

Annual report and accounts

1 April 2020 - 31 March 2021



Tees, Esk and Wear Valleys NHS Foundation Trust
Annual report and accounts 2020/21

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

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Foreword by the chairman and chief executive

COVID-19 dominated healthcare last year and we're incredibly proud of colleagues who worked tirelessly during this time and continue to do so. They supported patients, families and each other, while keeping up with new guidance, reduced staffing levels and living with the uncertainties that have been felt by people everywhere during the pandemic. Thank you.

Brent was delighted to join us as chief executive in June 2020 and we took the opportunity to really listen to people and to think about the future direction of the organisation. We know we have not always got it right but we believe that by truly listening and working together we can make changes and improve the experience of TEWV for everyone.

We started Our Big Conversation and heard from patients, staff, families, carers and partners about what they thought of TEWV now and what they wanted us to become. We co-created our new strategy for the next five years, Our Journey to Change, based on these conversations. It sets out where we want to be and how we will get there through a new shared vision, set of values and three core commitments to patient, carers, colleagues and partners.

Earlier this year, following an unannounced inspection from the Care Quality Commission (CQC), our acute wards for adults and psychiatric intensive care units were rated as inadequate for both safe and well-led. We continue to demonstrate the improvements we're making and have given assurance that patients are safe on our wards. We have already seen some positive changes that are really making a difference to both our patients and staff. We are grateful to colleagues for everything they have done to support this.

There's still work to do. That's why it's so important we continue to take time for some deeper reflection to make sure we take the right course of action and that the changes we make are meaningful.

Looking forward, we will be focusing on getting the basics rights; making care planning collaborative, co-created and comprehensive, providing quality and safe care and working on transformation programmes including the introduction of new crisis care models and working with partners on the Community Mental Health Framework.

We have learned a lot this year and we're committed to making positive changes and continuing to improve the care we deliver. We will do this with the support of our colleagues, partners and commissioners, and the expertise of patients, carers and governors.

Finally, we would both like to express a heartfelt thank you to our staff, the Board, the Council of Governors, our many partners and stakeholders, service users and carers for all of their support over this past year and for their continued commitment to working alongside us in the future.



Brent Kilmurray
Chief executive
24 June 2021



Miriam Harte
Chairman
24 June 2021

This annual report, including the annual accounts, has been prepared under a direction issued by Monitor under the National Health Service Act 2006.

The performance report

Overview of performance

Purpose

The purpose of the performance report is to provide an overview of the Foundation Trust, our purpose, our strategic direction, including our vision, mission and strategic goals, the key risks to achieving them and information on how we have performed during the year.

Statement from the chief executive

The challenges the Trust has faced over the last couple of years continued into 2020/21, however, our new strategy, Our Journey to Change, which was co-created with staff, patients, carers and partners, gives us a firm foundation to make progress.

COVID-19 created risks and certainly impacted our performance. While it did not, initially, cause the major pressures felt elsewhere in the NHS there were challenges in maintaining service delivery because of increased infection prevention and control measures and social distancing. The tireless efforts of staff to provide high quality care in difficult and often uncomfortable working environments are recognised and commended.

In the second half of the year, we started to experience the expected surge in demand and acuity as social isolation and anxiety arising from the pandemic impacted people's mental health. This is expected to continue into 2021/22.

In spite of the pandemic our finances have been resilient, reflecting helpful national financial arrangements that have allowed the NHS to respond to the challenges of Covid-19 throughout 2020/21.

During the year, the findings of inspections and other reviews have given us greater insight and clarity on the improvements we need to make. I am proud of the rapid progress we have made in responding to concerns raised by our regulators and in strengthening our governance processes. However, we do not underestimate the size of the task ahead.

With our focus on co-creation with patients, their carers and families and with staff and partners we are now well placed to become the organisation we aspire to be and to enable people to lead their best possible lives.



Brent Kilmurray
Chief executive
24 June 2021

Our Journey to Change

Our Journey to Change sets out why we do what we do, the kind of organisation we want to be and the three big goals we're committing to over the next five years. It is the result of our biggest ever listening exercise and has been co-created with staff, patients, carers and partners.

Our purpose

We want people to lead their best possible lives.

The type of organisation we want to be

We will co-create safe and personalised care that improves the lives of people with mental health needs, a learning disability or autism, involving them and their carers as equal partners. We will listen, learn, improve and innovate together with our communities and will always be respectful, compassionate and responsible.

Our values

- Respect – listening, inclusive, working in partnership
- Compassion – kind, supporting, recognising and celebrating
- Responsibility – honest, learning, ambitious

Our goals

- To co-create a great experience for our patients, carers and families
- To co-create a great experience for our colleagues
- To be a great partner

Achieving our goals

To make sure we achieve our goals we have co-created five key priorities, each with a set of actions that we will carry out this year.

1. Co-creation is at our core

We'll know we've achieved this when patients, carers and staff work confidently together, living our values, sharing a purpose and achieving our goals. Patients and carers in particular have a strong and authentic voice. Their opinions, feedback, concerns and ideas are always sought out.

To do this we will:

- Expand the way we use peer support.
- Develop an involvement and leadership structure to support services.
- Involve patients and carers as equal partners, in all aspects of service planning, design, implementation, delivery, evaluation and all aspects of the assurance process.
- Establish a Lived Experience Advisory and Reference Network (LEARN).

2. We have a clear clinical approach

We'll know we've achieved this when we offer compassionate clinical care, which is:

- Built on and recognises strengths so people stay connected to their community and those who care for them.
- Designed in close collaboration with the individual and their carer – this is what we mean by co-creation.
- Honest and with shared decision-making, with services available where and when people need them to make sure there's continuity of care.
- Safe, effective and inclusive of people's rights.
- Makes the best use of staff expertise.
- Helping people to live well.
- By compassionate we mean:
 - We'll be there when people need us.
 - Showing human contact, kindness and care every time someone's in contact with our services.

To do this we will:

- Make care planning collaborative, co-created and comprehensive.
- Ensure our clinical services comply with the Human Rights Act.
- Provide choice and quality of care which is NICE compliant and safe. We will make sure that the offer is clearly stated, available and accessible to staff, patients and referrers in each area.
- Engage with transformation work in our local communities to provide support and challenge to plans to maximise the benefits of the transformation.

3. We have a leading role in our system

We'll know we've achieved this when we work effectively with a range of partners in different systems and places so people's mental health, learning disability and autism needs are better understood and their quality of life is increased and supported.

To do this we will:

- Help communities work in new ways to increase and improve the support available to improve the wellbeing of people with a mental health, learning disability or autism needs.
- Make sure the people with mental health needs, a learning disability or autism, and their carers can positively influence discussions, planning and decisions in all systems and places.
- Work with local partners to promote good mental wellbeing and tackle stigma across all age groups.

4. We're a great place to work

We'll know we've achieved this when we help everyone who works at TEWV to feel proud of their personal contribution to supporting people to live their best possible lives. People feel that working at TEWV positively impacts on their lives and their wellbeing.

To do this we will:

- Engage with staff at all levels to co-create our new ways of working together.
- Support people to be the best they can be through a focus on compassionate and inclusive leadership that supports us all to develop and find our work meaningful.
- Support all staff to develop, by making sure there is fair access to training that is relevant and adds value.
- Support career progression by focusing on skills and experiences which people can bring to different roles.
- Ensure organisational systems and processes are supportive of a great place to work.

5. Our corporate services support and empower the front line

We'll know we've achieved this when we offer excellent, innovative care that's supported by systems that are effective, accessible and empower people who use them. These systems provide wrap around support for our colleagues, patients, carers and partners. People are easily connected to the accurate information they need, our physical spaces support high-quality care and our decision making processes are simple and transparent.

To do this we will:

- Connect the right people with the right expertise to identify problems and create solutions.
- Make sure our governance systems support safe, simple and responsive decision making.
- Ensure our digital systems offer the best possible opportunities for collaboration and communication.
- Always provide the right information, at the right time and in the right format.
- Make sure our physical spaces support the new types of care we want to deliver.

Our services

Our services are organised primarily by location, through our localities:

- Durham and Darlington
- Teesside
- North Yorkshire and York

There is a fourth locality that is based around a service not a geographical area, forensic services.

Clinical leadership is aligned through clinical directors across four specialties which cut across the whole Trust area:

- Adult mental health (AMH) services
- Mental health services for older people (MHSOP)
- Children and young people's services (CAMHS)
- Adult learning disability (ALD) services

Key issues, opportunities and risks which could affect the Trust in delivering its objectives and/or its future success and sustainability

There are a number of risks that could impact on the delivery of Our Journey to Change. An analysis of the principal strategic risks, together with the controls and mitigations, is included in our Board Assurance Framework and is described in our Annual Governance Statement.

In many ways the issues and risks impacting on us also provide opportunities. These include:

- Feedback from Our Big Conversation was challenging but helped us develop Our Journey to Change. This sets out how we will get where we want to be.
- Regulatory action taken by the Care Quality Commission (CQC) and NHS England/Improvement (NHS E/I) has provided greater insight and key learning into the improvements we need to make. With the establishment of the internal Quality Improvement Board and the external regional Quality Board and Improvement Director Team, we have support in moving forward and delivering our strategic goals.
- Our response to weaknesses found in our governance arrangements, by the external and independent well-led review, has provided a platform to strengthen our structures, systems and processes.
- The ongoing defect rectification work at Roseberry Park will allow us to develop a fit for purpose inpatient estate which fully supports the delivery of high quality clinical care.
- Expected changes arising from integrated, system and place based working could impact on our sustainability but also could provide us with greater influence to make changes for the benefit of patients and their carers.

How we performed in 2020/21

How we measure our performance

Each year the Board of Directors identifies and agrees a number of stretching performance and quality standards. These are measured by key performance indicators for the Trust to work towards as part of our commitment to year-on-year improvement. The key performance indicators are reported within a dashboard which provides a high level overview of operational delivery throughout the financial year. This report is produced monthly to give assurance that we are continuing to deliver operationally.

The report highlights key areas of concern that could impact operationally; areas we feel require additional monitoring as well as providing positive assurance on areas we are performing well on.

We make it available to service users and carers, the wider public and commissioners and a summary is presented and discussed with our Council of Governors once a quarter.

Whilst these indicators were agreed for 2020/21 we did not implement them initially due to

the need to plan and mobilise our response to the pandemic. Instead, during the first half of 2020/21, the Board of Directors received an Interim Trust Dashboard to help understand and assess the impact of the pandemic on the quality of services being delivered.

In August 2020, we reinstated the Trust Dashboard that contained the measures originally agreed as part of the Business Planning process for 2020/21. We also used statistical process control (SPC) charts as a way of demonstrating and thinking about whether things were really improving, staying the same or getting worse. For example, was the change being seen in the numbers due to normal variation or real change?

The Board of Directors discusses the Trust Dashboard each month to consider where we have positive assurance but also to identify and understand areas of concern. Where there are areas of concern, detailed analysis is undertaken and presented as part of the report. This would include key conclusions and what actions are being taken to improve performance.






As part of the continuous improvement of the Trust's Performance Management Framework, we identified a need for a more integrated approach to quality and performance assurance and improvement. During 2021/22 we will develop an Integrated Board Assurance and Performance Report. This new approach will attempt to bring together the agreed measures/assurances from the Board's committees into a single integrated report. The benefits of such an approach include:

- Integrated assurance about the quality of services being delivered to ensure we're meeting our goals and the standards within the CQC domains.
- Integration of all aspects of performance, including financial, operational, workforce and contractual, to bring a more rounded understanding of factors impacting on, or opportunities to change, performance and outcomes.
- Triangulation of data and information (both qualitative and quantitative) about the delivery of our services which should then enable appropriate assurance to be provided to the Board or an informed discussion at the Board if assurance cannot be provided.
- Ability to identify areas of concern more easily and understand what else is impacting in order to assess whether the actions being taken will have the desired impact.







Performance against key standards



The following table is our dashboard of key performance measures for 2020/21. During the first half of 2020/21 the Board of Directors received an Interim Trust Dashboard to help understand and assess the impact of the pandemic on the quality of services being delivered. In August 2020, this was replaced with the Trust Dashboard that contained the measures originally agreed as part of the Business Planning process for 2020/21. Please note we have only included commentary on areas requiring improvement.







Key for SPC icon definitions

	Special cause of improving nature or lower pressure due to higher values
	Special cause of concerning nature of higher pressure due to lower values
	Common cause – no significant change
	Variation indicates inconsistently hitting, passing or falling short of the target
	Variation indicates consistently falling short of the target




Quality








Measure Name	Variation ending March 2021	Assurance ending March 2021	Annual Standard 20/21	Actual Position 20/21	Commentary
1) Percentage of patients seen within 4 weeks for a 1 st appointment following an external referral			90.00%	93.93%	
2) Percentage of patients starting treatment within 6 weeks of an external referral			60.00%	66.51%	
3) The total number of inappropriate OAP days over the reporting period (rolling 3 months) <i>Note: This indicator measures the number of days a patient spends in a hospital within the Trust that is not the one to which we would expect them to have been admitted due to no beds being available in the hospital we would have expected them to have been admitted to</i>			1833	2061	We want to ensure as many people as possible who need a hospital admission receive their care in their local hospital. This is because we understand this improves continuity of care but is also important to ensure people can stay in touch with family and friends more easily. Unfortunately we haven't been able to meet the standard we set ourselves on this indicator due to pressures we experienced in the second half of the year from individuals needing access to inpatient services. We have been able to ensure that anyone needing our care could be admitted to a bed within the Trust, but unfortunately this was not always in their local hospital.

					<p>We are continuing to work on how we can better support people in the community and hopefully avoid the need for admission. Where admissions are needed, we are working to also ensure that we focus on supporting each person to return home as soon as they are well enough to do so.</p>
<p>4) Percentage of patients surveyed reporting their overall experience as excellent or good</p>			<p>94.00%</p>	<p>90.71%</p>	<p>Ensuring that people have a good experience of the care they receive is a key measure of the quality of our services and one of our key areas of focus.</p> <p>Unfortunately this year our performance hasn't changed or improved and people are still telling us that their experience could be better.</p> <p>Whilst we have not reached our target of 94% we are very pleased to see that 9 out of every 10 patients reported their overall experience as being 'excellent' or 'good'. However we do still want to improve the position further and will continue to put in place actions to support improvement.</p>








<p>5) Percentage of serious incidents which are found to have a root cause of contributory finding</p>			<p>32.00%</p>	<p>36.94%</p>	<p>Whilst we may not always be able to prevent incidents happening we do want to ensure that, when they do, we learn from them. As we learn we would expect that the number of times where the care we delivered was part of the reason for the incident would reduce.</p> <p>Unfortunately we did not achieve the standard we set ourselves for the year.</p> <p>We have put in place a range of actions to improve how we deliver care and share learning across the organisation and which we expect to lead to improvement.</p>
<p>6) Percentage of in scope teams achieving the benchmarks for HoNOS score (AMH and MHSOP) – month behind</p> <p><i>Note: This is a clinical outcome measure; an improvement in HoNOS is shown by an increase in the patient's actual HoNOS score. The change is identified by comparing the first HoNOS score calculated on admission, and the score on discharge.</i></p>			<p>60.00%</p>	<p>49.43%</p>	<p>Whilst nationally we compare well in terms recording the clinical outcomes we are delivering, we want to ensure that, through the care we are providing, those outcomes improve over time.</p> <p>Unfortunately this year we did not see as many improvements in outcomes as we wanted to. We have undertaken detailed analysis in all 3 geographical localities to understand the local position better and have agreed some key actions across the Trust to support improvements.</p>
<p>7) Percentage of in scope teams achieving the benchmarks for SWEMWBS score (AMH and MHSOP) – month behind</p>			<p>65.00%</p>	<p>67.59%</p>	

Activity

Measure Name	Variation ending March 2021	Assurance ending March 2021	Annual Standard 20/21	Actual Position 20/21	Commentary
8) Number of new unique patients referred		N/A	N/A	84,333	
9) Percentage of new unique patients referred with an assessment completed (2 months behind)		N/A	N/A	72.33%	
10) Percentage of new unique patients referred and taken on for treatment (3 months behind)		N/A	N/A	32.40%	<p>It is important that we understand whether people who access our services go on to receive treatment after their initial assessment. This is important so that we can ensure that the pathways for people through our services run appropriately and people receive timely treatment when needed in the services we deliver.</p> <p>During the year it can be seen that the number of patients taken on for treatment has reduced and it is important that we understand why.</p> <p>We have undertaken detailed analysis in our 3 localities to understand the position better and as a result actions are in place to improve performance in this area.</p>

11) Number of unique patients discharged (treated only)		N/A	N/A	33,485	
12) Bed occupancy (AMH and MHSOP Assessment and Treatment Wards)			90.00%	79.07%	
13) Number of patients occupying a bed with a length of stay from admission greater than 90 days (AMH and MHSOP assessment and treatment wards) – snapshot			61	37	
14) Percentage of patients re-admitted to assessment and treatment wards within 30 days (AMH and MHSOP)			9.90%	10.48%	Whilst admissions to an inpatient bed are sometimes necessary, we would want to ensure that, where possible after leaving hospital, patients can be supported to live in the community without further admission. We can see that we didn't achieve this quite as often as we wanted to. We will continue to work on this in 2021/22.

Workforce

Measure Name	Variation ending March 2021	Assurance ending March 2021	Annual Standard 20/21	Actual Position 20/21	Commentary
15) Finance vacancy rate		N/A	N/A	-5.83%	
16) Percentage of staff in post with a current appraisal - snapshot			95.00%	96.83%	
17) Percentage compliance with all mandatory and statutory training - snapshot			92.00%	92.46%	
18) Percentage sickness absence rate (month behind)			4.30%	5.14%	<p>As an employer, we understand how important the health and wellbeing of our staff is. We also know this can impact on the services we deliver, so understanding our sickness rate, and how we can better support staff wellbeing, is critical.</p> <p>At the end of the year there hasn't been any real change in our level of sickness however it is still higher than we would like.</p> <p>Given the impacts of the Covid 19 pandemic during this year, the fact that there wasn't a significant increase in sickness is a positive position on which to end the year.</p>
					<p>We continue to focus on supporting the health and well-being of our staff and this work is captured in one of our new strategic goals.</p>

Money

Measure Name	Annual Standard £000 20/21	Actual Position £000 20/21	Commentary
19) Delivery of our financial plan (Income and Expenditure or I&E)	-1,998	-16,741	<p>The Trust's outturn I&E position for the 2020/21 was a deficit of £16,741k, which included impairments of £25,841k. Impairments are excluded from NHS financial performance measurement because they are technical adjustments linked to asset revaluations.</p> <p>Excluding impairments, the Trust's end of year financial position was a surplus of £9,100k. This included significant non-recurrent national funding to support our pandemic response including income for increased untaken leave costs, challenges to successfully recruit externally and significantly reduced travel costs.</p> <p>A key forward challenge for the Trust is the recruitment of staff, including additional staff to support the pandemic response and NHS Long Term Plan priorities; this is reflected in the non-recurrent reported surplus. The Trust has made recent commitments to enhance inpatient staffing establishments that also require a sustained recruitment focus which is now progressing.</p>

20) Cash Releasing Efficiency Savings (CRES) delivery	4,127	3,538	<p>The Trust delivered CRES during 2020/21 equivalent to £3,538k, which was £589k behind plan, but mitigated by non-recurrent under spending, including significant travel cost reductions.</p> <p>The Trust established a Finance Sustainability Board during 2020/21 to support a more strategic focus on the Trust's underlying financial position. This includes oversight of 2021/22 and longer term financial planning activities.</p>
21) Cash against plan	60,972	80,936	<p>The Trust's year end cash balances were £80,936k, which was £19,964k ahead of plan:</p> <ul style="list-style-type: none"> • Statement of Financial Position: national capital funding for planned children and young people schemes, VAT recovery on capital works, other movements in working capital. • I&E: national funding for holiday provisions and for increased untaken leave costs linked to the pandemic, and the impact of non-recurrent I&E surplus reported above.

Progress of 2020/21 quality account priorities

Making care plans more personal

Feedback from service users shows that our current approach to care planning does not always promote a personalised approach, hence this being identified as a priority in 2020/21.

What we said we would do:	What we did:
<ul style="list-style-type: none"> • Re-audit and report as per Q4 2017/18. • Compare and contrast review of patient experience. • Develop and implement a communications and engagement plan to ensure all relevant stakeholders are aware of changes to the CPA and introduction of DIALOG (a clinical tool that allows for more personalised care planning) and review this plan with key stakeholders (staff, service users, carers, local authorities and GPs). • Continue User Acceptance Testing (UAT) of DIALOG and wider CITO developments (moving from artificial to real-life testing). • Work with information technology team to ensure a finalised, working version of DIALOG is embedded within CITO. • Develop guidance to support the implementation of revised CPA processes including DIALOG. • Develop training and supporting materials in relation to the implementation of revised CPA processes including CITO pilot (this may not include the final version of DIALOG). • Pilot training to support staff to implement the revised CPA processes. 	<ul style="list-style-type: none"> • COVID-19 severely impacted progress against this priority over the past year. The lead for this piece of work has been redeployed for much of this time to support the patient and staff swabbing, antibody clinics, outbreak response and vaccination programme. However, aspects of the work have continued, for example, training has been delivered for trainee and newly qualified nurses on a variety of courses, but this has been to a much lesser extent than during previous years. Links have been maintained with the development group for CITO (a system which will overlay the Trust's patient record to make it easier to record and view patient records). These actions have been rolled over into 2021/22. • In January 2021 the Trust Board received a business case for, and has approved additional resources to support, the development and implementation of CITO as part of resourcing a wider EPR programme. In March 2021, the Trust Board agreed to additional resources that would bring forward the target date to implement CITO to August 2022.

<ul style="list-style-type: none"> • Evaluate the pilot CPA training, making revisions where necessary. • Roll out the revised CPA training across the Trust. 	
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Improve the clinical effectiveness and patient experience in times of transition from CYP to AMH services

Young people with ongoing or long-term health or social care needs may be required to transition into adult services, other service provision or back to their GP. The preparation and planning around moving on to new services can be an uncertain time for young people with health or social care needs. There is evidence of service gaps where there is a lack of appropriate services for young people to transfer into, and evidence that young people may fail to engage with services without proper support.

We initially agreed to put a two-year quality improvement priority in place, focusing on this specific transition. We have extended this as the full extent of the work required has become apparent.

What we said we would do:	What we did:
<ul style="list-style-type: none"> • Extend the work of the NHSI Transitions Collaborative project into an internal 3-year project that oversees the development and delivery of key quality improvements. • Develop an action plan with this Preparing for Adulthood Collective to implement key learning in the first year of the project, and establish strategies and targets for year two and year three. • Instigate quality Improvement plans for the effectiveness of the panel process following the evaluations of transition panels which has taken place in Q4 2019/20. 	<ul style="list-style-type: none"> • The majority of these actions were suspended due to COVID-19. Towards the end of 2020-21 we began to implement the project Improving Transitions and Service Provision for People aged 16 to 25 years which is linked to the Trust’s wider work around the NHS England CAMHS whole pathway commissioning.
<ul style="list-style-type: none"> • Sustain and maintain improvements in the clinical effectiveness and patient experience at times of transition from CAMHS to AMH throughout the year. 	<ul style="list-style-type: none"> • We have, however, managed to maintain our improvement targets over this time period in terms of actual numbers. We saw an extra 703 young people through their transition period and completed a

	transition plan for an extra 784 during 2020/21 compared to 2018/19. This is positive especially against the backdrop of the pandemic and an extremely high caseload.
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Reduce the number of preventable deaths

It is recognised that people with a mental health problem, autism and/or a learning disability are likely to experience a much earlier death than the general population. Therefore a key focus for the Trust will be on mortality review processes.

The Trust already has systems in place to review and investigate deaths in line with national guidance in order to learn from them. We believe it is important to continue to strengthen the way we identify the need for investigations into the care provided and the way that we carry these out.

What we said we would do:	What we did:
<ul style="list-style-type: none"> Fully introduce 48-hour follow up for all AMH patients after discharge from inpatient ward. 	<ul style="list-style-type: none"> We have fully introduced 48-hour follow-up processes for all AMH patients after discharge from inpatient wards (previously 72 hours).
<ul style="list-style-type: none"> Produce report, recommendations and evaluation from the Family Conference, held in March 2019. Produce action plan from the Family Conference and implement these actions. 	<ul style="list-style-type: none"> The Family Conference was to be followed by a second event on 28 March 2020 however the COVID-19 lockdown prevented this from going ahead. Due to the sensitive nature of the Family Conference it was not the type of event that could be held remotely. One of the reasons for the success of the 2019 event was due to the support that was in place for the families that attended who were still grieving and distressed about the loss of their loved one.
<ul style="list-style-type: none"> Involve a lived experience service user/carer representative in the Environmental Risk Group. 	<ul style="list-style-type: none"> We have invited a service user/carer representative with lived experience to be a member of the Environmental Risk Group and they have attended one meeting so far. The Environmental Risk Group has overseen a comprehensive programme to reduce the risk of ligatures across inpatient services. This has included the fitting of new, safer, ensuite showers, toilets and hand basins as well as the pilot of the Oxehealth Digital Care Assistant in three wards. This is a system that detects movement in bedroom areas

	and seclusion rooms through the measurement of a patient's vital signs and can send alerts to staff where risks to the patient may be arising.
<ul style="list-style-type: none"> Implement actions from the external review of unexpected deaths of adult, forensic and older persons' services inpatients. 	<ul style="list-style-type: none"> We have implemented the actions from the external review of unexpected deaths of adult, forensic and older person's services inpatients.
<ul style="list-style-type: none"> Review our Zero Suicide Plan in view of the Family Involvement Event and Safety Summit in Q2 2020/21. Set up a task and finish group to be an umbrella steering group around preventing harm and deaths, chaired by the medical director. 	<ul style="list-style-type: none"> The Suicide Prevention and Self Harm Reduction Group, chaired by the medical director, was established as planned. The group continues to develop a framework to ensure the Trust is supported in coordinating activities designed to reduce the risk of suicide and frequency of suicide attempts. The group also focuses on sharing learning and good practice around suicide prevention and self-harm.

Increasing the proportion of inpatients who feel safe on our wards

A known theme among mental health inpatients, nationally, is that they do not feel safe whilst on our wards. This is identified as a priority for improvement for trusts in the NHS Long-Term Plan (2019). Feedback from our stakeholders in 2019/20 indicated awareness of this as an issue and we therefore agreed to include it as one of our priority areas for improvement within the Quality Account 2020/21 with the aim to increasing the proportion of inpatients who feel safe on our wards.

What we said we would do:	What we did:
<ul style="list-style-type: none"> Use existing data to identify priority wards and actions, collate existing Friends and Family Test (FFT) and other data. 	<ul style="list-style-type: none"> We undertook a deep dive into the patient survey narrative provided by patients to further understand the reasons why our patients might not feel safe. The key themes identified were due to the environment, their illness, other patients and staffing.
<ul style="list-style-type: none"> People with lived experience to talk to people currently on inpatient wards with the highest and lowest current FFT scores, produce a lessons learned report, develop a plan for each ward identified as a priority and deliver actions from this plan. 	<ul style="list-style-type: none"> This action has been rolled over to our Quality Improvement Business Plan for 2021/22 due to impacts from the pandemic.

<ul style="list-style-type: none"> • Undertake work to improve liaison with the police. 	<ul style="list-style-type: none"> • This has now been embedded as business as usual routine practice.
<ul style="list-style-type: none"> • Continue monitoring of key performance indicators (KPIs) during the pilot phase of body cameras and develop a business case for further roll-out of these cameras (if supported by monitoring of benefit KPIs). 	<ul style="list-style-type: none"> • Although the pilot phase of body cameras has continued during 2020/21, there has been no monitoring of KPIs undertaken due to the COVID-19 pandemic. We plan to expand and continue the pilot during 2021/22 by rolling out to a further five wards. Consideration will be given to further implementation based on an evaluation/benefits realization.
<ul style="list-style-type: none"> • Install the technology required for sensor technology in five wards and develop required governance in relation to this pilot work. A benefits realisation of the pilot will be undertaken. 	<ul style="list-style-type: none"> • We have tested the Oxehealth Digital Care Assistant in three wards across the Trust. Approval has been given to extend this to a further 12 wards including some seclusion and Section 136 areas – the approach will include three workstreams. These will be overseen by an Implementation Steering Group chaired by the Director of Nursing and Governance that will meet every three to four weeks until three months post go-live when the ongoing project and partnership working is then overseen by a Partnership Board. The Partnership Board will report key information into our Senior Leadership Group. We see this initiative as being key to our plans for keeping patients safe.

Equality of service delivery to different groups

Strategic objectives

A revised Equality, Diversity and Human Rights Strategy for 2020–2023 was approved by the Board of Directors in January 2020 in order to more fully realise the vision, mission and strategic goals of the Trust. As part of the development of this strategy a consultation was held with service users, carers, staff and partner organisations. There was an encouraging level of engagement in the consultation exercise. A number of very clear themes emerged and these have helped to shape the objectives in the strategy.

Objective 1

To ensure we have a suitably trained and skilled workforce to address the needs of trans patients and staff.

Progress

Good progress has been made with staff training on working with trans staff and service users. Feedback from staff has been very positive and bespoke sessions have been delivered to some teams who are working with a trans service user. The review of HR policies to ensure they meet the needs of trans staff, particularly in relation to recruitment and staff records, will be complete by end of Q2 2021/22.

Objective 2

To increase the recording of disability and sexual orientation on our staff (ESR) and patient (Paris) record keeping systems. Training is developed to support staff to ask demographic questions.

Progress

A publicity campaign has been launched to address this issue and training is being developed to support staff to ask demographic questions. This will ensure we have complete data which can then inform the services we provide.

Objective 3

To increase the number of BAME service users who access services within the Trust and report a positive experience.

Progress

Localities have made good progress in working with their BAME communities. For example Teesside held a recruitment event for members of the BAME community to encourage them to apply for jobs in the Trust and to identify barriers to them doing so. Actions are currently underway to address this.

Publication of patient information is available on the TEWV website at:

www.tewv.nhs.uk/about-us/how-we-do-it/equality-and-diversity/

Going concern

Through the financial statements and financial performance indicators the Trust can demonstrate a strong underlying financial position.

The 2021/22 annual plan provides for a surplus of £4.7m (2.2% of turnover) for first 6 months of the year. This reflects ongoing national financial arrangements that have operated throughout the pandemic and includes substantial non-recurrent funding flows.

At the time of writing, plans for the second half of the year have not yet been submitted pending confirmation of national financial arrangements. The directors' view is that the Trust is a going concern and can make the disclosure as recommended by the accounting standards board that:

“After making enquiries the directors have a reasonable expectation that the Tees, Esk and Wear Valleys NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.”

The accountability report

In the accountability report we provide information on our governance arrangements, staffing and the remuneration of directors and senior managers in order to demonstrate how we comply with best practice and key rules and requirements.



Brent Kilmurray
Chief executive
24 June 2021

The directors' report

The chairman, deputy chairman, chief executive and other Board members as at 31 March 2021

Miriam Harte, chairman of the Trust

Miriam has a wealth of experience within the NHS, having spent 12 years as a non-executive director. She was on the Board at City Hospitals Sunderland NHS Foundation Trust for nine years and, most recently, was a non-executive director with Northumberland, Tyne and Wear NHS Foundation Trust. She is also a chartered accountant and has extensive business experience.

Qualifications: BA, MA, FCA

Principal skills and expertise: Leadership, strategy, communications and change management

Term of office: 1 April 2019 to 31 March 2022

Date of Initial appointment: 1 April 2019

Note: the chairman had no other material commitments during the year.

Dr Hugh Griffiths non-executive director, deputy chairman of the Trust and chairman of the Quality Assurance Committee

Hugh was a consultant psychiatrist from 1988 and for eight years was an NHS trust medical director. In 2000 he became medical director of the Northern Centre for Mental Health. He was director of policy and knowledge management for the NHS Clinical Governance Support Team in 2003/2004 and from then until 2010 was deputy national clinical director for mental health (England) at the Department of Health. Thereafter he was the national clinical director for mental health (England), leading the development of the Government's mental health strategy 'No Health Without Mental Health'. He retired in March 2013.

Qualifications: MBBS, FRCPsych

Principal skills and expertise: Service improvement, policy development, clinical leadership and management

Term of office: 1 April 2018 to 31 March 2021* (see below)

Date of Initial appointment: 1 April 2015 (prior to his appointment Hugh served as an associate non-executive director of the Trust (non-voting) between 1 September 2014 and 31 March 2015)

Note: Hugh completed his second, three year, term of office as a non-executive director on 31 March 2021. He was appointed by the Council of Governors for a further term of three months to maintain continuity of expertise on the Board. This was because of concerns raised by the CQC following inspections of our adult inpatient wards and PICUs in January 2021. Hugh stood down from his role as the chairman of the Quality Assurance Committee on 31 March 2021.

Professor Pali Hungin, non-executive director

Pali, a GP by background, qualified at Newcastle University and practiced in the Stockton area for 25 years. He was the founding dean of medicine and the head of the School of Medicine, Pharmacy and Health at Durham University from 2003 to 2014 and the president of the British Medical Association in 2017. He is currently emeritus professor at the Institute of Health and Society in the Faculty of Medical Sciences at Newcastle University. Pali served as a governor of TEWV from its inception as a foundation trust to 2016. He presently leads the Academy of Medical Royal Colleges' commission on impending developments in healthcare and the evolving role of clinicians. He also works with Genome England and is the trustee treasurer of the Royal Medical Benevolent Fund.

Qualifications: MBBS MD FRCP FRCGP FRSA

Principal skills and expertise: Academic developments, recruitment and retention of clinical staff, physical health status of service users and organisational culture

Term of office: 1 September 2019 to 31 August 2022

Date of initial appointment: 1 September 2019

Note: Pali became the chairman of the Mental Health Legislation Committee on 1 April 2021

John Maddison, non-executive director and chairman of the Audit and Risk Committee (from 1 September 2020)

John retired in June 2019 after working in the NHS for 37 years. He studied economics and accountancy at Loughborough University and joined the NHS as a graduate trainee accountant in Yorkshire. The majority of John's career was based in the North East working in finance, primarily in the acute sector and senior positions at the strategic tier including NHS England. He was director of finance and informatics at an acute foundation trust in the North East and a large teaching hospital in the North Midlands before joining Gateshead Health Foundation Trust in 2014 as group director of finance and informatics and latterly as deputy chief executive and acting chief executive for the final year prior to retirement.

Qualifications: BSc Econ/Acc, Chartered Institute of Public Finance and Accountancy

Principal skills and expertise: Operational and strategic finance and planning, governance, risk management and performance management

Term of office: 1 July 2020 to 30 June 2023

Date of initial appointment: 1 July 2020 (prior to his appointment John served as an associate non-executive director of the Trust (non-voting) between 1 January 2020 and 30 June 2020)

Paul Murphy, non-executive director and chairman of the Resources Committee

Paul has had a broad range of experiences at a senior level in public and private (not-for-profit) sectors, as well as central and local government, including spells as a ministerial private secretary and an assistant director at City of York Council. He is now a freelance consultant, with an interest in mental health, wellbeing, and services for children and young people.

Qualifications: BA (Hons) English and Related Literature

Principal skills and expertise: Strategic planning, operational management, change management, human resources, communications, education and articulating the service user voice

Term of office: 1 September 2019 to 31 August 2022*

Date of initial appointment: 1 September 2016

Bev Reilly, non-executive director and chairman of the Mental Health Legislation Committee (to 31 March 2021)

Bev has been a nurse for 32 years. Until recently, Bev was the director of nursing and quality for NHS England covering Cumbria and the North East. Her career has spanned a number of organisations across acute, primary and community care settings at a local, regional and national level. She is experienced in quality assurance and regulatory requirements having led on this as part of her role within NHS England and close working with NHS Improvement and the CQC.

Qualifications: RGN, BA (Hons)

Principal skills and expertise: Nursing leadership, quality assurance, patient safety, patient and staff experience, risk management, strategic planning and partnership working

Term of office: 1 September 2019 to 31 August 2022

Date of initial appointment: 1 September 2019

Note: Bev became the chairman of the Quality Assurance Committee on 1 April 2021.

Shirley Richardson, non-executive director, senior independent director (from 23 June 2020) and chairman of the West Lane Project Committee

Shirley was the board nurse director at Gateshead Health NHS Foundation Trust for 17 years prior to her retirement in 2010. She is a registered nurse and has leadership experience in acute, elderly, mental health, learning disability and paediatrics, across both hospital and community. Since 2011 she has been chairman of the Carers Together Foundation, a charity providing information, advice and support to carers in Middlesbrough, Redcar and East Cleveland.

Principal skills and experience: Transformational leadership, strategic planning, coaching and mentoring, service redesign, performance improvement, quality and safety systems, governance and risk management and research and development

Qualifications: MBA, RN, Diploma of Chartered Institute of Marketing

Term of office: 1 September 2019 to 31 August 2022*

Date of initial appointment: 1 September 2016

Brent Kilmurray, chief executive

Brent has been an NHS executive director since 2005, working in senior roles across a range of acute, community health and mental health NHS organisations. He joined us after two years as chief executive of Bradford District Care NHS Foundation

Trust, a combined community and mental health trust providing services in Bradford and the Yorkshire Dales, as well as children's services in Wakefield. His Board level experience includes executive and divisional roles at City Hospitals Sunderland NHS Foundation Trust, joint managing director at NHS South of Tyne and Wear Community Health Services, executive director of business strategy and performance for South Tyneside Foundation Trust and chief operating officer and deputy chief executive for TEWV.

Alongside his Trust role, Brent also sits on the NHS Providers Board of Trustees, which is a national membership body for all NHS organisations where he represents provider views in discussions alongside other trust chief executives and chairs from across the country.

Qualifications: MA European Studies and BA (Hons) Government and Politics

Principal skills and expertise: Quality improvement and innovation, leadership development, partnership and system working, operational service management, performance management, tendering and business development, contract management and commercial matters

Appointed: June 2020

Ruth Hill, chief operating officer

Ruth has over 25 years' experience in the NHS and local government, including her role as director of operations in York and Selby at the Trust. Ruth has also worked in commissioning, quality improvement, public health and service development in a number of roles across the North East.

Qualifications: Masters, Nye Bevan Programme

Principal skills and expertise: Service improvement, coaching, management and leadership skills, quality improvement and operational delivery

Appointed: August 2018

Dr Ahmad Khouja, medical director

Ahmad is a practicing consultant psychiatrist in forensic learning disabilities. He was appointed medical director in March 2018, before this he was the deputy medical director and senior clinical director for the forensic service. He has a research degree in molecular medicine from Oxford University. He was a former training programme director for higher trainees in the psychiatry of learning disability. He is a certified leader for the Trust's Quality Improvement System and a Master Coach. He has led on recovery and harm minimisation for the Trust.

Qualifications: MRCPsych, MBChB, BA (Hons) DPhil (Oxon)

Principal skills and expertise: Psychiatric practice, clinical leadership, patient safety, clinical effectiveness, programme and project management, service improvement, medical education and research and development

Appointed: March 2018

Elizabeth Moody, director of nursing and governance and deputy chief executive

Elizabeth joined the Trust in July 2015 as director of nursing and governance. She has over 25 years' experience in the NHS having registered as an RMN in 1991. Before joining the Trust, Elizabeth held a variety of clinical, professional and managerial roles across inpatient and community mental health and learning disability settings. Elizabeth is responsible at board level for the professional

leadership of nursing, quality and safety. She is a certified leader for the Trust's Quality Improvement System and a Think On coach.

Qualifications: RMN, PGDip Professional practice

Principal skills and expertise: Mental Health nursing skills, project management, service improvement, managerial and leadership skills, patient and carer experience, patient safety and quality and assurance

Appointed: August 2015

Liz Romaniak, director of finance and information

Liz joined the NHS over 30 years ago and gained extensive associate/deputy director and board level experience from roles within commissioning and community and mental health provider organisations. Liz's previous role was director of finance, contracting and estates at Bradford District Care NHS Foundation Trust. Here she led work to develop the organisation's long term financial plan and successfully navigated all financial aspects of the Trust's Monitor FT application and due diligence processes. Liz also had responsibility for planning and performance and between 2017 and 2021 was deputy chief executive. Liz has lobbied, including via NHS representative bodies, for parity of esteem (and resources) for mental health, including relating to capital developments. Liz is also a board member of the AuditOne NHS Audit consortium.

Qualifications: Qualified accountant, ACMA

Principal skills and expertise: NHS finances (strategy, costing, financial accounting and management, commissioner and provider), financial strategy, planning and performance management

Appointed: October 2020

*Note: *indicates that the individual has been reappointed as a board member of the Foundation Trust.*

Changes to the membership of the Board of Directors during 2020/21

- David Jennings, non-executive director and chairman of the Audit and Risk Committee, retired from the Board in August 2020.
- Colin Martin retired from his role as chief executive in June 2020.
- Patrick McGahon retired from his role as director of finance and information in August 2020.
- Drew Kendall acted as the director of finance and information from July to October 2020.

Registers of interests

Details of company directorships or other material interests in companies held by directors which might conflict with their responsibilities are included in the Registers of Interests. This document is available for inspection on our website

www.tewv.nhs.uk.

NHS Improvement's well-led framework

In this section of the Annual Report we provide an overview of the arrangements in place to ensure that services are well-led with regard to NHS Improvement's well-led.

The well-led framework is based on eight domains covering:

- Clarity of vision and credibility of strategy
- Leadership capacity and capability
- Clarity of roles and systems of accountability
- The appropriateness and accuracy of information
- Engagement with service users and carers, the public, staff and external stakeholders
- Learning, continuous improvement and innovation
- Processes for managing risks, issues and performance
- Culture

In 2020/21 we commissioned the Good Governance Institute to undertake a review and to provide an independent perspective on our leadership and governance functions using the well-led framework.

Overall, the review identified several areas of good practice including: partnership working, positive engagement with our regulators, the process for developing Our Journey to Change (through Our Big Conversation), the focus on staff, our reputation for good quality services and service innovation, research and development through our partnership with the University of York and the provision of capacity for quality improvement.

However, the review also highlighted the need for a substantial development agenda to ensure we can make the progress we aspire to. It was recognised we were already working to address many of the issues and challenges arising from the review.

An implementation plan has been developed in response to the findings and recommendations which is overseen by the Board.

There are no material inconsistencies between the findings of the well-led review and the information provided in the Annual Governance Statement and the performance report.

The NHS Improvement well-led framework is available at: www.england.nhs.uk/well-led-framework/

Arrangements for monitoring improvements in the quality of healthcare and progress towards meeting any national and local targets

The quality strategy describes the arrangements for the governance of quality across the organisation. Those arrangements include the clinical governance systems for services together with the clinical assurance systems that detail how the corporate governance teams and Trust-wide assurance groups manage the relevant assurance processes.

The quality strategy is being delivered through frameworks for patient safety, patient experience and clinical effectiveness together with the workforce strategy. The strategy was refreshed in 2016 and progress against the metrics is being monitored by relevant groups.

Delivery of the quality strategy is reported through a strategic scorecard with key performance indicators for each framework, reported quarterly to the Quality Assurance and Improvement Group, a sub-group of the Senior Leadership Group.

Each clinical directorate, in our operational localities, has a Quality Assurance Group (QuAG) that reviews the performance against quality indicators of their clinical teams. Those groups manage their clinical directorate quality improvement plan, monitoring quality data and the local risk register providing assurance and escalating risk where necessary to the Locality Management and Governance Boards (LMGB). These boards provide exception reports monthly to the Quality Assurance Committee with a regular bi-monthly assurance report on service quality. A set of standardised quality reports for the quality assurance groups, locality management and governance boards, Trust wide quality assurance groups, Quality Assurance Committee and commissioners are in place. Over the past year we have focused more on learning.

During COVID-19 we revised our business continuity arrangements adopting the strategic command model to ensure the continuation of service delivery. Quality and safety of services was a focus throughout this structure to ensure oversight and the provision of assurance on critical areas.

The corporate quality governance teams manage the operational systems to provide quality performance information for the service and Trust-wide quality assurance groups and committee. These include the patient safety team, the compliance team, complaints and PALS, the clinical audit and effectiveness team, quality data team and patient and carer experience team.

The compliance team implements a programme of peer and service user review across services to monitor the quality of service delivery against the regulatory fundamental standards. All corporate teams also monitor quality improvement action plans developed from areas for improvement and risks identified and report into the Trust-wide assurance groups and the Quality Assurance Committee. Key information on CQC activity and ratings, along with information on complaints and incidents can be found within the Trust's Quality Account (published on our website).

The Quality Compliance Group further supports quality assurance and improvement in line with CQC requirements. It's chaired by the director of quality governance and attendance includes the heads of service and modern matrons from across the organisation. The group provides information and shares learning from quality improvement activities, external assurance mechanisms including CQC inspections.

The Trust-wide quality assurance groups track the performance against the quality strategy scorecard and other key performance indicators relating to the key elements of quality – safety, effectiveness, experience, safeguarding, infection control, physical health, equality, diversity and human rights and medicines management. These groups also develop responses to national quality and best practice directives and report to the Quality Assurance Committee.

The Quality Assurance Committee provides an assurance and exception report to the Board of Directors on a monthly basis.

We also monitor and report on performance against the national and local quality indicators in the commissioned contracts. Monthly quality reports are produced for all the service contracts and reviewed by commissioners with the locality operational management teams, corporate performance and quality governance teams. Each locality team therefore has oversight of their service performance against the internal strategic quality targets and against their contractual quality indicators. More information relating to contractual performance metrics can be found in the Quality Account.

Registration with the Care Quality Commission (CQC) and periodical/special reviews

In January 2021, the CQC carried out an unannounced, focussed inspection of five of our acute wards of adults of working age and psychiatric intensive care units (PICU). Inspectors found some risk assessment and management processes were not fully effective to support the delivery of safe patient care. A number of urgent and immediate actions were taken across the core service and a quality improvement event was held to address standards around risk assessment and organisational learning across all services.

In March 2021, due to enforcement action taken in the safe and well-led domains, the CQC inspection report rated the acute wards for adults of working age and PICUs as inadequate in these areas. The Trust was required to complete an improvement plan addressing all the requirements in the inspection report and the section 29A warning notice with actions to be completed by 3 May 2021.

As well as clearly evidencing delivery of the required actions, the Trust acknowledges that a wider programme of change and improvement is required beyond this date. It's recognised that increasing multidisciplinary involvement and oversight, improving staffing establishments, building in appropriate training, expertise, sustainable support, clinical supervision and leadership to our clinical teams is critical to prioritising a culture of patient safety and continuous quality improvement.

In addition, work is underway to enhance and embed organisational learning from a range of internal and external sources. This includes reviewing, strengthening and developing mechanisms for capturing and sharing learning and importantly gaining assurance of the impact of our actions to improve care for services users and their families.

Since the inspection, we have invested £5.4 million recurrently in ward staffing, with a focus on inpatient services, seven-day capacity and quality governance. An improved assurance schedule that includes a review of care documentation has been put in place to provide assurance that patients' risks are assessed and that they have a safety plan in line with their needs.

A Quality Improvement Board (QIB) has been put in place, chaired by the chief executive and with executive team attendance. The QIB has responsibility for ward/team to board reporting on implementation and oversees quality assurance standards including regular audits and direct observations on wards. It also provides assurance to the Trust Board that actions being taken to address patient safety are improving. Community assurance processes have included the development of a dashboard to support community caseload reporting and improved clinical supervision.

Improvement Plan

A Regional Quality Board has been set up and we report on progress to other partners such as NHS England, the Integrated Care System partnerships as well as the CQC. We are also accessing external expert support with rapid improvement and embedding actions.

In addition to the attainment of all CQC recommendations and conditions related to the section 29a warning notice issued by CQC in March 2021, an umbrella improvement plan has been developed with overarching work-streams which include:

- Implementing Our Journey To Change
- Board development
- Strengthening ward/team to Board governance flow and focus on the Board Assurance Framework/risk registers
- Embedding organisational learning including reviewing the involvement of families and carers in Serious Incident reviews
- Simplification of management and governance structures to support the line of sight, communication and flow of information
- Development of new Board integrated assurance performance report and strengthening capacity and capability in corporate and locality/specialist governance roles
- Training and professional development for clinical staff
- Sustainability of improvements including leadership development and strengthening lines of accountability
- Technological improvements including the development of a new electronic patient record system

We are confident we'll continue to improve services and will work with staff, service users, carers, volunteers, governors, commissioners and partners to address the areas where standards were not as expected.

Performance against key health care targets

The Trust monitors a range of key health care targets which include those set internally by the Board of Directors, those set externally as part of the mental health contracts with commissioners and national ones within the NHS Oversight Framework (NHSOF). This section will focus on national targets within the NHSOF, which are formally reported to the Board on a quarterly basis and by exception to the Board on a monthly basis.

There are six operational performance measures within the NHSOF and we consistently achieved the following four measures:

- People with a first episode of psychosis begin treatment with a NICE recommended package of care within two weeks of referral.
- IAPT/Talking Therapies - waiting time to begin treatment within six weeks.
- IAPT/Talking Therapies - waiting time to begin treatment within 18 weeks
- Data Quality Maturity Index.

In relation to the remaining two measures:

- At Trust level IAPT recovery rate has performed better than standard for 2020/21 although there has been some variance throughout the year and across the CCG areas.

This has been largely impacted by the social restrictions that were implemented in response to the COVID-19 pandemic. Actions are in place to provide assurance around this measure and improvements seen during quarter four indicate these are having the desired impact.

- Whilst out of area bed days have been better than standard throughout the year, the standard we agreed with NHS England has not been achieved. There have been particular challenges in the Durham and Darlington locality and actions have been identified to improve performance in this area.

In addition to these, there are two quality metrics and one workforce metric monitored internally for assurance:

- Admissions to adult facilities of patients who are under 16 years old: One Tees Valley CCG patient under the age of 16 was admitted to an adult ward during 2020/21. The young person spent one night in a Trust adult mental health (AMH) unit but in a specific area separated from the main adult ward and did not come into contact with any of the adult service users on the main part of the ward.
- Proportion of discharges from hospital followed up within seven days: With the exception of one month, the proportion of discharges from hospital followed up within seven days has achieved the standard. However, this measure has been replaced as a National Access Standard by the proportion of discharges followed up within 72 hours and we have consistently achieved this standard throughout the year.

- Staff sickness: While no national standard is applied to this measure we have reported above the Trust standard for the year. We have undertaken detailed analysis in three localities to understand the position better and as a result actions are in place to improve performance and support staff wellbeing.

Progress towards targets agreed with local commissioners

We provide regular performance information to commissioners as part of the mental health contract covering activity and key measures of quality. Our commitment to contract performance management is evidenced through routine contract performance and quality meetings with commissioners which are regularly attended and have full participation of senior staff. These meetings/groups focus on areas such as service quality, service development and finance.

There were two operational standards and four national quality requirements included within the 2020/21 mental health contract which were:

- Number of episodes of mixed sex accommodation – sleeping.
- Percentage of adults (over 18) receiving 72 hour follow up.
- Duty of candour (failure to notify).
- People with a first episode of psychosis begin treatment with a NICE recommended package of care within two weeks of referral.
- The proportion of people that wait six weeks or less from referral to entering a course of IAPT treatment against the number people who finish a course of treatment in the reporting period.
- The proportion of people that wait 18 weeks or less from referral to entering a course of IAPT treatment against the number of people who finish a course of treatment in the reporting period.

The majority of standards were achieved for the 2020/21 financial year for the four core CCGs with one exception:

- Number of episodes of mixed sex accommodation was not achieved for Vale of York CCG in February 2021. The incident occurred when the ward implemented its COVID-19 cohorting plan which required three patients to be nursed within a COVID pod over two nights. Each patient was isolated in a bedroom with ensuite facilities but there were no communal areas available therefore this was reported as a breach of EMSA standards.

Information on complaints handling

Complaints are managed following national guidance and we endeavour to respond to all of our formal complaints within 60 days. We have a complaints manager aligned to each locality who works with the relevant operational staff member, service user and/or carer to resolve the issue that has been raised.

Emergency planning and business continuity

In response to the COVID-19 pandemic, the Trust invoked its emergency and service continuity plans to maintain delivery of critical services. Command and control structures were put in place to provide executive oversight of all arrangements. New technologies were used to facilitate remote appointments and remote working to reduce transmission of the virus.

National guidance was followed as well as additional methods to minimise transmission. This included identifying areas to separate and care for COVID-19 positive patients, risk assessments for individual staff and workplaces, providing a vaccination programme for staff and patients and lateral flow testing to identify asymptomatic individuals.

We reviewed and completed the assurance process for NHS England's Core Standards for Emergency Preparedness, Resilience and Response.

Service improvements following staff or patient surveys/comments

We gain important feedback from patient and carer surveys, which enable us to focus improvements on specific wards and services for example:

- **Adult mental health community services:** Patients stated they wanted the service to be pro-active not reactive. For example, that they were given ways of coping with anxiety/depression without trying to find out the causes and triggers. The team altered the care pathways so the early focus on meetings is 'getting to know you' – talking through how difficulties began, how they affect the person now and what their goals are for recovery. Staff then discuss the options with the individual and agree how best their goals can be met. The team hopes this focus will make choices and treatment feel more informed and shared.
- **Children and young people's community services:** A number of young people said they did not feel the team helped them feel in control of their lives, helped them do the right things that mean something to them or helped them feel good about themselves. The team re-established the participation group for the service to look at how to improve things with the support of young people. The agenda going forward will be to look at how they can ensure the young person feels at the centre of their care.

- Learning disability inpatient ward: 25% of patients stated they weren't aware of the side effects of their medication. As an immediate response a new easy read document has been created. When a patient is admitted the leaflets are read daily to aid retention and then once per month. This is added to the patient care list and the visual patient information white board in the clinic to support staff to complete this task. Patients are also given the leaflets relevant to the medication they take which they can keep in their bedrooms and refer to when needed. Staff are in the process of developing a new innovative way to make the information more accessible and enjoyable for example a flash card game.
- Forensic secure inpatient ward: Patients reported they didn't feel safe on the ward. The ward encouraged people to talk to their named nurse/keyworkers about concerns, all patients are given the opportunity to talk to an advocate, support is made available to provide time for patients to reflect and offer debriefs following difficult situations and all patients are able to request a patient alarm.
- Eating disorders inpatient ward: Patients stated there was unfamiliar male staff on night shifts making them feel uncomfortable and vulnerable, they added that they needed more staff around. It's recognised more regular and familiar faces are essential in such a specialist unit and, where temporary staffing is needed, this is explored using regular bank staff first. The ward encouraged patients to develop a do's and don'ts poster to support non-regular staff with what helps and doesn't help in individual circumstances. The ward does ensure there's a good mix of staff (male/female/substantive/temporary) to ensure there is familiar staff on all shifts. This is an ongoing process and as a team they continue to receive feedback on how this process is progressing.

Involving local people

In addition to Our Big Conversation, through which service users and carers were encouraged to share their thoughts and ideas on what they think about the Trust and its future direction, we continued to deliver a programme of service user and carer involvement.

This has been managed using the virtual platform, MS Teams.

We supported people to attend virtual meetings with a user guide and briefing session.

Involvement of service users and carers over the last year has included:

- The carer working group, a group of carers, representatives from carer organisations and staff meets regularly to take forward the outcomes of the 2019 carer conference. They have also developed a Carers' Charter which was approved by the Board.

- A new group of carers, representatives from carer organisations and staff has been set up to look at how carers can be supported, involved and receive information.
- Service user and carers are part of our trust-wide Quality Assurance Groups. The groups have helped many of the members who had felt particularly isolated during COVID-19.
- Eating Disorders Collaborative for North East and North Cumbria.
- Crisis working group. This group has had a direct impact on the service provision within crisis services.
- Recording procedure working group. It was a challenge for both staff and involvement members to work together on a sensitive subject. This has been a good example of true co-creation and resulted in a new procedure being written by the group.
- Service users and carers along with governors taking part in focus groups.
- Taking part in the selection process for our new chief executive.
- Recruitment – this area of involvement has increased a great deal over the last year. Training and support has been offered to service users and carers.
- A locality based newsletter to help people feel connected and informed. This is co-produced and edited by a carer.

We have 297 service users and carers registered to take part in a wide range of involvement activities. During the past year we received 307 individual requests for involvement and issued over £39,000 involvement payments.

Recent comments from service users and carers about their involvement:

“It has been the difference between me seeing my GP for more mental health support. Involvement has kept me focussed and enabled me to maintain my mental wellbeing.”

“Involvement work has allowed me to connect with people when I had been self -isolating for some time. It gave me hope and motivated me.”

“I feel valued and useful knowing that my lived experience is helping to make a difference.”

Service user and carer involvement groups continue to have a significant impact in our business planning priorities.

Compliance with accounting guidance

The Trust prepared the financial statements in accordance with the NHS Group Accounting Manual (2020-21) as directed by NHS Improvement, and fully complies with International Financial Reporting Standards accounting practices (IFRS).

The Trust’s accounting policies are set out in the Annual Accounts and have been consistently applied over the comparative period.

Statement as to disclosure to auditors

Each of the directors, holding office on 31 March 2021, confirms that:

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

Better Payment Practice Code

The Better Payment Practice code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

Performance for the financial year 2020/21 was as follows:

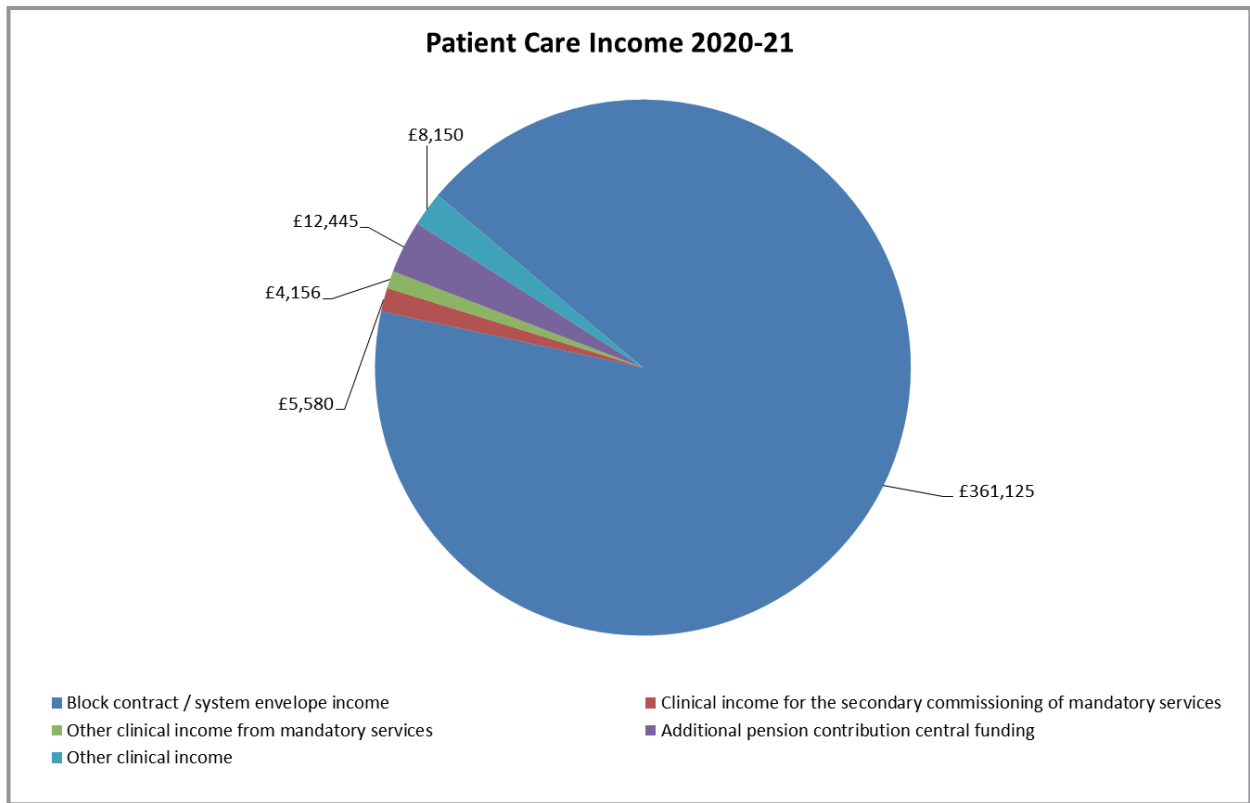
	2020-21 Invoices	
	Number	£000s
NHS creditors		
Total bills paid	1,038	21,673
Total bills paid within target	964	21,163
Percentage of bills paid within target	92.9%	97.6%
Non-NHS creditors		
Total bills paid	63,065	121,398
Total bills paid within target	59,668	115,995
Percentage of bills paid within target	94.6%	95.5%

It is Trust policy to pay all creditors as they fall due, unless extenuating circumstances are apparent. For example, a dispute in the amount being charged, or the service/goods provided.

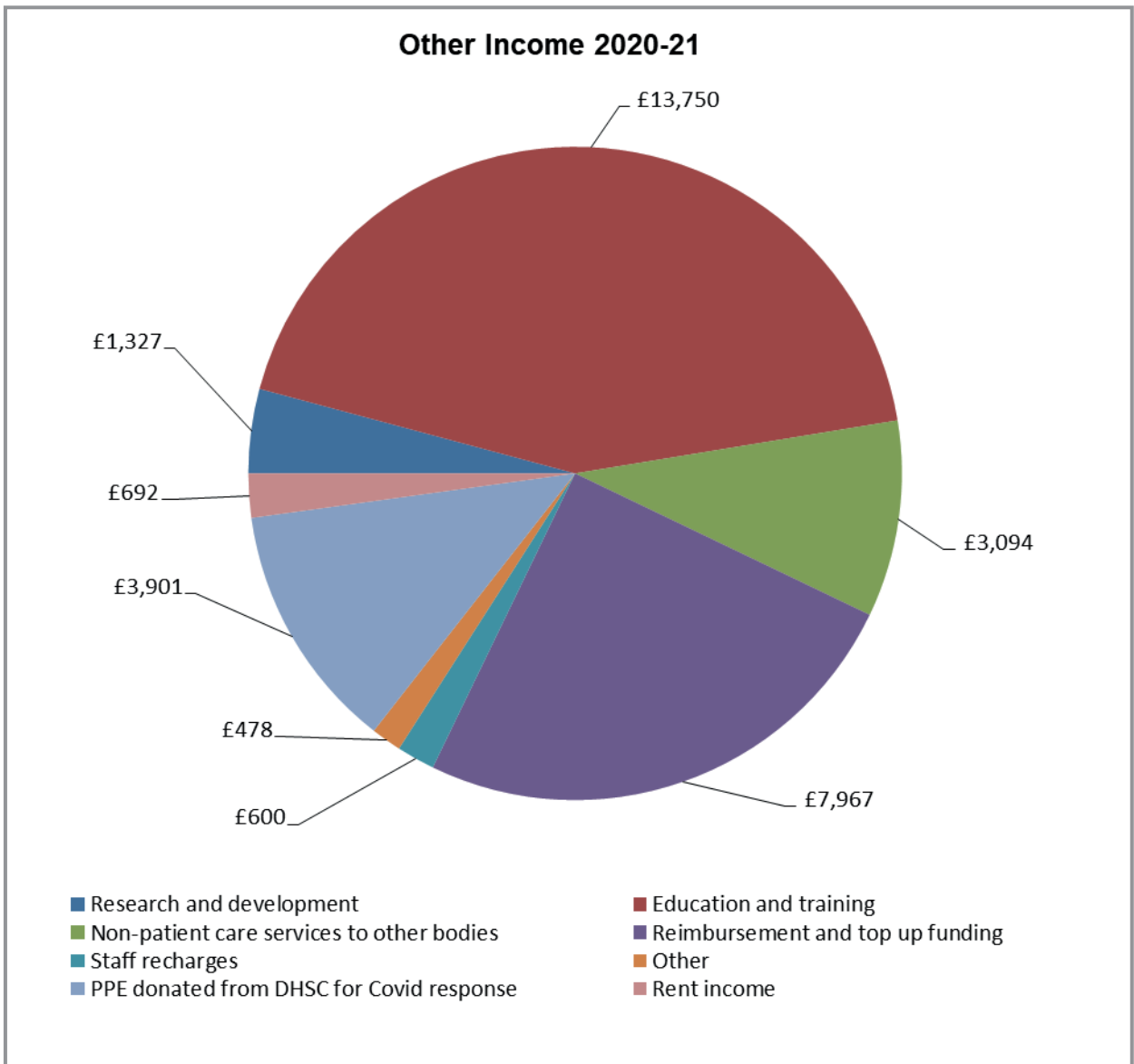
The total potential liability to pay interest on invoices paid after their due date during 2020/21 would have been £1,788,261, a decrease on 2019/20 amounts (£2,337,149). There have been minimal claims under this legislation, therefore the liability is only included within the accounts when a claim is received.

Income generation

During 2020/21, income generated was £423m from a range of activities, with 92.4% being from direct patient care. Patient care income came from the following areas:



There was a further £31.8m income received from education and training, reimbursement (top up) funding, donated PPE and other non-patient care services.



As the two charts above illustrate, Trust income from the provision of goods and services for the purposes of the health service in the UK exceeded income from the provision of goods and services for any other purposes. This income had no negative impact on the provision of health services.

The remuneration report

Annual Statement on remuneration

Information on the Board's Nomination and Remuneration Committee is provided in the section on Governance in the Accountability Report.

The Committee agreed a Very Senior Manager (VSM) Pay Framework. Details of this policy are set out below.

This Framework does not cover the remuneration of:

- the chief executive
- or medical director

During 2020/21 the Committee made a basic pay cost of living increase of 1.03% to the chief executive, the medical director's allowance and to those senior managers covered by the VSM Pay Framework. This was in line with Government recommendations.

Details of the salaries and allowances and pension benefits of senior managers in 2020/21 and payments made to past senior managers are provided in the tables in this section.

No other changes were made to the VSM or senior manager pay during this period.



Miriam Harte
Chairman of the Board's Nomination and Remuneration Committee

Senior managers' remuneration policy

The key features of the VSM Pay Framework are set out in the table below. No changes were made to the components of the VSM Pay Framework during 2020/21.

<p>Basic pay</p>	<p>The VSM Pay Framework is based on job evaluation point scores provided by Capita using an independent job evaluation system and agreed job descriptions.</p> <p>The pay levels are equivalent to the mid-point of the pay ranges proposed by Capita in 2014, updated by any subsequent cost of living increases, and are equivalent to the upper quartile market pay level for executive directors in mental health and learning disabilities NHS Trusts.</p> <p>The maximum amount which could be paid under the Framework to all members of the EMT, collectively, is £1,669,775.</p> <p>Through these arrangements the Trust has satisfied itself that senior managers' remuneration is reasonable.</p> <p>The basic pay arrangements support the short and long term strategic objectives of the Trust by enabling the Trust to recruit and retain talented individuals who undertake key leadership roles using levels of remuneration that represent value for money and which are comparable to those of other similar organisations.</p>
<p>Performance related components</p>	<p>In general, the EMT Pay Framework has no performance related components; however, starting salaries of less than the full amount (typically 7.5%) have been used for new post holders.</p> <p>The full amount becomes payable subject to the post-holder demonstrating good performance in their first year in office taking into account achievement of objectives and the outcome of their appraisals.</p>
<p>Recruitment and Retention Premia (RRP)</p>	<p>The Nomination and Remuneration Committee has the option of paying Recruitment and Retention Premia (RRP) but these should only be paid where there is clear evidence that the payments can be justified.</p> <p>No members of the EMT were paid an RRP during 2020/21.</p>
<p>Allowances</p>	<p>A director's travel allowance of £5,444 is included within basic pay.</p>
<p>Provisions for the recovery of sums paid to directors or for withholding payments of sums to senior managers</p>	<p>There is contractual provision for making appropriate deductions from notice period payments.</p> <p>Entitlement to pay progression, where applicable, is subject to confirmation from the individual's line manager that their performance over the preceding 12 months period has been rated as being good. The Nomination and Remuneration</p>

	Committee of the Board of Directors agreed to the incorporation of an 'earn back' clause whereby up to 10% of salary is put at risk pending an annual review of performance against objectives set.
Remuneration above £150,000	A comparison is undertaken with NHS VSM pay bands and with published salary bands within similar NHS organisations. The scale and complexity of TEWV which services a population of 2m people from over one hundred sites, working with nine Clinical Commissioning Groups, either upper tier local authorities and within three STPs is also a factor.
Arrangements specific to individual senior managers	Not applicable

Other policy disclosures

- Service contract obligations: none identified.
- Policy on payment for loss of office: a contractual entitlement to three months' notice, other than in the case of summary dismissal. Where eligible an entitlement to a redundancy payment in accordance with Section 16 of the National Terms and Conditions of Service.
- Diversity and inclusion: The Nomination and Remuneration Committee's approach to diversity and inclusion is based on the Trust's Human Rights, Equality and Diversity Policy. This policy, which is available on the Trust's website, lays down expected standards in relation to equality, diversity and human rights in employment and service delivery. These standards say that we:
 - Respect and protect the human rights of all service users, staff and anyone else who has a relationship to the Trust.
 - Take breaches of policy very seriously, particularly those that when breached have a harmful effect on other people. Victimisation, harassment, discrimination (or an attempt to do so) and bullying will not be tolerated and will, where substantiated lead to disciplinary action.
 - Staff who identify with protected groups have the right to be treated fairly and with dignity and respect and without the fear of unlawful discrimination, harassment, victimisation or bullying.
 - Commit to the ongoing development of staff awareness and knowledge of equality, diversity and human rights. Staff development begins on employment and continues throughout an individual's career until they leave the Trust.
 - Commit to monitoring, evaluating and reporting on issues of equality, diversity and human rights in employment and service provision.
 - Work towards best practice standards of equality, diversity and human rights and not merely comply with legislation.
 - Promote equality, foster good relations and take an anti-discriminatory approach in all areas of employment and service delivery.

- Ensure barriers to accessing services and employment are identified and removed so that no person is treated less favourably because they identify with a protected group/s.
- Recognise the importance of this policy in the employment relationship it has with its staff and in provision of services for service users, and will reflect this commitment in all Trust policies, procedures and practices, etc.

The policy extends outside the workplace and Trust staff should be aware that workplace behaviour includes time when they are not physically at work but are participating in activities where work is a factor, for example, team nights out, shopping trips with colleagues etc. This is because abusive, discriminatory and/or unethical behaviour outside of work could still affect the relationship between the Trust and its employees, particularly if it is deemed to be so serious that it would warrant disciplinary action or allegations of gross misconduct, as would be the case if the individual or group concerned were at work.

The policy supports the delivery of the Trust's Equality Strategy. Progress on the delivery of the equality objectives, included in the strategy, is monitored by the Equality, Diversity and Human Rights Steering Group.

Further information on equality and diversity is provided in the Accountability Report, while demographic information on the Trust's senior managers is provided in the Staff Report.

Statement of consideration of employment conditions elsewhere in the Foundation Trust

A combination of an independent job evaluation scheme, to establish respective job weights, and independently gathered and reported information about Very Senior Manager (VSM) remuneration levels in comparable Trusts were used to establish the VSM Pay Framework. CAPITA undertook the job evaluation exercise and provided information about remuneration levels of equivalent posts within comparable organisations. This information has been used by the Nomination and Remuneration Committee to establish and operate the VSM Pay Framework since 2014. This includes consideration of updated independent remuneration reports. Individual employees directly affected by the VSM Pay Framework were consulted about the approach being taken and given the opportunity to retain their existing terms and conditions of employment should they wish to do so.

Non-executive director remuneration

Basic remuneration	<p>The basic fees payable to the chairman and non-executive directors have been set by the Council of Governors taking into account information provided by Capita on fees payable by other Foundation Trusts.</p> <p>The non-executive directors have not received an increase in their remuneration since 2013/14.</p>
Additional fees paid for other duties	<p>Additional fees are payable to the chairman of the Audit and Risk Committee and the senior independent director.</p>
Allowances	<p>The chairman and non-executive directors are able to claim reimbursement of expenses (e.g. travel) in line with Trust policy.</p>



Brent Kilmurray
Chief executive
24 June 2021

Senior managers' remuneration tables (subject to audit)

Name and Title	2020-21						2019-20					
	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind * Rounded to the nearest £100	Pension related benefits (bands of £2500) £000	Total Remuneration (bands of £5000) £000	Expenses Paid Rounded to the nearest £100	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind * Rounded to the nearest £100	Pension related benefits (bands of £2500) £000	Total Remuneration (bands of £5000) £000	Expenses Paid Rounded to the nearest £100
Mr Colin Martin, chief executive (left 29 June 2020)	40 - 45	-	2,400	-	45 - 50	0	170 - 175	-	37.5 - 40.0	220 - 225	1,100	
Mr Brent Klimurray, chief executive (Started 29 June 2020)	135 - 140	-	5,600	-	140 - 145	0	-	-	-	-	-	
Mrs Ruth Hill, chief operating officer	130 - 135	-	7,700	42.5 - 45.0	180 - 185	200	125 - 130	-	60.0 - 62.5	190 - 195	600	
Mr Patrick McGahon, director of finance and information (left 5 August 2020)*****	50 - 55	-5 - 0	0	-	45 - 50	0	135 - 140	5 - 10	7.5 - 10.0	150 - 155	1,200	
Mr Drew Kendall, acting director of finance and information (Started 18 July 2020, left 18 October 2020)	20 - 25	-	1,890	-	25 - 30	-	-	-	-	-	-	
Mrs Liz Romaniak, director of finance and information (Started 19 October 2020)	60 - 65	-	0	20.0 - 22.5	80 - 85	0	-	-	-	-	-	
Mrs Elizabeth Moody, director of nursing and governance and deputy chief executive	115 - 120	0 - 5	14,600	47.5 - 50.0	180 - 185	0	115 - 120	-	-	125 - 130	1,300	
Dr Ahmad Khouja**, medical director	170 - 175	35 - 40	0	32.5 - 35.0	240 - 245	1,000	165 - 170	35 - 40	57.5 - 60.0	260 - 265	4,300	
Mr David Levy, director of human resources and organisational development (left 25 February 2021)	100 - 105	-	0	-	100 - 105	0	110 - 115	-	-	110 - 115	-	

Mrs Sarah Dexter-Smith, director of therapies *** (left 14 February 2021), director of people and culture (Started 15 February 2021)	105 - 110	0 - 5	0	75.0 - 77.5	180 - 185	0	90 - 95	0 - 5	-	25.0 - 27.5	120 - 125	3,800
Mrs Sharon Pickering, director of planning, commissioning, performance and communications	110 - 115	-	10,200	25.0 - 27.5	145 - 150	400	100 - 105	-	600	7.5 - 10.0	110 - 115	1,300
Mrs Jennifer Illingworth, director of quality governance (left 5 January 2020), director of operations - County Durham and Darlington (started 6 January 2020)	110 - 115	-	8,400	77.5 - 80.0	195 - 200	200	100 - 105	-	8,100	10.0 - 12.5	120 - 125	1,400
Mr Levi Buckley, director of operations - County Durham and Darlington (left 3 November 2019)	-	-	-	-	-	-	60 - 65	-	-	10.0 - 12.5	70 - 75	1,500
Mrs Donna Sweet, director of operations - County Durham and Darlington (started 4 November 2019, left 4 January 2020)	-	-	-	-	-	-	70 - 75	0 - 5	2,200	22.5 - 25.0	100 - 105	600
Mrs Naomi Loneragan, director of operations - North Yorkshire and York	110 - 115	-	5,500	40.0 - 42.5	155 - 160	0	100 - 105	-	5,200	62.5 - 65.0	170 - 175	700
Mr Dominic Gardner, director of operations - Teesside	105 - 110	-	0	27.5 - 30.0	135 - 140	600	105 - 110	-	0	30.0 - 32.5	135 - 140	2,700
Mrs. Lisa Taylor, director of operations - forensic services	100 - 105	-	3,800	40.0 - 42.5	145 - 150	100	95 - 100	-	3,600	105.0 - 107.5	205 - 210	500
Mrs Avril Lowery, director of quality governance (started 1 February 2020)	100 - 105	-	0	107.5 - 110.0	210 - 215	700	15 - 20	-	-	22.5 - 25.0	35 - 40	-
Mr Phil Bellas, Trust secretary	85 - 90	-	0	22.5 - 25.0	110 - 115	0	85 - 90	-	-	15.0 - 17.5	105 - 110	-
Dr Ruth Briel, senior clinical director, Kaizen promotion office (left 30 September 2019)	-	-	-	-	-	-	40 - 45	5 - 10	-	-	50 - 55	2,500

Mrs Miriam Harte, chairman	50 - 55	-	0	-	50 - 55	2,600	50 - 55	-	-	-	-	50 - 55	-	-	-	50 - 55	3,000
Mr Richard Simpson, non-executive director **** (left 31 August 2019)	-	-	-	-	-	-	-	0 - 5	-	-	-	5 - 10	0 - 5	-	-	5 - 10	1,900
Mr Marcus Hawthorn, non-executive director (senior independent director) (left 31 March 2020)	-	-	-	-	-	-	-	-	-	-	-	15 - 20	-	-	-	15 - 20	-
Mr David Jennings, non-executive director (chairman of the Audit and Risk Committee) (left 31 August 2020)	5 - 10	-	0	-	5 - 10	1,100	15 - 20	-	-	-	-	15 - 20	-	-	-	15 - 20	1,000
Dr Hugh Griffiths, non-executive director	10 - 15	-	0	-	10 - 15	0	10 - 15	-	-	-	-	10 - 15	-	-	-	10 - 15	1,900
Mrs Shirley Richardson, non-executive director (senior independent director - started 23 June 2020)	15 - 20	-	0	-	15 - 20	200	10 - 15	-	-	-	-	10 - 15	-	-	-	10 - 15	2,200
Mr Paul Murphy, non-executive director	10 - 15	-	0	-	10 - 15	600	10 - 15	-	-	-	-	10 - 15	-	-	-	10 - 15	1,100
Prof. Pali Hungin, non-executive director (Started 1 September 2019)	10 - 15	-	0	-	10 - 15	0	5 - 10	-	-	-	-	5 - 10	-	-	-	5 - 10	300
Mrs Beverley Reilly, non-executive director (Started 1 September 2019)	10 - 15	-	0	-	10 - 15	0	5 - 10	-	-	-	-	5 - 10	-	-	-	5 - 10	600
Mr John Maddison, non-executive director (Started as Associate NED 1 January 2020, became full NED 1 July 2020) (chairman of the Audit and Risk Committee - started 1 September 2020)	15 - 20	-	0	-	15 - 20	0	0 - 5	-	-	-	-	0 - 5	-	-	-	0 - 5	-

Remuneration ranged from	5 - 10
Remuneration ranged to	240 - 245
Band of highest paid directors total remuneration (£000) #	170 - 175
Median of total remuneration	30,615
Ratio (Director to Median)	5.6

Remuneration ranged from	5-10
Remuneration ranged to	260-265
Band of highest paid directors total remuneration (£000) #	170 - 175
Median of total remuneration	27,416
Ratio (Director to Median)	6.3

The above table shows the remuneration for time worked as a senior manager only. Where this was for part year (dates shown in table) the table reflects this.

* Benefits in kind are the provision of lease cars

** Other remuneration includes clinical excellence award and additional clinical programmed activity worked during the reported period.

*** Other remuneration is on call arrears

**** Other remuneration is related to meeting attendance

***** Other remuneration is repayment of a recruitment and retention award

Pension related benefits, other remuneration and benefit in kind have been excluded from this calculation, as they are not known for all staff.

Pension related benefits

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

The pension benefit table provides further information on the pension benefits accruing to the individual.

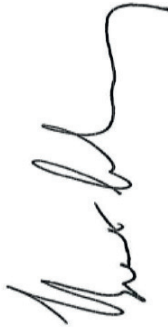
Expenses of governors

At 31 March 2021 the Trust had 47 Governors (2019-20, 45), with 16 receiving reimbursement of expenses (2019-20, 23). The total amount reimbursed as expenses was £348, (£4,718 in 2019-20)

Pay terms and conditions

With the exception of directors, non-executives and medical staffing the workforce are covered by Agenda for Change. All inflationary uplifts for staff employed under national terms and conditions have been in accordance with nationally determined pay arrangements. All executive directors are on a permanent contract and have a notice period of 6 months.

The Remuneration Committee is responsible for executive directors pay.



Brent Kilmurray
Chief executive
24 June 2021

Senior manager's pension benefits table

Name and title	Real increase in pension at retirement age for time in post	Real increase in pension lump sum at retirement age for time in post	Total accrued pension at retirement age at 31 March 2021	Lump sum at retirement age related to accrued pension at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2020	Real Increase in Cash Equivalent Transfer Value for time in post less employee pension contributions
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000
Mrs Ruth Hill, chief operating officer	2.5 - 5.0	0.0 - 2.5	45 - 50	95 - 100	826	768	40
Mrs Liz Romaniak, director of finance and information (started 19 October 2020)	0.0 - 2.5	0.0 - 2.5	50 - 55	115 - 120	943	880	19
Mr Drew Kendall, acting director of finance and information (started 18 July 2020, left 18 October 2020)	0.0 - 2.5	-2.5 - 0.0	30 - 35	70 - 75	596	593	-10
Mrs Elizabeth Moody, director of nursing and governance and deputy chief executive	2.5 - 5.0	-2.5 - 0.0	60 - 65	170 - 175	1,251	1,187	48
Dr Ahmad Khouja, medical director	2.5 - 5.0	-2.5 - 0.0	60 - 65	125 - 130	1,171	1,109	37
Mrs Sarah Dexter-Smith, director of people and culture (started 15 February 2021)	2.5 - 5.0	5.0 - 7.5	25 - 30	55 - 60	486	413	58
Mrs Sharon Pickering, director of planning, performance and communications	0.0 - 2.5	-2.5 - 0.0	45 - 50	100 - 105	897	852	31
Mrs Jennifer Illingworth, director of operations - County Durham and Darlington	2.5 - 5.0	5.0 - 7.5	40 - 45	85 - 90	751	663	73
Mrs Naomi Lonergan, director of operations - North Yorkshire and York	2.5 - 5.0	0.0 - 2.5	15 - 20	15 - 20	224	185	23
Mr Dominic Gardner, director of operations - Teesside	0.0 - 2.5	0.0 - 2.5	25 - 30	55 - 60	500	462	23
Mrs. Lisa Taylor, director of operations - forensic services	2.5 - 5.0	0.0 - 2.5	30 - 35	70 - 75	585	536	35
Mrs Avril Lowery, director of quality governance (started 1 February 2020)	5.0 - 7.5	15.0 - 17.5	45 - 50	145 - 150	1,164	1,017	134
Mr Phil Bellas, Trust secretary	0.0 - 2.5	-2.5 - 0.0	15 - 20	25 - 30	338	308	18

Mr Brent Kilmurray, chief executive, is not in the NHS pension scheme, therefore there are no entries in the table above.


As non-executive members do not receive pensionable remuneration, there are no entries in respect of pensions for non-executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004/05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The reason for the negative increases in lump sum for five senior managers is due to the inflation factor used (1.7%) being higher than the percentage growth in benefits.

Real Increase in CETV: This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. Real increases are shown pro rata for the period employees were working as a senior manager for the Trust, if an employee left post, or started a role midway through the year.

The above table is accurate as at 31 March 2021. Actions (yet to be announced) following the McCloud judgement may impact on some or all of the figures shown.



Brent Kilmurray
Chief executive
24 June 2021

Staff report

Analysis of staff costs (subject to audit)

Staff costs (subject to audit)

	Permanent	Other	2020/21 Total	2019/20 Total
	£000	£000	£000	£000
Salaries and wages	231,483	19,863	251,346	224,270
Social security costs	20,423	1,951	22,374	20,093
Apprenticeship levy	1,065	116	1,181	1,068
Employer's contributions to NHS pension scheme	36,998	4,026	41,024	37,463
Pension cost – other	78	9	87	77
Temporary staff	-	8,421	8,421	8,748
Total gross staff costs	290,047	34,386	324,433	291,719
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	290,047	34,386	324,433	291,719
Of which				
Costs capitalised as part of assets	302	-	302	244

Average number of employees (WTE basis)

	Permanent	Other	2020/21 Total	2019/20 Total
	Number	Number	Number	Number
Medical and dental	204	108	312	319
Administration and estates	1,185	100	1,285	1,203
Healthcare assistants and other support staff	331	20	351	319
Nursing, midwifery and health visiting staff	3,404	779	4,183	3,942
Scientific, therapeutic and technical staff	982	55	1,037	812
Healthcare science staff	6	-	6	3
Social care staff	15	7	22	32
Total average numbers	6,127	1,069	7,196	6,629
Of which:				
Number of employees (WTE) engaged on capital projects	5	-	5	4

Demographic information

Our workforce is primarily white, broadly in line with our local population and at the end of March 2021 there were 5919 female members of staff (79%) and 1551 male members of staff (21%).

The number of male and female directors and senior managers (members of the Board of Directors and Senior Leadership Group) is five male and 13 female.

Sickness absence figures (January to December 2020)

Sickness absence figures can be accessed via NHS Digital using the following link: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates>

Staff policies and actions taken

We have a range of policies and procedures which support our commitment to being a good employer and providing equal opportunities to present and potential employees:

- Our recruitment and selection procedure is followed for each recruitment episode. The procedure has been equality impact assessed ensuring application of the procedure does not impact negatively on people with disabilities. We are signed up to the disability confident scheme and guarantee an interview to all applicants with a disability who meet the minimum essential criteria for a job vacancy. We will make reasonable adjustments to the recruitment process if this is required and we have signed up to the Business Disability Forum to help us with this.
- We provide a number of health and wellbeing support mechanisms to help staff throughout their employment. Specific advice can be gained from occupational health as to recommendations to support a staff member whilst at work. Reasonable adjustments will be made for disabled staff and we have implemented a reasonable adjustment pack to support this process. If a staff member can no longer work in the role they are employed, we will explore redeployment into another suitable alternative role.
- We are fully committed to ensuring all staff with disabilities and long term health conditions have a positive experience and have equitable access to training, career development and promotion. To facilitate this, our workplace adjustments procedure provides for individual workplace adjustment plans detailing the adjustments that staff would need to undertake their job role but also to access training and career development and to achieve promotion.
- We are aware non-disabled staff are 1.29 times more likely to be appointed from shortlisting and that 86% of disabled staff believe the Trust provides equal opportunities for career progression or promotion. Work is ongoing as part of the Trust's Workforce Disability Equality Scheme (WDES) to address these issues.
- We regularly share information with staff on matters of concern to them as employees through our weekly staff briefing and on our staff intranet. The all

staff briefings were increased during COVID-19 due to the increase in information that we needed to share.

- Local consultative committees (LCC) take place on a monthly basis within each locality and a joint consultative committee (JCC) takes place bi-monthly (we met more regularly during COVID-19). Items affecting the workforce are discussed at both LCC and JCC at which staff side representation are in attendance.

For any formal changes affecting the workforce we follow the organisational change procedure and consultation consisting of group meetings and one to one meetings with staff (along with staff side representation). Staff have an opportunity to provide comments in relation to proposals prior to implementation.

This year we have also taken on board a lot of feedback from Our Big Conversation. We have also instigated monthly coffee breaks for staff to talk with the director for people and culture and other leads about anything relating to employment in the Trust.

Occupational health

The 2020/21 staff flu campaign was the most successful to date with 71.5% of frontline healthcare workers receiving a flu vaccination. Uptake rates were nearly 3% higher than the previous year.

At the end of April 2021 86% of staff had received a first COVID-19 vaccination, with 75% having had a second dose vaccination.

We worked closely with our occupational health provider to rapidly respond to issues arising from the COVID-19 pandemic.

People Asset Management (PAM) provides a comprehensive occupational health service to the Trust. The service provision includes a range of services including pre-employment screening, vaccination and immunisation, specialist occupational health employment advice, employee assistance and MSK specialist service. We continue to work collaboratively to maintain and improve staff health and wellbeing.

In addition to occupational health services we offer a wide range of health and wellbeing support services for staff, such as an employee support, employee psychology service and staff mindfulness as well as health improvement information through our staff intranet, weekly briefings and monthly health and wellbeing newsletter.

Health, safety and security

The health, safety and security team continued to ensure staff received advice, support and training, during the last year this was particularly linked to the COVID-19 pandemic.

As a consequence of this, policies and procedures have been reviewed, updated and approved and are available on the Trust website.

We developed the COVID-19 workplace risk assessments to be completed across the Trust and linked with this we have provided updated guidance in line with Government guidance and Health and Safety Executive (HSE).

We used MS Teams to deliver roadshows and question and answer sessions which were available for all staff in relation to risk assessments.

The team have continued to monitor incidents and reported RIDDORs including setting up an agile meeting to discuss COVID-19 incidents. The trust-wide Health, Safety, Security and Fire Group meets on a quarterly basis.

With the Trust now working in a different way, the health, safety and security team have provided guidance and information for staff working from home, including display screen assessments, using MS Teams and over the phone.

Countering fraud and corruption

The Trust has an established anti-fraud and corruption policy which aims to minimise the risk of fraud, bribery or corruption by detailing the key roles and responsibilities of employees and related parties as well as promoting an anti-fraud culture.

The policy and related materials are available on the Trust's intranet and counter-fraud information is prominently displayed both on the Trust's intranet and throughout our premises.

The Trust's Local Counter Fraud Specialist (LCFS) reports to the Audit and Risk Committee quarterly, and through an annual report, and performs a programme of work designed to provide assurance to the Board about fraud and corruption. The LCFS provides regular fraud awareness sessions to staff, investigates concerns reported by staff and liaises with the police. If any issues are substantiated, we take appropriate criminal, civil or disciplinary measures.

Equality Strategy and Objectives 2020-2023

Further information about the Equality and Diversity and Human Right (EDHR) strategy can be found in the Performance Report.

Information from the strategy relating to staff is below:

Objective 1

Ensure that where it is agreed, staff that require a workplace adjustment have these in place.

Progress

Good progress is being made on the actions in the EDHR strategy and the WDES relating to workplace adjustments. The revised workplace adjustments policy will be

completed in Q1 2021/22. Some limited central resource to support workplace adjustments is now available from the employee support service. Work is also taking place to better support staff who have neurodivergent needs.

Objective 2

To ensure we support and respond to staff who experience verbal aggression and that we take actions that reduce the number of incidents of verbal aggression towards staff.

Progress

A publicity campaign to reduce verbal aggression against staff will be launched in the Summer. Processes are in place to support staff who experience verbal aggression and training is available to support staff to address this issue.

Key equality data

The Trust publishes the following equality data annually. These reports were all published in 2020.

Publication of information on staff is available on our website at:

www.tevv.nhs.uk/about-us/how-we-do-it/equality-and-diversity/

Workforce Race Equality Standard and Action Plan:

www.tevv.nhs.uk/content/uploads/2021/01/WORKFORCE-RACE-EQUALITY-STANDARD-2020-revised-dates.pdf

Workforce Disability Equality Standard and Action Plan:

www.tevv.nhs.uk/content/uploads/2021/03/WORKFORCE-DISABILITY-EQUALITY-STANDARD-2020-revised-dates.pdf

Equality Delivery System 2: www.tevv.nhs.uk/about-us/how-we-do-it/equality-and-diversity/

Sexual Orientation Workforce Equality Standard and Action Plan:

www.tevv.nhs.uk/content/uploads/2021/01/WORKFORCE-SEXUAL-ORIENTATION-EQUALITY-STANDARD-2020-revised-dates.pdf

Actions taken by the Trust

We have taken a number of actions to address issues of differences in outcomes and experiences for both staff and service users from protected groups.

Details of these are contained in:

- The equality objective section above.
- The Equality Strategy 2020–2023.
- The Workforce Race Equality Standard document.
- The Workforce Disability Equality Standard document.
- The Sexual Orientation Workforce Equality Standard document.

Staff turnover

Staff turnover figures can be accessed via NHS Digital using the following link: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics>

Staff engagement

We believe that good staff engagement is essential to delivering better quality care to service users and carers.

Through Our Big Conversation staff actively helped us shape our purpose, vision, values, goals and priorities.

To co-create a great experience for our colleagues, is one of our three big goals included in Our Journey to Change. This means by 2025 we are committed to staff feeling:

- Proud, because their work is meaningful.
- Involved in decisions that affect them.
- Well-led and managed.
- That their workplace is fit for purpose.

It will be the norm that opinions, feedback, concerns and ideas are always sought out, heard and acted upon at every level and within every location.

Staff survey

The NHS staff survey is conducted annually. From 2018 onwards, the results from questions have been grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those. The response rate to the 2020 survey among staff was 38% compared to 44.9% in 2019. Scores for each indicator together with that of the survey benchmarking group (24 mental health and learning disability trusts) are presented below.

- The response rate to the 2020 survey among Trust staff was 38% compared to 45% in 2019.
- 2,785 participants in total – a decrease of 186 staff.
- Overall staff engagement score remained at 7 out of 10.
- Picker Institute commissioned the staff survey on behalf of 26 other mental health and learning disabilities Trusts. TEWV were ranked 11 out of 27.

	2020/21		2019/20		2018/2019	
	Trust	Benchmarking group	Trust	Benchmarking group	Trust	Benchmarking group
Equality, diversity and inclusion	9.3	9.1	9.2	9.0	9.4	8.8
Health and wellbeing	6.5	6.4	6.2	6.0	6.5	6.1
Immediate managers	7.2	7.3	7.2	7.3	7.3	7.2
Morale	6.5	6.4	6.3	6.3	6.5	6.2
Quality of appraisals	**	**	5.6	5.8	6.1	5.7
Quality of care	7.4	7.4	7.3	7.4	7.3	7.3
Environment – bullying and harassment	8.3	8.2	8.2	8.0	8.3	7.9
Safe environment – violence	9.4	9.4	9.3	9.3	9.3	9.3
Safety culture	6.9	6.9	6.8	6.8	7.0	6.7
Staff engagement	7.1	7.2	7.0	7.0	7.2	7.0

We were pleased to see we were above response average by 5% or 6% for satisfaction with level of pay, having adequate resources to do the job, not experiencing MSK problems as a result of work activities, feeling the organisation acts fairly in relation to career progression, not experiencing discrimination.

However we were below the average on staff feeling that the organisation treats them fairly when they are involved in errors/near misses/ incidents.

Compared to results last year more people felt there were adequate staff to do their job properly and we have fewer staff reporting harassment or physical violence. We are not complacent about these results as they are not at the level we want to be at.

Future priorities

- Development of a new approach to grievances and disciplinarys.
- Embedding regular team development plans with shared objectives.
- Improving feedback, for example, in appraisals and supervision.
- Flexible working opportunities and wellbeing at work.
- Supporting staff with caring responsibilities and needing reasonable adjustments.

Recording of trade union facility time (1 April 2020 to 21 March 2021)

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
26	6652.71

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	12
1 – 50%	13
51-99%	0
100%	1

Percentage of pay bill spent on facility time

Total cost of facility time	£69,558 (calculated as per regulations)
Total pay bill	£324,131,000 (calculated as per regulations)
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.021%

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	9% (calculated as per regulations)
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Consultancy Costs

The Trust paid £781,000 in consultancy costs during 2020/21.

Off-payroll arrangements

Off-payroll payments will only be used in exceptional circumstances where it is identified as business critical, such as patient safety. The process for these arrangements consists of sign off by the chief executive and regular review, as such payments are only used as a temporary measure.

The following tables contain data on the Trust's highly paid and/or senior off-payroll engagements.

Table 1: Off-payroll worker engagements as at 31 March 2021 (earnings of at least £245 per day)

	Number
Number of existing engagements as of 31 March 2021	33
The number that have existed for less than 1 year at the time of reporting	22
The number that have existed for between 1 and 2 years at the time of reporting	4
The number that have existed for between 2 and 3 years at the time of reporting	2
The number that have existed for between 3 and 4 years at the time of reporting	4
The number that have existed for 4 or more years at the time of reporting	1

Table 2: All off-payroll workers engaged at any point during the year ended 31 March 2021 (earnings of more than £245 per day)

	Number
Number of temporary off-payroll workers engaged between 1 April 2020 and 31 March 2021	80
Of which:	
Number not subject to off-payroll legislation	0
Number subject to off-payroll legislation and determined as in-scope of IR35	80
Number subject to off-payroll legislation and determined as out of scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which, number of engagements that saw a change to IR35 status following review	0

Table 3: For any off-payroll engagements of board members and/or senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

	Number
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed 'board members, and/or, senior officials with significant financial responsibility', during the financial year. This figure must include both on payroll and off-payroll engagements	19

Exit packages (subject to audit)

For the period 1 April 2020 to 31 March 2021:

- Four employees retired early on the grounds of ill-health at a cost of £218k.
- There were no payments for termination benefits.
- There were no other non-compulsory exit packages.

Gender pay gap

The latest gender pay gap report can be accessed via the Cabinet Office using the following link: <https://gender-pay-gap.service.gov.uk/>.

A copy of the report and previous reports are available on the Trust website which can be accessed via the following link:

www.tewv.nhs.uk/content/uploads/2021/02/gender-pay-report-as-at-March-2020.pdf

Governance including the Foundation Trust Code of Governance Disclosures

In this section we provide information on our corporate governance arrangements. We explain who sits on the Board of Directors, its committees, and Council of Governors and how they operate.

How the Trust is governed

As a public benefit corporation, the Trust is required to have the following governance arrangements:

- A legally binding constitution.
- A non-executive chairman.
- A Board of Directors comprising non-executive and executive directors.
- A Council of Governors comprising elected public, staff governors and governors appointed by key stakeholder organisations.
- A public and staff membership.

The Trust's Constitution requires both the Board and the Council of Governors to:

- Observe the Nolan principles of Public Life of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- Seek comply, at all times, with the NHS Foundation Trust Code of Governance.

Statement on the application of the Code of Governance

The Foundation Trust Code of Governance, published by NHS Improvement, provides an overarching framework for corporate governance and complements the statutory and regulatory obligations placed on Foundation Trusts.

The Trust 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.

Under the Code of Governance the Trust is required to disclose the following information:

Code ref:	Summary of Disclosure Requirement	Page(s)
A.1.1	A schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including the types of decisions to be taken by each body and which are delegated to the Executive Management Team on behalf of the Board of Directors.	68 and 82
A.1.1	A statement on how disagreements between the Council of Governors and Board of Directors should be resolved.	72
A.1.2	The names of: <ul style="list-style-type: none"> • The chairman • The deputy chairman • The chief executive • The senior independent director • The chairmen and members of the Audit and Risk Committee • The chairman and members of the Remuneration Committees. 	26, 75, 78 and 92
A.1.2	The number of meetings of the Board of Directors and the Audit, Remuneration and Nominations Committees and individual attendance by directors.	69, 75, 78 and 92
A.5.3	The names of members of the Council of Governors, whether they are elected or appointed, the constituency or organisations they represent and the duration of their appointments.	84
A.5.3	The name of the lead governor.	83
B.1.1	The names of the non-executive directors whom the Board determines to be independent, with reasons where necessary.	26-28 and 68
B.1.4	A description of each director's skills, expertise and experience.	26
B.1.4	A statement about the Board of Directors' balance, completeness and appropriateness to the requirements of the NHS Foundation Trust.	68
B.2.10	A description of the work of the Nominations	78 and 91

	Committee(s) including the process used in relation to board appointments.	
B.3.1	The other significant commitments of the chairman and any changes to them during the year.	26
B.5.6.	A statement on how the governors have undertaken and satisfied the requirement to canvass the opinion of the Trust's members and the public (and for appointed governors the body they represent) on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy, and communicate their views to the Board of Directors.	92
B.6.1	A statement on how the performance evaluation of the Board, its committees and its directors, including the chairman, has been conducted.	73
B.6.2	The identity of any external facilitator who supported the performance evaluation of the Board and whether they have any other connection with the Trust.	73
C.1.1	An explanation from the directors of their responsibility for preparing the annual report and accounts. A statement that they consider the annual report and accounts, taken as a whole, are fair, balanced and reasonable and providing the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.	68
C.1.1	A statement from the external auditors about their reporting responsibilities.	109
C.1.1	An explanation from the directors of their approach to quality governance in the annual governance statement.	97
C.2.1	A report that the Board has conducted a review of the effectiveness of the Trust's system of internal controls.	74
C.2.2	Information on how the internal audit function is structured and the role it performs.	77
C.3.5	A statement from the Audit Committee, if applicable, explaining its recommendation on the appointment/reappointment of the external audit and the reasons why it was not accepted by the Council of Governors.	N/A
C.3.9	A description of the work of the Audit and Risk Committee in discharging its responsibilities including: <ul style="list-style-type: none"> The significant issues that the committee considered in relation to financial statements, operations and compliance, and how these 	74

	<p>issues were addressed.</p> <ul style="list-style-type: none"> • An explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted. • If the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded. 	
D.1.3	Where an NHS Foundation Trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	N/A
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors.	94
E.1.5	A statement on how the Board of Directors, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS Foundation Trust.	71
E.1.6	A report on the representativeness of Trust's membership and the level and effectiveness of member engagement.	92 and 94

The latest version of the Code of Governance is available on NHS Improvement's website: www.improvement.nhs.uk

Changes to our governance arrangements during the COVID-19 pandemic

The year began with our usual governance arrangements paused due to COVID-19. Formal meetings could not be held as our Constitution required them to be held in person. Instead we held informal teleconferences with any decisions required being taken under emergency powers.

In October, following a ballot of Board members and governors, we amended our Constitution to enable flexibility in our meeting arrangements including allowing them to be held remotely.

Under the Code of Governance we are required to provide information on attendance at meetings of the Board, the Council of Governors, the Audit and Risk Committee and our Nomination and Remuneration Committees. For completeness we have provided information on both the informal teleconferences and formal meetings held during the year.

The Board of Directors

Our Board of Directors provides overall leadership and vision to the Trust and is ultimately and collectively responsible for all aspects of performance, including clinical and service quality, financial performance and governance.

The general statutory duty of our Board and each director, individually, is to act with a view to promoting the success of the Trust to maximise the benefits for the members of the corporation as a whole and for the public.

Our Board of Directors:

- Has retained certain decisions to itself as set out in the scheme of delegation included in the Constitution (available on our website).
- Exercises certain functions in conjunction with our Council of Governors.

Any powers which the Board has not reserved to itself or delegated to a committee are exercised on its behalf by our chief executive.

Information on the Board members as at 31 March 2021, including details of their skills and expertise, is provided in the Accountability Report.

The Trust's corporate directors attend and participate in meetings of the Board in a non-voting capacity. During the year these positions were held by Sharon Pickering, director of planning, commissioning, performance and communications, David Levy director of human resources and organisational development until his retirement in February 2021, and Dr Sarah Dexter-Smith director of people and culture from February 2021.

The Board considers that, as at 31 March 2021:

- Its composition meets the requirements of the National Health Service Act 2006 and the Constitution.
- All its members are fit and proper persons to be directors of the Trust in accordance with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.
- There is an appropriate balance and breadth of skills, knowledge and experience amongst the non-executive directors.
- All the non-executive directors meet the independence criteria set out in the Foundation Trust Code of Governance.

Statement on the directors' responsibility for preparing the annual report and accounts

The directors are required under the National Health Service 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 Improvement further directs that the accounts shall meet the accounting requirements of the Department of Health Group Accounting 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 Department of Health Group Accounting Manual, 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 the published accounts.

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

Each of the directors, holding office on 31 March 2021, confirms that the annual report and accounts, taken as a whole, are fair, balanced and reasonable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy.

Attendance at Board meetings

The following table provides details of the attendance at the eight informal and five formal meetings of the Board of Directors held during 2020/21:

Board Member	Position	No of Board meetings/ informal teleconferences attended	
		Teleconferences (1/3/20 – 19/10/20) (8)	Meetings (20/10/20 – 30/3/21) (5)
Miriam Harte	<ul style="list-style-type: none"> • Chairman of the Trust • Chairman of the Board's Nomination and Remuneration Committee • Chairman of the Council of Governor's Nomination and 	8	5

	Remuneration Committee		
Brent Kilmurray	<ul style="list-style-type: none"> • Chief executive and accounting officer (from June 2020) • Chairman of the Senior Leadership Group 	2 (2)	4
Colin Martin	<ul style="list-style-type: none"> • Chief executive and accounting officer (to June 2020) • Chairman of the Executive Management Team 	5 (6)	0 (0)
Hugh Griffiths	<ul style="list-style-type: none"> • Non-executive director • Deputy chairman • Chairman of the Quality Assurance Committee (to 31/3/21) 	8	5
Pali Hungin	<ul style="list-style-type: none"> • Non-executive director 	8	5
David Jennings	<ul style="list-style-type: none"> • Non-executive director (to August 2020) • Chairman of the Audit and Risk Committee 	7	0
John Maddison	<ul style="list-style-type: none"> • Associate non-executive director (to June 2020) • Non-executive director (from July 2020) • Chairman of the Audit and Risk Committee 	8	5
Paul Murphy	<ul style="list-style-type: none"> • Non-executive director • Chairman of the Resources Committee 	8	5
Bev Reilly	<ul style="list-style-type: none"> • Non-executive director • Chairman of the Mental Health Legislation Committee 	8	4
Shirley Richardson	<ul style="list-style-type: none"> • Non-executive director • Senior independent director • Chairman of the West Lane Project Committee 	8	5
Ruth Hill	<ul style="list-style-type: none"> • Chief operating officer 	7	5
Ahmad Khouja	<ul style="list-style-type: none"> • Medical director 	7	5
Patrick McGahon	<ul style="list-style-type: none"> • Director of finance and information (to August 2020) 	5 (6)	0 (0)
Elizabeth Moody	<ul style="list-style-type: none"> • Director of nursing and governance • Deputy chief executive 	7	4
Liz Romaniak	<ul style="list-style-type: none"> • Director of finance and information (from October 2020) 	0 (0)	5
Sarah Dexter-Smith	<ul style="list-style-type: none"> • Director of people and culture (from February 2021) 	0 (0)	2 (2)
David Levy*	<ul style="list-style-type: none"> • Director of human resources and organisational development (to February 	7	3 (3)

	2021)		
Sharon Pickering*	▪ Director of planning, commissioning, performance and communications	8	5
Drew Kendall	▪ Acting director of finance (July 2020 to October 2020)	2 (2)	0 (0)

(Notes:* Indicates that the director holds a non-voting position on the Board of Directors. The maximum number of events to be attended by those Board members who held office during part of the year is shown in brackets)

Keeping informed of the views of governors and members

The following arrangements were maintained during the pandemic to ensure the Board was kept informed of the views of governors and members:

- Regular meetings, with a locality focus, between the chairman and governors.
- Attendance by Board members at both teleconferences and meetings of the Council of Governors.
- The provision of reports on the outcome of consultations with governors, for example on the business plan.
- Updates provided by the chairman and directors at Board meetings.
- Governors continued to be encouraged to attend public meetings and teleconferences of the Board of Directors.

Following her appointment as the senior independent director, Shirley Richardson, was also available to governors, if they had concerns about any issues which had not been addressed by the chairman, chief executive or other usual business arrangements.

In general, with regard to attendance at meetings of the Council of Governors:

- The chairman attends all meetings.
- There is a standing invitation for the non-executive directors to attend meetings.
- Executive and corporate directors attend meetings, if required, for example to deliver reports, or as observers.

The Council of Governors has powers to require attendance of a director at any of its meetings, under paragraph 26 (2) (aa) of Schedule 7 of the National Health Service Act 2006, for the purpose of obtaining information on the Foundation Trust's performance of its functions or the directors' performance of their duties. The Council of Governors did not exercise these powers during 2020/21.

In total the Council of Governors held two informal teleconferences and three formal meetings including the Annual General Meeting (AGM) during 2020/21. Board member attendance at these teleconferences/meetings was as follows:

Name	Number of Meetings Attended	
	Teleconferences (2)	Meetings (3)
Miriam Harte	2	3
Brent Kilmurray	2	3
Colin Martin	0 (0)	0 (0)
Hugh Griffiths	1	3
Pali Hungin	1	3
David Jennings	0 (1)	0 (0)
John Maddison	2	3
Paul Murphy	2	3
Bev Reilly	2	2
Shirley Richardson	1	3
Ruth Hill	1	1
Ahmad Khouja	1	2
Patrick McGahon	0 (0)	0 (0)
Elizabeth Moody	1	2
Liz Romaniak	0 (0)	2
David Levy	1	1 (2)
Sharon Pickering	2	3
Sarah Dexter-Smith	0 (0)	1 (1)
Drew Kendall	2	0 (0)

(The maximum number of meetings to be attended by those Board Members who held office during part of the year is shown in brackets)

Resolution of disputes with the Council of Governors

A process has been established for the resolution of disputes between the Board and the Council of Governors.

Led by the chairman or deputy chairman and supported by the senior independent director, the process is based on a number of steps by which the matters in dispute are formally stated, considered and responded to.

If resolution cannot be achieved the view of the Board will prevail unless the issue falls within the Council of Governors' statutory powers.

Nothing within the process restricts the Council of Governors from informing NHS Improvement or the Care Quality Commission of relevant concerns.

The dispute resolution procedure was not invoked during the year.

Further details on the dispute resolution procedure are provided in annex 9 of our Constitution.

Evaluating Board performance

The Trust usually evaluates the Board's performance and that of its committees and individual members using a scheme initially developed by Deloitte LLP.

These arrangements were suspended in 2020/21 due to the COVID-19 pandemic and as the Trust had commissioned a leadership and governance review under NHS Improvement's well-led framework from the Good Governance Institute (GGI). A summary of the findings from this review are provided in the Accountability Report. GGI has no other connection with the Trust.

Terms of office of the chairman and non-executive directors and how their appointments can be terminated

The terms of office for the chairman and non-executive directors are usually for three years. They will be appointed for a second term of office, without the need for external competition, unless they fail to meet performance, independence or regulatory requirements or the skills and experience required on the Board have changed since their initial appointment. They may also be appointed to serve for more than six years (two three year terms) if it is in the Trust's interest for them to do so and the reasons for this must be approved by the Council of Governors.

The appointments of the chairman and the non-executive directors can be terminated for the following reasons:

- By resignation.
- By ceasing to be a public member of the Trust.
- Upon becoming a governor of the Trust.
- Upon being disqualified by the independent regulator.
- Upon being disqualified from holding the position of a director of a company.
- Upon being adjudged bankrupt.
- Upon making a composition or arrangement with, or granting a Trust deed for, his/her creditors.
- Upon being convicted of any offence and a sentence of imprisonment being imposed (whether suspended or not) for a period of not less than three months (without the option of a fine).
- Upon removal by the Council of Governors at a general meeting.
- If they cease to be a fit and proper person to be a director of the Trust in accordance with the Licence, the Constitution or the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

Reports of the Board's committees

The Board has standing Audit and Risk, Resources, Quality Assurance, Mental Health Legislation, Nomination and Remuneration and West Lane Project Committees.

Each committee has terms of reference, including reporting requirements, which have been approved by the Board. Copies of the terms of reference are available on our website.

The membership, roles and activities of these committees are detailed in the following sections.

The Audit and Risk Committee

Role and responsibilities

The Audit and Risk Committee has overarching responsibility for providing assurance to the Board on the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the Trust's objectives.

The responsibilities of the Audit and Risk Committee also include:

- Reviewing the adequacy of:
 - All risk and control disclosure statements (eg. the Annual Governance Statement) prior to endorsement by the Board.
 - Systems and processes for risk management within the Trust.
 - The Board Assurance Framework (BAF) and the underlying processes that indicate the degree of achievement of the corporate objectives and the effectiveness of the management of principal organisational risks.
- Ensuring the internal audit function is effective, meets mandatory NHS internal audit standards and provides appropriate independent assurance.
- Making recommendations to the Council of Governors on the appointment, re-appointment or removal of the external auditor.
- Making recommendations to the Council of Governors on the terms of engagement of the external auditor and reviewing and monitoring the performance, independence and objectivity of the external auditor.
- Reviewing the work and findings of the external auditor and considering the implications and management responses to their work.
- Reviewing the findings of other assurance functions, both internal and external to the organisation (eg. the Care Quality Commission, NHS Improvement, etc.) and considering the implications for the governance of the Trust.
- Reviewing and monitoring the integrity of any financial statements including any financial judgements contained in them and ensuring the completeness and accuracy of information provided to the Board.
- Reviewing arrangements by which staff may raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters (the whistleblowing policy).
- Overseeing counter fraud activities and monitoring compliance with the Bribery Act 2010.
- Commissioning value for money studies as appropriate.

The Board, through the Audit and Risk Committee, conducts a review on the effectiveness of internal control annually based on the findings of the head of internal audit.

Membership of the Committee

The Committee comprises not less than four members all of whom must be independent non-executive directors. There is also a standing invitation for all other non-executive directors to attend meetings of the Committee and participate in discussions but not to vote.

The Committee held four informal teleconferences and two formal meetings during the year. Attendance by each member was as follows:

	Informal teleconference	Meetings
David Jennings (chairman to August 2020)	3 (3)	0 (0)
John Maddison (chairman from September 2020)	4	2
Hugh Griffiths	4	2
Paul Murphy	4	2

(The maximum number of meetings to be attended by those Board members who held office during part of the year is shown in brackets.)

The director of finance and information, the external auditors and representatives of the head of internal audit generally attend all meetings of the Committee. The Trust secretary is the secretary to the Committee.

At least once a year, members of the Committee are required to meet privately with the external and internal auditors without management being present.

The work of the Audit and Risk Committee in discharging its responsibilities

The Audit and Risk Committee uses an assurance tracker, a document, updated after each meeting, which enables it to review and monitor compliance with its terms of reference.

A key role of the Committee is to monitor, oversee and provide assurance to the Board on the conduct of the audit of the Annual Report and Accounts.

In relation to the annual audit for the year ended 31 March 2021 the Committee has:

- Reviewed the terms of engagement with the external auditors and recommended them to the Council of Governors.
- Approved the external auditors' Audit Strategy Memorandum and Strategic Audit Plan and received progress reports on the conduct of the audit.
- Approved the Protocol for Liaison between the internal and external auditors including those areas of internal audit's work of specific interest to the external auditors for reliance.
- Reviewed and assured the Board that the Trust is, and is expected to remain, a going concern and that the accounts should be prepared on that basis

- Approved the schedule of losses and special payments as part of the annual accounts process.
- Reviewed the draft annual accounts paying particular attention to the accounting treatment of significant items; material movements from prior years and any key matters of note.
- Received the Annual Report of the head of internal audit and considered its findings in relation to the Annual Governance Statement.
- Reviewed and commented on the Annual Governance Statement prior to its inclusion in the Annual Report.

A special meeting of the Committee was held on 18 June 2021 to enable the Committee to review the Annual Report and Accounts and the external auditors draft reports on them.

During the 2020/21 financial year the Committee has also:

- Sought and gained assurance on the development, coverage and resources available to deliver the clinical audit programme and received half yearly progress reports on its implementation.
- Reviewed and provided assurance to the Board on its ability to sign off certificates and the statements required by NHS Improvement.
- Reviewed the strategic and operational internal audit plans ensuring that these were aligned to key strategies and reflected the principal risks facing the Trust.
- Reviewed progress, at each meeting, against the internal audit plan and considered the outcome of reviews undertaken in the context of the Trust's controls and risk environment. In doing so, the Committee sought specific assurances from management on the implementation of actions to improve the adequacy and robustness of controls for those assignments where limited or reasonable assurance.
- Considered regular reports from the Local Counter Fraud Specialist (LCFS) noting action taken on increasing fraud awareness and in response to alleged cases of fraud in the Trust and elsewhere. The Committee paid particular attention, as potential areas of risk, to the recommendations arising from the proactive reviews of expenditure with third parties, mobile IT assets and purchasing cards.
- Reviewed progress on the delivery of recommendations arising from assignments undertaken by the Internal Auditors and the LCFS.
- Reviewed the performance of the external auditors and, taking this into account, considered whether there were any matters which needed to be raised with the Council of Governors in regard to the extension of their contract.
- Reviewed changes to the Board Assurance Framework and received the corporate risk register.
- Paid particular attention to tender waivers and the controls relating to them.
- Reviewed the quality account prior to its approval by the Board.
- Reviewed assurances on the effectiveness of the Trust's emergency planning and business continuity arrangements.
- Drew the Board's attention to those matters which it considers have implications for the Trust's assurance framework.
- Considered corporate governance and accounting developments.

The external auditors

Mazars LLP have been our external auditors since 2013.

Following a competitive tendering process in 2017/18, overseen by members of the Committee and governors, the Council of Governors re-appointed the firm for an initial period of two years (from 1 April 2018) with the option to extend for a further three years (in one year increments).

The cost of providing external audit services during 2020/21 was £55k excluding VAT. This includes the cost of the statutory audit, the review of the quality account, the independent review of the accounts of the charitable funds and the whole Government accounting return.

Details of the external audit fees, split between the statutory audit fees and other auditor remuneration, are provided in notes 6.1 and 6.2 to the accounts.

The internal auditors

Internal audit services are provided by Audit One, a not-for-profit provider of internal audit, technology risk assurance and counter fraud services to the public sector in the North of England.

Carl Best, the director of internal audit at Audit One, is the Trust's head of internal audit.

Each year the Audit and Risk Committee agrees an internal audit plan which sets out the reviews to be undertaken during the year which is aligned to the principal risks identified by the Trust.

Progress reports are provided by the internal auditors to each meeting of the committee and contribute to the head of internal audit's Annual Opinion on the Trust's system of internal control, which is used to inform the Annual Governance Statement.

Safeguarding auditor independence

The Audit and Risk Committee has agreed a policy to ensure that auditor objectivity and independence is safeguarded if the firm providing external audit services is commissioned to provide services outside of the external auditor's responsibilities. This policy stipulates that only the chief executive, director of finance and information and Trust secretary may commission the external audit firm for non-audit services and the appointment must be approved by the chairman of the Audit and Risk Committee.

Safeguards are required that:

- External audit does not audit its own firm's work.
- External audit does not make management decisions for the Trust.

- No joint interest between the Trust and external audit is created.
- The external auditor is not put in the role of advocate for the Trust.
- The external audit firm does not undertake certain functions including: preparation of accounting records and financial statements, advising on the selection, implementation or running of IS/IT systems, staff secondments, employee remuneration or selection and recruitment and finance or transaction services work within the Trust.
- The external auditor must ensure that the provision of non-audit services meets its own ethical standards and internal operational policies.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee oversees the appointment of executive directors and directors who report directly to the chief executive and is responsible for deciding their terms and conditions of service (where they are not determined nationally).

The Committee is also responsible for:

- Authorising applications to NHS Improvement and HM Treasury for permission to make special severance payments to an employee or former employee.
- The agreement of locally determined terms and conditions of service for all staff employed on national medical terms and conditions and all staff paid at, or above, Agenda for Change band 8.

The membership of the Committee comprises the chairman of the Trust and all the non-executive directors.

The Committee held one informal teleconference and two formal meetings during 2020/21. The matters considered were as follows:

- The recruitment of a director of people and culture.
- Amendments to the role description and changes to the title of the director of planning, performance and communications to include commissioning.
- The annual remuneration report.
- The Restriction of Public Sector Exit Payments Regulations 2020.
- Changes to the structure of the executive leadership team and the portfolios of individual executive directors.

Attendance at these teleconferences/meetings was as follows:

	Informal Teleconferences	Formal Meetings
Miriam Harte (chairman)	1	2
Hugh Griffiths	1	2
Pali Hungin	1	2
David Jennings	1	2
John Maddison	1	2
Paul Murphy	1	2
Bev Reilly	1	2
Shirley Richardson	1	1
Brent Kilmurray	1	0 (0)

The maximum number of meetings to be attended by those Members of the Committee who held office during part of the year is shown in brackets

The chief executive is an ex-officio member of the Committee in relation to all matters pertaining to the appointment to those director positions (excluding the role of the chief executive) which fall within its remit.

Advice and/or services were provided to the Committee by:

- Brent Kilmurray, chief executive
- David Levy, director of human resources and organisational development
- Sarah Dexter-Smith, director of people and culture
- Phil Bellas, Trust secretary

The annual statement from the chairman of the Nomination and Remuneration Committee is provided in the remuneration report.

Resources Committee

The role of the Resources Committee is:

- To provide assurance to the Board that the resources available to the Trust (both financial and non-financial) to deliver its business plan are appropriate, sufficient and deployed effectively.
- To provide assurance to the Board on the robustness, alignment and delivery of key strategies and plans including the financial strategy and capital plan; the workforce strategy and plan, the digital transformation strategy; and the equality strategy and workforce race equality standard plan.
- To review proposals (including evaluating risks) for major business cases and their respective funding sources.
- To keep under review potential changes in the external environment in the medium to longer term and to draw any material risks to the sustainability of the Trust to the Board's attention.
- To provide oversight of, and assurance on, the performance of the Trust's subsidiaries.
- To provide oversight of the management and administration of charitable funds held by the Trust.

As at 31 March 2021 the membership of the committee comprised:

- Paul Murphy, non-executive director (chairman of the Committee)
- Miriam Harte, chairman
- John Maddison, non-executive director
- Brent Kilmurray, chief executive
- Liz Romaniak, director of finance and information
- Ruth Hill, chief operating officer

(Note: All Board members are invited to attend and participate (but not to vote) in meetings of the Committee. Executive directors are expected to attend meetings of the Committee when matters within their portfolios are being considered.)

The Committee held two informal teleconferences and three formal meetings during 2020/21.

Mental Health Legislation Committee

The role of the Committee is:

- To provide assurance to the Board on the Trust's compliance with the Mental Health Act 1983 and the Mental Capacity Act 2005, including any statutory codes of practice relating to them.
- To consider the implications of any changes to statute, including statutory codes of practice, or case law relating to the Trust's responsibilities as a provider of mental health services and to make recommendations, as required, for changes to the Trust's policies, procedures and practice.
- To ensure appropriate arrangements are in place for the appointment and appraisal of associate managers and oversee managers' hearings.

As at 31 March 2021 the membership of the committee comprised:

- Bev Reilly, non-executive director (chairman of the Committee)
- Miriam Harte, chairman
- Pali Hungin, non-executive director
- Ahmad Khouja, medical director
- Ruth Hill, chief operating officer
- Elizabeth Moody, director of nursing and governance and deputy chief executive
- Two public governors or experts by experience (as representatives of service users and carers)

The Committee held two informal teleconferences and one formal meeting during 2020/21.

Quality Assurance Committee

The Quality Assurance Committee is the principal provider of assurance to the Board on quality, and in particular, compliance with the fundamental standards prescribed in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

The Committee receives regular assurance reports from the locality management and governance boards and the corporate assurance groups in accordance with the Trust's quality governance arrangements.

As at 31 March 2021 the membership of the committee comprised:

- Hugh Griffiths, deputy chairman (chairman of the Committee)
- Pali Hungin, non-executive director
- Bev Reilly, non-executive director
- Shirley Richardson, non-executive director
- Brent Kilmurray, chief executive
- Ruth Hill, chief operating officer
- Ahmad Khouja, medical director
- Elizabeth Moody, director of nursing and governance and deputy chief executive
- Avril Lowery, director of quality governance
- Dominic Gardner, director of operations for Tees
- Jennifer Illingworth, director of operations for County Durham and Darlington
- Naomi Lonergan, director of operations for North Yorkshire and York
- Lisa Taylor, director of operations for forensic services

The Committee held five informal teleconferences and four formal meetings during 2020/21.

The West Lane Project Committee

The West Lane Project Committee was established in December 2019. Its principal objectives relate to the provision of vision and oversight on behalf of, and assurance to, the Board in regard to:

- The commissioning and coordination of reviews to support the strengthening of the Trust's structures, systems and processes including governance arrangements
- The provision of effective communication and engagement, both internally and externally, to the Trust.
- The development and establishment of the future provision of CAMHS inpatient services by the Trust.
- Matters pending the re-registration of the Trust's CAMHS inpatient services including the care of CAMHS service users in other care settings, the engagement of, and support for, staff who previously worked at the hospital, and the appraisal of any proposals for the interim delivery of these services.

As at 31 March 2021 the membership of the committee comprised:

- Shirley Richardson, non-executive director (chairman of the Committee)
- John Maddison, non-executive director
- Brent Kilmurray, chief executive
- Ruth Hill, Chief operating officer
- Ahmad Khouja, medical director
- Elizabeth Moody, director of nursing and governance and deputy chief executive

The Committee held six informal teleconferences and four formal meetings during 2020/21.

The Council of Governors

The statutory duties of our Council of Governors are:

- To hold the non-executive directors individually and collectively to account for the performance of the Board.
- To represent the interests of the members of the Trust as a whole and the interests of the public.

It has specific responsibilities which it exercises by itself or in conjunction with the Board of Directors. These include:

- To develop our membership and represent their interests.
- To assist with the development of the Trust's strategy.
- To appoint or remove the chairman and the non-executive directors and to determine their remuneration and other terms and conditions of service.
- To approve the appointment of the chief executive.
- To receive the annual accounts and annual report.
- To appoint or remove the Trust's external auditor.
- To determine proposals to increase the proportion of the Trust's income earned from non-NHS sources by 5% or more in any financial year.
- To inform the Board whether or not it considers that any proposals to provide non-NHS services will interfere, to a significant extent, with the provision of NHS services.
- To determine (in conjunction with the Board of Directors) any proposed changes to the Trust's Constitution.
- To determine (in conjunction with the Board of Directors) any questions on mergers, acquisitions or separation of the Trust or whether it should be dissolved.
- To determine any significant transactions (as defined in the Constitution) proposed by the Board of Directors.
- To consider any matters raised by the Care Quality Commission or NHS Improvement which might affect the Trust's compliance with the terms of its licence or its registration of services.

Report of the lead governor

The Council of Governors appreciate the dedication and commitment of all clinical and non-clinical staff working across the Trust.

We recognise that the ongoing pandemic has caused extra pressures and stress on staff and their families, but their dedication has maintained the mental health services for users and carers.

Partnership working has been vital in maintaining mental health services for both inpatients and the community service users and carers.

Governors are proud that TEWV has played a major part in the delivery of these services and we are sure that partnership working will continue in the future, this will benefit all those who need help with their wellbeing and mental health.

The Council of Governors has received regular reports on the issues of concern raised by CQC that the Trust is dealing with and the strategy that has been developed to address the concerns.

Governors will continue to monitor and scrutinise the progress of the strategy and the improvements that the Trust has made.

The meetings of the Council of Governors have continued to be virtual meetings.

Meetings have included the Trust AGM, full Council of Governor meetings, locality meetings and development sessions both internal and external ensuring governors are kept up to date with information and their learning needs.

Governors are keen to raise the profile of the Council of Governors. We believe that perhaps some of the public do not fully understand the role the Council of Governors has in the Trust.

This is something we will pursue with the media when lockdown is over, and it is safe to do so and we are all able to meet again face to face.

Cllr Ann McCoy
Lead governor

The Composition of the Council of Governors as at 31 March 2021



(54 seats)

Membership of the Council of Governors during 2020/21

Information on the governors who held office during 2020/21 is presented below.

As with the Board, the Council of Governors was not able to meet formally until changes were made to the Trust's Constitution in October 2021. Prior to this informal teleconferences were held. Information on attendance at both the teleconferences and formal meetings (including the Annual General Meeting) is provided below.

It is also important to note that some governors experienced technical difficulties in participating in remote meetings and events during the period.

Public Governors

Constituency	Name	Term of office	Attendance	
			Informal teleconferences (2)	Formal meetings inc AGM (3)
Darlington	Joan Kirkbride	1/11/18 - 30/6/20 1/9/20 - 30/6/23	1 (1)	2
Darlington	Audrey Lax	1/7/18 - 30/6/20 1/9/20 - 30/6/23	0 (1)	1
Durham	Cliff Allison	1/7/17 - 30/6/20	0 (0)	0 (0)
Durham	Anne Carr	1/9/20 - 30/6/23	1 (1)	3
Durham	James Creer	1/7/19 - 30/6/22	2	3
Durham	Sandra Grundy	1/7/17 - 30/6/20	0(0)	0 (0)
Durham	Dominic Haney	18/9/20 - 30/6/23	1 (1)	2

Durham	Anthony Heslop	1/7/19 - 30/6/22	1	2
Durham	Jacci McNulty	1/7/17 - 30/6/20 1/9/20 - 30/6/23	0 (1)	2
Durham	Ian McArdle	1/7/20 - 16/9/20	0 (1)	0 (0)
Durham	Graham Robinson	1/7/19 - 30/6/22	1	1
Durham	Sarah Talbot-Landon	1/7/19 - 4/1/21	2(2)	2 (2)
Durham	Jill Wardle	1/9/20 - 30/6/23	1 (1)	3
Hambleton and Richmondshire	Stanley Stevenson	1/7/19 - 30/6/20 1/9/20 - 30/6/23	1(1)	1
Harrogate and Wetherby	Chris Gibson	1/7/19 - 30/6/22	1	2
Harrogate and Wetherby	Hazel Griffiths	1/7/19 - 30/6/22	2	1
Harrogate and Wetherby	Jules Preston	4/12/19 - 30/6/22	2	3
Hartlepool	Jean Rayment	4/12/19 - 30/6/22	1	2*
Hartlepool	Zoe Sherry	1/7/17 - 30/6/20 1/9/20 - 30/6/23	0(1)	2
Middlesbrough	Mary Booth	1/7/17 - 30/6/20 1/9/20 - 30/6/23	1 (1)	3

Middlesbrough	Marie Cunningham	1/7/19 - 30/6/22	2	1 (1)*
Redcar and Cleveland	Dr Sara Baxter	1/9/20 - 30/6/23	0 (1)	3
Redcar and Cleveland	Mark Carter	1/7/19 - 30/6/22	2	3
Redcar and Cleveland	Alan Williams	1/7/17 - 30/6/20	0 (0)	0 (0)
Rest of England	Carol Jones	1/7/19 - 30/6/22	1	0
Scarborough and Ryedale	Nasr Emam	4/2/19 - 25/4/20	0 (0)	0 (0)
Scarborough and Ryedale	Janet Goddard	1/9/20 - 30/6/22	0 (1)	1 (1)*
Scarborough and Ryedale	Keith Marsden	1/11/18 - 30/6/20 1/9/20 - 30/6/23	0 (1)	1
Scarborough and Ryedale	Judith Webster	1/7/17 - 30/6/20 1/9/20 - 30/6/23	1 (1)	2
Selby	Gemma Birchwood	1/7/18 - 30/6/20 1/9/20 - 30/6/23	1 (1)	3
Selby	Wendy Fleming-Smith	1/7/17 - 30/6/20	0(0)	0 (0)
Selby	John Venable	1/9/20 - 30/6/23	1(1)	1
Stockton on Tees	Mark Eltringham	1/7/17 - 30/6/20	0 (0)	0 (0)

Stockton on Tees	Gary Emerson	1/7/19 - 30/6/22	2	3
Stockton on Tees	Gillian Restall	1/7/17 - 30/6/20 1/9/20 - 30/6/23	0 (1)	1
Stockton on Tees	Dr Mojgan Sani	1/9/20 - 30/6/23	1 (1)	3
York	Stella Davidson	1/7/18 - 1/9/20	1 (1)	0 (0)
York	Christine Hodgson	1/7/18 - 30/6/21	2	1
York	Prof Tom McGuffog MBE	1/7/18 - 30/6/21	1	1

Staff Governors

Class	Name	Term of office	Attendance	
			Informal teleconferences (2)	Formal meetings inc AGM (3)
Corporate	Louis Bell	1/9/20 - 30/6/23	0(1)	0
Corporate	Dr Judith Hurst	1/7/17 - 30/6/20	0 (0)	0 (0)
Durham and Darlington	Philip Boyes	1/7/17 - 30/06/20	0 (0)	0 (0)
Forensic	Glenda Godwin	1/7/17 - 30/6/20	0 (0)	0 (0)

Forensic	Ray Godwin	1/9/20 - 30/6/23	0 (1)	1
North Yorkshire and York	Lynne Taylor	4/12/19 - 20/8/20	1 (0)	0 (0)
Teesside	Emmanuel Chan	1/9/20 - 30/6/23	0 (1)	2

Appointed governors

Clinical Commissioning Groups

Appointing organisation	Name	Term of office	Attendance	
			Informal teleconferences (2)	Formal meetings inc AGM (3)
NHS County Durham	Mike Brierley	01/05/20	1	0
NHS North Yorkshire	Kirsty Kitching	5/10/20 - 20/11/20	0(0)	0 (1)
NHS Tees Valley	Dr Boleslaw Posmyk	24/6/20	1	3
NHS Vale of York	Dr Ruth Walker	05/08/20	1 (1)	1

Local authorities

Appointing organisation	Name	Term of office	Attendance	
			Informal teleconferences (2)	Formal meetings inc AGM (3)
Darlington Borough Council	Kevin Kelly	13/08/15	1	0
Durham County Council	Lee Alexander	03/01/17	1	0
Hartlepool Borough Council	Cllr Barbara Ward	24/5/20 - 18/06/20	0 (0)	0 (0)
Hartlepool Borough Council	Cllr Stephen Thomas	18/06/20	0 (1)	1
Middlesbrough Council	Erik Scollay	29/04/20	1	0
North Yorkshire County Council	Cllr Helen Swiers	24/05/16	1	2
Stockton Borough Council	Cllr Ann McCoy	01/07/08	2	2
City of York Council	Cllr Derek Wann	26/06/19	1	2

Universities

Appointing organisation	Name	Term of office	Attendance	
			Informal teleconferences (2)	Formal meetings inc AGM (3)
Newcastle University	Dr Andrew Fairbairn	26/11/18	1	1
Sunderland University	Sue Brent	03/07/20	1	1
Teesside University	Rachel Morris	20/10/20	0 (0)	2
University of York	Ian Hamilton	09/03/18	1	0

Notes: Within the above tables:

The annual elections in 2020 were delayed as a result of COVID-19. This resulted in a break in the tenures of some governors. In these circumstances two terms of office are noted.

The maximum number of meetings to be attended for those governors who held office during part of the year is shown in brackets.

** indicates that the governor received a dispensation during the year from the attendance requirements set out in the Constitution (for example due to ill-health).*

Details of company directorships or other material interests in companies held by governors where those companies or related parties are likely to do business, or are possibly seeking to do business with the Trust, are included in the Register of Interests of the Council of Governors. This document is available for inspection on our website.

Elections held during 2020/21

Constituency Name	Date of Election	No of Seats	No. of candidates	No. of Votes cast	No. of eligible voters	Turnout (%)
Staff governors						
Co Durham and Darlington	1/9/20	1	0	-	-	-
Corporate	1/9/20	1	2	162	1253	12%
Forensic	1/9/20	1	2	139	900	15%
Teesside	1/9/20	1	2	121	1493	8%
Public governors						
Darlington	1/9/20	2	4	68	779	8%
Durham	1/9/20	4	8	152	2231	6%
Hartlepool	1/9/20	1	2	41	725	5%
Hambleton and Richmondshire	1/9/20	2	1	-	-	-
Middlesbrough	1/9/20	1	2	69	1192	5%
Redcar and Cleveland	1/9/20	1	2	57	962	5%
Selby	1/9/20	2	3	30	262	11%
Stockton on Tees	1/9/20	2	5	67	1129	5%
Scarborough and Ryedale	1/9/20	3	7	59	583	10%

All elections to the Council of Governors have been administered and overseen by Electoral Reform Services to ensure independence and compliance with the election rules contained within the Trust's Constitution.

Report of the Council of Governors' Nomination and Remuneration Committee

Chaired by the chairman of the Trust, the Nomination and Remuneration Committee supports the Council of Governors to undertake its duties regarding the appointment and setting the remuneration and terms of service of the chairman and non-executive directors.

No meetings of the Committee were held during 2020/21, however, the chairman consulted members of the Committee, for example on the appointment of John Maddison as a substantive non-executive director, before seeking a decision from the Council of Governors.

The members of the Committee as at 31 March 2021 were:

Miriam Harte (chairman of the Trust) – chairman
Mary Booth (public governor - Middlesbrough)
Gary Emerson (public governor - Stockton)
Jules Preston (public governor – Harrogate)
Graham Robinson (public governor – Durham)

Shirley Richardson, as the senior independent director is a member and chairs meetings of the Committee when the appointment and appraisal of the chairman of the Trust is being considered.

Training and development

A training and development programme is in place to support the Trust meet its duty under the National Health Service Act 2006 to equip governors with the skills and knowledge they need for their role.

The provision of training and development was significantly curtailed due to COVID-19, however, induction courses were offered to all new governors and the Trust participated in the national Governwell programme when this resumed.

Training and development activities will be re-instated as lockdown is eased with the Trust working in partnership with others to increase access.

Governor participation in the development of the operational and business plan

Governors, as representatives of the members of the Trust and the public, have a key role in the development of our business plan.

In addition to participating in Our Big Conversation governors held a workshop and were formerly consulted on the draft priorities and the key locality service changes to be included in the business plan.

These arrangements enabled governors to be assured that feedback received from their members, during Our Big Conversation had been reflected in both Our Journey to Change and the draft business plan.

Membership report

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

Public membership

Anyone (unless eligible to join the staff constituency) aged 14 or over who lives in the area covered by the public constituencies (as described in the **Constitution**) may become a public member of the Trust.

Staff membership

All staff employed by the Trust (including those on a temporary or fixed term contract of 12 months or more) are eligible to become members of the staff constituency.

Members of staff are opted in upon commencement of employment and given the choice to opt out of membership in writing.

As at 31 March 2021 the Trust's membership was as follows:

- Public members – 9,391
- Staff members – 7,142

The following table provides an analysis of our public membership compared to the population covered by the Trust:

Public constituency	Number of members	Eligible membership
Age (years):		
0-16	2	381,192
17-21	347	116,512
22+	8,593	1,533,909
Ethnicity:		
White	8,569	1,897,919
Mixed	56	17,513
Asian or Asian British	162	40,256
Black or Black British	83	7,935
Other	22	5,452
Socio-economic groupings*:		
AB	2,041	164,858
C1	2,578	254,865
C2	2,134	199,502
DE	2,572	258,247
Gender analysis		
Male	3,090	999,181
Female	6,238	1,032,438

Notes:

On application:

449 public members did not provide a date of birth

449 members did not state their ethnicity

63 members did not state their gender

Member engagement

The focus of the Trust is to grow a representative membership to ensure accountability through engaging with its members.

We have levels of membership (support, informed, active and involved member) from which members can choose so that their engagement with the Trust is aligned to their aspirations.

Member engagement activities were significantly affected by COVID-19, however, during the period:

- Emails were sent to new members to welcome them to the Trust.
- Governor elections were held.
- The Annual General and Members' Meeting was held remotely with over 190 attendees.
- The Trust expanded its use of social media to encourage attendance at meetings of the Board and Council of Governors.
- Members of the Trust received individual invitations to participate in Our Big Conversation.

Members wishing to contact governors and/or directors of the Trust can do so via the Trust secretary's department on 01325 552314, email tewv.ftmembership@nhs.uk or visit our website www.tewv.nhs.uk

Please also use these contact details if you would like to become a member.

NHS Oversight Framework

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

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

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

Segmentation

NHS Improvement has placed the Trust in segment 2 (targeted support).

This segmentation information is the Trust's position as at 31 March 2021. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

Modern Slavery Act statement

All staff in clinical or non-clinical roles have a responsibility to consider modern slavery, and incorporates their understanding of this into their day to day practice.

Front line NHS staff are well placed to be able to identify and report any concerns they may have about people who use our services and modern slavery is part of the safeguarding agenda for children and adults.

The Trust is fully aware of its responsibilities towards patients, employees and the local community and, as such, we have a strict set of ethical values that we use as guidance with regard to our commercial activities. We therefore expect that all our suppliers adhere to the same ethical principles.

In compliance with the consolidation of offences relating to trafficking and slavery with the Modern Slavery Act 2015 we continue to review our supply chains with a view to confirming that such actions are not taking place.

Advice and training about slavery and human trafficking is available to staff through the safeguarding team.

Further information on modern day slavery can be found by visiting:

<https://modernslavery.co.uk/>

Statement of the chief executive's responsibilities as the accounting officer of Tees, Esk and Wear Valleys NHS Foundation Trust

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

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

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

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards 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
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

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

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



Brent Kilmurray
Chief executive
24 June 2021

Annual Governance Statement 2020/21

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, while safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Tees, Esk and Wear Valleys 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 Tees, Esk and Wear Valleys NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The chief executive, as the Trust's accounting officer, has overall responsibility for risk management across the organisation.

The Board of Directors has retained responsibility for the approval of risk management policies; setting the risk appetite and risk tolerances; and establishing the tone and culture for risk management in the Trust.

Committees of the Board of Directors are in place both to ensure the effective governance of major operational and strategic processes and systems, and also to provide assurance that risk is effectively managed.

Responsibilities for the delivery of effective risk management are aligned to leadership and governance structures.

Executive, corporate and operational directors support the effective development and application of risk management systems and processes both corporately, as senior leaders of the organisation, and within their portfolios.

Locality Management and Governance Boards (LMGBs) and Directorate Quality Assurance Groups (QuAGS) review and manage risks related to their services.

All staff are expected to have an awareness of risk in the performance of their day to day duties and to escalate situations which present risk to their line manager.

Guidance and training in the risk assessment process is aimed at all levels of staff. This is managed through the inclusion of risk assessment techniques and processes in the Trust Training programme.

The risk and control framework

Following reviews of its governance arrangements, including a leadership and governance review under NHS England/Improvements Well-Led Framework, and the findings of the CQC inspection which led to regulatory action, the Trust recognised there are significant weaknesses in its risk and control framework. Work is underway to strengthen our approach. This will be delivered during the first half of 2021/22.

The findings of these reviews and inspections have also contributed to the Board's appraisal of the validity of the Trust's corporate governance statement and the risks and mitigations to deliver effective governance contained within it.

The following section provides details of the arrangements in place during 2021/22.

Our approach to risk management is detailed in the Organisational Risk Management Policy. This was developed with the support of the the internal auditors and in consultation with the Audit Committee and Executive Management Team (now the Senior Leadership Group).

The Policy has the following objectives:

- To support compliance with regulatory requirements and expectations eg. the Provider Licence.
- To embed a consistent, systematic and standardised approach to the management of risks.
- To support understanding of, and competence in, the anticipation, assessment and management of risks amongst all staff.
- To provide clarity on the Trust's risk appetite to support effective decision-making.

Through the development of the policy, the Board articulated the risk appetite for the organisation.

The policy also sets out the structures and processes to systematically identify, assess, manage, monitor and review risk and put in place robust plans for mitigation.

Risks facing the organisation will be identified from a number of sources, both internal and external to the organisation, for example:

Internal - through risk assessments, the development of the business plan, consultations with staff and patients, internal inspections and audits and complaints, incidents and claims.

External – through assessments by regulators, consultation with external stakeholders and benchmarking.

The Board identified the principal risks to the delivery of its strategic direction and these are monitored and managed through the Board Assurance Framework (BAF).

The BAF is reviewed by the Board at each of its meetings. Each risk profile sets out the related controls, gaps in control, assurances, positive assurances, gaps in assurance and mitigation plans.

All risks are scored against set criteria for consequence and likelihood. Each risk also has a target (residual) risk score; the level of risk once all reasonable mitigating actions have been taken.

As at 31 March 2021 the following strategic risks were rated as very high (risk score of 27 to 45):

Risk name	Risk description
Consultant recruitment	Patient safety, quality and outcomes could be compromised due to difficulties appointing sufficient consultants to meet current and future workforce demands.
Cyber security	Patient care could be compromised and there could be reputational damage if a cyber-attack was successful.
West Lane strategic impact	<p>The events in West Lane Hospital inpatient services in 2019 could have an adverse strategic impact on the Trust particularly through:</p> <ul style="list-style-type: none"> • Loss of, or disruption to, service provision with consequential impacts on patient experience and clinical effectiveness. • Loss of reputation with service users, carers, the public. • Being detrimental to staff recruitment and retention. • Reducing the confidence of regulators and commissioners in the Trust leading to increased oversight; lower tolerance; and reduced opportunities. • Creating financial pressures.
Maintaining effective governance	There could be repeated failures, unsafe services, regulatory action and reputational damage if we fail to put in place and maintain effective governance, risk and assurance processes.
Provider collaboratives	The establishment of provider collaboratives might impact on the Trust's ability to deliver services particularly in regard to quality, contracting, case management and finances.
Compliance with national targets and standards	We could be subject to regulatory action and suffer reputational damage if we fail to comply with national targets and standards.
COVID-19	There could be a significant impact on the Trust's ability to deliver services arising from staff absence and access to supplies due to the Coronavirus.

Note: The risks included in the BAF are subject to review following the approval of Our Journey to Change.

The Board is supported in the delivery of its responsibilities through its committees and the Senior Leadership Group (SLG).

Terms of reference for the committees and SLG are in place. Each committee is also chaired by a non-executive director.

All the Board's committees have responsibility for providing assurance to the Board on the effectiveness of controls; identifying gaps/weaknesses in control and ensuring these are addressed/escalated as required, and identifying and escalating new risks that could impact significantly on the Trust's ability to deliver its strategic direction, to the Board.

The Audit and Risk Committee has specific responsibilities for:

- Providing assurance to the Board (through its oversight of governance, risk management and internal control) on the effectiveness and robustness of the Trust's risk management arrangements and controls environment).
- Reviewing the adequacy of all risk and control related statements (eg. the Annual Governance Statement) prior to endorsement by the Board.
- Reviewing the Assurance Framework, prior to its presentation to the Board, to provide assurance on its coverage and comprehensiveness and the appropriateness and effectiveness of the mitigations for each principal risk.

In 2020/21 the BAF was reviewed by the Audit and Risk Committee at each of its meetings.

The Trust's quality governance arrangements are focussed on the Quality Assurance Committee of the Board. It has responsibility for overseeing the Foundation Trust's compliance against the fundamental standards for quality and safety. It also considers statutory and regulatory compliance, in regard to relevant matters (including health and safety, safeguarding and medicines management), clinical audit and research and development.

The Committee receives assurance from:

- Locality based governance arrangements (the LMGBs and QUAGs) mentioned above. Though these arrangements it is intended that there is a clear line for sight from ward to Board.
- Thematic quality groups covering, for example, patient safety, patient experience, drugs and therapeutics.

Organisational risk management is aligned to governance arrangements based on the significance of risk. Very high level risks are monitored directly by the Senior Leadership Group supported by sub-groups covering clinical leadership, quality and safety, operational delivery and development workforce and portfolio management.

The Corporate (operational) Risk Register is supported by risk registers which are managed through the LMGBs and QuAGs.

Speciality Development Groups, chaired by senior clinical directors, have also been established with responsibilities for ensuring consistent clinical approaches across the geographical areas of the Trust.

The Trust continues to be registered with the CQC; however, this remains conditional on it not providing CAMHS inpatient services at West Lane Hospital (now Acklam Road Hospital).

Risk is embedded in the activities of the organisation in the following ways:

- Equality impact assessments are undertaken for all new initiatives and policies.
- Quality Impact Assessments (QIA), that are required to be signed off by the medical director and director of nursing and governance, are undertaken for all Cash Releasing Efficiency Savings (CRES) schemes to assess the impact they have on clinical performance, and ultimately, patient care.
- The Trust supports an open reporting culture and encourages staff to report all incidents through its internal reporting system.

Incident Policy CORP 0043 sets out the arrangements by which all incidents are openly reported and where appropriate externally, and that they are systematically reviewed and analysed to prevent/minimise the incident being repeated. These include the involvement of patients and families from the beginning of the incident where appropriate.

- Cyber security remains a key priority and is identified as one of the key strategic risks; which while recognised, is an ever-present threat with potential high impact.

The director of finance and information is the senior information risk owner (SIRO) at Board level. The Trust operates a SIRO network (information asset owners and administrators), which has increased information governance awareness, training and understanding of standards and responsibilities. The network is consulted when there is significant change to information governance process, for example implementing the new requirements under the Data Protection Act 2018 (GDPR).

Our cyber security activities focus on three key areas; people, processes and technology. The biggest risk is user activity and lack of training and awareness. An ongoing cyber security training e-learning programme (Metacompliance) was launched in August 2020 and distributes regular content to all staff. The development of robust business continuity plans for clinical and corporate services remains a priority and will need to be tested

further during the year ahead. Recent investments in the technical infrastructure have provided a strong foundation for the continued work needed to mitigate our potential for an incident; however the threat has increased, due to number of staff working remotely, therefore a need for robust business continuity plans within services are needed.

The Data Protection and Security Toolkit and internal audit provide further assurances on cyber security. A key focus as part of the digital roadmap going forward will be to look at what external assurances and standards we could adopt.

- The Trust actively engages with partners recognising the risks of disruption to patient care from organisational boundaries, recognising that other providers, particularly the voluntary and community have a better understanding of place-based issues and potential solutions; and to ensure as much of the public's money as possible is spent on service user facing services.

The creation of Integrated Care Systems, and Primary Care Networks and the focus on integrated, holistic working based on place-based planning and delivery provide both risks and opportunities.

Feedback has been received that the Trust and its leadership are well regarded. We're building a reputation for strong engagement and partners value our collaborative approach.

Leadership and operational arrangements have been reviewed to maximise the Trust's influence within and ability to respond to the new NHS landscape and local systems.

- Our Workforce Strategy is focused on five key workforce objectives which are:
 - Increasing recruitment
 - Reducing staff turnover
 - Enhancing learning and development
 - Reducing sickness absence
 - Enhancing staff experience

The above objectives support the specific workforce actions within the NHS People Plan which include; growing the workforce, retaining staff, new ways of delivering care (learning and development), health and wellbeing, flexible working, equality and diversity and culture and leadership.

Our priorities have been reviewed this year in line with the people plan, ICS priorities and the feedback from Our Big Conversation which has led to the development of priorities around living our new values, effective leadership, psychological safety and staff engagement. We are also reviewing all the people and culture policies and procedures in line with our new values and developing new standards for recruitment panels and processes.

We are undertaking a comprehensive review of our Freedom to Speak Up (FTSU) processes. The associated whistleblowing policy has been updated and we have started a quality improvement process specifically around the way in which the Freedom to Speak Up concerns sit alongside our other processes through which people can raise concerns and access support. The FTSU guardian is well used and trusted but there is complexity in the system and some lost opportunities to resolve situations more quickly.

We are reviewing the disciplinary policy and process in line with national best practice. We are also establishing more formality to the assurance and governance process that the raising concerns group provides, creating a direct link to the workforce subgroup of SLG which will feed into the new people, culture and diversity committee, being established in the summer. And we are establishing regular meetings between our head of temporary staffing and deputy director of nursing and governance to collate concerns raised by bank and agency staff.

- The involvement of public stakeholders in identifying risks and providing assurance that they are mitigated.

A variety of approaches are used including:

- Feedback from governors on concerns raised their members.
 - Patient satisfaction surveys including the Friends and Family Test.
 - Complaints, claims and Patient Advice and Liaison (PALS) concerns.
 - The involvement of patients and the public in the development and evaluation of services.
 - Close links with local authorities, Clinical Commissioning Groups and Integrated Care Systems to ensure the delivery of integrated care and treatment.
- The Foundation Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months as required by the Managing Conflicts of Interest in the NHS guidance.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

- Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.
- The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). 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

We have agreed a process to ensure resources are used economically, efficiently and effectively that (outside of current COVID-19 financial arrangements) would involve:

- Agreeing an annual financial plan and longer term strategy.
- A rigorous process of setting annual budgets and a detailed cost improvement programme including a Quality Impact Assessment (QIA).
- Annual review of Standing Financial Instructions and Schemes of Delegation
- Robust performance management arrangements.
- A programme of supporting localities to better understand and manage their respective income and expenditure, including using service line reporting and benchmarking.
- Disaggregating the Trust's overall reference cost indicator down to specialty/locality.
- Leveraging efficiencies through internal and collaborative procurement initiatives.
- Using benchmarking and nationally published performance metrics to inform plans for improved inpatient and community service efficiency.
- Rationalising the estate.
- Improving workforce productivity, including through innovation and technology
- Benchmarking costs of corporate functions, including reference to national tools including Model Hospital.
- Utilising annualised business planning and innovative coaching approaches to generate ideas for cost reductions.
- Embedding the Quality Improvement Systems (QIS) methodology to review how the Trust operates, maximising efficiency and minimising waste.
- Working with partners to improve the overall local health economy in terms of quality and efficiency, including developing non Trust pathways and assuming commissioning functions to improve cost effectiveness and outcomes. The Trust has strategic partnerships with CCGs in both Durham and Tees and North Yorkshire; works collaboratively with NHS England via New Care Models for specialist services and develops new services for people with Learning Disability using PIPS.
- Robust capital planning function locally adopting the NHS England business case approvals process guidance, coordination of prioritisation processes to ensure transparent agreement of relative priorities and impact assessments where resource constraints limit Trust ambitions.

The Board plays an active role by:

- Determining the level of financial performance it requires and the consequent implications (including QIA).
- Reviewing in detail at each meeting financial performance, financial risk and delivery against the detailed CRES, supplemented by more detailed discussion at Resources Committee.

- Agreeing the integrated business plan, quality report and self-certification submitted to NHS Improvement.
- Considering plans for all major capital investment and disinvestment.

The Trust's Audit and Risk Committee has a key role on behalf of the Board in reviewing assurance through its audit programme on the effective use of resources. The Trust also gains assurance from:

- Internal audit reports
- External audit reports on specific areas of interest
- The Care Quality Commission reports

Information governance

There were 13 incidents reported in the Data Security and Protection Toolkit during the period 1 April 2020 to 31 March 2021. Six incidents were privacy breaches (inappropriate staff access to local or national patient information systems) affecting one person. Seven incidents were confidentiality breaches with a variety of causes. All incidents were investigated by the appropriate team. No cases resulted in regulatory action by the Information Commissioners Office.

Due to the pandemic, NHS Digital has delayed submission of the Data Security and Protection Toolkit 2020-21 until 30 June 2021. Of the 110 mandatory evidence items and 42 assertions, we anticipate publishing the Toolkit with all evidence provided and assertions met.

Data quality and governance

The following steps have been established to ensure that appropriate controls are in place to support the accuracy of data:

- We have an internal group which has the responsibility for ensuring data quality within the Trust. This was put on-hold during the COVID-19 response and is to be reinstated as part of the revised governance structure. Data quality is also discussed at monthly performance meetings between the director of finance and information, the director of planning, commissioning, performance and communication and the chief operating officer with each clinical locality.
- Data quality is included within the corporate risk register which is used by the Board of Directors to monitor the risk of incomplete and inaccurate data. The Trust has a Data Quality Strategy which provides a framework for improvements in this important area. A Data Quality Strategy scorecard is also in place to enable the Board of Directors to track progress.
- In the most recent NHS Digital published results (January 2021) TEWV gained a score of 98.1% for the Data Quality Maturity Index which is a measurement of data quality in the NHS.

- The Trust has the following policies linked to data quality:
 - Data quality policy
 - Minimum standards for record keeping
 - Policy and procedure for PARIS (Electronic patient record / information system)
 - Care programme approach (CPA) policy
 - Information governance policy
 - Information systems business continuity policy
 - Confidentiality and sharing information policy

The policies incorporate national standards where available and are regularly reviewed. All the policies are held on the intranet and are available to staff at all times. When policies have been reviewed (or new ones published) there is a mechanism to inform staff through team brief and other cascade mechanisms.

- A significant amount of training is provided to support staff using the electronic patient record (PARIS) and to ensure compliance with CPA. Training is provided where issues around data quality have been identified.
- As part of performance reporting to the Board actual data is used to forecast future positions thus improving the decision making process. The Trust has introduced the use of Statistical Process Control charts this year to enhance decision making.
- All data returns are submitted in line with agreed timescales.

Review of effectiveness

As accounting officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee, Quality Assurance Committee and Mental Health Legislation Committee; and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is also informed by:

- The Care Quality Commission
- NHS England/Improvement
- The Good Governance Institute
- NHS Resolution Clinical Negligence Scheme for Trusts (CNST)
- Internal audit
- External audit
- Health and Safety Executive
- Internal Clinical Audit Team

The following groups and committees have been involved in maintaining and reviewing the effectiveness of the system of internal control:

- The Board of Directors is responsible for setting the strategic direction of the organisation and monitoring the progress of the organisation against targets. The Board also receives minutes and reports from its sub committees.
- It is the Council of Governors duty to hold the non-executive directors to account for the performance the Board of Directors, and to represent the interests of the public.
- The Audit and Risk Committee provides an independent view of internal control by reviewing financial systems, overseeing audit services and providing assurance to the Board on governance issues including reviewing and commenting on the clinical audit programme.
- The Quality Assurance Committee oversees on behalf of the Board of Directors all clinical governance activity including a review of the clinical audit processes and programme.
- The Resources Committee provides assurance on behalf of the Board of Directors on the availability, sufficiency and deployment of resources (both financial and non-financial) to deliver the Trust's Business Plan and scrutinises major investments, including risks, prior to consideration by the Board.
- Internal Audit provides an independent and objective opinion on the degree to which risk management, control and governance support the achievement of the Trust's objectives. The head of internal audit opinion provided good assurance for this area, and all issues raised have been considered appropriately.
- The external auditor provides progress reports to the Audit and Risk Committee.
- The Annual Report and Accounts are presented to the Board of Directors for approval.

Conclusion

In summary, the Trust has recognised that there are some significant weaknesses in internal control processes.

Although the Trust's overall rating remains good, the regulator's latest inspection raised material concerns about clinical risk assessment and risk management processes. The external auditor has commented on this matter in and has made a value for money recommendation to which the Trust has responded.

The well-led review, undertaken by the Good Governance Institute, identified the need for a substantial developmental agenda, some of which was urgent and to be taken forward immediately, to improve governance and internal control and to meet the legitimate expectations of the public, stakeholders, including regulators, and staff.

The Board of Directors is committed to addressing these weaknesses in internal control. Plans are in place to implement the changes required which are being actively monitored.

A handwritten signature in black ink, appearing to read 'Brent Kilmurray', with a long horizontal flourish extending to the right.

Brent Kilmurray
Chief executive
24 June 2021

The auditors' report and opinion

Independent auditor's report to the Council of Governors of Tees, Esk and Wear Valleys NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Tees, Esk and Wear Valleys NHS Foundation Trust ('the Trust') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2020/21 as contained in the Department of Health and Social Care Group Accounting Manual 2020/21, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- Give a true and fair view of the financial position of the Trust as at 31 March 2021 and of the 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 2020/21; and
- Have been properly prepared in accordance with the requirements of 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 section of our report. We are independent of the 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 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 Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the accounting officer with respect to going concern are described in the relevant sections of this report.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit and Risk Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit and Risk Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit and Risk Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the NAO in April 2021.

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

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

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have identified the following significant weakness in the Trust's arrangements for the year ended 31 March 2021:

Significant weakness in arrangements	Recommendation for improvement
<p>During 2020/21, the Care Quality Commission (CQC) took enforcement action against the Trust following an inspection of five (out of fourteen) acute wards for adults of working age and psychiatric intensive care unit services in January 2021. This inspection looked specifically at whether the Adult Acute and Psychiatric Intensive Care Unit Services (one CQC core service) were 'safe' and 'well led'. In their report published in March 2021, CQC rated both key areas as 'Inadequate, with an overall rating for the service as 'Inadequate'. This represents a downgrade from the previous inspection report from March 2020 that rated this service as 'Good'. Following the inspection, the CQC served the Trust with a warning notice (under Section 29A of the Health and Social Care Act 2008) in relation to this service. The CQC report set out several improvements the Trust must make to comply with the Section 29A and a timetable to address the issues identified.</p> <p>The Trust recognises that a failure to address the weaknesses identified in the CQC report would adversely impact upon the safety of services provided to users of acute wards for adults of working age and psychiatric intensive care unit services and lead to further enforcement action by CQC and has implemented an action plan to address each area for improvement. This has been reviewed by and agreed by CQC and includes the necessary steps to address the issues identified by CQC in their inspection report and Section 29A warning notice. Additional internal oversight and monitoring arrangements have also been put in place.</p>	<p>In order to ensure systems, processes and training are in place to manage the risks relating to the health, safety, and welfare of service users we recommend that the Trust ensures that it embeds and sustains the action plans that it has put in place Trust-wide to address the patient care issues identified by the Care Quality Commission. In particular, it needs to ensure that robust monitoring and reporting processes are maintained, and that challenge, scrutiny and escalation arrangements drive the required improvements for patients and sustain the progress made to-date in implementing the actions to address the issues raised by the CQC.</p>

In our view, the inspection outcome represents a significant weakness in arrangements in relation to governance and how the Trust ensures it properly manages its risks.	
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We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any further matters which we are required to report by exception.

Responsibilities of the accounting officer

The Chief Executive as accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by Schedule 10 (1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2020/21; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2020/21; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

Use of the audit report

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

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Cameron Waddell (key audit partner)
For and on behalf of Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF
28 June 2021

Audit Completion Certificate issued to the Council of Governors of Tees, Esk and Wear Valleys for the year ended 31 March 2021

In our auditor's report dated 28 June 2021 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

This work has now been completed.

No matters have come to our attention since 28 June 2021 that would have a material impact on the financial statements on which we gave our unqualified opinion.

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

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

In our auditor's report dated 28 June 2021 we reported that we had identified a significant weakness in the Trust's arrangements for the year ended 31 March 2021. We have no further matters to report in this respect.

Certificate

We certify that we have completed the audit of Tees, Esk and Wear Valley in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.



Cameron Waddell, Key Audit Partner
For and on behalf of Mazars LLP

The Corner
Bank Chambers
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

4 August 2021

The accounts 2020/21

The accounts are prepared 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

A handwritten signature in black ink, appearing to read 'Brent Kilmurray', written in a cursive style.

Brent Kilmurray
Chief Executive
24 June 2021

Statement of comprehensive income

		2020/21	2019/20
	Note	£000	£000
Operating income from patient care activities	3	391,456	365,842
Other operating income	4	31,809	19,823
Operating expenses	6, 8	<u>(436,814)</u>	<u>(398,474)</u>
Operating deficit from continuing operations		<u>(13,549)</u>	<u>(12,809)</u>
Finance income	11	17	562
Finance expenses	12	(1,053)	(1,056)
PDC dividends payable		<u>(2,156)</u>	<u>(2,816)</u>
Net finance costs		<u>(3,192)</u>	<u>(3,310)</u>
Deficit for the year		<u>(16,741)</u>	<u>(16,119)</u>
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(32)	(220)
Revaluations	15	<u>381</u>	<u>2,266</u>
Total comprehensive expense for the period		<u>(16,392)</u>	<u>(14,073)</u>

The Trust's performance against the agreed 2019/20 NHS Improvement control total and agreed 2020/21 financial plan is included in note 2.2.

Statement of financial position

		31 March 2021	31 March 2020
	Note	£000	£000
Non-current assets			
Intangible assets	14	1,554	1,554
Property, plant and equipment	15	138,833	139,814
Receivables	20	524	498
Total non-current assets		140,911	141,866
Current assets			
Inventories	19	1,007	746
Receivables	20	17,922	19,400
Non-current assets for sale and assets in disposal groups	22.1	1,080	1,080
Cash and cash equivalents	23	80,936	76,914
Total current assets		100,945	98,140
Current liabilities			
Trade and other payables	24	(47,011)	(38,950)
Borrowings	26	(890)	(817)
Provisions	29	(7,553)	(499)
Other liabilities	25	(1,595)	(254)
Total current liabilities		(57,049)	(40,520)
Total assets less current liabilities		184,807	199,486
Non-current liabilities			
Borrowings	26	(12,304)	(13,194)
Provisions	29	(4,006)	(7,495)
Total non-current liabilities		(16,310)	(20,689)
Total assets employed		168,497	178,797
Financed by			
Public dividend capital		153,218	147,126
Revaluation reserve		5,035	4,686
Income and expenditure reserve		10,244	26,985
Total taxpayers' equity		168,497	178,797

The notes form part of these accounts.



Brent Kilmurray
Chief executive
24 June 2021

Statement of changes in equity for the year ended 31 March 2021

	Public dividend capital £000	Revaluation reserve* £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	147,126	4,686	26,985	178,797
Deficit for the year	-	-	(16,741)	(16,741)
Impairments	-	(32)	-	(32)
Revaluations	-	381	-	381
Public dividend capital received	6,092	-	-	6,092
Taxpayers' and others' equity at 31 March 2021	153,218	5,035	10,244	168,497

*The revaluation reserve is used to record revaluation gains and losses on property, plant and equipment. This reserve is currently used solely for tangible assets only.

Statement of changes in equity for the year ended 31 March 2020

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	146,530	2,640	43,104	192,274
Deficit for the year	-	-	(16,119)	(16,119)
Impairments	-	(220)	-	(220)
Revaluations	-	2,266	-	2,266
Public dividend capital received	596	-	-	596
Taxpayers' and others' equity at 31 March 2020	147,126	4,686	26,985	178,797

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

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.

Note 1.2 Going concern

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

Note 1.3 Interests in other entities

Joint operations

Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

The Trust is trustee for the Tees Esk and Wear Valleys NHS Trust General Charitable Fund, the balances of which are not consolidated with the Trust's accounts on the grounds of materiality.

The Trust has two wholly owned subsidiary companies Positive Individualised Proactive Support Limited, and TEWV Estates and Facilities Management Limited, however the Trust has not consolidated within the Trust's accounts on the grounds of materiality. TEWV Estates and Facilities Management Limited was made dormant during 2019/20.

Note 1.4 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.

The majority of the Trust's revenue from contracts with customers is received from annual contracts with NHS commissioners. Cash is received monthly in 1/12ths, and performance criteria are met as the contracted services are provided.

Revenue from NHS contracts

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the Trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at an Integrated Care System level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

Through national financial arrangement operating to support the NHS in responding to the Coronavirus pandemic, the Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Revenue from research contracts

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

Note 1.5 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

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.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, 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 though it is 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 and when 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.

Note 1.7 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.

Note 1.8 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- 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 cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

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

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

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and 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.

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

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

A desktop MEA valuation was carried out on the Trust's land and buildings at 31 March 2021, and the assets have been treated as prescribed in the Group Accounting Manual. All of the Trust's MEA valuations have been completed by Cushman and Wakefield Inc. (independent qualified valuer).

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 have been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

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

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

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

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the 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'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated and grant funded assets

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

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

In 2020/21 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) and Local Improvement Finance Trust (LIFT) transactions

PFI transactions which meet the IFRIC 12 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.

PFI Lifecycle Replacement

Components of the asset replaced by the operator during the contract (lifecycle replacement) are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.
Information on reserves

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	1	90
Dwellings	-	-
Plant and machinery	1	15
Transport equipment	1	7
Information technology	1	7
Furniture & fittings	1	10

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.10 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.

Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Measurement

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

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

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

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits. The Trust's intangible assets are licenses that are to be held in perpetuity, as such they do not have a maximum life.

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

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

Note 1.12 Cash and cash equivalents

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

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

Note 1.13 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets and financial liabilities at amortised cost

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

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

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

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

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

Expected credit losses are calculated for non-government funded organisations only, based on the level of risk attached to individual transactions.

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

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

De-recognition

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

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.14 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

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

The Trust as a lessor

Finance leases

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

Operating leases

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

Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2021:

		Nominal rate
Short-term	Up to 5 years	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.18%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2021:

	Inflation rate
Year 1	1.20%
Year 2	1.60%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.95% in real terms.

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 30.2 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.

Note 1.16 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 31 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 31 unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

Note 1.17 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. 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 by the Department of Health and Social Care.

This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the

actual average relevant net assets as set out in the pre-audit version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.18 Value added tax

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

Note 1.19 Corporation tax

Foundation Trusts are exempt from corporation tax on their principle health care income under section 519A Income and Corporation Taxes Act 1988. In determining whether other income may be taxable, a full review of the Trust's activities has been carried out in accordance with guidance published by HM Revenue and Customs to establish any activities that are subject to Corporation Tax. Based on this review there is no corporation tax liability in the period ended 31st March 2021.

Note 1.20 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.21 Foreign exchange

The functional and presentational currency of the Trust is sterling.

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

Note 1.22 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 HM Treasury's FReM.

Note 1.23 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.

Note 1.24 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.25 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Other standards, amendments and interpretations

The following standards and updates have been published by the International Accounting Standards Board as adopted but are not required to be followed until after the current reporting period.

IFRS 14 Regulatory Deferral Accounts has not been endorsed by the European Financial Reporting Advisory Group and is not applicable to DHSC bodies. IFRS 17 Insurance Contracts is planned to be adopted from the 2023/24 financial year.

The Trust does not anticipate these changes in accounting standards to have a material impact on the 2021/22 accounts.

Note 1.27 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below), that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The Trust has identified the valuation of the Trust estate and the valuation of Provisions as critical accounting judgements and key sources of uncertainty. Cushman and Wakefield Inc. provide third party assurance of the value of the estate completing a full modern equivalent valuation exercise every 3 to 5 years. Provisions are, in the main, injury benefits provisions (which are valued using actuarial tables), operating penalties (informed by legal advice) and annual leave pay (informed by national negotiations).

On the grounds of materiality, as per guidance within the group accounting manual, the Trust has not consolidated its Charitable Fund, its subsidiaries for the provision of Positive Individual Proactive Support (PIPS) services, or TEWV Estates and Facilities Management (TEWV EFM, now dormant) service within the main accounts.

Note 1.28 Sources of estimation uncertainty

The Trust has made no assumptions about the future and has no 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.

Note 2.1 Operating Segments

The Trust has no elements that require segmental analysis for the period ended 31 March 2021. The chief operating decision maker has been identified as the Chief Operating Officer, an Executive Director post within the Trust; and on this basis the Trust has identified healthcare as the single operating segment.

Note 2.2 Performance against control total/planned financial position

During 2019/20 NHS Foundation Trusts' financial performance was measured by NHSE/I against an agreed control total (or end of year required surplus or deficit position). For the year ending 31st March 2021 the performance of NHS organisations is measured against delivery of their agreed planned financial position. Certain exceptional and technical revenue streams are excluded from the calculation of 'performance' to ensure true operational performance is measured.

The Trust's agreed planned financial position for 2020/21 was a deficit of £1,998k. The Trust reported an adjusted financial surplus position (excluding AME impairments) of £9,100k, which was £11,098k ahead of control total i.e. target achieved.

A reconciliation of the Trust's performance against the 2019/20 control total and 2020/21 agreed financial plan is shown below:

	2020/21 £000	2019/20 £000
Deficit for the year from SoCI	(16,741)	(16,119)
Add back net impairments	25,841	27,628
Remove prior year PSF adjustment	-	(125)
Actual surplus for performance assessment	9,100	11,384
Required / planned surplus / (deficit)	(1,998)	5,485
Performance ahead of required level	11,098	5,899

Note 3 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 3.1 Income from patient care activities (by nature)

	2020/21	2019/20
	£000	£000
Mental health services		
Block contract / cost and volume / income under national arrangements*	361,125	339,543
Clinical income for the secondary commissioning of mandatory services	5,580	6,193
Other clinical income from mandatory services	4,156	5,313
All services		
Additional pension contribution central funding**	12,445	11,396
Other clinical income	8,150	3,397
Total income from activities	<u>391,456</u>	<u>365,842</u>

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)

	2020/21	2019/20
	£000	£000
Income from patient care activities received from:		
NHS England	78,490	74,517
Clinical commissioning groups	302,745	285,352
Other NHS providers	1,417	1,654
NHS other	368	218
Local authorities	1,010	2,101
Non NHS: other	<u>7,426</u>	<u>2,000</u>
Total income from activities	<u>391,456</u>	<u>365,842</u>
Of which:		
Related to continuing operations	391,456	365,842
 Analysis of income from patient care activities (by source) - non NHS other		
	2020/21	2019/20
	£000	£000
Other government departments and agencies	390	429
Other*	<u>7,036</u>	<u>1,571</u>
	<u>7,426</u>	<u>2,000</u>

*Other income is mainly from Spectrum Community Health Contract £6,677k (2019/20 £838k).

Note 3.3 Overseas visitors relating to patients charged directly by the provider

The Trust had no income relating to overseas visitors (non-reciprocal, chargeable to the patient) (2019/20 £ nil)

Note 4 Other operating income

	2020/21		2019/20	
	Contract income £000	Non-contract income £000	Contract income £000	Non-contract income £000
Research and development	1,327	-	1,192	-
Education and training	12,925	825	9,663	532
Non-patient care services to other bodies	3,094		3,802	
Provider sustainability fund (2019/20 only)			2,955	
Reimbursement and top up funding	7,967			
Income in respect of employee benefits accounted on a gross basis	600		495	
Contributions to expenditure (items donated from DHSC group bodies)		3,901		
Rental revenue from operating leases		692		692
Other income*	478	-	492	-
Total other operating income	26,391	5,418	18,599	1,224
Of which:				
Related to continuing operations		31,809		19,823

*Other income is mainly from contract penalties received £350k.

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2020/21 £000	2019/20 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	245	309

Note 5.2 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2020/21 £000	2019/20 £000
Income from services designated as commissioner requested services	377,704	353,035
Income from services not designated as commissioner requested services	45,561	32,630
Total	423,265	385,665

Note 5.3 Non NHS Income

The Trust had non NHS income totalling £29,089k (2019/20, £18,861k).

Note 5.4 Fees and charges

The Trust received no income from fees and charges - aggregate of all schemes that, individually, have a cost exceeding £1m (2019/20 £nil).

Note 6.1 Operating expenses

	2020/21 £000	2019/20 £000
Purchase of healthcare from NHS and DHSC bodies	3,713	3,455
Purchase of healthcare from non-NHS and non-DHSC bodies	8,145	8,457
Staff and executive directors costs	320,928	288,946
Remuneration of non-executive directors	157	165
Supplies and services - clinical (excluding drugs costs)*	7,122	2,703
Supplies and services - general	6,991	6,469
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	4,761	4,230
Consultancy costs	781	577
Establishment	4,437	4,013
Premises	23,938	21,174
Transport (including patient travel)**	1,961	4,816
Depreciation on property, plant and equipment	3,799	4,779
Net impairments	25,841	28,360

Movement in credit loss allowance: contract receivables	(69)	47
Increase in other provisions	4,535	718
Change in provisions discount rate(s)	139	285
Audit fees payable to the external auditor		
audit services- statutory audit	66	42
other auditor remuneration (external auditor only)	-	2
Internal audit costs	234	233
Clinical negligence	1,113	896
Legal fees	1,938	2,234
Insurance	297	107
Research and development	1,739	1,477
Education and training	5,048	4,362
Rentals under operating leases	7,084	7,716
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	529	462
Hospitality	68	109
Losses, ex gratia & special payments	18	22
Other	1,501	1,618
Total	436,814	398,474

Of which:

Related to continuing operations	436,814	398,474
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*includes £3,901k of DHSC procured consumables linked to Coronavirus pandemic, the majority being PPE or domestic items

** transport costs have reduced due to lower business travel linked to the Coronavirus pandemic

Analysis of operating expenses – other

	2020/21	2019/20
	£000	£000
Services from local authorities	26	342
Other patients' expenses	129	149
National offender health services	146	153
CQC and accreditation fees	257	251
Pension Final Pay Control Charge	385	369
Miscellaneous	558	354
	1,501	1,618

Note 6.2 Other auditor remuneration

The Trust has not paid its auditors any additional remuneration for the period to 31 March 2021 (31 March 2020, £2k). Auditor's remuneration for statutory audit is shown in note 6.1.

Note 6.3 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2020/21 or 2019/20.

Note 7 Impairment of assets

	2020/21	2019/20
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Abandonment of assets in course of construction	-	732
Changes in market price	25,841	27,628
Total net impairments charged to operating surplus / deficit	25,841	28,360
Impairments charged to the revaluation reserve	32	220
Total net impairments	25,873	28,580

The Trust realised impairments totalling £25,873k during 2020/21 following a modern equivalent asset valuation of its sites.

Note 8 Employee benefits

	2020/21	2019/20
	Total	Total
	£000	£000
Salaries and wages	251,346	224,270
Social security costs	22,374	20,093
Apprenticeship levy	1,181	1,068
Employer's contributions to NHS pensions	41,024	37,463
Pension cost - other	87	77
Temporary staff (including agency)	8,421	8,748
Total staff costs	324,433	291,719
Of which		
Costs capitalised as part of assets	302	244

Note 8.1 Retirements due to ill-health

During 2020/21 there were 4 early retirements from the Trust agreed on the grounds of ill-health (2 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £218k (£102k in 2019/20).

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

Note 9 Pension costs

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

the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

Auto-enrolment

To comply with auto-enrolment the Trust has opened a second pension scheme, for employees not eligible to be enrolled in the NHS Pension Scheme. The NHS Scheme will always be the default selection, however employees not eligible for membership are entered into the National Employment Savings Trust (NEST) scheme. This is a defined contribution scheme, and as such the cost to the NHS Body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

Note 10 Operating leases

Note 10.1 Tees, Esk and Wear Valleys NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Tees, Esk and Wear Valleys NHS Foundation Trust is the lessor. Operating lease income is from property rental.

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease receipts	692	692
Total	692	692
	31 March 2021 £000	31 March 2020 £000
Future minimum lease receipts due:		
- not later than one year;	692	692
- later than one year and not later than five years;	949	897
- later than five years.	2,100	2,200
Total	3,741	3,789

Note 10.2 Tees, Esk and Wear Valleys NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Tees, Esk and Wear Valleys NHS Foundation Trust is the lessee.

The Trust's operating leases include leased vehicles for staff, property rental and telephony rental.

	2020/21 £000	2019/20 £000
Operating lease expense		
Minimum lease payments	7,084	7,716
Total	7,084	7,716
Future minimum lease payments due:	31 March 2021 £000	31 March 2020 £000
On buildings		
- not later than one year;	2,699	3,487
- later than one year and not later than five years;	10,269	11,933
- later than five years.	4,881	5,406
Total	17,849	20,826
On other		
- not later than one year;	3,772	3,690
- later than one year and not later than five years;	2,738	2,270
Total	6,510	5,960
On all leases		
- not later than one year;	6,471	7,177
- later than one year and not later than five years;	13,007	14,203
- later than five years.	4,881	5,406
Total	24,359	26,786

Note 11 Finance income

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

	2020/21 £000	2019/20 £000
Interest on bank accounts	17	562
Total finance income	17	562

Note 12.1 Finance expenditure

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

	2020/21 £000	2019/20 £000
Interest expense:		
Loans from the Department of Health and Social Care	-	12
Main finance costs on PFI and LIFT schemes obligations	620	646
Contingent finance costs on PFI and LIFT scheme obligations	458	410
Total interest expense	1,078	1,068
Unwinding of discount on provisions	(25)	(12)
Total finance costs	1,053	1,056

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

The Trust did not pay any interest payable arising from claims or pay compensation to cover debt recovery costs under this legislation (2019/20, £nil).

Note 13 Discontinued operations

The Trust has no discontinued operations at 31 March 2021 (31 March 2020, £nil).

Note 14 Intangible assets

The Trust's intangible assets are licenses for a software system that are to be held in perpetuity. Asset balances as at 31 March 2021 were £1,554k (31 March 2020, £1,554k).

Note 15.1 Property, plant and equipment – 2020/21

	Land £000	Buildings excluding dwellings £000	under constructio n £000	Plant & machinery equipment £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2020 - brought forward	10,486	111,937	15,431	2,146	84	2,283	1,347	143,714
Additions	-	6,807	21,380	123	-	-	-	28,310
Impairments	(26)	(27,637)	-	-	-	-	-	(27,663)
Reversals of impairments	63	1,727	-	-	-	-	-	1,790
Revaluations	365	(2,157)	-	-	-	-	-	(1,792)
Reclassifications	-	10,112	(10,112)	-	-	-	-	-
Valuation/gross cost at 31 March 2021	10,888	100,789	26,699	2,269	84	2,283	1,347	144,359
Accumulated depreciation at 1 April 2020 - brought forward	-	-	-	774	84	1,695	1,347	3,900
Provided during the year	-	3,476	-	176	-	147	-	3,799
Revaluations	-	(2,173)	-	-	-	-	-	(2,173)
Accumulated depreciation at 31 March 2021	-	1,303	-	950	84	1,842	1,347	5,526
exercise.								
Net book value at 31 March 2021	10,888	99,486	26,699	1,319	-	441	-	138,833
Net book value at 1 April 2020	10,486	111,937	15,431	1,372	-	588	-	139,814

Note 15.2 Property, plant and equipment – 2019/20

	Land £000	Buildings excluding dwellings £000	under constructio n £000	Plant & machinery equipment £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2019 - as previously stated	11,832	97,247	23,075	2,032	84	1,994	1,347	137,611
Additions	-	25,787	11,762	114	-	289	-	37,952
Impairments	(2,282)	(31,411)	-	-	-	-	-	(33,693)
Reversals of impairments	97	6,117	-	-	-	-	-	6,214
Revaluations	20	(2,209)	-	-	-	-	-	(2,189)
Reclassifications	3,000	16,406	(19,406)	-	-	-	-	-
Transfers to assets held for sale	(2,181)	-	-	-	-	-	-	(2,181)
Valuation/gross cost at 31 March 2020	10,486	111,937	15,431	2,146	84	2,283	1,347	143,714
Accumulated depreciation at 1 April 2019 - as previously stated	-	-	-	618	84	1,527	1,347	3,576
Provided during the year	-	4,455	-	156	-	168	-	4,779
Revaluations	-	(4,455)	-	-	-	-	-	(4,455)
Accumulated depreciation at 31 March 2020	-	-	-	774	84	1,695	1,347	3,900
Net book value at 31 March 2020	10,486	111,937	15,431	1,372	-	588	-	139,814
Net book value at 1 April 2019	11,832	97,247	23,075	1,414	-	467	-	134,035

Note 15.3 Property, plant and equipment financing– 2020/21

	Land £000	Buildings excluding dwellings £000	Assets under constructio n £000	Plant & machinery £000	Information technology £000	Total £000
Net book value at 31 March 2021						
Owned - purchased	10,888	94,131	26,699	1,319	441	133,478
On-SoFP PFI contracts and other service concession arrangements	-	5,355	-	-	-	5,355
NBV total at 31 March 2021	10,888	99,486	26,699	1,319	441	138,833

Note 15.4 Property, plant and equipment financing– 2019/20

	Land £000	Buildings excluding dwellings £000	Assets under constructio n £000	Plant & machinery £000	Information technology £000	Total £000
Net book value at 31 March 2020						
Owned - purchased	10,486	106,421	15,431	1,372	588	134,298
On-SoFP PFI contracts and other service concession arrangements	-	5,516	-	-	-	5,516
NBV total at 31 March 2020	10,486	111,937	15,431	1,372	588	139,814

Note 16 Investment Property

The Trust has no investment property (2019/20, £nil).

Note 17 Investments in associates and joint ventures

The Trust has no investments in associates or joined controlled operations consolidated in these accounts as at 31 March 2021 (31 March 2020, £nil) on the basis of materiality (as disclosed in note 1).

Note 18 Other investments / financial assets (non-current)

The Trust has no other investments / financial assets (non-current) at 31 March 2021, (2019/20, £nil).

Note 18.1 Other investments / financial assets (current)

The Trust has no other investments / financial assets (current) at 31 March 2021, (2019/20, £nil).

Note 19 Inventories

	31 March 2021 £000	31 March 2020 £000
Drugs	208	189
Consumables	799	557
Total inventories	<u>1,007</u>	<u>746</u>

Inventories recognised in expenses for the year were £4,647k (2019/20: £520k). There was no write down of inventories during 2020/21 (2019/20 £nil).

In response to the Coronavirus pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £3,901k of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.

Note 20.1 Receivables

	31 March 2021 £000	31 March 2020 £000
Current		
Contract receivables	15,691	18,207
Allowance for impaired contract receivables	(6,262)	(6,331)
Prepayments (non-PFI)	5,529	4,930
PFI lifecycle prepayments	465	982
PDC dividend receivable	1,359	413
VAT receivable	1,010	1,086
Other receivables	130	113
Total current receivables	17,922	19,400
Non-current		
Other receivables	524	498
Total non-current receivables	524	498
Of which receivable from NHS and DHSC group bodies:		
Current	6,569	9,954
Non-current	491	462

Note 20.2 Allowances for credit losses

	2020/21 Contract receivables and contract assets £000	2019/20 Contract receivables and contract assets £000
Allowances as at 1 April - brought forward	6,331	6,284
New allowances arising	50	47
Reversals of allowances	(119)	-
Allowances as at 31 Mar 2021	6,262	6,331

Note 20.3 Exposure to credit risk

	2020/21 Contract receivables and contract assets £000	2019/20 Contract receivables and contract assets £000
Non-impaired receivable past their due date by:		
0 - 30 days	870	979
30-60 Days	159	395
60-90 days	34	429
90- 180 days	46	666
over 180 days	1,442	1,003
Total	2,551	3,472

Note 21 Other assets

The Trust has no other assets as at 31 March 2021 (31 March 2020, £nil).

Note 22.1 Non-current assets held for sale and assets in disposal groups

	2020/21	2019/20
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	1,080	-
Assets classified as available for sale in the year	-	2,181
Impairment of assets held for sale	-	(1,101)
NBV of non-current assets for sale and assets in disposal groups at 31 March	1,080	1,080

Cardale Park land was classified as an asset held for sale in 2019/20 and the Trust anticipates it will be sold during the 2021/22 financial year.

The sale of this asset does not impact on the Trust's ability to meet its obligation to provide commissioner requested services as no sales are authorised without full consideration of the impact on service provision.

Note 22.2 Liabilities in disposal groups

The Trust has no liabilities in disposal groups as at 31 March 2021 (31 March 2020, £nil).

Note 23.1 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.

	2020/21	2019/20
	£000	£000
At 1 April	76,914	72,728
Net change in year	4,022	4,186
At 31 March	80,936	76,914
Broken down into:		
Cash at commercial banks and in hand	179	275
Cash with the Government Banking Service	80,757	76,639
Total cash and cash equivalents as in SoCF	80,936	76,914

Note 23.2 Third party assets held by the Trust

Tees, Esk and Wear Valleys NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the Trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2021 £000	31 March 2020 £000
Bank balances	850	778
Total third party assets	850	778

Note 24.1 Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	8,778	7,536
Capital payables	4,213	3,785
Accruals	26,362	20,663
Social security costs	3,604	3,192
VAT payables	1,283	1,253
Other taxes payable	2,771	2,521
Total current trade and other payables	47,011	38,950

Of which payables from NHS and DHSC group bodies:

Current	3,951	3,937
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The Trust has no non-current trade and other payables (2019/20 £nil).

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Note 24.2 Early retirements in NHS payables above

There were no early retirement costs in the NHS payables balance at 31 March 2021 (2019/20, £nil).

Note 25 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	1,595	254
Total other current liabilities	1,595	254

Non-current

The Trust has no other non current liabilities (2019/20, £nil)

Note 26.1 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current		
Other loans	238	238
Obligations under PFI, LIFT or other service concession contracts	652	579
Total current borrowings	890	817
Non-current		
Other loans	238	476
Obligations under PFI, LIFT or other service concession contracts	12,066	12,718
Total non-current borrowings	12,304	13,194

PFI borrowings are in relation to Lanchester Road Hospital which operates under a standard form PFI contract i.e. unitary payments are payable from the date of construction completion and are not subject to re-pricing. Inflation linked to RPI is applied annually. Final settlement is expected in May 2038.

Note 26.2 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from DHSC £000	Other loans £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2020	-	714	13,297	14,011
Cash movements:				
Financing cash flows - payments and receipts of principal	-	(238)	(580)	(818)
Financing cash flows - payments of interest	-	-	(619)	(619)
Non-cash movements:				
Application of effective interest rate	-	-	620	620
Carrying value at 31 March 2021	-	476	12,718	13,194

Note 26.3 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC £000	Other loans £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2019	3,018	952	13,829	17,799
Cash movements:				
Financing cash flows - payments and receipts of principal	(3,000)	(238)	(533)	(3,771)
Financing cash flows - payments of interest	(30)	-	(645)	(675)
Non-cash movements:				
Application of effective interest rate	12	-	646	658
Carrying value at 31 March 2020	-	714	13,297	14,011

Note 27 Other financial liabilities

The Trust has no other financial liabilities at 31 March 2021 (31 March 2020, £nil).

Note 28 Finance leases

The Trust does not have any finance lease obligations other than PFI commitments (2019/20, £nil).

Note 29.1 Provisions for liabilities and charges analysis

	Pensions: injury benefits	Legal claims*	Other**	Total
	£000	£000	£000	£000
At 1 April 2020	3,355	204	4,435	7,994
Change in the discount rate	139	-	-	139
Arising during the year	113	90	4,980	5,183
Utilised during the year	(144)	(69)	-	(213)
Reversed unused	(559)	(43)	(917)	(1,519)
Unwinding of discount	(25)	-	-	(25)
At 31 March 2021	2,879	182	8,498	11,559
Expected timing of cash flows:				
- not later than one year;	158	182	7,213	7,553
- later than one year and not later than five years;	632	-	924	1,556
- later than five years.	2,089	-	361	2,450
Total	2,879	182	8,498	11,559

*Legal claims relate to employer / public liability claims notified by the NHS Litigation Authority.

**Other provisions relate to potential clinical penalties, an employment tribunal linked to holiday pay, potential contract refunds and a provision for clinical pensions tax reimbursement. No provision has been made relating to the 2018 PFI Termination; this is disclosed under Note 30 - Contingent Liabilities.

Note 29.2 Clinical negligence liabilities

At 31 March 2021, £1,854k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Tees, Esk and Wear Valleys NHS Foundation Trust (31 March 2020: £1,514k).

Note 30 Contingent assets and liabilities

	31 March 2021 £000	31 March 2020 £000
Value of contingent liabilities		
NHS Resolution legal claims	(116)	(152)
Net value of contingent liabilities	(116)	(152)

The contingencies relate to employer liability legal cases, all cases relate to NHS Resolution and are due within 1 year.

The Trust has a potential liability linked to a prior year PFI Contract termination. The Trust is currently engaged in seeking to agree a pre-action protocol type process under the terms of a court order in order to rebut any related liability. This is with Three Valleys Healthcare Limited (in liquidation – the former PFI provider) and the liquidators of that company. Any resultant mediation process will take some months to complete. If the mediation process does not secure an agreement then further legal proceedings will follow.

It is the Trust's opinion that disclosure of any potential (or range of) liability may prejudice this process, and it is applying the disclosure exemption available under IAS 37.

Note 31 Contractual capital commitments

	31 March 2021 £000	31 March 2020 £000
Property, plant and equipment	2,981	20,903
Total	2,981	20,903

Note 32 Other financial commitments

The Trust has no other financial commitments as at 31 March 2021 (31 March 2020, £nil).

Note 33 Defined benefit pension schemes

The Trust does not operate an on-statement of financial position pension scheme.

Note 34 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has full control of clinical services provided from its PFI funded hospital (Lanchester Road), and full access and use of the buildings, which are maintained by the PFI project company as part of the PFI procurement contract.

The PFI project company provides services for hard facilities management including building maintenance and life cycle replacement programmes. A contractual commitment exists for the PFI project company to maintain the building at category b status for the contract life (30 years from commencement for Lanchester Road).

The contract can be terminated within the 30 year contract period if contractual obligations for service delivery (maintenance) and building availability are not met. This is controlled by a points based payment deduction methodology within the standard PFI contract. The Trust has the right to cease the contract early, subject to payment of a financial penalty.

Note 34.1 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 2021 £000	31 March 2020 £000
Gross PFI, LIFT or other service concession liabilities	31,597	33,604
Of which liabilities are due		
- not later than one year;	1,742	1,658
- later than one year and not later than five years;	6,229	6,497
- later than five years.	23,626	25,449
Finance charges allocated to future periods	(18,879)	(20,307)
Net PFI, LIFT or other service concession arrangement obligation	12,718	13,297
- not later than one year;	652	579
- later than one year and not later than five years;	2,091	2,232
- later than five years.	9,975	10,486

Note 34.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

	31 March 2021 £000	31 March 2020 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	49,768	50,389
Of which payments are due:		
- not later than one year;	2,333	2,214
- later than one year and not later than five years;	9,929	9,423
- later than five years.	37,506	38,752

Note 34.3 Analysis of amounts payable to service concession operator

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

	2020/21 £000	2019/20 £000
Unitary payment payable to service concession operator	2,270	2,161
Consisting of:		
- Interest charge	620	646
- Repayment of balance sheet obligation	580	533
- Service element and other charges to operating expenditure	529	462
- Capital lifecycle maintenance	83	75
- Contingent rent	458	410
- Addition to lifecycle prepayment	-	35
Total amount paid to service concession operator	2,270	2,161

Note 35 Off-SoFP PFI, LIFT and other service concession arrangements

The Trust has no off-SoFP PFIs as at 31 March 2021 (31 March 2020, £nil).

Note 36 Financial instruments

Note 36.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the continuing service provider relationship that the NHS Foundation Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS Foundation 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 listed companies, to which the financial reporting standards mainly apply. The NHS Foundation 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 NHS Foundation Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations and therefore has low exposure to currency rate fluctuations.

Market risk

The main potential market risk to the Trust is interest rate risk. 100% of the Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. Tees, Esk and Wear Valleys NHS Foundation Trust is not, therefore, exposed to significant interest-rate risk.

Credit risk

Credit risk exists where the Trust can suffer financial loss through default of contractual obligations by a customer or counterparty.

Trade debtors consist of high value transactions with Clinical Commissioning Groups under contractual terms that require settlement of obligation within a time frame established generally by the Department of Health. Due to this the credit risk exposure is not significant.

Credit risk exposures of monetary financial assets are managed through the Trust's treasury policy which limits the value that can be placed with each approved counterparty to minimise the risk of loss. The counterparties are limited to the approved financial institutions with high credit ratings. Limits are reviewed regularly by senior management.

Liquidity risk

The Trust's net operating costs are mainly incurred under legally binding contracts with Clinical Commissioning Groups and NHS England Commissioners, both of which are financed from resources voted annually by Parliament. This provides a reliable source of funding stream which significantly reduces the Trust's exposure to liquidity risk.

Note 36.2 Carrying values of financial assets

All of the Trust's financial assets are carried at amortised cost. Fair value is not considered to be significantly different from book value.

Carrying values of financial assets as at 31 March 2021	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets	9,462	9,462
Cash and cash equivalents	80,936	80,936
Total at 31 March 2021	90,398	90,398

Carrying values of financial assets as at 31 March 2020	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets	11,912	11,912
Cash and cash equivalents	76,914	76,914
Total at 31 March 2020	88,826	88,826

Note 36.3 Carrying values of financial liabilities

All of the Trust's other financial liabilities are carried at amortised cost. Fair value is not considered significantly different from book value.

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Total book value £000
Obligations under PFI, LIFT and other service concession contracts	12,718	12,718
Other borrowings	476	476
Trade and other payables excluding non financial liabilities	39,353	39,353
Provisions under contract	182	182
Total at 31 March 2021	52,729	52,729

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost £000	Total book value £000
Obligations under PFI, LIFT and other service concession contracts	13,297	13,297
Other borrowings	714	714
Trade and other payables excluding non financial liabilities	31,984	31,984
Provisions under contract	204	204
Total at 31 March 2020	46,199	46,199

Note 36.4 Maturity of financial liabilities

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

	31 March 2021 £000	31 March 2020 restated* £000
In one year or less	41,515	34,084
In more than one year but not more than five years	6,467	6,973
In more than five years	23,626	25,449
Total	71,608	66,506

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 37 Losses and special payments

	2020/21		2019/20	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	1	-	2	1
Total losses	1	-	3	1
Special payments				
Ex-gratia payments	13	3	43	14
Total special payments	13	3	43	14
Total losses and special payments	14	3	46	15

The Trust received no compensation payments (2019/20 £45k)

Note 38 Related parties

Tees, Esk and Wear Valleys NHS Foundation Trust is a corporate body established by order of the Secretary of State for Health.

The Department of Health and Social Care is regarded as the parent department, and a related party. During the period Tees, Esk and Wear Valleys NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent department, or a related party. The Trust also has a non consolidated charity, for which it acts as the sole corporate trustee.

The main entities that the Trust has dealings with are its commissioners, namely:

- NHS England
- NHS Tees Valley CCG
- NHS County Durham CCG
- NHS North Yorkshire CCG
- NHS Vale of York CCG
- Health Education England

The Trust also has material expenditure with the following:

- NHS Pension Scheme
- HM Revenue and Customs

The related parties disclosure below includes organisations the Trust has a joint venture, subsidiary or other partnership arrangement with. The Trust is not required to report other public bodies as related parties.

During the period none of the Board members or members of the key management staff or parties related to them has undertaken any material transactions with Tees, Esk and Wear Valleys NHS Foundation Trust.

2020/21	Income	Expenditure	Receivables	Payables
Entity	£000	£000	£000	£000
Non-consolidated subsidiaries and associates / joint ventures	74	-	765	2
Other bodies or persons outside of the whole of government accounting boundary	100	74	98	-
Value of provisions for doubtful debts held against related parties (excludes salaries)	-	-	(98)	-
Total balances with related parties	174	74	765	2

2019/20	Income	Expenditure	Receivables	Payables
Entity	£000	£000	£000	£000
Non-consolidated subsidiaries and associates / joint ventures	25	65	793	-
Other bodies or persons outside of the whole of government accounting boundary	-	1,320	217	-
Value of provisions for doubtful debts held against related parties (excludes salaries)	-	-	(217)	-
Total balances with related parties	25	1,385	793	-

Note 39 Events after the reporting date

The Trust has no events after the reporting period to disclose.

If you would like additional copies of this report please contact:

The communications team

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Our chairman, directors and governors can be contacted through the Trust secretary's office by emailing: tewv.ftmembership@nhs.net

For more information about the Trust and how you can get involved please visit our website www.tewv.nhs.uk