 million in respect COVID-19 related expenditure and
- £5 million to support the cost of the mass vaccination programme.
- The Trust's income also includes two notional sums of £12.3 million relating to the increase in employer's pension contributions from 14.3% to 20.6%, which were paid centrally,

and £0.3 million relating to the value of centrally provided personal protective equipment.

Operating expenditure

The total operating expenditure of the Trust for 2022/23 was £518.3 million. The largest area of spend related to staff costs of £357.7 million (69%), a 14.8% increase on previous year.

Expenditure also increased due to the full year effect of the Trust becoming lead provider for adult secure services, further investment in mental health services by the ICB and the impact of additional pay awards for 2022/23. During the year the Trust updated cost provisions relating to the Inquiry.

Efficiency and income generation initiatives

The Trust successfully achieved savings of £13.6 million through a combination of both recurrent and non-recurrent measures.

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 2022/23 financial year, the Trust paid dividends of £5.4 million, with a debtor balance of £0.1 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.

As a result of the implementation of the International Financial Reporting Standard on leasing (IFRS16) with effect from 1 April 2022, the Trust also paid finance costs in respect of the right of use assets of £0.4 million during the year.

Other gains and losses

Within the Statement of Comprehensive Income, the Trust is reporting other gains of £3.3 million which includes an increase of £0.7 million in the value of investment properties held by the Trust. A further gain of £2.7 million is included from the release of a legacy covenant held by the Trust following the closure of the former Secretary of State owned site at Runwell, Wickford.

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 2022/23 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 resulting from an increase in the value of scheme assets during the year. The plan is now recording a net defined asset of £0.6 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 £0.7 million in 2022/23. This increase is reported as part of the Statement of Comprehensive Income.

Impaired value of land and property

During 2022/23, the Trust incurred a small impairment of £0.1 million following the completion of major works at Basildon Mental Health unit to eliminate dormitory style accommodation and develop a mental health urgent care department. This has been charged as part of operating expenditure within the Statement of Comprehensive Income.

Following the full revaluation of the Trust estate undertaken in 2021/22, an assessment of the remaining estate has also been undertaken, which confirmed that these values have not materially changed.

Table 6: Summary of Statement of Financial Position

Summary of Statement of Financial Position	2022/23 £000	2021/22 £000
Non-Current Assets	291,257	243,815
Current Assets (excluding cash)	33,508	16,756
Cash and Cash Equivalents	65,941	77,417
Current Liabilities	(84,637)	(72,522)
Non-Current Liabilities	(72,726)	(34,664)
Total Assets Employed	**233,343**	**230,802**
Total Assets Employed	**233,343**	**230,802**

Capital expenditure

During the year, the Trust invested £14.3 million on capital expenditure, of which £2.5 million was funded from Department of Health Public Dividend Capital. The Trust continues to heavily invest to improve facilities, estates, digital infrastructure and equipment requirements. Investments are prioritised on a risk based approach with clinical and operational leadership driving these priorities. The total capital spend for the year included the following:

- £2.3m on the development of a mental health urgent care department at the Basildon Mental Health unit
- £2.6m on ward refurbishments including Christopher Unit, Woodlea and completion of eliminating dormitory project at the Basildon Mental Health unit
- £2.5m on patient safety and ligature schemes including access controls, seclusion rooms and dementia safety improvements
- £1m to address backlog maintenance across the estate
- £1.1m on health and safety schemes including fire safety works, CCTV and door alarms
- £3.8m on ICT including investment in clinical systems
- £0.6m on other improvements to Trust estate
- £0.3m on medical equipment replacement
- £0.1m on sustainability projects and fleet replacement.

Within non-current assets on the face of the Statement of Financial Position, the Trust now holds intangible assets, plus property, plant and equipment totaling £230.6 million as at the end of March 2023.

Right of use assets

In addition to property, plant and equipment, a further £41.3 million of right of use assets are also held within non-current assets following the adoption of IFRS16 (International Financial Reporting Standard) from April 2022.

This new accounting standard transitioned a number of leases previously classified as operating leases and expensed through the Statement of Comprehensive Income, on to the Statement of Financial Position as a right of use asset, with a subsequent lease liability also created.

In line with other property, plant and equipment, the right of use assets are depreciated in-year which is charged to the Statement of Comprehensive Income within operating expenses, with the Trust also incurring an interest charge on the lease liability, which is charged as part of finance expenditure.

Investment property

The Trust holds a number of investment properties within the classification of non-current assets totalling £18.6 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 2022/23 financial year, the Trust held one asset in preparation for disposal. This relates to number 4 The Glades based in Bedfordshire. This was revalued during the year, and increased in value by £25k. In line with accounting guidance, this was charged into the Statement of Comprehensive Income as a reversal of a prior year impairment.

Working capital and liquidity

The Trust has robust cash management and forecasting arrangements in place, which are further supported by a Finance and Performance Committee. This Committee was chaired by a non-executive director, and included further non-executive directors 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 and has maximised interest generated from cash management activities by placing longer term investments with the National Loans Fund (a government bank). During the year the Trust earned interest of £1.6 million which has been reinvested into patient care, and ended the year with a working capital position of £14.8 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

Table 7: Performance on creditor payments 2022/23

	NHS		Non-NHS		Total	
	Number of Invoices	Value £000	Number of Invoices	Value £000	Number of Invoices	Value £000
Invoices paid within 30 days	885	36,666	103,885	214,877	104,770	251,542
Invoices paid in excess of 30 days	497	18,201	9,269	23,006	9,766	41,208
Total invoices that were or should have been paid in 30 days	**1,382**	**54,867**	**113,154**	**237,883**	**114,536**	**292,750**
	64.0%	**66.8%**	**91.8%**	**90.3%**	**91.5%**	**85.9%**

- 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 2022/23 financial year is detailed above.

During the year the Trust was impacted by a national cyber incident and Trust continues to focus to ensure suppliers are paid quickly and in accordance with the policy. The Trusts combined performance on the payment of suppliers is 91.5% based on the number of invoices. Comparable performance on the payment of non-NHS suppliers was 91.8% and for NHS suppliers, 64%.

During the year, the Trust incurred actual interest charges on the late payment of invoices of £765 compared to £316 in 2021/22. This compares to a potential interest charge on those invoices not paid within the 30 day period of £550k (2021/22: £221k), 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 2022/23, the Trust holds Public Dividend Capital of £141.6 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 Trust's estate. The total of these represents the level of taxpayers' equity in the Trust of £233.3 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 113 to 126 of the 2022/23 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 48 to 59.

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.

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/.

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 2022/23 financial year, at their meeting in March 2023.

A copy of the charity's Annual Report and Accounts for 2022/23 will be available from January 2024 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 2022/23.

Financial risk management

The Trust's financial performance is assessed by NHS England, based on the NHS Oversight Framework. This framework looks at six 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
27 June 2023

ACCOUNTABILITY REPORT

DIRECTORS' REPORT

The Directors' report comprises the details of the individuals undertaking the role of director during 2022/23 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.

PROFESSOR SHEILA SALMON,
TRUST CHAIR
APPOINTMENT: 01 November 2017

TERM OF OFFICE: Expires 31 October 2023

A voting member of the Board, 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

A voting member of the Board, 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 improvement in areas such as clinical decision support, shared decision making and the delivery of evidence based medicine.

More recently, he helped Health Navigator implement its innovative tele-coaching model as their Chief Operating Officer / Chief Medical Officer and now provides freelance consultancy to healthcare organisations country-wide.

DR. MATEEN JIWANI,
NON-EXECUTIVE DIRECTOR / SENIOR INDEPENDENT DIRECTOR (FROM NOVEMBER '22)
APPOINTMENT: 18 January 2021

TERM OF OFFICE: 18 January 2024

A voting member of the Board, 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

A voting member of the Board, 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

A voting member of the Board, 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 and is president of the Royal Society of Medicine's Digital Health Council. 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 (Stepped down on 31 October 2022)

A voting member of the Board, 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 (UP TO END SEPTEMBER '22)
APPOINTMENT: 01 October 2017

TERM OF OFFICE: 30 September 2022 (Stepped down on 30 September 2022)

A voting member of the Board, 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.

JANET WOOD,
NON-EXECUTIVE DIRECTOR / CHAIR AUDIT COMMITTEE
APPOINTMENT: 01 October 2017

TERM OF OFFICE: 30 September 2023

A voting member of the Board, 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.

PROFESSOR STEPHEN HEPPELL,
NON-EXECUTIVE DIRECTOR
APPOINTMENT: 01 November 2022

TERM OF OFFICE: 31 October 2024

A voting member of the Board, Stephen was a school teacher for more than a decade and a professor since 1989, he has worked, and is working, with learner led projects, with governments around the world, with international agencies, Fortune 500 companies, with schools and communities, with his PhD students and with many influential trusts and organisations.

JILL AINSCOUGH,
NON-EXECUTIVE DIRECTOR
APPOINTMENT: 01 November 2022

TERM OF OFFICE: 31 October 2025

A voting member of the Board, Jill was a Board Member and Chief Operating Officer at Ofcom, responsible for projects such as spectrum management for the London 2012 Olympic Games and the refresh of IT systems when Ofcom was formed from five legacy regulators.

Prior to this, she was Managing Director at telecoms networking company Easynet Group plc until its sale to BskyB in 2006.

Jill has served as a Non-Executive Director since 2007, with Sport England, the Football Association and for nine years at the BMJ, the publishing arm of the British Medical Association amongst others. She has chairs a variety of Audit and Remuneration Committees.

ELENA LOKTEVA,
ASSOCIATE NON-EXECUTIVE DIRECTOR
APPOINTMENT: 01 March 2023

TERM OF OFFICE: 31 March 2024

A non-voting member of the Board, Elena's executive career was in the private equity. At SI Capital she was a partner responsible for financial and legal affairs of the firm, lead international teams handling acquisitions and exits across continental Europe and the Middle East. She also worked as a restructuring CEO in portfolio companies.

Elena has more than twenty years of board level experience in executive, and non-executive capacities. Her current NED portfolio includes North Middlesex University Hospital NHS Trust and Northampton General Hospital NHS Trust.

Elena has seven years of front line and board level volunteering at mental health charities, including Bipolar UK, Herts Mind and St Andrew's Healthcare

Elena is a qualified accountant and a Fellow at the Chartered Institute of Management Accountants

PAUL SCOTT,
CHIEF EXECUTIVE OFFICER
APPOINTMENT: September 2020

A voting member of the Board, 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.

Paul represents mental health and community services at the MSE Integrated Care Board.

ALEX GREEN,
CHIEF OPERATIONS OFFICE
APPOINTMENT: December 2020

A voting member of the Board, Alex 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.

Alex represents EPUT on the Herts and West Essex Integrated Care Partnership.

PROFESSOR NATALIE HAMMOND,
EXECUTIVE DIRECTOR OF NURSING
APPOINTMENT: August 2017

A voting member of the Board, 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

A voting member of the Board, 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

A voting member of the Board 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 30 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

A voting member of the Board, Trevor has worked as an executive director across a range of NHS services for more than 22 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, estates and facilities.

ZEPHAN TRENT,
EXECUTIVE DIRECTOR OF STRATEGY, TRANSFORMATION AND DIGITAL
APPOINTMENT: April 2022

A non-voting member of the Board, Prior to joining EPUT Zephan was Director of Strategic Transformation / Locality Director at NHS England, where his responsibilities included the regional mental health programme, the regional learning disability and autism programme, Integrated Care System development, and Strategic change.

Zephan has a wide range of experience from senior roles in the NHS including strategy and policy development, strategic finance, transformation, analytics and business intelligence (information).

Zephan has a wide range of experience from senior roles in the NHS including strategy and policy development, strategic finance, transformation, analytics and business intelligence (information).

Zephan represents EPUT on the Suffolk and North East Essex Integrated Care Partnership.

DENVER GREENHALGH,
SENIOR DIRECTOR OF CORPORATE GOVERNANCE
APPOINTMENT: February 2022

A non-voting member of the Board, Denver has worked in the NHS for more than 25 years. She began her career as a newly qualified podiatrist and then, working as a senior clinician specialised in clinical biomechanics.

Her first leadership role was a District Chief Podiatrist in 2002, since then she has worked in operational management and leadership roles in both community and hospital based services.

Denver has an MSc in Integrated Healthcare Governance and has been a Director of Governance for the past 8 years. Prior to joining EPUT was Director of Governance at East Suffolk and North Essex NHS Foundation Trust.

Between October 2022 and 31 March 2023, acting executive director of people and culture (Marcus Riddell) provided leadership to the People and Culture agenda.

All Board members are required to disclose their relevant interests as defined in our constitution. These are recorded in a publicly 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 by emailing 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 Foundation Trust's gains and losses, cash flow and financial state at the end of the financial year.

NHS England 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 England
- 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.

We have continued to embed and mature the Accountability Framework, introduced in 2021/22, 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 throughout 2022/23 we continued to mature this approach.

In 2023/24 we plan to commission an independent review against the Well Led Framework. The Care Quality Commission undertook a well led inspection of leadership and governance in January 2023 and whilst the final report is awaited any recommendations for improvement will be included in the work plan for 2023/24.

The Annual Governance Statement (pages 94-103) 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.

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), Non-Executive Directors (including the Chair) and any other director in attendance at Board meetings.

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 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 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 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 2022/23

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

- Approval of a 3% inflationary uplift to the Remuneration of Executive Directors backdated to the 1 April 2022.

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

- A 3% inflationary uplift to be applied to the remuneration of the Non-Executive Directors, including the Chair.

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 FT

27 June 2023

Senior managers remuneration policy

Remuneration package components

The Executive Directors' (including the Chief Executive) remuneration package consists of salary and the entitlement to NHS pension benefits or a Retention Bonus Scheme should they have reached their Life Time Allowance and opted to withdraw from the NHS Pension Scheme.

The CEO remuneration package includes an annual earn back component which the Remuneration and Nomination Committee will be required to authorise on a quarterly basis. Executive Directors pay is inclusive of other payments such as overtime, long hours, on-call and stand by and therefore do not feature in Executive Directors' remuneration. Non-Executive Directors (including the Chair) are remunerated for an agreed number of days work per month. There is no entitlement to the NHS pension scheme.

Remuneration package

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 seven Executive Directors on Very Senior Manager (VSM) terms and conditions who are currently paid more than £150,000. In November 2021 a rebasing exercise was undertaken of executive director pay base 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. Yearly objectives are set and monitored internally to ensure the continuation of these salaries. We believe they are a fair and competitive salary rate to support succession planning.

Remuneration package framework Executive Directors (including the Chief Executive)

The Trust follows the NHS England's guidance on pay for Very Senior Managers (VSMs) in NHS trusts and foundation trusts issued in March 2018. Thus, for any new appointments above the threshold of £150k per annum, the provisions within that guidance relating to "earn- back" and performance pay bonuses aligned to achievement of objectives agreed by the Board have been enacted.

Executive Director contracts stipulate that if monies are owed to the Trust the post-holder will agree to repay them by salary deduction or by any other method acceptable to the Trust. The Trust may withhold payment in circumstances of unauthorised absence. This policy applies to all Executive Directors. For the 2022/23 financial year, there are no instances of monies owed to or by the Trust in respect of Executive Directors.

The Trust's Retention Bonus Scheme remains available and is in place where an individual has reached their Lifetime Allowance based on their NHS Pension entitlement and after seeking financial advice, and ceases to be an active member of the NHS Pension Scheme. The Trust will make a retention payment equal to 7.5% of an individual's annual basic salary (no allowances, on call supplements or other additional payments will be taken into account). This retention payment will be taxable and paid in two instalments of 3.75% six months in arrears of the 30 September and 31 March in each financial year ("a Qualifying Date") in the next payroll run after a Qualifying Date. Also as part of the Scheme the Trust will award an additional five days paid annual leave earned in arrears for each six months of continued employment (ten days maximum per financial year). This annual leave cannot, under any circumstances, be converted in to a cash payment; it must be taken and/or before the individual's employment ends.

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

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

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

Non–Executive Directors (including the Chair)

The remuneration policy for the Trust's Non-Executive Directors is to **ensure** remuneration is consistent with market rates for equivalent roles in foundation trusts of comparable size and complexity, taking account of the Structure to align remuneration for chairs and non-executive directors of NHS trusts and foundation trusts" published by NHS England, whilst maintaining the ability for Governors to set the remuneration levels of the Chair and Non-Executive Directors. The remuneration levels take 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.

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 periodical 360° appraisal feedback.

Annual report on remuneration

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), Non-Executive Directors (including the Chair) and those in attendance at the Board.

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.

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 Senior Director of Corporate Governance is the Committee Secretary. The Committee may commission independent professional advice if considered necessary. No consultants were commissioned during 2022/23 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 below.

Table 8: Board of Directors Remuneration and Nominations Committee Membership and Meeting Attendance 2022/23

Name	Role	Meetings Attended (actual/possible)
Sheila Salmon	Chair	5/5
Rufus Helm	Non-Executive Director	5/5
Mateen Jiwani	Non-Executive Director	4/5
Manny Lewis	Non-Executive Director	4/5
Loy Lobo	Non-Executive Director	4/5
Alison Rose-Quirie	Non-Executive Director	1/3
Amanda Sherlock	Non-Executive Director	3/3
Janet Wood	Non-Executive Director	4/5
Stephen Heppell	Non-Executive Director	1/2
Jill Ainscough	Non-Executive Director	1/2

The Committee was attended by the following individuals, who provided support and advice to the Committee during the year:

- Paul Scott, Chief Executive Officer
- Sean Leahy, Executive Director of People & Culture
- Denver Greenhalgh, Senior Director of Corporate Governance.

During the year, the Committee received independent HR advice from the head of workforce & organisational development, NHS England, East of England. The individual was appointed by NHS England, following a request from the Committee.

In addition to the considerations by the Committee listed under the Annual Statement of Remuneration on page 48, the Committee also:

- Received and noted the outcome of appraisals completed for the Executive Team (including the CEO), including the achievement of objectives and the establishment of new objectives for 2022/23.
- Received and noted the outcome of mid-year reviews completed for the Executive Team (including the CEO), including progress with achieving objectives for 2022/23
- Approved the secondment arrangements for the Executive Director of People & Culture to the Integrated Care Board (ICB), including acting-up arrangements during the period of absence.

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 2022/23. 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 below.

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

Name	Role	Meetings Attended (actual/possible)
Lara Brooks	Staff Governor	2/3
Peter Cheng (until June '22)	Public Governor	1/1
Dianne Collins	Public Governor	1/1
Pippa Ecclestone	Public Governor	3/3
Paula Grayson	Public Governor	2/3
John Jones	Lead Governor	2/3
Pam Madison	Public Governor	2/3
Tracy Reed	Staff Governor	2/3
Judith Woolley (until June '22)	Public Governor	1/1

In addition to the considerations by the Committee listed under the Annual Statement of Remuneration on page 48, during the year the Council of Governors Remuneration Committee:

- received assurance the end of year appraisal process for Non-Executive Directors for 2021/22 had been satisfactorily completed in line with the performance review process agreed by the Council of Governors
- received assurance that appropriate objectives for 2022/23 for the Chair and Non- Executive Directors were in place following the re-appointment of Non-Executive Directors
- Received and noted the plan to introduce the role of an Associate Non-Executive Director.

Table 10: Service Contracts: Executive Directors

Name	Role	Contract Start Date at Predecessor Trusts	Interim Board Contract Start Date	Substantive Board Contract Start Date
Paul Scott	Chief Executive	n/a	n/a	24 Aug 20
Alex Green	Executive Chief Operations Officer	n/a	n/a	10 Dec 20
Prof Natalie Hammond	Executive Director of Nursing	09 Mar 15	01 Apr 17	25 Aug 17
Nigel Leonard	Executive Director of Major Projects and Programmes	01 Feb 14	01 Apr 17	25 Aug 17
Dr Milind Karale	Executive Medical Director	30 Jul 12	01 Apr 17	25 Aug 17
Trevor Smith	Executive Chief Finance and Resources Officer	n/a	n/a	18 Sep 20
Sean Leahy	Executive Director People and Culture	n/a	n/a	06 Aug 19
Zephan Trent	Executive Director of Strategy, Transformation & Digital	n/a	n/a	01 Apr 22
Denver Greenhalgh	Senior Director of Governance and Corporate Affairs	n/a	n/a	14 Feb 22

Table 11: Service contracts: Non-Executive Directors

Name	Role	Period of Office	Contract Start date at Predecessor Trusts	Start Date	End Date
Prof Sheila Salmon	Chair	6 years	n/a	01 Nov 17	31 Oct 23
Dr Rufus Helm	NED	6 years	n/a	24 Jul 18	31 Jul 24
Manny Lewis	Vice Chair	6 years	n/a	28 Feb 18	28 Feb 24
Dr Alison Rose-Quirie	NED	6 years	n/a	24 Jul 18	31 Jul 24*
Amanda Sherlock	NED / SID	6 years	01 Jun 14	01 Oct 17	30 Sep 22
Janet Wood	NED	6 years (+1)	01 Nov 05	01 Oct 17	30 Sep 23
Dr Mateen Jiwani	NED	3 years	n/a	18 Jan 21	18 Jan 24
Loy Lobo	NED	3 years	n/a	31 Mar 21	31 Mar 24
Jill Ainscough	NED	3 years	n/a	30 Nov 22	31 Oct 25
Prof Stephen Heppell	NED	2 years	n/a	20 Nov 22	31 Oct 24
Elena Lokteva	Associate NED	1 year	n/a	01 Mar 23	31 Apr 24

*Dr Alison Rose-Quirie ended her period of office on the 31 October 2022.

The following table provides details of the remuneration of Non-Executive Directors of the Trust for 2022/23.

Table 12: Non-Executive Directors remuneration

Name	Role	Remuneration £0	Working Days	Additional Fees £0
Prof Sheila Salmon	Chair	51-55	11 per month	Nil
Dr Rufus Helm	Non-Executive Director	15-20	4 per month	Nil
Manny Lewis	Non-Executive Director /Vice Chair	15-20	4.5 per month	Nil
Mateen Jiwani	Non-Executive Director	15-20	4 per month	Nil
Loy Lobo	Non-Executive Director	15-20	4 per month	Nil
Dr Alison Rose-Quirie	Non-Executive Director	15-20	4 per month	Nil
Amanda Sherlock	Non-Executive Director / Senior Independent Director	15-20	4 per month	Nil
Janet Wood	Non-Executive Director / Chair of Audit Committee	15-20	4.5 per month	Nil
Jill Ainscough	Non-Executive Director	15-20	4 per month	Nil
Prof Stephen Heppell	Non-Executive Director	15-20	4 per month	Nil
Elena Lokteva	Associate Non-Executive Director	5-10	2 per month	Nil

Table 13: Executive Directors participating in Trust's Retention Bonus Scheme

2022/23		Total pay including salary and pensions benefits		
		2021/22	2020/21	2019/20
Nigel Leonard	**Executive Director of Major Projects and Programmes**	165-170	160-165	155-160

Executive & Non-Executive Directors Expenses

Total Executive and Non-Executive Directors expenses incurred by the Trust during 2022/23 was £7,497 and were claimed by 16 directors in post during the year (2021/22: £4,958 claimed by nine Directors).

Table 14: Salary and allowances of senior managers (Subject to audit)

2022/23

		Salary[1]	Other Remuneration[2]	Taxable Benefits[3]	Annual Performance Related Bonuses[4]	Long Term Performance Related Bonuses	All Pension Related Benefits[5]	Exit Package	Total
		£000	£000	£	£000	£000	£000	£000	£000
Paul Scott	Chief Executive	190-195	-	-	5-10	-	232.5-235.0	-	430-435
Alexandra Green	Executive Chief Operations Officer	155-160	-	-	-	-	40.0–42.5	-	195-200
Trevor Smith	Executive Chief Finance Officer	165-170	-	-	-	-	70.0–72.5	-	240-245
Dr Milind Karale	Executive Medical Director	200-205	20-25	-	-	-	45.0–47.5	-	270-275
Nigel Leonard	Executive Director of Major Projects and Programmes	165-170	-	-	-	-	-	-	165-170
Professor Natalie Hammond	Executive Director of Nursing	155-160	-	-	-	-	65.0–67.5	-	220-225
Sean Leahy	Executive Director of People and Culture	165-170	-	-	-	-	-	-	165–170
Marcus Riddell	Acting Executive Director of People and Culture (from 01/12/2022)	45-50	-	-	-	-	32.5–35.0	-	75-80
Zephen Trent	Executive Director of Strategy, Transformation and Digital	150-155	-	-	-	-	32.5–35.0	-	185-190
Denver Greenhalgh	Senior Director of Governance and Corporate Affairs	130-135	-	-	-	-	217.5–220.0	-	350–355
Professor Sheila Salmon	Chair	50–55	-	-	-	-	-	-	50–55
Manny Lewis	Non-Executive Director / Vice Chair	15-20	-	-	-	-	-	-	15-20
Janet Wood	Non-Executive Director	15–20	-	-	-	-	-	-	15–20
Jill Ainscough	Non-Executive Director (from 30/11/2022)	5-10	-	-	-	-	-	-	5-10
Amanda Sherlock	Non-Executive Director (until 30/09/2022)	5–10	-	-	-	-	-	-	5–10
Dr Rufus Helm	Non-Executive Director	15-20	-	-	-	-	-	-	15-20
Dr Alison Rose-Quirie	Non-Executive Director (until 30/10/2022)	5–10	-	-	-	-	-	-	5–10
Dr Mateen Jiwani	Non-Executive Director	15-20	-	-	-	-	-	-	15-20
Loy Lobo	Non-Executive Director	15-20	-	-	-	-	-	-	15-20
Professor Stephen Heppell	Non-Executive Director (from 20/11/2022)	5–10	-	-	-	-	-	-	5–10
Elena Lokteva	Associate Non-Executive Director (from 01/03/2023)	0-5	-	-	-	-	-	-	0-5

Table 15: Comparative table showing salary and allowances of senior managers in 2021/22

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

Note 1 Due to the demands and challenges placed on the NHS 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 three Executive Directors opted to do so (2021/22: five Directors). 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 CEO against agreed objectives, and approved the payment of contractual non pensionable pay totalling £7,500.

Note 5 The value of pension benefits accrued during the year (column entitled 'all pension related benefits' in the senior manager pay 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 provide 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 16: Total Pension Entitlement (subject to audit)

2022/23

		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 2023	Cash Equivalent Value at 31 March 2022	Real Increase in cash equivalent Transfer Value	Cash Equivalent Value at 31 March 2023[1]
		£000	£000	£000	£000	£000
Paul Scott	Chief Executive	35-40	170-175	761	163	952
Alex Green	Executive Chief Operations Officer	0-5	20-25	249	29	308
Trevor Smith	Executive Chief Finance Officer	5-10	250-255	1,458	85	1,612
Dr Milind Karale	Executive Medical Director	0-5	125-130	785	47	875
Professor Natalie Hammond	Executive Director of Nursing	5-10	195-200	1,055	66	1,175
Marcus Riddell	Acting Executive Director of People and Culture (from 01/12/2022)	0-5	5-10	49	2	74
Zephen Trent	Executive Director of Strategy, Transformation and Digital	0-5	0-5	0	4	24
Denver Greenhalgh	Senior Director of Governance and Corporate Affairs	35-40	165-170	738	196	980

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 due to both Directors choosing not to be covered by the pension arrangements during the reporting years.

Note 1 Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

Table 17: Comparative table showing Total Pension Entitlement 2021/22

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
		£000	£000	£000	£000	£000
Paul Scott	Chief Executive	(5-10)	125-130	840	0	761
Alex Green	Executive Chief Operations Officer	0-5	15-20	197	30	249
Trevor Smith	Executive Chief Finance Officer	5-10	235-240	1,361	68	1,458
Dr Milind Karale	Executive Medical Director	5-10	115-120	690	71	785
Professor Natalie Hammond	Executive Director of Nursing	10-15	180-185	943	85	1,055

Fair pay multiple (subject to audit)

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. HM Treasury guidance states that for the purpose of fair pay disclosures, 'employees' includes substantive, agency and other temporary staff, but not consultancy.

The banded remuneration of the highest paid director in the Trust in the financial year 2022/23 was £225,000 to £230,000 (2021/22: £225,000 to £230,000).

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 annualised full time remuneration in 2022/23 was from £8,000 to £328,000 (2021/22: £13,000 to £276,000). 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 12.3% which includes the additional pay award for 2022/23. Eleven employees (of which ten are agency staff) have calculated remuneration in excess of the highest-paid director in 2022/23 (2021/22: 1 employee).

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

Table 18: 2022/23 pay ratio

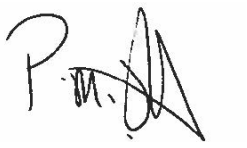
	25th Percentile	Median	75th Percentile
Salary component of pay	£25,146	£29,237	£43,083
Total pay and benefits excluding pension benefits	£25,155	£29,645	£43,674
Pay and benefits excluding pension: pay ratio for highest paid Director	9:1	8:1	5:1

Table 19: 2021/22 pay ratio

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

Loss of office payments (subject to audit)

The Trust did not make any payments to senior managers in respect of loss of office during 2022/23.



Paul Scott Chief Executive
Essex Partnership University NHS FT

27 June 2023


NHS
SHN

STAFF REPORT

STAFF COSTS (SUBJECT TO AUDIT)

During 2022/23, the Trust incurred total staffing costs of £357.7 million which can be analysed as follows between permanent staff and other staff:

Table 20: Staff costs 2022/23

	Permanent Staff £000	Other Staff £000	Total Staff £000
Salaries and Wages	255,880	2,566	258,366
Social Security Costs	25,810	-	25,810
Apprenticeship Levy	1,192	-	1,192
Pension Cost (employer contributions to NHS Pension Scheme)	28,109	-	28,109
Pension Costs (employer contributions paid by NHSE on provider's behalf at 6.3%)	12,326	-	12,326
Pension Cost (other)	75	-	75
Temporary Staff (agency)	-	32,810	32,810
Total Staff Costs	323,312	35,376	358,688

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 notes 10 and 11 as part of intangible assets and property, plant and equipment costs for the year.

Average staff numbers (subject to audit)

During 2022/23, the Trust employed an average of 7,056 staff as follows:

Table 21: Average staff numbers 2022/23

	Permanent Staff (WTE*)	Other Staff (WTE*)	Total Staff (WTE*)
Medical and Dental	244	75	319
Ambulance Staff	6	-	6
Administration and Estates	1,145	24	1,169
Healthcare Assistants and Other Support Staff	2,668	311	2,979
Nursing, Midwifery and Health Visiting Staff	1,707	167	1,874
Nursing, Midwifery and Health Visiting Learners	4	-	4
Scientific, Therapeutic and Technical Staff	584	25	609
Social Care Staff	85	11	96
Total Average Staff Numbers	6,443	613	7,056

* 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 45.9% of our staff are over the age of 46 and our workforce is predominantly female. This is detailed further in the table below:

Table 22: Workforce profile

Staff Group	Total	Gender		Age			
		Female	Male	<25	26-45	46-65	>65
Board of Directors	17	6	11	0	2	13	2
Senior Managers	73	47	26	0	23	46	4
Doctors and Dentists	304	149	155	1	182	111	10
Nursing	1766	1431	335	57	789	894	26
Other healthcare staff	2529	2048	481	202	1308	976	43
Support staff	1699	1345	354	107	617	892	83
All Employees	6388	5026	1362	367	2921	2932	168
All Employees %		78.7%	21.3%	5.7%	45.7%	45.9%	2.6%

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 November 2022, 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 2022	Adjusted FTE days lost to Cabinet Office definitions	FTE – Days Available	FTE – Days Lost to Sickness Absence	Average Sick Days per FTE
5,278	66,354	1,926,426	107,640	12.6

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse. *Period covered: January to December 2022.

The Trust has a dedicated page on our intranet (InPut) which promotes information on all initiatives and advice available to support staff wellbeing.

Individual Wellness Plans have been included in one to one procedures to ensure that measures are taken locally to support colleague wellbeing, to identify potential early signs of ill-health and to ensure that adjustments are made to avoid absence.

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 management on our intranet to support them as well as each services having an aligned HR adviser 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 support service.

Workforce equality and inclusion

We are committed to challenging discrimination, both within our workforce and the care we provide. Our new Equality Diversity and Inclusion (EDI) Strategy is aligned with the Trust's strategic vision, values and objectives, on the basis that everyone takes an active role to reduce inequalities, respects one another and builds an open and equitable culture within our organisation. We believe that EDI is everyone's responsibility, not the function of a single team. Our director of employee experience leads the delivery of these actions, championed by our Executive Team who sponsor and drive the implementation of actions in their services.

Throughout the year, we collate workforce data as part of the Equality Act (2010) and Public Sector Equality Duty (PSED). This includes reports such as the Workforce Race Equality Standard (WRES), the Workforce Disability Equality Standard (WDES) and the Equality Delivery System (EDS), all of which are publicly available and drive the progression of EDI within the Trust. The EDS has rated EPUT as a "developing organisation", based on feedback from stakeholders. With a key focus being inclusive leadership in EPUT. This is addressed in the EDS Action Plan as part of the reporting template. Our Workforce Race Equality Standard action plan was ranked as "outstanding" by NHS England based on the achievable goals, evidence based interventions and a strong buy-in from leadership evident throughout.

Our bi-monthly Equality and Inclusion Sub-Committee reviews and drives EDI across the Trust, with input from our four Staff Equality Networks and senior leads across the organisation. Outcomes from the EDI Sub-Committee are fed into our People and Culture Committee. This group collates and reviews EDI Data within the organisation and feedback from our Staff Equality Networks to develop improvements and actions.

Only in doing this can we empower our staff to be the best they can be, as well as promoting inclusive behaviour in their services and care.

Further information on our progression can be found on the Trust website at: https://eput.nhs.uk/about-us/equality-and-inclusion/

Involvement and recognition

We have four Staff Equality Networks:

- Ethnic Minority and Race Equality
- Disability and Mental Health
- Lesbian, Gay, Bi, Trans and any other gender or sexual identity (LGBTQ+)
- Faith and Spirituality.

We are currently developing a Gender Equality Network, which will be involved in projects including our Gender Pay Gap analysis and raising awareness of discrimination and sexism.

We also have a wider cohort of staff engagement champions across the Trust, who are regularly encouraged to promote EDI initiatives, share feedback from their services and promote inclusive behaviours. Our Networks help us provide a Staff Induction based on lived experiences, as well as celebrate EDI events throughout the year including LGBTQ+ Pride, Black History Month and Disability History Month.

To further support the essential work that takes place in these Networks, we have implemented a communications lead to support in event promotion and development as well as Executive sponsors for each Network, able to champion their work, help develop ongoing projects and learning first-hand the challenges experienced by staff from marginalised groups.

At EPUT, we understand the invaluable efforts and commitment from our staff and the importance of recognising this regularly. Our Staff Recognition Scheme draws 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.

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.

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 (including All Staff Brief and The Grill), staff engagement networks, and staff surveys or by raising with a senior manager in the Trust.

A Behaviours Framework has been agreed and is being rolled out across the Trust to embed our values in all aspects of work life and our policies and procedures. And a number of our managers and HR professionals have completed system-wide Restorative Just Culture training and Civility and Respect workshops.

Freedom to Speak Up (F2SU)

The Freedom to Speak Up (F2SPU) 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 2022/23 to promote awareness of the Freedom to Speak up agenda and embed the 'Speak Up' culture within the Trust that is both responsive to feedback and focused on learning and continual improvement. In 2022/23 we invested in the service appointing a senior interim Principle Guardian to undertake a review against NHS England's F2SU self-review tool and the appointment of an additional guardian joining the team. The team continues to be supported by a network of local guardians. Positive changes have been put in place and during the year there was a positive increase in speaking up activity. The substantive role was advertised and recruited to in February 2023, with the successful candidate joining the Trust in July 2023.

Table 24: Freedom to Speak Up activity 2022/23

			Patient Safety	Worker Safety	Bullying and Harassment	Inappropriate Behaviour
	People Speaking Up	Concerns Raised	Total	Total	Total	Total
Q1	44	33	4	5	24	0
Q2	32	62	12	10	18	12
Q3	70	129	30	37	35	27
Q4	86	127	8	19	52	48
	232	**351**	**54**	**71**	**129**	**87**

Note: Some people speaking up raised more than one concern.

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.

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 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 monthly to review and agree policies and procedures in partnership. The Trust 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.

The associate director of employee Relations is a core member of the regional Social Partnership Forum to ensure that national and regional staff side and management discussions are locally embedded.

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, and retains the two previous themes of engagement and morale. These replaced the ten indicator themes used in the previous years. All indicators are based in a score out of 10 for specific questions with the indicator score being the average of those.

The response rate to the 2022/23 survey among Trust staff was 42% (2021/22: 47%).

Table 25: 2021/22 and 2022/23
Scores for each indicator together with that of the survey benchmark group (Mental Health & Learning Disability and Mental Health, Learning Disability & Community Trusts) are presented below.

Indicators ('People Promise' elements and themes)	2022/23		2021/22	
	Trust Score	Benchmarking Group Score	Trust Scores	Benchmarking Group score
We are compassionate and inclusive	7.5	7.5	7.5	7.5
We are recognised and rewarded	6.2	6.3	6.3	6.3
We each have a voice that counts	6.9	7.0	6.9	7.0
We are safe and healthy	6.2	6.2	6.3	6.2
We are always learning	5.7	5.7	5.6	5.6
We work flexibly	6.8	6.7	6.7	6.7
We are a team	7.1	7.1	7.1	7.1
Staff engagement	7.0	7.0	7.1	7.0
Morale	6.1	6.0	6.1	6.0

Table 26: 2020/21
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.

	2020/2021	
	Trust	Benchmarking Group
Equality, diversity and inclusion	9.0	9.1
Health and wellbeing	6.4	6.4
Immediate managers	7.3	7.3
Morale	6.4	6.4
Quality of care	7.6	7.5
Safe environment – bullying and harassment	8.0	8.3
Safe environment – violence	9.5	9.5
Safety culture	6.9	6.9
Staff engagement	7.2	7.2
Team Working	6.9	7.0

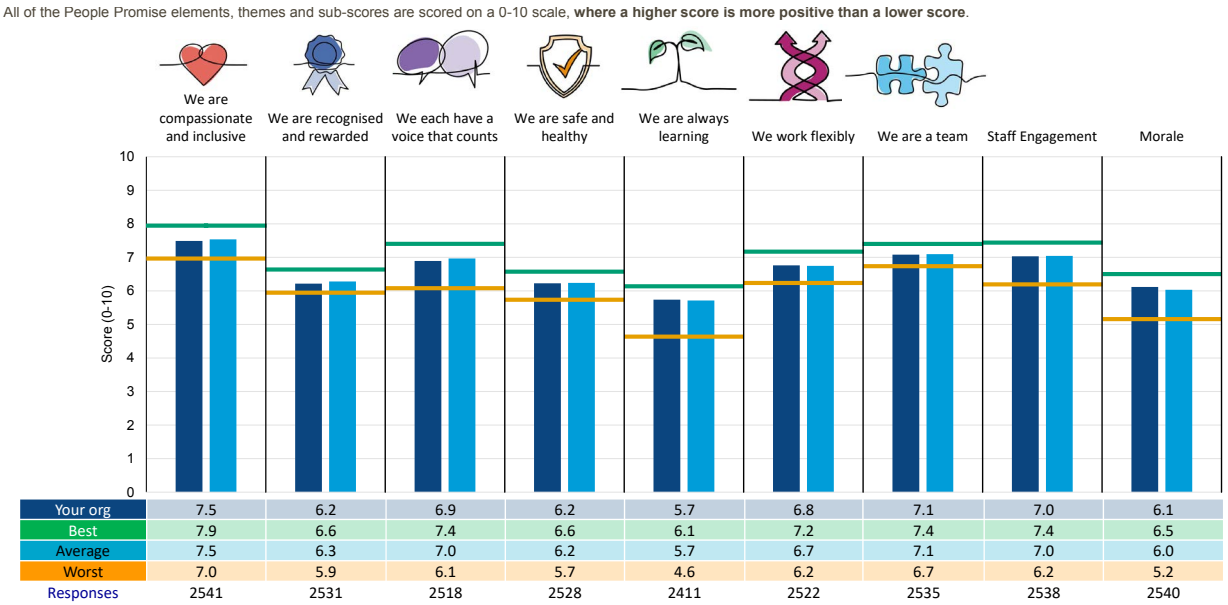
The NHS Staff Survey is one of our key listening tools which helps establish whether we are upholding the NHS People Promise, which challenges us to make the NHS a better place for everyone to work. The realignment to the People Promise was implemented for the 2021 Staff Survey.

The survey is conducted annually, and the 2022 Staff Survey window was open for nine weeks between September and November. EPUT was benchmarked against 51 other Mental Health & Learning Disability and Mental Health, Learning Disability & Community Trusts.

In this window, EPUT received 2547 responses, a response rate of 42%. Whilst this is a 5% decrease on 2021 (47%), it should be noted that the total number of returned surveys was similar to 2021 and the lower response rate can be attributed to an increase in the number of staff eligible to complete. Our benchmarking group also saw a fall in response rate from a median of 52% in 2021, to 50% in 2022.

Figure 1 demonstrates the Trust's performance in each People Promise element and Theme in comparison to the average, best and worst in our benchmark group. EPUT scored:

- **Better than Average** in 2 People Promise Elements (We work flexibly, Morale)
- **Average** in 5 People Promise Elements('We are compassionate and inclusive', 'We are a team', 'We are safe and healthy', 'We are always learning', 'Staff Engagement')
- **Worse than Average** in 2 People Promise Elements ('We are recognised and rewarded', 'We each have a voice that counts').



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Your org	7.5	6.2	6.9	6.2	5.7	6.8	7.1	7.0	6.1
Best	7.9	6.6	7.4	6.6	6.1	7.2	7.4	7.4	6.5
Average	7.5	6.3	7.0	6.2	5.7	6.7	7.1	7.0	6.0
Worst	7.0	5.9	6.1	5.7	4.6	6.2	6.7	6.2	5.2
Responses	2541	2531	2518	2528	2411	2522	2535	2538	2540

Significance testing – 2021 vs 2022

The results of significance testing conducted on each theme in both 2021 and 2022 demonstrated that none of the People Promise elements or Themes showed any significant variances from 2021 results.

The table below presents the results of significance testing conducted on the theme scores calculated in both 2021 and 2022*.

People Promise elements	2021 score	2021 respondents	2022 score	2022 respondents	Statistically significant change?
We are compassionate and inclusive	7.5	2594	7.5	2541	Not significant
We are recognised and rewarded	6.3	2582	6.2	2531	Not significant
We each have a voice that counts	6.9	2565	6.9	2518	Not significant
We are safe and healthy	6.3	2576	6.2	2528	Not significant
We are always learning	5.6	2433	5.7	2411	Not significant
We work flexibly	6.7	2568	6.8	2522	Not significant
We are a team	7.1	2575	7.1	2535	Not significant
Themes					
Staff Engagement	7.1	2594	7.0	2538	Not significant
Morale	6.1	2597	6.1	2540	Not significant

* Statistical significance is tested using a two-tailed t-test with a 95% level of confidence. For more details please see the technical document.

Within the People Promise elements and themes there are specific highlights and areas of focus. Highlights include lower reported rates of discrimination based on age or gender, which have both seen improvements and are better than the benchmarking average. Whilst our lowest performing People Promise, there have also been broad improvements in the 'We are always learning' People Promise, particularly in responses based on access to learning and development opportunities and perception around developing careers within the Trust. Positive improvements have also been made in regards to flexible working and achieving good work-life balance.

Whilst there have been positive results, there are challenges which need addressing. Areas of focus include:

1. **The experiences of staff with a disability or long-term condition (LTC)** which saw deteriorations in scores including:

   - 5.4% decrease in staff who are satisfied with the extent to which their organisation values their work
   - increases in staff with a disability or LTC experienced harassment, bullying or abuse from other colleagues
   - a fall in the percentage of staff saying they reported their last experience of harassment, bullying or abuse at work.

2. **We are safe and healthy sub-score: Burnout** will be an area of focus in the coming year, with:

   - 56.1% of staff reported working despite not feeling well enough in the past three months
   - 2.2% increase in staff who report feeling exhausted at the thought of another day/shift at work
   - 28.7% of staff reported feeling burnt out because of work.

3. **Staff perceptions of standards of care and treatment (Q23d)**, which worsened in 2022.

   - 4.6% fewer staff would feel happy with the standard of care if a friend or relative needed treatment provided by the Trust.
   - 2022 rates are 11.1% lower than 2020.

4. **The experience of BME staff** will continue to be a focus in 2022. Whilst there have been improvements in rates of bullying, harassment and abuse experienced by BME staff:
   - rates remain lower amongst white staff at 21.6%, compared to BME staff 26%.
   - work will also continue to improve career progression and opportunities for BME staff.

5. **There will be a focus on the perception of staff around support received when raising concerns.** This links to the 'We have a voice that counts' People Promise element and action planning will focus on empowering and supporting staff support staff to speak up.

   In response to the findings from the survey, all staff were invited to take part in three Focus Groups, each centred on areas of improvement from the survey. These sessions were co-produced with stakeholders from across the organisation and designed to encourage active participation and a sense of being able to voice opinions safely.

   Priority areas for action are:

   - Raising Concerns, Quality and Improvement
   - Creating an Inclusive Working Environment
   - Staff Wellbeing
   - Engagement, Recognition in Work and Development.

   The Trust acknowledges there is more work to be done to provide the best experience for staff, particularly in areas of focus and poorer performance. We are committed to engaging with our workforce and encouraging dialogue around what can be done to have the biggest impact in these areas.

National Quarterly Pulse Survey

The National Quarterly Pulse Survey (NQPS) takes place three times per year and is a consistent and standardised internal and external measure of staff experience. The survey is open for one month in Q1, Q2 and Q4, with Q3 being the NHS Staff Survey. The survey consists of the nine questions, grouped into themes of motivation, advocacy, and involvement.

2021/22 was our first full year of administering the NQPS as part of our approach to improve the way in which we engage with staff about their experience. The table below outlines the response rate throughout 2022/23:

NQPS Window	Responses
Q1 2022/23 (April)	340
Q2 2022/23 (July)	449
Q4 2022/23 (January)	559

The increase in response rate shows the increased awareness of the survey throughout the year, as well as efforts from the Trust to promote the NQPS as a meaningful listening tool.

Responses from the survey are communicated across the organisation via all-staff communication channels. Results are also reported into the executive team, as well as the monthly Engagement Champions Network which is comprised of colleagues across the Trust who are committed to increasing engagement. Anonymous free text comments are shared and reports are broken down into directorates to provide insight into the experience of staff who work in different areas of the Trust.

Health and safety

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

The Trust's Corporate Statement and Policy on Health and Safety (RM01) which has been reviewed this year demonstrates a clear organisational structure for the management of health and safety and how the Board of Directors fulfils its statutory obligations and to ensure there is the identification of control measures to suitably reduce health, safety, security and ligature risks so far as is reasonably practicable and as required by the:

- Health and Safety at Work etc. Act 1974
- Management of Health and Safety at Work Regulations 1992
- Workplace (Health, Safety, and Welfare) Regulations 1992.

The Health Safety and Security Committee co-ordinates the implementation and management of health, safety and security and non-clinical risk management across the organisation, the committee has wide representation from both operational and support services and receives assurance from the local level Health and Safety/Quality sub-groups.

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

- Corporate Statement and Policy on Health and Safety
- 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
- Ligature 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)
- Latex Policy
- Safety Alert Bulletin Policy
- Fire Safety Policy.

There have been 48 Ligature Risk Assessment Inspections completed between 1st April 2022 and 31 March 2023 with one breach (Health Based Place of Safety Derwent Centre, Harlow) due to patient occupancy (this has now been scheduled at the earliest opportunity for 4 May 2023). All were completed in line with the Trust's inspection schedule programme for all Mental Health inpatient areas with potential risks identified either being removed, replaced with a reduced ligature solution, 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, electro-convulsive treatment and other community based services are also required to complete a general work place risk assessment which identifies ligature hotspots within their building and the actions taken to mitigate these risks.

The programme of six monthly Ligature Reviews in collaboration with the senior compliance lead and ligature co-ordinator have also been completed in all mental health inpatient areas focussing on:

- Coaching, support and education of staff regarding ligature
- Follow up outstanding actions from ligature inspections
- Audit compliance with the policy, procedure and appendices
- Follow up of any gaps in process from the previous ligature assessment inspection.

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

Health and safety inspections have been completed in accordance with Trust policy across the organisation and in line with legislation and guidance. These have been shared with staff and corrective action identified to minimise risk.

The Health & Safety team have supported the Trust's Capital Projects programme providing expert advice and support with refurbishment and improvement works across multiple sites within EPUT across the year ensuring health and safety is at the forefront of any works.

During 2022/23 the Trust continued to ensure the programme of COVID-19 Secure Environment inspections for different Trust workplaces was maintained in line with national guidance until its conclusion in May 2022 when covid risks and their management were incorporated into General Workplace Risk Assessments in line with updated HSE Guidance.

The Trust has continued to manage our response to COVID-19 via its command structures which are stepped up; if necessary, in order to review, discuss and approve any decisions. The virtual Incident Control Centre (ICC) has remained operational 7 days; with varied hours in line with the East of England Operational Centre to ensure appropriate and timely action is taken as new information / guidance 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 business continuity plans and continuing work at home where possible.

The increased health and safety focus on staff working at home which started as part of the Trust's response to the COVID-19 pandemic and continues on its return to business as usual has seen the Health & Safety team respond to the rise in the requirement for home display screen equipment assessments to provide support, advice and recommendations.

There is a clear structure for the prevention and reduction in violence and abuse against Trust staff, via Multi-Agency Resolution meetings, The Health Safety and Security Committee and External Risk Management Board, Integrated Care Board and Quality Committees and External Essex Crisis Concordat.

The Violence and Abuse Prevention and Reduction team (VAPR) implemented an increased programme of visits with a commitment to engage with staff from both inpatient and community teams and ensure awareness of the support the team offer. The team completed 404 visits across the Trust to offer support and guidance to staff in the event that they are a victim of violence and aggression; these clinics have also been supported by Essex Police and our TASI training team.

A new Violence, Abuse, Prevention and Reduction Policy and strategy is being developed to support the NHS England VAPR standards to strengthen the Trusts approach to violence and aggression and look at additional supportive measures to be offered to staff.

Lone worker devices have continued to be used throughout the organisation. We currently have 1543 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.

The Trust continues 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.

The Trust has piloted electronic 1:1 observations with Oxehealth, the 5 pilot wards have continued to use OxeObs as they have seen the major benefits. The plan for 23/24 will be to roll the electronic observations application out to all existing ward users of Oxevision. In addition, the remaining wards without Oxevision will be scoped and implementations planned, starting with Brockfield House.

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
- 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

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.

All NHS funded services are required to provide assurance against the NHS Counter Fraud Authority (NHSCFA) Requirements of the Government Functional Standard 013: Counter fraud. This return is overseen by the Audit Committee and in February 2023 the Trust submitted an overall rating of GREEN.

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 2022/23, the Trust spent £3.1 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 27: Highly-paid off-payroll worker engagements as of 31 March 2023 earning £245 per day or greater.

Number of existing engagements as of 31 March 2023	4
Of which…	
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	1
Number that have existed for between two and three years at time of reporting	2
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting.	1

Table 28: All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2023 earning £245 per day or greater.

Number of off-payroll workers engaged during the year ended 31 March 2023	7
Of which…	
Not subject to off-payroll legislation*	0
Subject to off-payroll legislation and determined as in-scope of IR35*	0
Subject to off-payroll legislation and determined as out-of-scope of IR35*	7
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

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

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure should include both off-payroll and on-payroll engagements.	8

Staff exit packages (subject to audit)

During the year the Trust has incurred total termination of £31k in respect of two individuals. Both instances were special severance payments that required HM Treasury approval.

Table 30: Staff exit packages 2022/23

2022/23						
Exit Cost Band	Compulsory Redundancies		Other Departures Agreed		Total Termination Costs	
	Number	£000	Number	£000	Number	£000
< £10,000	-	-	-	-	-	-
£10,001 - £25,000	-	-	2	31	2	31
£25,001 - £50,000	-	-	-	-	-	-
£50,001 - £100,000	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
Total	-	-	2	31	2	31

Table 31: Staff exit packages 2021/22

2021/22						
Exit Cost Band	Compulsory Redundancies		Other Departures Agreed		Total Termination Costs	
	Number	£000	Number	£000	Number	£000
< £10,000	3	16	-	-	3	16
£10,001 - £25,000	10	166	-	-	10	166
£25,001 - £50,000	5	199	-	-	5	199
£50,001 - £100,000	3	287	-	-	3	287
£100,001 - £150,000	1	113	-	-	1	113
£150,001 - £200,000	1	160	-	-	1	160
Total	23	941	-	-	23	941

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 32: Non-compulsory departure payments 2022/23

	2020/23	
	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-
Mutually agreed resignations (MARS) contractual costs	-	-
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	-	-
Exit payments following Employment Tribunals or court orders	-	-
Non-contractual payments requiring HMT approval	2	31
Total	**2**	**31**
Non contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	-	-

Table 33: Non-compulsory departure payments 2021/22

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

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 01 April 2022 to 31 March 2023 is as below.

Table 34: 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
27	**17.27**	**5636.79**

Table 35: Percentage of time spent on facility time

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

Percentage of time	Number of employees
0%	10*
1-50%	16*
51%-99%	1*
100%	0*

*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 36: Percentage of pay bill spent on facility time

First Column	Figures
Total cost of facility time	£40,713.78*
Total pay bill	£358,688,000
Percentage of the total pay bill spent on facility time	0.01%

*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 37: Trade union activities

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

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

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	2.71%*

*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

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

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.

The Board of Directors and Council of Governors are committed to continuing to operate according to the highest standards or corporate governance, 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 2022 to 31 March 2023.

NHS OVERSIGHT FRAMEWORK

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segment decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving to another segment are met. These criteria have two components:

a) objective and measurable eligibility criteria based on performance against six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)

b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will only be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

NHS England confirm that EPUT is in segment two, with no enforcement undertakings. This segmentation information is the trust's position as at 17 March 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/.

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 voting 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.

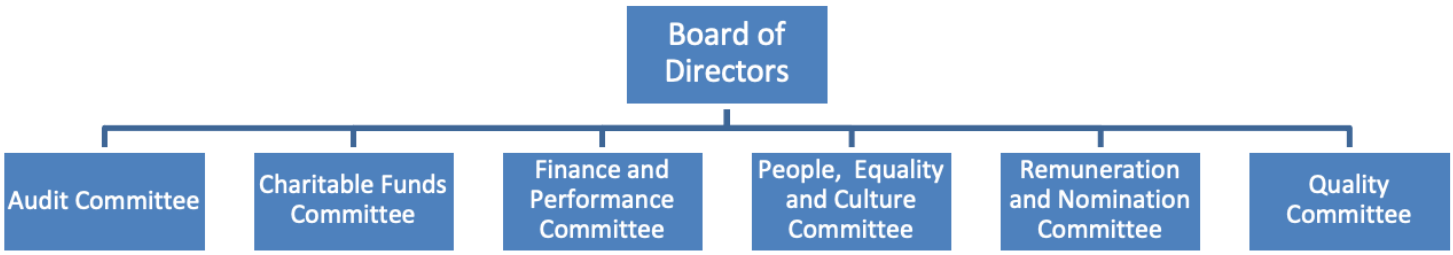
Disagreements between the Board of Directors and Council of Governors are resolved through a process which aims to achieve informal resolution in the first instance, following which a formal process will be taken which involves a resolution discussion at a Board meeting.

The Board takes active steps to ensure it interacts appropriately with the Council of Governors. Governors attend regular informal meeting 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.

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

The committee structure underpinning the Board of Directors, as at 31 March 2023, is detailed below.



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

The Board has a Vice-Chair and 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.

During the course of the year the Board met eight times. Six of these meetings were held in public. The majority of meetings were held online, with the Board of Directors meeting in March 2023 held face-to-face at Anglia Ruskin University, Chelmsford.

The attendance record of all meetings for the Board of Directors for the year ended 31 March 2023 is as follows:

Name	Role	Meetings Attended (actual / possible)
Prof Sheila Salmon	Chair	8/8
Jill Ainscough	Non-Executive Director	2/3
Dr Rufus Helm	Non-Executive Director	7/8
Prof Stephen Heppell	Non-Executive Director	2/3
Mateen Jiwani	Non-Executive Director	6/8
Manny Lewis (Vice Chair)	Non-Executive Director	7/8
Loy Lobo	Non-Executive Director	7/8
Elena Lokteva	Associate Non-Executive Director	1/1
Dr Alison Rose-Quirie	Non-Executive Director	3/5
Amanda Sherlock	Non-Executive Director	5/5
Janet Wood	Non-Executive Director	8/8
Paul Scott	Chief Executive	8/8
Alexandra Green	Executive Chief Operating Officer	7/8
Denver Greenhalgh	Senior Director of Corporate Governance (non-voting)	8/8
Prof Natalie Hammond	Executive Nurse	7/8
Dr Milind Karale	Executive Medical Director	7/8
Sean Leahy	Executive Director of People & Culture	4/5
Nigel Leonard	Executive Director of Major Projects & Programmes	8/8
Marcus Riddell	Acting Executive Director of People and Culture	3/3
Trevor Smith	Executive Chief Finance Officer	7/8
Zephan Trent	Executive Director of Strategy, Transformation and Digital (non-voting)	6/8

Board of Directors appointments

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

Executive Directors are permanent appointments, while Non-Executive Directors are appointed to a three year term of office.

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

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

Whilst there were no Executive Director appointments to the Board of Directors during 2022/23, it is noted that Zephan Trent commenced in post as Executive Director of Strategy Transformation and Digital on the 01 April 2023.

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. New Non-Executive Director appointment on basis of having a probationary review completed after one year, to review whether the NED has performed satisfactorily in the role to serve the remaining 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 two Non-Executive Directors ended during 2023/23:

- Amanda Sherlock (30 September 2022)
- Alison Rose-Quirie (31 October 2022).

The Council of Governors on the 7 November 2022 approved the appointment of two new Non-Executive Directors:

- Jill Ainscough (30 November 2022)
- Professor Stephen Heppell (30 November 2022).

Further to this a new role of Associate Non-Executive Director was introduced during 2022/23 following the appointment process above, whereby the candidate of choice for the planned vacancy of Audit Committee Chair (when the incumbent steps down later in 2023) was unable to start immediately in a full Non-Executive Director position. The role has provided a six month transition period and has been prospectively approved by the Council of Governors take on the full role when the incumbents term of office ends. Elena Lokteva is a non-voting member of the Board of Directors.

Chair's significant commitments

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

Independence of the Non-Executive Directors

Following consideration of the Code of Governance and completion by all Non-Executive Directors of a test of independence statement, the Board takes the view that all Non-Executive Directors are independent. All Non-Executive Directors declare their interest and, in the rare likelihood that such interests conflict with those of the Trust, then the individual would be excluded from any discussion and decision relating to that specific matter.

Balance, completeness and appropriateness of the membership of the Board of Directors

The Board of Directors comprises of eight Non-Executive Directors (including the Trust Chair) and eight Executive Directors (including the Chief Executive Officer, and noting that seven are voting members). The structure is in line with the both the Code of Governance and the Trust's Constitution.

The Board of Directors is balanced in terms of its diversity and range of skills. Further to this a number of board members having 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.

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.

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. An evaluation of the Board of Directors Standing Committees took place in 2022/23 using an online evaluation form.

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 in 2021/22. The results were incorporated into the objectives 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 2022/23 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 listens to a patient story at bi-monthly meetings to provide real-life examples of the impact of the approach to clinical governance form the people with lived experience of our services. This provides triangulation with reported metrics. The Trust plans to further develop the clinical governance and quality structure through the development of an enabling strategy for quality and care and the introduction of a Quality Senate in 2023/24.

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 2 years and outcomes measures are in place to ensure effective monitoring through an Executive Safety Oversight Group. Further information on the programme to date can be found in the Quality Account 2022/23 or on our Trust website.

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
- As a direct response to COVID-19 the Trust has had in place an infection control board assurance framework which is updated and reported to the Quality Committee.

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 positions 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 Senior Director of Corporate Governance 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 five times during the year. There were no new appointments to the Board of Directors requiring considerations relating to Nominations business.

Members of the combined Remuneration and Nominations Committee and the number of meetings attended by each member during the year is detailed at Table 81 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 recruitment process to appoint to two Non-Executive Director vacancies, including the identification of a suitable candidate to transition into the role of Audit Chair. The Committee completed a robust selection process which included an executive search, shortlisting process and stakeholder / interview panel. The Committee agreed to recommend the appointment of two Non-Executive Directors as detailed earlier in this report. The Committee also identified a further candidate who was deemed appointable and was subsequently appointed as an Associate Non-Executive Director (as part of succession planning).

Support and advice was provided to the Committee as part of this process by Alumni and the Executive Director of People & Culture.

Table 38: 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)
Professor Sheila Salmon	Chair	3/3
Lara Brooks	Staff Governor	0/1
Diane Collins	Public Governor	1/1
Paula Grayson	Public Governor	3/3
Pippa Ecclestone	Public Governor	2/3
John Jones	Lead Governor	3/3
Megan Leach	Public Governor	1/1
Stuart Scrivener	Public Governor	2/2
Matt Webster (until Aug 2022)	Appointed Governor	0/2

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 39: Membership and attendance at Audit Committee meetings

Name	Role	Meetings attended
Janet Wood	Chair of Committee	7/7
Amanda Sherlock	Non-Executive Director	4/4
Rufus Helm	Non-Executive Director	7/7
Alison Rose-Querie	Non-Executive Director	4/4
Mateen Jiwani	Non-Executive Director	3/3
Jill Ainscough	Non-Executive Director	1/1

At the request of the Committee Chair, each meeting is attended by the Executive Chief Finance Officer, Director of Finance, Senior Director of Governance, 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 2022/23. 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.

During 2022/23, the Trust undertook a market testing exercise for internal audit services with a new three year contract awarded to TIAA Ltd with effect from 1 April 2023.

Local counter fraud specialist

During 2022/23, BDO LLP also provided 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 NHS Counter Fraud Authority confidential hotline on 0800 028 4060.

As for internal audit services, a market testing exercise was undertaken with a three year contract for counter fraud services awarded to TIAA Ltd with effect from 1 April 2023.

External audit

The 2022/23 financial year represents the first year of a three year contract (with option to extend for a further two years) with Ernst and Young following a market testing exercise in 2021/22. This appointment was approved by the Council of Governors in March 2022.

The value of the external audit contract for 2022/23 was £145,000 (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 current inquiry and the planning regime.

Further matters relating to the 2022/23 annual accounts which were discussed by the Committee were as follows:

- Adoption of International Financial Reporting Standard (IFRS16) on leases with effect from April 2022
- Accounting for ongoing costs of servicing the inquiry in the 2022/23 accounts
- Movement in annual leave accrual
- Impact of potential cost of additional pay award for 2022/23 and inclusion of accrued income with NHS England
- Accounting for release of covenant in respect of former Runwell Hospital site
- Exclusion of immaterial impact of desk top valuation of the Trust's estate from the accounts.

Council of Governors

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

Role of the Council

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

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

- To appoint / remove the Trust's external auditor
- To provide views to the Board of Directors in the preparation of the Trust's annual plan
- To receive the Trust's annual report and accounts and any report of the auditor on them and
- To take decisions on significant transactions and on non-NHS income.

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

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

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

Composition of the Council of Governors

The Council is led by the Chair of the Trust. The composition of the Council of Governors is in accordance with the Trust's constitution as below in **Table 40:**

Constituency		Number of Governors
Public	Essex Mid & South	9
	North East Essex & Suffolk	3
	West Essex & Hertfordshire	5
	Milton Keynes, Bedfordshire, Luton & Rest of England	2
Staff	Clinical	4
	Non-Clinical	2
Appointed	Essex County Council	1
	Southend Borough Council	1
	Thurrock Council	1
	Anglia Ruskin & Essex Universities*	1
	Voluntary / Third Sector	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 "Your Voice" programme held virtually during the year, utilising video conferencing. 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 quarterl
- 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 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
- Our website www.eput.nhs.uk.

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

Table 41: Council of Governors Meeting Attendance 2022/23

Name	Term		Attendance at Council of Governor Meetings (actual/possible)
Public: Milton Keynes, Bedfordshire and Luton			
Paula Grayson	3rd term: 3 years	Jun 2022 – Jun 2025	4/4
John Jones (Lead Governor)	3rd term: 3 years	Jun 2022 – Jun 2025	4/4
Public: Essex Mid and South			
Keith Bobbin	2nd term: 3 years	Sep 2020 – Sep 2023	3/4
Owen Carty	1st term: 3 years	Jun 2022 – Jun 2025	0/3
Dianne Collins	2nd term: 3 years	Jun 2022 – Jun 2025	3/4
Mark Dale	2nd term: 3 years	Jun 2022 – Jun 2025	4/4
Julia Hopper	1st term: 1.5 years	Mar 2022 – Sep 2023	1/4
Megan Leach	1st term: 3 years	Jun 2022 – Jun 2025	2/3
Pamela Madison	2nd term: 3 years	Sep 2020 - Sep 2023	4/4
Elizabeth Rotherham (until Feb 2023)	1st term: 3 years	Sep 2020 - Sep 2023	2/4
Stuart Scrivener	2nd term: 3 years	Jun 2022 – Jun 2025	4/4
Judith Woolley (until Jun 2022)	2nd term: 3 years	Jun 2019 – Jun 2022	1/1
Public: North East Essex and Suffolk			
Peter Cheng (until Jun 2022)	2nd term: 3 years	Jun 2019 – Jun 2022	1/1
David Short	1st term: 3 years	Sep 2020 – Sep 2023	4/4
Susan Tivy-Ward	1st term: 3 years	Jun 2022 – Jun 2025	1/3
Cort Williamson	1st term: 3 years	Jun 2022 – Jun 2025	3/3
Public: West Essex and Herts			
David Bamber	2nd term: 3 years	Apr 2021 – Sep 2023	2/4
Pippa Ecclestone	2nd term: 3 years	Sept 2020 – Sep 2023	4/4
Jason Gunn	1st term: 3 years	Jun 2022 – Jun 2025	3/3
Kate Shilling	2nd term: 3 years	Jun 2022 – Jun 2025	0/4
Michael Waller (until Jun 2022)	2nd term: 3 years	Jun 2019 – Jun 2022	1/1
Jared Davis	1st term: 3 years	Sep 2020 – Sep 2023	0/4
Sharon Green	1st term: 3 years	Jun 2022 – Jun 2025	3/3
Nosi Murefu (until Jun 2022)	1st term: 3 years	Jun 2019 – Jun 2022	1/1
Tracy Reed	2nd term: 3 years	Sep 2020 – Sep 2023	4/4
Edwin Ugoh	1st term: 3 years	Jun 2022 – Jun 2025	2/3
Staff: Non-Clinical			
Lara Brooks	1st term: 3 years	Sep 2020 – Sep 2023	3/4

Name	Term		Attendance at Council of Governor Meetings (actual/possible)
Paul Walker	1st term: 3 years	Sep 2020 – Sep 2023	3/4
Essex County Council			
Mark Durham	1st term: 3 years	Dec 2020 – Dec 2023	3/4
Southend on Sea Council			
Matt Dent (until May 2022)	1st term: 1 year	May 2021 – May 2022	0/1
Maxine Sadza	1st term: 2.5 years	Nov 2022 – May 2025	1/1
Thurrock Council			
Shane Ralph	1st term: 3 years	Jun 2022 – Jun 2025	2/3
Anglia Ruskin and Essex Universities			
Matt Webster (until Jun 2022)	1st term: 2 years	Nov 2020 – Jun 2022	0/1
Nicky Milner	1st term: 3 years	Aug 2022 – Jun 2025	1/1

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.

In line with good governance practice, an effectiveness review of the Council of Governors and its sub-committee structure is currently underway and results will be presented to the Council of Governors in May 2023. The Council of Governors structure provides robust coverage of it's of its statutory responsibilities. The sub-committees provide support for the Council of Governors by taking forward key statutory tasks and making recommendations to the Council of Governors to consider.

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.

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: 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 £647.53 and were claimed by 4 Governors out of a total of 35 in office (2021/2022 £372.94 by 4 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 739739

Post: Freepost RTRG–UCEC-CYXU Trust Secretary Office, The 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.

We are pleased that after last year's restrictions because of the pandemic we are now able to attend Board of Directors meetings face-to-face. This interaction is helpful in improving communication and understanding between Governors and Directors.

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 proposed must be in the interests of the patients and carers.

The two new Non-Executive Directors we appointed this year, Professor Stephen Heppell, Jill Ainscough and Elena Lokteva (new associate Non-Executive Director) have brought a new perspective and fresh ideas from their wealth of experience from outside the mental health community.

We did manage to undertake a few service visits during the past year. These 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 can give you, our members, assurance that EPUT complies with the Code of Governance. This guidance helps trusts to deliver effective and quality corporate governance, contribute to better organisational performance and ultimately discharge their duties in the best interests of patients and service users.

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

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

This year has not been easy for staff and we know that you would wish us to thank them all for the hard work and dedication which they have shown in mental health and community physical health, and learning disability services. This is against a background of the Essex Mental Health Independent Inquiry currently in progress and which has involved staff and management in considerable additional work. We are pleased that the Directors have taken and continue to take the view that full co-operation with that Inquiry is of great importance, so that properly informed outcomes can be realised.

As we mentioned last year the experience of providing an award-winning School Age Immunisation Service in Bedfordshire has meant that EPUT has been the provider of the COVID-19 immunisation service throughout Essex. This additional and important contribution has been continuing throughout the year without diluting the other services which we provide. This is remarkable and we congratulate all the staff and volunteers 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.

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
- 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.

Table 42: As at 31 March 2023, the Trust had members as follows:

Membership Size and Movement 2022/23	Public Constituency	Staff Constituency
As at 01 April 2022	4,953	9,540
New members	10	0
Leavers	62	3
As at 31 March 2023	4,901	9,537

Analysis of Current Membership

Public constituency	Number of members	Eligible membership
Age Profile		
0-16	0	656,914
17 -21	0	166,246
22+	4,330	2,424,269
Ethnicity		
White	3,678	2,797,778
Mixed	99	143,531
Asian or Asian British	417	85,602
Black or Black British	278	132,193
Other	17	66,721

Socio-economic Grouping		
AB (Higher and Intermediate managerial, administrative, professional occupations)	1,280	293,343
C1 (Supervisory, clerical and junior managerial, administrative, professional occupations)	1,432	439,093
C2 (Skilled manual occupations)	1,033	308,573
DE (Semi-skilled and unskilled manual occupations, unemployed and lowest grade occupations)	1,089	317,441
Gender		
Male	1,866	1,593,643
Female	2,907	1,653,785

Note: the figures above excludes 571 public members with no stated date of birth, 410 members with no stated ethnicity and 128 members with no stated gender.

Membership Framework

The Trust is currently in the process of developing a new Membership Framework, to support the overarching EPUT Strategic Plan published in March 2023.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 development of the new framework is being led by the Council of Governors, through its Membership Sub-Committee.

Engagement and recruitment of our members

We continue to work towards our aim of achieving a more active and representative membership during 2022/23. The Trust held 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, services and plans, followed by an open forum allowing members to ask questions / express views to senior staff in the Trust. 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 well-attended and feedback received was positive, with most finding the sessions informative and enjoyable. The format of these meetings will evolve and will be held face-to-face and virtually 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
- 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
- Attending Mental Health Forums.

Paul Scott Chief Executive
Essex Partnership University NHS FT
27 June 2023

Glossary

BAME	Black Asian and Minority Ethnic
CBI	Confederation of British Industry
CCG	Clinical Commissioning Group
CHS	Community Health Services
COG	Council of Governors
COVID-19	Coronavirus
CPA	Care Programme Approach
CQC	Care Quality Commission
CPR	Castle Point and Rochford
DQMI	Data Quality Maturity Index
EPUT	Essex Partnership University NHS Foundation Trust
ERS	Employer Recognition Scheme
FEP	First Episode Psychosis
FFT	Friends and Family Test
FREED	First episode Rapid Entry intervention for Eating Disorders
FRF	Financial Recovery Fund
FT	Foundation Trust
FTE	Full Time Equivalent
F2SU	Freedom to Speak Up
GP	General Practitioner
HSE	Health and Safety Executive
IAPT	Improving Access to Psychological Therapies
KPI	Key Performance Indicator
KSF	Knowledge and Skills Framework
LA	Local Authority
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Questioning
LGPS	Local Government Pension Scheme
MH	Mental Health
MHS	Mental Health Services
MHSDS	Mental Health Services Data Set
NEP	North Essex Partnership NHS Foundation Trust
NHS	National Health Service
NHSI	NHS Improvement
NHSE/I	NHS Executive / Improvement
NHS OF	NHS Oversight Framework
NICE	National Institute for Health and Care Excellence
OBD	Out of area Bed Day
PFI	Private Finance Initiative
PHEV	Plug In Electric Vehicle
PLICS	Patient Level Information and Costing Systems
PSF	Provider Sustainability Funding
SE	South Essex
SEPT	South Essex Partnership NHS Foundation Trust
SID	Senior Independent Director
SIRO	Senior Information Risk Owner
SOS	Southend-on-Sea
SRO	Senior Responsible Officer
STP	Sustainability and Transformation Partnership
ICS	Integrated Care System
STOMP	STopping Over-Medication of People with learning disabilities, autism or both
WE	West Essex
WTE	Whole Time Equivalent

ANNUAL ACCOUNTS

2022/2023

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SECTION A:
CERTIFICATE FOR ANNUAL ACCOUNTS

Statement of the Chief Executive's Responsibilities as the Accounting Officer of Essex Partnership University NHS Foundation Trust

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

NHS England 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 Group Accounting Manual and in particular to:

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

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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
Essex Partnership University NHS FT
27 June 2023

Annual governance statement

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

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 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 Senior Director of Corporate Governance 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 and Care Units 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. Care Unit 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

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 and Assurance 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 2022/23 the Trust, following stakeholder engagement, set new strategic plan 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 committee meetings. 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 2022/2023 the Trust continued to embed and mature 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 care units. The other corporate 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. 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 provide assurance reports 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). Additional Conditions of registration are placed on the Trust services for accommodation of persons who require nursing or personal care at both Clifton Lodge and Rawreth Court Nursing Homes, in respect of having a registered manager and a maximum of 35 service users at each site. The Trust is meeting all of these requirements.

The CQC undertook the following inspection activity in 2022/23:

- In April / March 2022 the CQC carried out an unannounced inspection to follow up on the conditions placed on the Trust's registration of the Child and Adolescent Mental Health Inpatient Services in May 2021. The conditions included restricting the service from admitting any new children and young people without the prior written agreement of the Care Quality Commission and a condition to ensure all three wards are staffed with the required numbers of suitably skilled staff to meet the new children and young people's needs and to undertake children and young people's observations as prescribed. The CQC reported that the Trust had demonstrated improvements had been made; the service was no longer rated as inadequate overall or in any of the key questions; and as a result of this, the imposed conditions were removed.
- In October 2022, following high profile media, the CQC carried out an unannounced inspection to the adult inpatient wards (Willow and Galleywood) and took enforcement action, issuing a Section 29A warning notice.

  The Trust initiated an Inpatient Clinical Intensive Support Group and has made significant progress against the actions arising from the warning notice and the subsequent report published April 2023. The remaining actions required longer term programmes of work and are ongoing associated with implementation of new staffing models under the Time to Care Programme. 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 inspected a further 6 core service in November and December 2022 and carried out a Well Led inspection, this report is pending.

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 care units and 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 Care Unit meetings. The Assurance team receives risk registers from Care Units. 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 management 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 define 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 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 2023, 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 continues through an Executive Safety Oversight Group, with review and reporting to the Board through the Board Safety Oversight Group. Of note the year 2 progress demonstrated significant progress made across many indicators of patient safety, particularly within physical health and restrictive practice (e.g. 95% reduction in prone restraint), against a backdrop of rising and complex demand and operational challenges. Innovations rolled out across the Trust from the use of technologies such as Oxehealth vital signs monitoring. The step change we have made in engaging people with lived experience. We have now set our year 3 priorities and a review of the risk score will be undertaken to reflect in the year 2 delivery. (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. The Trust has significant activity to transform our workforce through investment, international recruitment, enhanced oversight of daily staffing and surge planning, and have commenced through our Time to Care Programme a functional redesign of our inpatient service delivery ensuring the best quality care for our patients and outstanding experience for our staff; with a year 1 staffing model having been developed. (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. The Trust approved its new strategy in January 2023 with an ambition of being the leading health and wellbeing service in the provision of mental health and community services. A range of enabling strategies will be developed in 2023/24. (Risk Score 15)
- SR4: If we do not effectively address demands then our resources may be overstretched resulting in an inability to deliver high quality safe care, transform, innovate and meet our partnership ambitions. The Trust has implemented the target operating model to enhance Place based care and increase collaborative working arrangements with system partners. In 2023/24 our priority is to deliver the 10 high impact interventions aligned to the NHSE discharge challenge. (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 and 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)

  We are pleased to have again achieved Cyber Essentials re-certification in March 2023 which marked an important assurance milestone within the trust.

  In August 22, a national cyber incident occurred which impacted may NHS organisations, including EPUT. Our cyber incident response team was quick to act and implemented mitigation and assurance measures to protect the trust. We are pleased to say that no EPUT systems were compromised, and learning has been taken from the incident to support the implementation of further prevention measures within the trust, strengthening our cyber resilience
- SR7: If EPUT does not have sufficient capital resource, e.g. digital and EPR, then we will be unable to undertake essential works or capital dependent transformation programmes, resulting in non-achievement of some of our strategic and safety ambitions. The Trust has in place a prioritised capital plan for 2023/24 and is actively engaged within the ICS finance meetings where accountability for capital resources is held. (Risk Score 20)
- SR8: If EPUT (as part of MSE ICS) does not effectively and efficiently manage its use of resources, then it may not meet its financial control total, resulting in potential failure

to sustain and improve services. Internally EPUT has improved its financial maturity (demonstrated by internal audit reviews) and both our Executive Chief Finance Office and their deputy are actively involved engaged within the ICS finance meetings. The Trust recognises the financial challenges and associated risks that exist at both local, ICS and a National levels. (Risk Score 20)

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, national and regional risk registers held by NHS England / local ICSs 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. Out 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. The Board refreshed 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 Senior 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 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 focused on ensuring our operational care units have bespoke, recruitment, retention and culture plan. This has led to a 9% net growth in registered nursing numbers, including over 200 overseas nurses. Safer staffing and the creation of flexibility within the workforce has been integral in the Trust's response to the pandemic and subsequent, increased demand pressures have 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 2022. However, staffing was continuously reviewed through Safer Care to proactively and reactively respond to service demand and staffing challenges. We subsequently launched our time to care programme, the 'Time to Care' programme was established with the aim of releasing significant and quantifiable time to care on inpatient mental health wards. This is to be achieved through:

1. **A Staffing Model Redesign** to increase capacity, safety and quality on the wards
2. **Process Improvement,** identifying quick wins, plus medium and longer-term solutions and embedding effective processes and training
3. **Data and Technology** to improve the use of current data and technology to support teams and delivery of care
4. **Engagement, Inclusivity and Wellbeing**, co-designing and implementing proposals with staff and Lived Experience representatives

This programme involved the voice of our service users, our staff and included clinical leads such as ward managers and matrons on how they could release time and provide more clinical therapeutic time with patients. A number of staff have been trained in the Mental Health Optimal Staffing Tool supported by NHSE, this tool is used to assess the skills and competencies of staff required to care for the dependencies and acuity of patients is embedded in the organisation to provide an evidence based approach to establishment reviews.

Time to Care has delivered a new workforce model designed in partnership with new roles and an establishment review of skills competencies and care hour per patient, with the business case to support this to be presented to the Board in 2023. This is our commitment to meeting the requirements of National Quality Board safe staffing.

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 form 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.

The Trust has also responded to industrial action by junior doctors. We have used our Emergency Planning protocol to establish cover rotas and agree pay and escalation procedures. Good relations with between medical leadership, medical staffing trams and the BMA have been maintained and junior doctors have been supported to take strike action. As a result, there were no escalations during industrial action. We are using the lessons learned to update our business continuity plans to ensure we are prepared for further industrial action going forward.

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 Director of Strategy, Transformation and Digital 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 Director of Strategy, Transformation and Digital 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.

In March 2023 the Trust achieved re-accreditation of Cyber Essentials. The Trust is reviewing changes in the national approach for cyber assurance to be more aligned to the NCSC Cyber Assurance Framework (CAF).

There were three reportable incidents via the Data Security and Protection Reporting Tool in 2022/2023. One of these incidents met the threshold for notification to the Information Commissioner's Office and appropriate action taken

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 (DQMI) score of 95.2% for Q1,

and 95.9% for Q2, and achieved an average Data Quality Maturity Index (DQMI) of 96.3% for the most recent reporting period (Q3 2022/23) which is 11.5% above the national average (noting that Q4 is yet to be published).

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the 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. 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 2022/2023 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 vaccination programme (until the programme step down).
- 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 provides additional assurance with regard to the Trust's governance arrangements and compliance 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 13 reports in 2022/2023 – see table below.

	Audit	Design	Effectiveness	Status
1.	Site Visits	Moderate	Limited	Final
2.	Patient Safety / CQC	Substantial	Moderate	Final
3.	Estates and Facilities Performance	Moderate	Moderate	Final
4.	Business Continuity	Moderate	Moderate	Final
5.	Operational Performance	Substantial	Moderate	Final
6.	Learning from Independent Inquiry	Moderate	Moderate	Final
7.	Key Financial Systems – Budget Setting and Management	Substantial	Substantial	Final
8.	National Cost Collection	Substantial	Substantial	Final
9.	Cyber Security	Moderate	Moderate	Final

Site Visits – The internal audit limited assurance review focused on a set of policies and procedures at a selection of 15 sites. 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.

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

10.	Risk Maturity (Advisory)	The purpose of the maturity assessment is to help ensure effective risk management culture becomes embedded across the Trust, by highlighting areas where process could be improved. The Trust ambition is to achieve the risk enabled status. The current levels of maturity for each areas were assessed in accordance with the five categories Naive | Aware | Defined | Managed | Enabled Summarised below the current maturity levels. Risk Governance: Managed Risk Assessment: Managed Risk Mitigation: Enabled Monitoring and Reporting: Managed Continuous Improvement: Managed The findings of the audit have been incorporated into the objectives for the risk management and assurance framework improvement for 2023/24
11.	HFMA Financial Sustainability (Advisory)	Aimed to provide an assessment of the maturity of the Trust's arrangements for financial sustainability. Overall, the Trust has been able to demonstrate a high level of compliance with the questions set out in the assessment.

12.	Data Security and Protection Toolkit (Advisory)	Data Security and Protection Toolkit is a self-assessment tool that enables the Trust top measure performance against the National Data Guardian's ten security standards. All NHS organisations must use the toolkit to provide assurance that they are practising good data security and that personal information is handled correctly. Auditors concluded moderate assurance over the design and operational effectiveness of the Trust's data security and protection controls. The findings of the audit have been incorporated into improvement plans to meet all the mandatory sub-assertions within the toolkit.
13.	SFI / Waivers (Advisory)	A review of FPM (finance process manager) transactions. Testing noted that non-compliance was limited to a minority of transactions when compare to the entire population.

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 2023, 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 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 is a sound system of internal control designed to meet the Trust's objectives and that controls are being applied consistently for the areas reviewed in 2022/23.

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 arising from inspection of Willow and Galleywood Wards is considered a significant internal control issue for EPUT. We consider that the Trust's governance structure enabled a prompt response to the Section 29A warning notice received on 30 October 2022 and the 8 'must do' recommendations made by the CQC in their report published 3 April 2023. The Trust initiated an Inpatient Clinical Intensive Support Group and has made significant progress against the actions arising from the CQC action. The remaining actions required longer term programmes of work and are ongoing associated with implementation of new staffing models under the Time to Care Programme. There has been and will continue to be substantial oversight by the Executive team to ensure improvements are sustained over time.
- The Essex Mental Health Independent Inquiry is considered a significant matter for EPUT both in regards to its reputational and resourcing implications. The Trust has therefore used its best knowledge, information and external advice at this point in time to provide for the estimated financial resources as part of its final accounts process. An announcement was made by the Secretary of State for Health and Social Care in Parliament on 28 June 2023 indicating intention to give the inquiry statutory powers. The Trust and its Board Members will continue to work with the inquiry in an open and transparent manner.
- From 30 March 2022, responsibility for a specialist children and young people's service transferred to EPUT and included ongoing pathways for referrals received prior to March 2022 as well as new referrals. At point of transfer the service was holding an inherited backlog of children on the waiting list and a significant active caseload. The Trust, with the support of the Elective Care Intensive Support Team is working to validate the waiting list to enable accurate reporting of Referral to Treatment (RTT) performance metrics.

Paul Scott
Chief Executive
Essex Partnership University NHS Foundation Trust
27 June 2023

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 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, the Statement of changes in equity and the related notes 1 to 30, 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 2022/23 HM Treasury's Financial Reporting Manual (the 2022/23 FReM) as contained in the Department of Health and Social Care Group Accounting Manual 2022 to 2023 and the Accounts Direction issued by NHS England with the approval of the Secretary of State as relevant to the National Health Service in England.

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 2023 and of the Foundation Trust's 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 2022 to 2023; and
- have been properly prepared in accordance with the National Health Service Act 2006.

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 for a period to the end of July 2024.

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 other matters prescribed by the Code of Audit Practice

In our opinion:

- other information published together with the audited financial statements is consistent with the financial statements; and
- the parts of the Remuneration Report and Staff Report identified as subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2022/23.

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 2022/23 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 the Accounting Officer

As explained more fully in the 'Statement of the chief executive's responsibilities as the accounting officer of Essex Partnership University NHS Foundation Trust' set out on page 93 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 of the Foundation Trust, or have no realistic alternative but to do so.

As explained in the Governance Statement, 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 Trust and determined that the most significant are the National Health Service Act 2006, the Health and Social Care Act 2012 and the Health and Care Act 2022, 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, the head of internal audit and those charged with governance 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, through enquiry of employees to verify Foundation Trust policies, and through the inspection of 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 non-NHS revenue and expenditure and inappropriate capitalisation of revenue expenditure and management override of controls to be our main fraud risks. We also identified a specific risk in relation to manipulation of reported financial performance through improper recognition of both NHS non-NHS income and expenditure for a specific period as a result of the national cyber incident.
- To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue and expenditure, we reviewed the Foundation Trust's manual year end non-NHS receivables and payables, challenging assumptions and corroborating a sample of transactions to appropriate evidence. We tested year-end cut-off arrangements by selecting samples of income and expenditure from either side of the 31 March 2023 balance sheet date and reviewing to supporting evidence to ensure these were recorded in the appropriate financial year.
- To address our fraud risk around the transactions impacted by the national cyber incident that may not have been incorrectly recorded in the financial statements, we obtained an understanding of the impact of the cyber incident and the Trust's response and tested a sample of NHS and non-NHS income and expenditure back to supporting documentation, extending our testing of key items using a lower testing threshold between 1 July and 31 October and testing a larger random sample of transactions below our testing threshold.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Trust's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.
- To address the presumed 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 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 January 2023, 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 2023.

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.

Delay in certification of completion of the audit

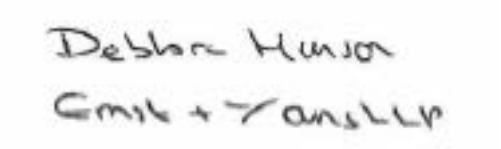
We cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2023. We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

In addition, we cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to issue our assurance statement in respect of the Trust's submission to the Consolidated NHS Provider Accounts. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

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 (Key Audit Partner)
Ernst & Young LLP (Local Auditor)
Luton
30 June 2023

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 2023 issued on 30 June 2023 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 2023 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 2022 to 2023; and
- had been properly prepared in accordance with the National Health Service Act 2006.

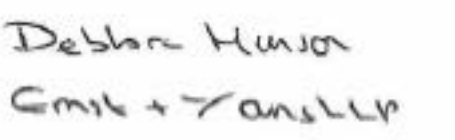
Certificate

In our report dated 30 June 2023, we explained that we could not formally conclude the audit on that date until we had completed the procedures necessary to issue our assurance statement in respect of the Foundation Trust's consolidation schedules.

We have now completed these procedures and no matters have come to our attention that would have resulted in a different opinion on the financial statements.

In our report dated 30 June 2023, 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 2023. 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
For and on behalf of Ernst & Young LP (Local Auditor)
Luton
5 July 2023

SECTION B:

ANNUAL ACCOUNTS AND NOTES TO THE ACCOUNTS

These accounts, for the year ended 31 March 2023, have been prepared by Essex Partnership University NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

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

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

Telephone: 01268 366000

Paul Scott
Chief Executive
27 June 2023

Statement of Comprehensive Income

	Note	2022/23 £000	2021/22 £000
Operating income from patient care activities	2	487,150	411,771
Other operating income	3	33,837	45,399
Operating expenses	6, 7	(518,259)	(454,857)
Operating surplus / (deficit) from continuing operations		**2,729**	**2,314**
Finance income	8	2,147	452
Finance expenses	8	(3,002)	(3,050)
PDC dividends payable		(5,333)	(4,828)
Net finance costs		**(6,188)**	**(7,426)**
Other gains / (losses)	9	3,343	928
Surplus / (deficit) for the year from continuing operations		**(117)**	**(4,184)**
Other comprehensive income			
Impairments	11	-	(6,201)
Revaluations	11	-	14,708
Remeasurements of the net defined benefit pension scheme liability / asset	7.4.8	138	332
Total comprehensive income / (expense) for the period		**21**	**4,655**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(117)	(4,184)
Remove net impairments not scoring to the Departmental expenditure limit	11.6, 16	96	4,114
Remove I&E impact of capital grants and donations		5	4
Remove non-cash element of on-SoFP pension costs		111	104
Adjusted financial performance surplus / (deficit)		**96**	**38**

The notes on pages 112 to 155 form part of these accounts. All income and expenditure is derived from continuing operations.

Statement of Financial Position

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	10	9,361	8,056
Property, plant and equipment	11	221,214	217,100
Right of use assets	12	41,286	-
Investment property	13	18,620	17,925
Receivables	15	191	176
Other assets	7	586	559
Total non-current assets		**291,257**	**243,815**
Current assets			
Inventories	14	449	438
Receivables	15	32,485	15,768
Non-current assets for sale and assets in disposal groups	16	575	550
Cash and cash equivalents	17	65,941	77,417
Total current assets		**99,449**	**94,173**
Current liabilities			
Trade and other payables	18	(62,267)	(53,124)
Borrowings	20	(5,278)	(1,611)
Provisions	22	(13,710)	(12,803)
Other liabilities	19	(3,382)	(4,984)
Total current liabilities		**(84,637)**	**(72,522)**
Total assets less current liabilities		**306,069**	**265,466**
Non-current liabilities			
Trade and other payables	18	(554)	(887)
Borrowings	20	(61,887)	(26,007)
Provisions	22	(10,286)	(7,770)
Total non-current liabilities		**(72,726)**	**(34,664)**
Total assets employed		**233,343**	**230,802**
Financed by			
Public dividend capital		141,550	139,030
Revaluation reserve		71,534	71,534
Other reserves		586	559
Income and expenditure reserve		19,673	19,678
Total taxpayers' equity		**233,343**	**230,802**

The Financial statements on pages 109 to 110 were approved by the Board on 27 June 2023 and signed on its behalf by:

Paul Scott
Chief Executive
27 June 2023

Statement of Changes in Equity for the year ended 31 March 2023

	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**139,030**	**71,534**	**559**	**19,678**	**230,802**
Surplus/(deficit) for the year	-	-	-	(117)	**(117)**
Other transfers between reserves	-	-	(111)	111	**-**
Impairments	-	-	-	-	**-**
Revaluations Remeasurements of the defined net benefit pension scheme liability / asset	-	-	138	-	**138**
Public dividend capital received	2,520	-	-	-	**2,520**
Taxpayers' and others' equity at 31 March 2023	**141,550**	**71,534**	**586**	**19,673**	**233,343**

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

	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**135,850**	**63,027**	**331**	**23,759**	**222,967**
Surplus/(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 liability / asset	-	-	332	-	**332**
Public dividend capital received	3,180	-	-	-	**3,180**
Taxpayers' and others' equity at 31 March 2022	**139,030**	**71,534**	**559**	**19,678**	**230,802**

Statement of Cash Flows

	Note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Operating surplus / (deficit)		2,729	2,314
Non-cash income and expense:			
Depreciation and amortisation	6	12,810	7,855
Net impairments	11	96	4,114
Non-cash movements in on-SoFP pension liability		111	104
(Increase) / decrease in receivables and other assets		(16,830)	(9,709)
(Increase) / decrease in inventories		(11)	7
Increase / (decrease) in payables and other liabilities		7,571	4,713
Increase / (decrease) in provisions		2,905	2,665
Other movements in operating cash flows		-	8
Net cash flows from / (used in) operating activities		**9,380**	**12,070**
Cash flows from investing activities			
Interest received		1,471	42
Purchase of intangible assets		(3,168)	(1,294)
Purchase of PPE and investment property		(11,466)	(14,566)
Sales of PPE and investment property		2,655	1
Net cash flows from / (used in) investing activities		**(10,507)**	**(15,817)**
Cash flows from financing activities			
Public dividend capital received		2,520	3,180
Movement on loans from DHSC		(400)	(7,386)
Capital element of lease liability repayments		(3,867)	-
Capital element of PFI, LIFT and other service concession payments		(1,192)	(1,205)
Interest on loans		(67)	(104)
Other interest		1	-
Interest element of lease liability repayments		(411)	-
Interest paid on PFI, LIFT and other service concession obligations		(1,799)	(2,648)
PDC dividend (paid) / refunded		(5,133)	(4,677)
Net cash flows from / (used in) financing activities		**(10,348)**	**(12,840)**
Increase / (decrease) in cash and cash equivalents		**(11,745)**	**(16,587)**
Cash and cash equivalents at 1 April - brought forward		**77,417**	**94,004**
Cash and cash equivalents at at 31 March	17	**65,941**	**77,417**

NOTES TO THE ACCOUNTS

1. Summary of Accounting Policies and Other Information

1.1 General information

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

1.2 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 Trust's continued funding and provision of services. The interim financial plan for 2023/24 was presented to the Board of Directors in March 2023 with the final submission made on 4 May 2023. 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 £96k (2021/22: £38k surplus). Income from Commissioners was largely based on Aligned Payment and Incentive (API) contracts following a move towards a more traditional contracting basis for 2022/23, with reimbursement for mass vaccination expenditure being received quarterly in arrears. During 2022/23, the Trust received additional income from the Integrated Care Board (ICB) to support ongoing costs associated with the Inquiry. The Trust also continued to receive additional funding to support achievement of Mental Health Investment Standards.

The Trust has produced its 2023/24 financial plans based on these assumptions. The final plan records a breakeven position for the year.

Our going concern assessment is made up to the end of July 2024. 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. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

In 2022/23, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements termed Aligned Payment and Incentive (API) contracts. These payments are accompanied by a variable element to adjust income for actual activity delivered.

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

Mental health provider collaboratives

NHS led provider collaboratives for specialised mental health, learning disability and autism services involve a lead NHS provider taking responsibility for managing services, care pathways and specialised commissioning budgets for a population. As lead provider for the East of England Adult Secure Provider Collaborative, the Trust is accountable to NHS England and as such recognises the income and expenditure associated with the commissioning of services from other providers in these accounts. Where the 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 7 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 2023, the liabilities have been recalculated from the latest full funding valuation carried out at 31 March 2022, 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.

1.7.2 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 carried out an annual assessment of its asset carrying amounts in comparison to values obtained from the District Valuer as at the end of the financial year, to ensure that the carrying

amounts of assets do not differ materially from their fair value at the Statement of Financial Position date.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Costs include professional fees and borrowings costs, where capitalised in accordance with IAS 23. 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.

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'.

Main Asset Category	Sub Category	Minimum Useful Life (in years)	Maximum Useful Life (in years)
Buildings - owned	Structure	4	77
	Engineering and installations	4	34
	External works	4	77
Buildings - PFI schemes	Structure	58	61
	Engineering and installations	18	28
	External works	38	42
Plant, machinery and equipment	Medical and surgical equipment	5	15
	Office equipment	5	5
	IT Hardware	5	10
	Other engineering works	5	30
Furniture and fitting	Furniture	5	10
	Soft furnishings	5	7
Motor vehicles		7	7

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.

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 and internally generated assets are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred and amortised over the shorter of the useful economic life or licence term.

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 - purchased	Software	2	15
Intangible assets – internally generated	IT	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

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

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

1.10.1 The Trust as lessee

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

1.10.2 The Trust as lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as an operating lease.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the head lease.

Finance leases

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

Operating leases

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.

1.10.3 Initial application of IFRS 16

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

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

The Trust as lessee

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

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying asset has a value below £5,000 in relation to the adoption of IFRS16. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

2021/22 comparatives

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

1.11 Inventories

Inventories are stated at the lower of cost or net realisable value.

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

1.12 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 Office of National Statistics (ONS).

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

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 2023.

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 22, 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 where 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 26 where an income of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 26, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

1.15 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts

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

1.16 Taxation

The Trust is a Health Service body within the meaning of s519A of the Income and Corporation Taxes Act (ICTA) 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 24.

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 2023 was 1.70% (the previous year's rate was -1.30%).

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 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 with the expected timing of cashflow being over the next financial year. The real discount rate applicable on 31 March 2023 was 3.27%.

The Trust also holds provisions in respect of its obligations to service the Inquiry announced in November 2020 into the deaths of NHS patients in its care in Essex between 2000 and 2020. The real discount rate applicable on 31 March 2023 was 3.27%.

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 2022/23. 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 auditors' 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

IFRS 16 Leases – application of liability measurement principles to PFI and other service concession arrangements

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to the Retail Price Index. 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. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. 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 2022/23, 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 2022/23.

Note 2 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 2.1 Income from patient care activities (by nature)	2022/23 £000	2021/22 £000
Mental health services		
Income from commissioners under API contracts*	237,926	225,184
Services delivered under a mental health collaborative	27,531	24,701
Income for commissioning services in a mental health collaborative	56,550	41,551
Clinical partnerships providing mandatory services (including S75 agreements)	3,558	3,967
Other clinical income from mandatory services	20,500	8,905
Community services		
Income from commissioners under API contracts*	89,080	78,620
Income from other sources (e.g. local authorities)	20,592	17,525
All services		
Private patient income	1	32
Agenda for change pay award central funding**	11,605	-
Additional pension contribution central funding***	12,326	11,285
Other clinical income	7,483	-
Total income from activities	**487,150**	**411,771**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National Tariff payments system documents.

https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/

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

Note 2.2 Income from patient care activities (by source)

Income from patient care activities received from:	2022/23 £000	2021/22 £000
NHS England	120,901	88,058
Clinical Commissioning Groups	74,478	286,061
Integrated Care Boards	244,690	-
Other NHS providers	25,567	20,281
Local Authorities	17,698	15,340
Non-NHS: private patients	1	32
Non NHS: other	3,816	2,000
Total income from activities	**487,150**	**411,771**

Note 3 Other operating income

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	587	-	**587**	533	-	**533**
Education and training	15,768	-	**15,768**	12,077	-	**12,077**
Non-patient care services to other bodies	220		**220**	43		**43**
Reimbursement and top up funding	4,970		**4,970**	23,147		**23,147**
Income in respect of employee benefits accounted on a gross basis	1,171		**1,171**	499		**499**
Charitable and other contributions to expenditure		335	**335**		490	**490**
Revenue from operating leases		2,043	**2,043**		2,565	**2,565**
Other income	8,743	-	**8,743**	6,046	-	**6,046**
Total other operating income	**31,458**	**2,379**	**33,837**	**42,345**	**3,054**	**45,399**

Note 3.1 Analysis of other contract income

	2022/23 Total £000	2021/22 Total £000
Catering	111	105
Pharmacy sales	151	66
Staff accommodation rental	105	58
Non-clinical services recharged to other bodies*	3,589	4,662
Staff contribution to employee benefit schemes	325	-
Other income not already covered (recognised under IFRS15)**	4,461	1,155
Total other contract income	**8,743**	**6,046**

* This includes income for IT and estates services provided for both 2022/23 and 2021/22.
** For 2022/23 this includes income received to support international recruitment.

Note 4 Additional information on income

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

	2022/23 £000	2021/22 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	4,393	4,615

Note 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:

	2022/23 £000	2021/22 £000
Income from services designated as commissioner requested services	487,149	411,739
Income from services not designated as commissioner requested services	1	32
Total	**487,150**	**411,771**

Note 5 Operating leases - the Trust as lessor

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

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

Note 5.1 Operating lease income

	2022/23 £000	2021/22 £000
Lease receipts recognised as income in year:		
Minimum lease receipts	2,043	2,565
Total in-year operating lease income	**2,043**	**2,565**

Note 5.2 Future lease receipts

	31 March 2023 £000
Future minimum lease receipts due at 31 March 2023:	
- not later than one year	1,940
- later than one year and not later than two years	335
- later than two years and not later than three years	238
- later than three years and not later than four years	144
- later than four years and not later than five years	144
- later than five years	644
Total	**3,445**

	31 March 2022 £000
Future minimum lease receipts due at 31 March 2022:	
- not later than one year;	1,942
- later than one year and not later than five years;	1,122
- later than five years.	750
Total	**3,814**

Note 6 Operating expenses*

	2022/23 £000	2021/22 £000
Purchase of healthcare from NHS and DHSC bodies	3,670	3,198
Purchase of healthcare from non-NHS and non-DHSC bodies	14,697	12,059
Mental health collaboratives (lead provider) - purchase of healthcare from NHS bodies**	33,910	24,142
Mental health collaboratives (lead provider) - purchase of healthcare from non-NHS bodies**	22,579	17,409
Staff and executive directors costs	354,965	307,881
Remuneration of non-executive directors	178	178
Supplies and services - clinical (excluding drugs costs)	6,790	6,960
Supplies and services - general	5,927	5,571
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	5,648	5,210
Consultancy costs***	3,133	3,141
Establishment	6,797	6,056
Premises	20,924	15,401
Transport (including patient travel)	5,098	3,395
Depreciation on property, plant and equipment and right of use assets	10,947	6,334
Amortisation on intangible assets	1,863	1,521
Net impairments	96	4,114
Movement in credit loss allowance: contract receivables / contract assets	(280)	(401)
Increase/(decrease) in other provisions	303	(323)
Change in provisions discount rate(s)	(1,070)	194
Fees payable to the external auditor - statutory audit	174	128
Internal audit costs	73	111
Clinical negligence	2,564	2,802
Legal fees	2,797	2,565
Insurance	520	479
Research and development	527	563
Education and training	4,451	5,200
Expenditure on short term leases (current year only)	1,008	-
Expenditure on low value leases (current year only)	1,321	-
Operating lease expenditure (comparative only)	-	10,816
Redundancy	(692)	838
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	2,669	1,421
Car parking & security	1,617	4,092
Hospitality	22	17
Losses, ex gratia & special payments	71	263
Other services (e.g. external payroll)	4,914	3,206
Other	46	318
Total	**518,259**	**454,857**

* 2022/23 includes part year cost of delivering mass vaccination services totalling £5m (2021/22: full year £23.1m).

** 2022/23 includes full year cost of the Trust hosting Provider Collaborative adult secure services totalling with £56.5m (2021/22: part year from 1 July 2021 £41.6m).

*** 2021/22 consultancy costs also included professional fees.

Note 7 Employee benefits

	2022/23 Total £000	2021/22 Total £000
Salaries and wages	258,366	225,285
Social security costs	25,810	25,804
Apprenticeship levy	1,192	1,085
Employer's contributions to NHS pensions	40,435	33,446
Pension cost - other	75	228
Other post employment benefits	-	(126)
Termination benefits	-	188
Temporary staff (agency)	32,810	25,997
Total gross staff costs	**358,688**	**311,907**
Costs capitalised as part of assets	(983)	(279)
Total staff costs	**357,705**	**311,628**

Note 7.1 Retirements due to ill-health

During 2022/23 there were 3 early retirements from the Trust agreed on the grounds of ill-health (4 in the year ended 2021/22). The estimated additional pension liabilities of these ill-health retirements is £51k (£164k in 2021/22).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 7.2 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. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

Note 7.3 Director Remunerations and Staff Costs

The analysis of directors' remunerations and pension benefits for the year ended 31 March 2023 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 2023 are in the staff report section of the Annual Report.

Note 7.4 Employee retirement benefit obligation

Note 7.4.1 Amounts recognised in the SoCI

	2022/23 £000	2021/22 £000
Current service cost	(201)	(238)
Interest expense / income	15	8
Administration expenses	(11)	-
Total net (charge) / gain recognised in SOCI	**(186)**	**(230)**

Note 7.4.2 Prinicipal acturial assumptions

	2022/23 %	2021/22 %
Discount rate	4.8	2.6
Pension increases	2.9	3.2
Rate of increase in salaries	3.9	4.2

Note 7.4.3 Amounts recognised in the Statement of Financial Position

	31 March 2023 £000	31 March 2022 £000
Present value of the defined benefit obligation	(13,114)	(19,679)
Plan assets at fair value	21,672	20,238
Impact of asset ceiling	(7,972)	-
Net defined benefit (obligation) / asset recognised in the SoFP	**586**	**559**

Note 7.4.4 Reconciliation of asset ceiling

	31 March 2023
Opening impact of asset ceiling	**2,121**
Interest on asset ceiling	55
Actuarial losses / (gains)	5,796
Closing impact of asset ceiling	**7,972**

Note 7.4.5 Change in benefit obligation

	2022/23 £000	2021/22 £000
Present value of the defined benefit obligation at 1 April	**(19,679)**	**(20,335)**
Current service cost	(191)	(238)
Interest cost	(504)	(402)
Contribution by plan participants	(33)	(36)
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial (gains) / losses	6,668	815
Benefits paid	625	517
Present value of the defined benefit obligation at 31 March	**(13,114)**	**(19,679)**

Note 7.4.6 Change in fair value of plan assets

	2022/23 £000	2021/22 £000
Plan assets at fair value at 1 April	**20,238**	**20,666**
Adjustment to Plan assets at fair value at 1 April	2,111	-
Interest income	574	410
Remeasurement of the net defined benefit (liability) / asset:		
- Return on plan assets	(294)	1,638
- Actuarial gain / (losses)	(440)	-
- Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	(2,121)
Contributions by the employer	75	126
Contributions by the plan participants	33	36
Benefits paid	(625)	(517)
Plan assets at fair value at 31 March	**21,672**	**20,238**

Note 7.4.7 Analysis of fair value of plan assets

	2022/23 £000	2022/23 %	2021/22 £000	2021/22 %
Equities	12,373	57%	13,418	60%
Gilts	298	1%	534	2%
Other bonds	960	5%	979	4%
Property	1,733	8%	1,833	8%
Cash / Temporary investments	714	3%	567	3%
Alternative assets	3,349	16%	2,762	12%
Other managed funds	2,234	10%	2,256	10%
Plan assets at fair value at 31 March	**21,661**	**100%**	**22,349**	**100%**

Note 7.4.8 Remeasurement in other comprehensive income

	2022/23 £000	2021/22 £000
Return on funds in excess of interest	(294)	1,638
Other actuarial gains / (losses) on assets	(440)	-
Change in financial assumption	6,816	865
Change in demographic assumptions	373	-
Experience gain / (loss) on defined benefit obligation	(521)	(50)
Change in impact of asset ceiling	(5,796)	(2,121)
Reasurement of the net assets / (defined liability)	**138**	**332**

Note 7.4.9 Projected pension expenses

	2022/23 £000
Service cost	102
Net interest on defined asset	(28)
Administration expenses	10
Total	**84**
Employer contributions	0
Total	**-**

Note 7.4.10 Sensitivity analysis

Adjustment to discount rate	**+0.5%**	**+0.1%**	**0.0%**	**-0.1%**	**-0.5%**
Present value total obligation	12,203	12,915	13,103	13,296	14,111
Projected service cost	91	100	102	105	115
Adjustment to long term salary increase	**+0.5%**	**+0.1%**	**0.0%**	**-0.1%**	**-0.5%**
Present value total obligation	13,157	13,114	13,103	13,092	13,051
Projected service cost	103	102	102	102	102
Adjustment to pension increases and deferred revaluation	**+0.5%**	**+0.1%**	**0.0%**	**-0.1%**	**-0.5%**
Present value total obligation	14,072	13,288	13,103	12,922	12,235
Projected service cost	115	104	102	100	90

Adjustment to life expectancy assumptions	**+ 1 year**	**None**	**- 1 year**
Present value total obligation	13,555	13,103	12,666
Projected service cost	106	102	99

Note 8 Finance Income, Expenditure and late payments of Commercial Debt (interest) Act 1998

Note 8.1 Finance income

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

	2022/23 £000	2021/22 £000
Interest on bank accounts	1,573	42
Other finance income	574	410
Total finance income	**2,147**	**452**

Note 8.2 Finance expenditure

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

	2022/23 £000	2021/22 £000
Interest expense:		
Interest on loans from the Department of Health and Social Care	65	-99
Interest on lease obligations 411 -	411	-
Interest on late payment of commercial debt	1	-
Main finance costs on PFI and LIFT schemes obligations	1,512	1,586
Contingent finance costs on PFI and LIFT scheme obligations 1,061	287	1,061
Total interest expense	2,275	2,746
Unwinding of discount on provisions	154	(98)
Other finance costs	573	402
Total finance costs	**3,002**	**3,050**

Note 8.3 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

There was a total interest payment (including administration charges) of £765 relating to the late payment of commercial debts in the year ended 31 March 2023 (2021/22: £317).

Note 9 Other gains / (losses)

	2022/23 £000
Gains on disposal of assets*	2,655
Losses on disposal of assets	(7)
Total gains / (losses) on disposal of assets	**2,648**
Fair value gains / (losses) on investment properties	695
Total other gains / (losses)	**3,343**

* The Trust released a deed of covenant in respect of the former Runwell Hospital (a former Secretary of State owned site) resulting in a gain of £2,655k in 2022/23.

Note 10 Intangible assets - 2022/23

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	**18,967**	**-**	**452**	**19,419**
Additions	2,589	579	-	**3,168**
Reclassifications	92	-	(92)	**-**
Disposals / derecognition	-	-	-	**-**
Valuation / gross cost at 31 March 2023	**21,648**	**579**	**360**	**22,587**
Amortisation at 1 April 2022 - brought forward	**11,363**	**-**	**-**	**11,363**
Provided during the year	1,863	-	-	**1,863**
Disposals / derecognition	-	-	-	**-**
Amortisation at 31 March 2023	**13,226**	**-**	**-**	**13,226**
Net book value at 31 March 2023	**8,422**	**579**	**360**	**9,361**
Net book value at 1 April 2022	**7,604**	**-**	**452**	**8,056**

Note 10.1 Intangible assets - 2021/22

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

Note 11.1 Property, plant and equipment - 2022/23

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 - brought forward	**50,290**	**148,004**	**1,336**	**11,117**	**5,767**	**296**	**7,889**	**251**	**224,951**
Additions	-	8,336	-	1,970	404	-	181	212	**11,103**
Impairments	-	(121)	-	-	-	-	-	-	**(121)**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	11,065	(577)	(10,888)	-	-	-	401	**0**
Disposals / derecognition	-	-	-	(7)	-	-	-	-	**(7)**
Valuation/gross cost at 31 March 2023	**50,290**	**167,284**	**759**	**2,192**	**6,171**	**296**	**8,070**	**864**	**235,926**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**-**	**-**	**-**	**3,777**	**265**	**3,558**	**251**	**7,851**
Provided during the year	-	5,195	58	-	402	5	1,128	73	**6,861**
Revaluations	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	13	(13)	-	-	-	-	-	**-**
Accumulated depreciation at 31 March 2023	**-**	**5,208**	**45**	**-**	**4,179**	**270**	**4,686**	**324**	**14,712**
Net book value at 31 March 2023	**50,290**	**162,076**	**714**	**2,192**	**1,992**	**26**	**3,384**	**540**	**221,214**
Net book value at 1 April 2022	**50,290**	**148,004**	**1,336**	**11,117**	**1,990**	**31**	**4,331**	**-**	**217,100**

Note 11.2 Property, plant and equipment - 2021/22

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - brought forward	**49,863**	**152,892**	**1,140**	**7,985**	**5,625**	**347**	**16,636**	**2,185**	**236,674**
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)**
Valuation/gross cost at 31 March 2022	**50,290**	**148,004**	**1,336**	**11,117**	**5,767**	**296**	**7,889**	**251**	**224,951**
Accumulated depreciation at 1 April 2021 - brought forward	**-**	**13,335**	**138**	**-**	**4,129**	**347**	**11,868**	**2,185**	**32,002**
Provided during the year	-	4,808	46	-	330	2	1,148	-	**6,334**
Revaluations	-	(18,143)	(184)	-	-	-	-	-	**(18,327)**
Disposals / derecognition	-	-	-	-	(682)	(84)	(9,458)	(1,934)	**(12,158)**
Accumulated depreciation at 31 March 2022	**-**	**-**	**-**	**-**	**3,777**	**265**	**3,558**	**251**	**7,851**
Net book value at 31 March 2022	**50,290**	**148,004**	**1,336**	**11,117**	**1,990**	**31**	**4,331**	**-**	**217,100**
Net book value at 1 April 2021	**49,863**	**139,557**	**1,002**	**7,985**	**1,496**	**-**	**4,768**	**-**	**204,672**

Note 11.3 Property, plant and equipment financing - 31 March 2023

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	50,290	129,110	715	2,192	1,992	26	3,384	540	**188,248**
On-SoFP PFI contracts and other service concession arrangements	-	32,853	-	-	-	-	-	-	**32,853**
Owned - donated/ granted	-	113	-	-	-	-	-	-	**113**
Total net book value at 31 March 2023	**50,290**	**162,076**	**715**	**2,192**	**1,992**	**26**	**3,384**	**540**	**221,214**

Note 11.4 Property, plant and equipment financing - 31 March 2022

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
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**
Total net book value at 31 March 2022	**50,290**	**148,004**	**1,336**	**11,117**	**1,990**	**31**	**4,331**	**-**	**217,100**

Note 11.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	445	5,033	-	-	-	-	-	-	**5,478**
Not subject to an operating lease	49,845	157,043	715	2,192	1,992	26	3,384	540	**215,736**
Total net book value at 31 March 2023	**50,290**	**162,076**	**715**	**2,192**	**1,992**	**26**	**3,384**	**540**	**221,214**

Note 11.6 Revaluation of property plant and equipment

Following a full revaluation in the 2021/22 financial year which resulted in a net revaluation gain of £4,367k (including an impairment of £4,139k charged to operating expenses), the Trust carried out an assessment of its asset carrying amounts in comparison to values obtained from the District Valuer as at 31st March 2023. This confirmed that the carrying amounts of assets do not differ materially from their fair value at the Statement of Financial Position date. This is in line with international accounting standard (IAS16) with no revaluation required following this assessment.

One of the Trust's leased properties, i.e. Basildon Mental Health Unit has undergone major refurbishment works to eliminate dormitory style accommodation which completed in 2022/23, as well as the development of a mental health urgent care department during 2022/23. Consequently, the Trust has revalued this property in line with accounting standards and Trust policy which has resulted in a building impairment loss of £121k which has been recognised in the Statement of Comprehensive Income as an operating expense.

The analysis of resulting movements on both the Statement of Comprehensive Income and other comprehensive income, is detailed below;

	Total	Revaluation Reserve Surplus	Revaluation Reserve Impairment	Net Operating Expenses Impairment / Reversal*
	£'000	£'000	£'000	£'000
2022/23	**(121)**	0	0	(121)
2021/22	**4,367**	14,708	(6,201)	(4,139)

* excluding revaluation gains on assets held for sale (note 16)

Note 11.7 Remaining Economic lives of Property, Plant and Equipment

Main Asset Category	Sub Category	Minimum Useful life (in years)	Maximum Useful Life (in years)
Buildings - owned	Structure Engineering and installations External works	4 4 4	77 34 77
Buildings - PFI schemes	Structure Engineering and installations External works	58 18 38	61 28 42
Plant, machinery and equipment	Medical and surgical equipment Office equipment IT Hardware Other engineering works Other equipment	1 5 1 1 4	12 5 6 29 9
Furniture and fitting	Furniture Soft furnishings	5 5	5 5
Motor vehicles		6	6

Note 11.8 Assets under PFI contract

	2022/23 £000
Cost or Valuation	
Cost / Valuation at 1 April 2022	33,654
Additions during the year	-
Cost / Valuation at 31 March 2023	**33,654**
Accumulated depreciation	
Cost / Valuation at 1 April 2022	-
Provided during the year	(801)
Accumulated depreciation at 31 March 2023	**(801)**
Net book value at 1 April 2022	33,654
Net book value at 31 March 2023	**32,853**

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 Retail Price Index (RPI).

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 Retail Price Index (RPI).

There are no changes in the arrangement over the contract period.

Note 12 Leases - the Trust as a lessee

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

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in Note 12.4 are presented on an IAS 17 basis.

Note 12.1 Right of use assets - 2022/23

	Property (land and buildings)	Transport equipment	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - adjustments for existing operating leases / subleases	44,870	57	**44,927**	40,451
Additions	-	81	**81**	-
Movements in provisions for restoration / removal costs	364	-	**364**	364
Valuation/gross cost at 31 March 2023	**45,234**	**138**	**45,372**	**40,815**
Provided during the year	4,041	45	**4,086**	3,549
Accumulated depreciation at 31 March 2023	**4,041**	**45**	**4,086**	**3,549**
Net book value at 31 March 2023	**41,193**	**93**	**41,286**	**37,266**
Net book value of right of use assets leased from other NHS providers				9,368
Net book value of right of use assets leased from other DHSC group bodies				27,898

Note 12.2 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the Statement of Financial Position. A breakdown of borrowings is disclosed in note 21.

	2022/23 £000
Carrying value at 31 March 2022	**-**
IFRS 16 implementation - adjustments for existing operating leases	44,927
Lease additions	81
Interest charge arising in year	411
Lease payments (cash outflows)	(4,278)
Carrying value at 31 March 2023	**41,141**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in note 6. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 12.3 Maturity analysis of future lease payments at 31 March 2023

	Total	Of which leased from DHSC group bodies:
	31 March 2023 £000	31 March 2023 £000
Undiscounted future lease payments payable in:		
- not later than one year;	3,893	3,377
- later than one year and not later than five years;	16,744	14,701
- later than five years.	20,504	19,043
Net lease liabilities at 31 March 2023	**41,141**	**37,121**
Of which:		
Leased from other NHS providers		9,412
Leased from other DHSC group bodies		27,709

Note 12.4 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the Trust previously determined to be operating leases under IAS 17.

	2021/22 £000
Operating lease expense	
Minimum lease payments	10,816
Total	**10,816**

	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	8,217
- later than one year and not later than five years;	5,242
- later than five years.	49,547
Total	**63,006**

Note 12.5 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 15.

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

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

	1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**63,006**
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	**48,700**
Less:	
Commitments for short term leases	(262)
Commitments for leases of low value assets	(1,402)
Irrecoverable VAT previously included in IAS 17 commitment	(354)
Services included in IAS 17 commitment not included in the IFRS 16 liability	(27,831)
Other adjustments:	
Differences in the assessment of the lease term	26,076
Total lease liabilities under IFRS 16 as at 1 April 2022	**44,927**

Note 13 Investment Property

	2022/23 £000	2021/22 £000
Carrying value at 1 April - brought forward	**17,925**	**18,305**
Movement in fair value	695	970
Reclassifications to PPE	-	(1,350)
Carrying value at 31 March	**18,620**	**17,925**

The Trust's policy is to annually revalue its investment properties in accordance with accounting guidance. The revaluation as at 31 March 2023, provided by the District Valuer, showing an increase of £695k during 2022/23.

Note 14 Inventories

	31 March 2023 £000	31 March 2022 £000
Drugs	153	154
Other	296	284
Total inventories	**449**	**438**

Note 15 Trade and Other Receivables

Note 15.1 Receivables

	31 March 2023 £000	31 March 2022 £000
Current		
Contract receivables	28,133	13,482
Allowance for impaired contract receivables / assets	(456)	(832)
Prepayments (non-PFI)	2,409	1,754
Interest receivable	102	-
PDC dividend receivable	61	261
VAT receivable	2,210	971
Other receivables	26	133
Total current receivables	**32,485**	**15,768**
Non-current		
Other receivables	191	176
Total non-current receivables	**191**	**176**
Of which receivable from NHS and DHSC group bodies:		
Current	23,579	12,113
Non-current	191	176

The increase in contract receivables largely relates to additional pay award funding for 2022/23 due from NHSE.

Note 15.2 Allowances for credit losses

	2022/23	2021/22
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 April - brought forward	**832**	**1,482**
New allowances arising	29	217
Reversals of allowances	(309)	(618)
Utilisation of allowances (write offs)	(96)	(248)
Allowances as at 31 Mar 2023	**456**	**832**

Note 16 Non-current assets held for sale and assets in disposal groups

	2022/23	2021/22
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	**550**	**525**
Reversal of impairment of assets held for sale	25	25
NBV of non-current assets for sale and assets in disposal groups at 31 March	**575**	**550**

As at 31 March 2023, the Trust held one property for sale: 4 The Glades, Bedfordshire.

Note 17 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2022/23	2021/22
	£000	£000
At 1 April	**77,417**	**94,004**
Net change in year	(11,476)	(16,588)
At 31 March	**65,941**	**77,417**
Broken down into:		
Cash at commercial banks and in hand	674	203
Cash with the Government Banking Service	50,266	77,214
Deposits with the National Loan Fund	15,000	-
Total cash and cash equivalents as in SoFP	**65,941**	**77,417**

Note 18 Trade and other payables

	31 March 2023 £000	31 March 2022 £000
Current		
Trade payables	7,990	7,604
Capital payables	3,106	3,468
Accruals	40,486	32,050
Social security costs	3,803	3,691
Other taxes payable	2,888	2,744
Pension contributions payable	3,994	3,567
Total current trade and other payables	**62,267**	**53,124**
Non-current		
Accruals	554	887
Total non-current trade and other payables	**554**	**887**
Of which payables from NHS and DHSC group bodies:		
Current	6,865	8,942
Non-current	-	-

Note 19 Other liabilities

	31 March 2023 £000	31 March 2022 £000
Current		
Deferred income: contract liabilities	3,382	4,984
Total other current liabilities	**3,382**	**4,984**

Note 20 Borrowings

Note 20.1 Borrowings

	31 March 2023 £000	31 March 2022 £000
Current		
Loans from DHSC	417	419
Lease liabilities*	3,893	-
Obligations under PFI, LIFT or other service concession contracts	968	1,192
Total current borrowings	**5,278**	**1,611**
Non-current		
Loans from DHSC	2,404	2,803
Lease liabilities*	37,248	-
Obligations under PFI, LIFT or other service concession contracts	22,236	23,204
Total non-current borrowings	**61,887**	**26,007**

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 12.

The Trust is responsible for ensuring that it is able to repay its borrowings and any associated interest charges. As at the financial year ending 2022/23, the Trust holds one single currency term loan from the Secretary of State as follows:

Amount Outstanding (Current) £000	Amount Outstanding (Non-Current) £000	Interest Rate	Repayment Date
417	2,404	2.17%	March 2030

Note 20.2 Reconciliation of liabilities arising from financing activities - 2022/23

	Loans from DHSC	Lease Liability	PFI and LIFT	Total
	£000	£000	£000	£000
Carrying value at 1 April 2022	**3,222**	**-**	**24,396**	**27,619**
Cash movements:				
Financing cash flows - payments and receipts of principal	(400)	(3,867)	(1,192)	**(5,459)**
Financing cash flows - payments of interest	(67)	(411)	(1,512)	**(1,990)**
Non-cash movements:				
Impact of implementing IFRS 16 on 1 April 2022	-	44,927	-	**44,927**
Additions	-	81	-	**81**
Application of effective interest rate	65	411	1,512	**1,989**
Carrying value at 31 March 2023	**2,821**	**41,141**	**23,204**	**67,166**

Note 21 On-SoFP PFI, LIFT or other service concession arrangements

Note 21.1 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:

	31 March 2023 £000	31 March 2022 £000
Gross PFI, LIFT or other service concession liabilities	**35,024**	**37,728**
Of which liabilities are due		
- not later than one year;	2,406	2,704
- later than one year and not later than five years;	10,753	10,505
- later than five years.	21,864	24,519
Finance charges allocated to future periods	(11,820)	(13,332)
Net PFI, LIFT or other service concession arrangement obligation	**23,204**	**24,396**
- not later than one year;	968	1,192
- later than one year and not later than five years;	5,790	5,219
- later than five years.	16,446	17,985

Note 21.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2023 £000	31 March 2022 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**114,441**	**102,469**
Of which payments are due:		
- not later than one year;	6,464	5,678
- later than one year and not later than five years;	28,765	24,380
- later than five years.	79,212	72,411

Note 21.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2022/23 £000	2021/22 £000
Unitary payment payable to service concession operator	**5,660**	**5,272**
Consisting of:		
- Interest charge	1,512	1,586
- Repayment of balance sheet obligation	1,192	1,204
- Service element and other charges to operating expenditure	1,979	1,207
- Revenue lifecycle maintenance	690	214
- Contingent rent	287	1,061
Total amount paid to service concession operator	**5,660**	**5,272**

Note 22 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Redundancy £000	Other* £000	Total £000
At 1 April 2022	**5,210**	**2,336**	**158**	**692**	**12,176**	**20,573**
Change in the discount rate	(376)	(433)	-	-	(261)	**(1,070)**
Arising during the year	-	-	-	-	8,276	**8,276**
Utilised during the year	(452)	(144)	(32)	-	(2,015)	**(2,644)**
Reversed unused	-	-	(29)	(692)	(572)	**(1,294)**
Unwinding of discount	75	30	-	-	50	**154**
At 31 March 2023	**4,457**	**1,789**	**97**	**-**	**17,653**	**23,996**
Expected timing of cash flows:						
- not later than one year;	492	133	97	-	12,988	**13,710**
- later than one year and not later than five years;	1,865	513	-	-	4,665	**7,043**
- later than five years.	2,100	1,143	-	-	-	**3,243**
Total	**4,457**	**1,789**	**97**	**-**	**17,653**	**23,996**

* Other provisions consists of dilapidation costs of leased buildings, obligations in respect of the redevelopment of the former Severalls hospital site and provisions relating to the inquiry into Essex mental health services announced in November 2020 and which remains ongoing.

The total value of clinical negligence provisions carried by NHS Resolution on the Trust's behalf as at 31 March 2023 was £19,485k (2021/22: £26,290k). The reduction was largely attributable to changes in discount rate applicable to the provision.

Note 23 Movements on reserves

	Revaluation Reserve	Other Reserves	Income & Expenditure Reserves	Total
Taxpayers' equity at 1 April 2022 - brought forward	**71,534**	**559**	**19,678**	**91,771**
Other transfers between reserves	-	(111)	111	**0**
Deficit for the year	-		(117)	**(117)**
Remeasurements of defined net benefit pension scheme liability / asset	-	138	-	**138**
Taxpayers' equity at 31 March 2023	**71,534**	**586**	**19,673**	**91,793**

Note 24 Capital commitments

The value of the capital commitments under expenditure contracts at 31 March 2023 was £1,553k (2021/22: £211k).

Note 25 Events after the reporting period

Note 25.1 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 27 June 2023.

Note 26 Contingencies

As at 31 March 2023, the Trust had contingent liabilities in respect of the Liabilities to Third Parties Scheme and Property Expenses Scheme totaling £45k (2021/22: £88k).

Note 27 Related party transactions

The The Trust is a body corporate established by the Secretary of State. NHS England 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 2023 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 and NHS Southend CCG before their demise in June 2022, as well as NHS Mid & South Essex ICB, NHS Suffolk & North East Essex ICB, NHS Hertfordshire & West Essex ICB, 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 27.1 and 27.2, during the year none of the Board Members, Governors or members of the key management staff or parties related to them and Department of Health and Social Care (DHSC) related parties (i.e. DHSC Ministers, senior officials and entities controlled or influenced by 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);
- Third Party / Voluntary Sector

The Trust is the Corporate Trustee of the Essex Partnership NHS Foundation Trust General Charitable Fund. During the year ended 31 March 2023, 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.

Note 27.1 Director's interests
Dr. Milind Karale is an investigator / clinical adviser at Niche Patient Safety. The Trust's total expenditure made to Niche Patient Safety in the financial year was £37,891 for independent investigation into care and treatment. This expenditure was not initiated by Dr Karale. The Trust's total income received from Niche Patient Safety in the financial year was nil.

Professor Natalie Hammond is Chair of the Mental Health Nurse Directors Forum. The Trust's total expenditure made to Mental Health Nurse Directors Forum in the financial year was £1,285 for Trust staff attendance at forum events. The Trust's total income received from Alliance Events in the financial year was nil.

Note 27.2 DHSC related parties
During the year, the Trust has incurred expenditure of £34,247 with NHS Providers who is identified by the DHSC as a related party to Government Ministers and senior officials.

Note 28 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.

Note 28.1 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2023	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non-financial assets	27,996	**27,996**
Cash and cash equivalents	65,941	**65,941**
Total at 31 March 2023	**93,937**	**93,937**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non-financial assets	12,960	**12,960**
Cash and cash equivalents	77,417	**77,417**
Total at 31 March 2022	**90,377**	**90,377**

Note 28.2 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	2,821	**2,821**
Obligations under leases	41,141	**41,141**
Obligations under PFI, LIFT and other service concession contracts	23,204	**23,204**
Trade and other payables excluding non financial liabilities	47,713	**47,713**
Provisions under contract	17,750	**17,750**
Total at 31 March 2023	**132,628**	**132,628**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost £000	Total book value £000
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**
Total at 31 March 2022	**79,224**	**79,224**

Note 28.3 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2023 £000	31 March 2022 £000
In one year or less	66,960	53,914
In more than one year but not more than five years	34,315	13,167
In more than five years	43,174	25,770
Total	**144,448**	**92,851**

Note 29 Third party assets

The Trust held £324k (2021/22: £221k) cash at bank and in hand at 31 March 2023 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.

Note 30 Losses and special payments

	2022/23		2021/22	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	27	7	21	20
Stores losses and damage to property	1	1	-	-
Total losses	**29**	**8**	**21**	**20**
Special payments				
Compensation under court order or legally binding arbitration award	-	-	4	1
Extra-contractual payments	-	-	-	-
Ex-gratia payments*	20	1,162	11	216
Special severance payments	2	31	-	-
Extra-statutory and extra-regulatory payments	5	37	-	-
Total special payments	**27**	**1,230**	**15**	**217**
Total losses and special payments	**56**	**1,238**	**36**	**237**
Of which, special payments of £95,000 or more:				
Ex-gratia payments**	1	1,109	1	214
Total losses	**1**	**1,109**	**1**	**214**

* Within ex-gratia payments for 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.
** Within ex-gratia payments of £95,000 or more for 2022/23, the Trust has accounted for non-contractual awards to staff i.e. thank you vouchers and cost of living support. Such awards to a group of staff is considered one case in line with national guidance.

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