Leeds Partnerships NHS
NHS Foundation Trust





Annual Report and Accounts

2008 - 2009

Leeds Partnerships NHS
NHS Foundation Trust

A teaching organisation providing mental health and learning disability services

ANNUAL REPORT AND ACCOUNTS

2008 - 2009

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

About this Annual Report

Leeds Partnerships NHS Foundation Trust is committed to diversity and equal opportunities

If you would like this annual report in Brail, on audio tape, in another language or in any other format please contact the Diversity Team on 0113 2954413 or email diversity@leedspft.nhs.uk

Urdu
اگر آپ اس سالانہ رپورٹ کا ترجمہ بریل، آڈیو ٹیپ، کسی دیگر زبان یا کسی دیگر شکل میں چاہتے ہیں براہ کرم ڈائیورسٹی ٹیم سے **0113 2954413** پر یا ای میل diversity@leedspft.nhs.uk پر رابطہ کریں۔

Chinese:
如需本年度报告的磁带、录音带或者其他语言或其他格式，请联系 Diversity Team，电话：0113 2954413，或电子邮件：diversity@leedspft.nhs.uk

Bengali
যদি আপনি বাৎসরিক রির্পোট চল, a ডিo টেপ, a ন্য ভাষায় a থবা a ন্য কোন ফর্মাটে পেতে চান, a নুgহ করে ডা৷ ভারসিটি টিমের সাথে যোগাযোগ করুন 0113 2954413 নmরে a থবা i -মেলে diversity@leedspft.nhs.uk

Gujarati
જો તમને આ વાર્ષિક અહેવાલ બ્રેઇલ, ઑડીઓ ટેપ, કોઇ અન્ય ભાષામાં અથવા કોઇ પણ અન્ય ફૉર્મેટમાં જોઈતો હોય, તો કૃપા કરી ૦૧૧૩૨૯૫૪૪૧૩ ઉપર ડાઈવર્સીટી ટીમનો સંપર્ક કરો અથવા **diversity@leedspft.nhs.uk** ઉપર ઈ-મેલ કરો

Punjabi
ਜੇਕਰ ਤੁਸੀਂ ਇਹ ਸਲਾਨਾ ਰਿਪੋਰਟ ਬ੍ਰੇਲ 'ਚ, ਆੱਡਿਓ ਟੇਪ 'ਤੇ, ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਜਾਂ ਰੂਪ 'ਚ ਚਾਹੁੰਦੇ ਹੋ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ 0113 2954413 'ਤੇ ਡਾਇਵਰਸਿਟੀ ਟੀਮ ਨਾਲ ਸੰਪਰਕ ਕਰੋ ਜਾਂ **diversity@leedspft.nhs.uk** 'ਤੇ ਈਮੇਲ ਕਰੋ।

Kurdish
ئەگەر دەتەوێت ئەم ڕاپۆرتی ساڵانە بە دێری بریل، شریتی دەنگ، یان بە زمان یان فۆرماتێکی دیکە بۆ تۆ ئامادە بکەین تکایە لە ڕێگەی ژمارە تەلەفۆنی **0113 2954413** یان ئیمەیڵی **diversity@leedspft.nhs.uk** لەگەڵ تیمی جۆراوجۆریی **Diversity Team** پەیوەندیی بکە.

Vietnamese:
Nếu quý vị muốn có bản báo cáo thường niên này bằng chữ Brail, hoặc bằng âm thanh, bằng một ngôn ngữ khác hoặc bất kỳ định dạng nào khác, vui lòng liên hệ với nhóm Diversity Team ở số 0113 2954413 hoặc thư điện tử diversity@leedspft.nhs.uk.

Russian
Если Вы хотите получить информацию по данному годовому отчету в шрифте Брайля, на аудио кассете, или на другом языке или в другом формате, пожалуйста, позвоните в отдел культурного разнообразия, по номеру: 0113 2954413 или на электронный адрес diversity@leedspft.nhs.uk.

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Content

Hannah Evans - Assistant Psychologist, Yorkshire Centre for Eating Disorders

About the Trust

1.1 Introduction

Leeds Partnerships NHS Foundation Trust was formed on 1 August 2007 under the National Health Service Act 2006. Prior to authorisation as a Foundation Trust, mental health services were provided by the Leeds Mental Health Teaching NHS Trust. Monitor, the independent regulator of NHS Foundation Trusts, regulates the Trust; therefore, it is no longer performance managed by the local Strategic Health Authority. However the organisation continues to work closely with partners in the local health economy.

Our Ambition

"In 2011 people choose our Foundation Trust because we always deliver the best mental health and learning disability care"

Our Values

- **To be the best for everybody, everyday**
- **To treat people with openness, decency and consideration**
- **To learn and improve**
- **To be effective and honest in our communications**
- **To lead, not blame**
- **To take on challenges and not look for excuses**
- **To listen to others and respond**
- **To put others first**

1.2 Our Strategic Objectives

The Trust's strategic objectives were refreshed during 2008/09 so they continue to be relevant for the future of the organisation and beyond. To achieve these objectives each is underpinned by a work plan, led by an Executive Director.

Trust Headquarters, Thorpe Park

Our eight strategic objectives are:

- **Patient Safety** – We work hard to make sure that all our services are as safe as possible. We have done this by doing work on how medication is managed, helping our service users avoid slips trips and falls and minimising infections such as MRSA.
- **Integrated Approach to Service Improvement** – It is our aim for our services to be the best they can be. To achieve this we continually work in a way that looks for new, improved and innovative mental health and learning disability services.
- **Development of People and the Organisation** – We have taken an innovative and progressive approach to leadership and management development, setting up a Leadership Forum to promote positive leadership to manage staff throughout the whole organisation.
- **Communication** – We aim to provide clear and relevant communications to staff, service users, stakeholders, members, Governors, the public and the media. We are working towards a positive representation of our services and to de-stigmatise mental health and learning disability issues.
- **Partnership and Social Inclusion** – Social inclusion is the way we assist people who use our services to be an active part of society through challenging mental health stigma and discrimination and improving their access to education, housing and employment.
- **Information Governance** – This is the way in which we can be certain that person identifiable data and information is kept confidential and secure. It includes developing our electronic patient records system and improving the quality and security of all data on our computer systems.
- **The Environment** – We have a social responsibility for the environmental impact we have on our communities. Our Environment Strategy includes carbon footprint reduction projects and our Transport Strategy shows how we plan to make more use of "green" transport.
- **Foundation Trust Status** – In August 2007 we became an NHS Foundation Trust. Since then we have been working hard to develop our profile and reputation by improving our performance and considering potential new business opportunities.

About the Trust

1.3 The Services We Provide

The Trust employs around 2400 staff and works with over 100 committed volunteers and can call on around 380 bank staff. All these people provide specialist mental health and learning disability services to over 572,000 adults within the Leeds metropolitan boundary, with some of our specialist services accepting referrals from across the UK. Each day we provide help to over 2,000 people.

Whilst we operate from over 30 dispersed sites in the Leeds area we have a number of main hospital and community service sites from which health services are provided. These sites include St Mary's Hospital, The Mount, The Newsam Centre, and The Becklin Centre and are made up of a mix of owned, leased and PFI facility managed premises.

Services are provided by the Trust in four service directorates: Adult Mental Health Services, Learning Disability Services, Specialist Services, and Older People's Mental Health Services.

These service directorates are supported by a number of corporate directorates and support services:

- Finance and Performance
- Human Resources
- Nursing
- Social Inclusion
- Planning
- Information and Knowledge Services
- Medical and Allied Professions
- Estates and Facilities
- Marketing and Communications

Services provided by the Trust include:

- Acute Inpatient
- Perinatal Services
- Assertive Outreach
- Court Diversion
- Forensic
- Community Learning Disability Teams
- Learning Disability Inpatients
- Early Intervention
- Psychology
- Crisis Resolution
- Young People Dementia Services
- Eating Disorders
- Chronic Fatigue
- Post Traumatic Stress Disorder
- Pharmacy
- Organic and Functional Inpatient
- Liaison Psychiatry
- Self Harm
- Addictions Services
- Community Mental Health Services
- Day Services
- Psychotherapy
- Rehabilitation Services
- Continuing Treatment and Care
- Supported Living
- Psychiatric Intensive Care
- Personality Disorder
- Psychosexual Services
- Gender Identity
- Gym Services

The Newsam Centre

The Chairman's Summary

It's amazing how quickly a year goes by and 2008/09 is no exception. It seems little time since I wrote last year's contribution to the annual report. Even though the year has shot by, a lot of things have happened in the Trust.

During the year there has been one change to the Board of Directors, Steve Griffin joined the Trust as Director of HR. Steve brings a wealth of experience which he has gained in the NHS in both clinical settings and at the Department of Health.

The Board of Governors has also experienced some changes. Dr Vivien Deacon, who is a Clinical Staff Governor, resigned due her impending retirement from the NHS. David Smith who is the Public Governor for Leeds West, was both elected and stepped down during the year; and Tony Gadie, our appointed PFI partner Governor, resigned due to a change in the PFI contract. I would like to thank Vivien, David and Tony for their hard work and contribution to the Board of Governors and wish them well for the future. 2008/09 has also seen a number of new Governors elected to the Board of Governors: John Mason, Andrew Bottomley, Margaret Orchard, all elected in April 2008; and Joanna Blythe, Rona Dailey, Gina Greenley and Fiona Keighley elected in December 2008. I am also happy to report that in early April 2009 Equitix confirmed that Colin Clark is to be our new PFI partner Governor. Our new Governors are coping very well with the huge amount of information which confronts them.

As I mentioned above another change this year has been to our PFI provider, which changed from the Accent Group Ltd to Equitix Ltd on the 13 February 2009. Although the PFI contract is with Equitix the facilities management services are now being provided by Interservefm Ltd. For nearly ten years Interserve have already been providing excellent and responsive facilities management services at Towngate House and Millside and the Trust is looking forward to the high standard they have maintained consistently at those sites being extended across all the Trust's PFI estate.

This change in PFI contract proved very time-consuming but on conclusion it released £2.5m into the Trust's budget which is good news for what could be a difficult year ahead; difficult not only because of the smaller uplift in the income the Trust will receive, but also because of the increase in demand for our services as the population we serve face the daily pressures created by these difficult economic times.

In writing this I would like to celebrate the achievements of all our staff, some of which were recognised at our Staff Awards evening. This gives all staff the opportunity to nominate and vote for colleagues who they feel have made a difference to the organisation. This highly successful evening was professionally organised by Jo Third and the staff at the Andrew Sims Centre, and was brilliantly hosted again by our very own Andrew Howorth. Congratulations to all who were nominated for an award and particularly to all the prize winners. It should not be forgotten, though, that many staff do not get nominated but provide an equally valued service to service users and carers and I would like to thank all staff for their hard work during 2008/09 in delivering and developing services.

My thanks also go to all our Governors, not an easy job to do well and it can be quite time-consuming. Thanks also to the Mental Health Act Managers who put in a great deal of time hearing appeals by patients for discharge from detention. Special thanks this year go to all those staff that fought their way through the very difficult weather this Winter to enable the Trust to go on providing uninterrupted high quality services. Schools may have closed, and trains may have stopped running but our staff were there when our service users needed them.

Thank you

Ian Hughes – Chairman of the Trust

Ian Hughes - Chairman

Gill Marshall, Information Officer with Sainsbury's staff, Andy Church and Duncan Jefferies. Sainsbury's kindly donate all out of date flowers to service users and our hospital wards

Directors' Report

3.1 The Chief Executive's Report – A Review of Our Business

This is the second annual report of the Leeds Partnerships NHS Foundation Trust since our Authorisation by Monitor in August 2007.

We are a financially stable organisation and we are continuing to build a platform for improvement. Our ambition to be the "best in class" is summed up by a simple statement that:

"In 2011 people choose our Foundation Trust because we always deliver the best mental health and learning disability care"

This is about us providing the best possible service, as well as being the best employer that we can be. Our conviction that we can deliver our ambition is based on our track record of continuing innovation and sustained improvements in quality and efficiently and service user experience. We have moved forward in so many different ways over the last twelve months and what follows is a snapshot of some of our areas of activity and achievements.

Service Users, Carers and Governors. Our Governors have influenced the Board of Directors in setting strategic priorities, including making changes to the Older People's Mental Health service strategy, and the Trust's strategy delivery programme. Governors have also participated in a number of workshops looking at the Trust's direction in respect of membership, the environment and anti-stigma.

Service users and other stakeholders took part in an extensive consultation set up to develop a Healthy Living Service. Forty two people shared their ideas over the course of three sessions and the team are now working closely with CPA co-ordinators to ensure the physical health needs of people using services are identified and met. The Gender Identity Service has developed an innovative scheme where people who have experience of using the service are recruited as volunteers to 'buddy' those entering the service for the first time. These volunteers are able to provide information and peer support as well as helping people to understand what to expect when using the service.

The Carer Support Team has gone through a redesign so that it is now able to provide a service to carers of older people with mental health problems as well as people of working age. This has been an important step to removing age discrimination in mental health services.

Safety and Quality – "The Year of Patient Safety". 2008/09 has seen us pushing forward with our intention to deliver further improvements in the safety and reliability of our services. This has been the top priority for all of us in our Trust, which is reflected in a range of initiatives including a major investment of over £1 million in enhanced staffing for acute inpatient services; work to reduce errors in the prescribing and administration of medicines; and a systematic programme of clinical risk training to help protect and support our most vulnerable service users. This gives us an increasingly solid foundation from which to drive up the quality of our services whilst at the same time realising the vision set out in Lord Darzi's report "High Quality Care for All" and the Yorkshire and Humber Darzi report "Healthy Ambitions".

In partnership with the National Patient Safety Agency (NPSA) we hosted the NPSA's first national conference specifically about patient safety in mental health services. This was the first wholly mental health focussed event and was hugely successful.

Information to provide the best possible care. Good organisations know how many service users they are seeing everyday. Good organisations also know the needs of the people they serve. With this in mind we have put in place a new clinical information system across our Trust called "Paris". This was successfully deployed on-time and within budget during 2008. Paris is currently being used by over 2,000 staff across the Trust all of whom have been trained to use it. Phase 2 of Paris commenced in early 2009 both to expand use of the system into all areas of the Trust and increase its clinical usage by moving towards the creation of full electronic care records.

In order to support the deployment of Paris our Trust has also invested in a completely new information technology infrastructure which has enabled resilient, high speed network links to be installed in all sites that deliver our services.

Developing our services. We continue to develop our local and specialist services. Here are a few examples:

- Increased specialist mental health provision in Leeds' Accident and Emergency Departments.
- In partnership with Community Links, we are delivering a regional service for people with a personality disorder.

Directors' Report

- On 20 November 2008 our adult inpatient service became the first Adult Acute Inpatient Unit in the country to achieve 2nd stage accreditation as a Practice Development Unit (PDU). Our PDU was accredited by the University of Leeds because it demonstrates patient centred care that is leading edge, evidence based, and innovative. The Accreditation Team described our service as one which works with the 'best interests of service users in mind.'
- In Older People's Services, and with our partners, we have successfully concluded the Partnerships for Older People Programme, which is a platform on which we can continue the improvement and redesign of services.
- In Learning Disabilities we have taken forward Person Centred Planning (a Person Centred Plan is a plan to set out the process steps needed to help a person with learning disabilities do the normal things in life). We are continuing to develop communication techniques focusing on using signs and symbols.

We continue to score well on the national service user survey which shows that service users are largely satisfied with the services we provide. Service users reported improvements including:

- **Trust and confidence in their psychiatrist**
- **Having a say about their medication**
- **Having a care plan**
- **There being an out of hours number to call**
- **Having enough say about decisions about their care**

Compared to other NHS Trusts we scored better in the areas specific to medication; care reviews; and the overall views and experience of people using our services.

Actions arising from the results of the survey have been drawn together in an overarching action plan which will be reviewed during the year through our Performance Group and performance managed through directorate performance reviews.

Further information on the principal activities of the Trust and future developments can be found in Section 4.1

Developing our people. We will only be the best through the work of the people who, directly and indirectly, deliver our services. We continue to work closely with our Trade Union partners to be the best employer that we can be. Developing leaders is critical to our success. We are a provider of leadership programmes and are an accredited training centre with the Institute of Leadership and Management.

This year we entered the Health Service Journal/ Nursing Times "NHS 100". The NHS 100 is an elite group of NHS organisations drawn from all providers of NHS services across the United Kingdom including the independent and voluntary sectors. The top 100 are largely identified by what their staff say about them.

Nurses are our Trust's largest professional workforce. In the second half of 2008 we developed a Nursing Strategy to offer a vision for mental health and learning disability nursing within Leeds for the next 2-3 years. By 'nurses' the Strategy reflects all nursing staff which includes registered nurses and healthcare support workers alike.

The implementation of the strategy is supported by a progressive nursing structure with a Lead Nurse in each of the four clinical services complemented by a Trust-wide Nurse Reference Group. The implementation of the strategy is closely monitored in the Professional Nursing Advisory Forum which meets on a monthly basis and is chaired by the Trust's Director of Service Delivery and Chief Nurse.

Learning, Teaching and Research. We have maintained and developed our profile in learning, teaching and research. We continue to host the West Yorkshire Mental Health Research and Development Consortium and have developed plans to maximise the contribution we can make to innovation and research of national and international significance. In addition we are a partner in the newly formed Leeds, York and Bradford Research Alliance. This is a key element in the national research and development strategy, and will see more than £10 million of new money invested over the next five years in research dedicated to finding ways of getting the best evidence available into day-to-day practice. We expect this to simultaneously improve care whilst also helping to ensure we make the best use of our resources.

In teaching, we now host the Northern School of Child and Adolescent Psychotherapy, a high quality training provider with responsibilities for training programmes across the whole of the North of England and beyond. The Trust has agreed a contract with NHS Yorkshire and the Humber to host NSCAP which includes employment of core staff as well as providing a secure institutional base for NSCAP. We will be working closely with the school's staff to develop areas of shared interest and collaborative work.

Further information about activities in the field of research can be found in Section 4.4.

New partnerships. During 2008/09 the Accent Group, our Private Finance Initiative (PFI) partner informed our Trust they wished

Directors' Report

to concentrate on their core business of social housing. We are now working with a new PFI partner called Equitix Limited. I am grateful to Accent for all of their hard work in providing our main facilities and, with my colleagues I look forward to working with Equitix.

Our financial performance. The overall performance of the Trust continued to be strong. Whilst the surplus was £1.2m compared with a plan of £2.5m, this was after taking account of non-recurrent exceptional items at a cost of around £1.5m.

Notwithstanding this adjustment, EBITDA (derived from the operating income and expenses (net earnings) before accounting for interest, taxation, depreciation or amortisation) was only marginally below plan at £3.6m (the plan was £3.7m). Discounting the exceptional items, the underlying position of the Trust was improved on the plan for 2008/09.

The overall financial health of the Trust is assessed by the Foundation Trusts' regulator Monitor, through a number of risk ratings. A risk rating of 3 provides Monitor with assurance that a Foundation Trust is in good financial health. The Trust is currently assessed as '3' by Monitor, in line with the 2008/09 plan.

At 31 March 2009 cash was ahead of plan due in part to a receipt of £2.5m as a result of the sale of a number of Private Finance Initiative sites from Accent Group Ltd to Equitix Ltd in February 2009.

As a result of the increasing number of very ill service users requiring more nursing supervision at the Becklin Centre, funding was made available to increase staffing ratios on the acute adult services wards. Additional funds were also set aside to enhance pharmacy services, the estate and to support the social enterprise café at the Becklin Centre.

How we are doing. We are never complacent and we are always looking for ways in which to have a better understanding of the actual experience of service users and carers. We also look for ways in which to ensure that we are meeting our obligations to the public through, for example, delivering the standards of the Healthcare Commission. I am pleased to report that for 2007/08 we received a score of "good" for quality of services and "excellent" for use of resources. For 2008/09 we have stripped down the elements of Healthcare Commission's standards to take a fresh view about their implementation in our Trust. We have learnt through this process that a tremendous amount of work has been done to deliver these standards. Not surprisingly we have also learnt of things we need to improve and we are addressing these with vigour.

Another way of knowing how we are doing is through the work of the NHS Ligation Authority (NHSLA), our insurer against claims of clinical negligence. To provide cover they carefully assess Trusts against detailed national standards and are satisfied with what they found when they visited us for two days although there is still more that we can do in order to improve.

On the clinical front, our Specialised Supported Living Service within our Learning Disability Service was assessed by the Commission for Social Care Inspection as providing an excellent service.

Conclusion. We remain an organisation with ambition and we are already serving the public well, but there is more we need to do to improve. We are financially stable and have invested to improve. We have an ever growing membership and a developing Board of Governors both of which deepen our involvement with the communities we are proud to serve.

What we have managed to do is through a team effort and I want to take a moment to thank my colleagues in the Trust, our Governors, our Volunteers, and our partner agencies, for helping us with these major steps forward.

Assuming that we will keep a steady hand on the tiller in using our resources to best effect, our focus over the next year remains on still more improvements in the quality of the services we provide.

With my colleagues, I am proud of our Trust's achievements to date whilst realistic about the challenges we face. We will successfully face these challenges through rigor and focus, and also by ensuring that we continue to behave according to our core values which will take us a long way towards making our ambitions a reality.

Chris Butler – Chief Executive

Directors' Report

3.2 The Board of Directors

The Board of Directors provides a wide range of experience and expertise and continues to demonstrate the vision and oversight that allows the Trust to continue to meet its ambition. For further information about the Board of Directors see Section 6.

In 2008/09 the Board of Directors comprised of 6 Non-Executive Directors and 6 Executive Directors.

The Non-Executive Team

7. Ian Hughes (Chairman of the Trust), **9.** Linda Phipps (Deputy Chair until 30 September 2008) **10.** Niccola Swan (Deputy Chair from 1 October 2008), **4.** Allan Valks (Senior Independent Director), **11.** Merlin Wilce and **Inset Picture,** Catherine Coyle.

The Executive Team

8. Chris Butler (Chief Executive), **6.** Mike Doyle (Director of Corporate Development), **5.** Steve Griffin (Director of Human Resources), **2.** Michele Moran (Director of Service Delivery and Chief Nurse), **1.** Guy Musson (Director of Finance and Performance) and **3.** Dr David Newby (Medical Director).

For each individual who is a Director at the time this annual report was approved, so far as the Directors are aware there is no relevant audit information of which the auditors are unaware and the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

A revaluation of all land and buildings took place which resulted in an expenditure charge in 2008/09 of £0.4m and a prior year adjustment of £14.1m. Full details are outlined in Section 4.7.2.

Directors' Report

3.3 Going Concern

After making enquiries, the Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis when preparing the accounts.

3.4 Strategy Review

The Board of Directors has agreed 8 key strategic objectives which are set out in Section 1 of this annual report. Underpinning these objectives are 8 key strategic programme areas namely:

- **Patient Safety**
- **Integrated Approach to Service Improvement**
- **Development of People and the Organisation**
- **Communication**
- **Partnership and Social Inclusion**
- **Information Governance**
- **The Environment**
- **Foundation Trust Status**

These are cross-cutting corporate strategies supporting and enabling the overall delivery of service strategies which are contained in the clinical directorate business plans.

Seventeen projects were initially identified to help deliver on the 8 areas identified above and progress on these is managed within a strategy delivery programme overseen by the Executive Team and reported to the Board of Directors.

During the year, the Trust also considered the implications of the Darzi review (NHS Next Stage Review) and concluded that the various work-streams that it had in place would be able to accommodate and address the key themes identified in that review.

During the latter part of the year, the Trust initiated a process to review its strategy. A process and timetable were produced to ensure the relevant engagement and consultation with a view to the strategy being refreshed and renewed by September 2009.

3.5 Our Staff

At the end of March 2009 the Trust employed approximately 2400 substantive staff and 381 bank staff. Staff are our most valuable asset and we recognise this in making a commitment to ensure they are well trained, well informed and are given every opportunity to contribute not only to the delivery of services but also to the development of those and other new services.

3.5.1 Informing and Consulting with our Staff

We aim to ensure that our staff are aware of what is happening in the Trust and we are committed to ensuring their involvement in the development of services. We communicate with and involve staff in a variety of ways, including team or individual meetings, Trust-wide communication emails, Newsline, an annual staff survey (see below), messages and information on the Trust's intranet, personal development plans and through the annual business planning process.

The Trust also has in place a 'Management of Change' policy that sets out how staff are to be involved and informed when changes are being undertaken. This ensures we communicate clearly, timely and accurately.

Positive partnership arrangements have been established with Staffside representatives and a Joint Negotiations and Consultation Committee (JNCC) is well established. JNCC is made up of staff and management with a Non-Executive Director in attendance. The Committee meets regularly to discuss a variety of issues that directly affect staff to ensure views are brought together in a positive and productive way to enhance how services are delivered and to ensure the views of staff are taken in account.

Our staff Governors also play an important part in informing and consulting with staff and have regular meetings with the Chief Executive and the Chairman of the Trust providing a two way conduit where ideas and issues can be discussed.

To ensure our staff are aware of financial and economic factors affecting the Trust Finance Managers and finance support staff work as an integral part of each service directorates' management team. This has enabled continued improvement in financial awareness and ownership of the financial agenda. In addition to this the Trust's Director of Finance has undertaken a series of regular financial briefings for operational staff focussing on specific financial topics and clarifying financial objectives.

3.5.2 Annual Staff Survey

Another way in which we consult with our staff is through the Annual Staff Survey. In 2008 the NHS conducted its sixth Annual NHS Staff Survey. Our survey was undertaken on our

Directors' Report

behalf by Quality Health. They undertook the survey between September 2008 and January 2009 using a sample of 800 staff and our response rate was 55% which is comparable with the overall national response, also 55%. For the first time the survey report has been structured around the 4 pledges for staff in the NHS Constitution, with two additional themes of staff satisfaction and equality and diversity.

Our 4 best rankings were in the areas of harassment and bullying (lowest 20% of similar Trusts), Health and Safety training (top 20% of similar Trusts), providing equal opportunities for career progression and our commitment to work-life balance. The areas where our scores have improved the most since the 2007 survey are availability of hand washing materials, staff intention to leave jobs, staff job satisfaction and commitment to work-life balance. The full report is available on the Trust's website **www.leedspft.nhs.uk** and on Staffnet

There remain several areas where we want to see improvements these include a commitment to improve the rate of appraisals carried out, improving equality and diversity training and improving the availability of mandatory training. We will monitor staff survey results and action plans through the Trust's Performance Group to ensure progress in these areas.

3.5.3 Our Staff – Disability Awareness

Our Recruitment and Selection Procedure has particular guidance on the Disability Discrimination Act and the Trust has committed to the "Mindful Employer" charter. The Trust is also "✔✔" Employer, which demonstrates commitment to supporting people with disabilities.

The Trust has supportive employment practices in place including a support package within the Management of Sickness Absence Procedure, a Supporting Staff at Work Framework, Staff Support Service and a bespoke Occupational Health Service, which is provided in partnership with a neighboring mental health trust (for further information see below). These procedures and services support the employment and retention of disabled employees and the implementation of reasonable adjustments to take account of individuals needs. Currently 4.72% of our staff have a declared disability based on voluntary notification.

The Trust also has a "Single Equality Scheme 2007-2010". This states our values, principles and strategic aim that we will not only meet the specific and general duties set out in equality legislation, but also meet our moral and ethical obligations.

This year the Trust has changed its sickness procedures to take account of upcoming individual needs related to disability. We have made reasonable adjustments to working environments through the purchase of specialised equipment and have made necessary alterations to premises in respect of access to buildings. In addition to this the Trust's diversity training package aims to raise awareness of a wide range of diversity issues including disability to minimise discrimination in all aspects of employment. Whilst we do not have specific training courses for staff, the needs of individuals' with disabilities will be addressed through the PDP process.

3.5.4 Occupational Health Service

As a joint venture with South West Yorkshire Mental Health Trust our in-house Occupational Health Service became operational in April 2007. It is a nurse-led service created to meet the specific needs of a mental health and learning disabilities trust.

Within the Occupational Health Service there have been a number of achievements in the year including:

- **Pro-active work with managers regarding appropriate referrals, sickness absence management, attendance issues and involvement in the review of employment procedures.**
- **Ongoing development of the Occupational Health Staffnet site enabling ease of access to information pertinent to the service for managers and employees.**
- **Active promotion and development of Staff Support Services including the development of a process to support staff following a critical incident.**
- **Helping staff return to work quickly and safely, helping reduce long term sickness by piloting a Cognitive Behavioural Therapy Service and introducing a 2 week referral process.**
- **Ongoing integration of the Occupational Health Service at key meetings and working groups.**

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3.5.5 Developing People and the Organisation

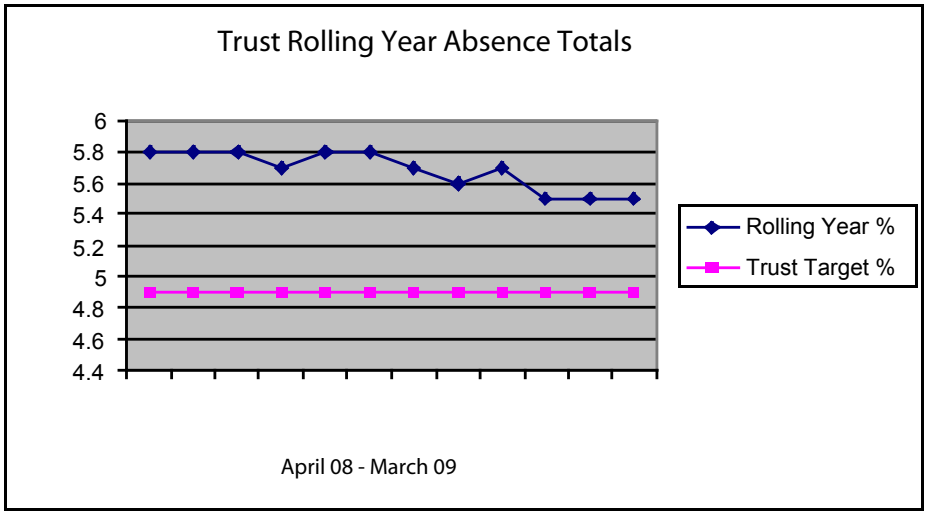
The Trust has taken an innovative and progressive approach to leadership and management development. It has concentrated on three core areas; accredited programmes; coaching; and action learning all of which are underpinned by the Knowledge and Skills Framework and Leadership Qualities Framework.

Specifically the Trust has seen the further development of the Institute of Leadership & Management (ILM) programmes. In 2007 there was the addition of the ILM Level 7 in Leadership, Mentoring and Executive Coaching. Designed for experienced senior leaders, this programme is marketed across the Trust and to partner agencies in the NHS, private and voluntary sector organisations. We are the only NHS accredited centre to offer this programme. The Trust has also established a Leadership Forum which brings together all those in workplace leadership roles to discuss various issues and to develop awareness and understanding of what the emerging leadership challenges are.

The Human Resources directorate has enabled the creation of both a coaching culture and a culture of leadership at all levels. Our leadership development activities have a local, regional and national profile. We compare our work with that of other private and public organisations, to ensure best practice and cross fertilisation of ideas between sectors and organisations. Implicit in all of our development work is the notion that as well as being a teaching Trust we are also a learning organisation.

3.5.6 Sickness Absence

Table 3A – Sickness Absence Rate for 2008/09



At the end of March 2009 the sickness absence rate was 5.5 %, which is a reduction by 0.45% on last year's figure, this reduction has saved the Trust around £0.5 million in sickness absence related costs. The target absence rate is still 4.9% which we will continue to try and achieve during 2009/10.

Compared with other similar Trusts in our region our sickness absence rates are comparable but we are striving to improve attendance wherever possible. Whilst our overall sickness rates have not decreased to the target of 4.9% we have seen improvements in a number of directorates

We continue to implement our strategy for reducing absence by the implementation of a new Managing Sickness Absence Procedure, using Occupational Health Services in a more collaborative way. We are doing this by monitoring reasons for sickness, identifying patterns and trends, sharing good practice, developing skills training on absence management, improving management information, and developing and introducing innovative ways of rewarding good attendance. Over the next 12 months we will develop a health and well-being strategy for staff across the Trust.

3.6 Corporate Social Responsibility

3.6.1 Social Inclusion

In 2008 the Trust identified promoting recovery and social inclusion as a key strategy for the organisation. In response to this a Recovery and Social Inclusion Strategy has been developed

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that aims to promote the well being, recovery and inclusion of people who use our services; which will support people with mental health problems and learning disabilities to live as full and equal citizens of their local communities. To support the implementation of the strategy a Diversity and Social Inclusion Experts Group is being established to provide a forum for service users, carers, clinicians and other mental health workers to influence and shape the implementation of the strategy.

Work areas are being developed which aim to improve individual experiences and outcomes in relation to a wide range of areas including access to the arts, education, housing and employment. One example is our partnership with education providers, giving people who use our services access to opportunities that can be transferred into everyday life. In partnership with local colleges we have developed creative courses tailored to the needs and interests of the service users, with the aim of increasing participants' confidence and skills. This programme aims to provide a stepping stone to enable service users to move on to using everyday education providers.

The work of the Arts and Minds network continues to develop and an arts development worker was recently appointed who is based with Artlink. Regular networking days are held in a variety of mainstream locations, the most recent being at Artsmix in Leeds City centre. As a result of their participation, some attendees became members of Artsmix and have signed up to business planning courses.

In line with national priorities, as set out in Public Service Agreement 16 (Social Inclusion) (PSA16) the Trust is undertaking a programme of work to improve the vocational outcomes of people who use our services and become an exemplar employer. We are increasing our partnership working with employment specialists and have set up a partnership with the School of Healthcare Studies at the University of Leeds with a view to co-locating employment specialists in clinical teams.

In addition to improved vocational outcomes, PSA 16 also sets out expected improvements in the settled accommodation status of people experiencing mental health problems. The Trust is currently working closely in partnership with NHS Leeds, Supporting People and Volition on an 'Accommodation Pathway' project to improve the housing situation of people leaving adult acute inpatient care. It is anticipated that this will improve health and social outcomes for people in inpatient care and reduce delays in discharge due to insecure housing or homelessness.

3.6.2 Reducing Stigma

The Trust contributes to City-wide plans to implement the national Time for Change campaign at a local level. A workshop was held earlier in the year with service users, carers, Trust staff, Directors, Governors and external partners to explore how we can positively challenge stigma and discrimination. A proposal for a three year campaign has been supported by the Board of Governors and plans include using communications with our membership to raise awareness of mental health issues and positively challenge stigma and discrimination. We have developed a range of materials and have increased presence at community events including Leeds Pride and Chapeltown Carnival to promote awareness of mental health issues and increase membership.

In September 2008 we joined forces with BBC Headroom, a campaign to encourage members of the public to look after their mental health and wellbeing. The campaign has been devised to help people cope with the everyday stresses and strains of life and provide a safe place to start finding answers to more complex problems. The Trust worked alongside the BBC on a number of different parts of the campaign including live radio interviews, online recovery articles and a joint relaxation and anti-stigma event held at the Carriageworks Theatre, Leeds.

3.6.3 Global Health Partnerships

Global Health Partnerships is a national initiative established to support health development in less developed countries. The Trust contributes to this initiative by providing developmental support for Chainama Hills Hospital in Lusaka, Zambia. Participating staff also have access to a unique staff development opportunity and the Trust provides financial support for this important work, with continuing funding being contingent upon adequate progress being made in the achievement of visit objectives.

3.7 The Trust and the Environment

The Trust is committed to the protection of the environment both locally and globally. We recognise the importance of incorporating a sustainable approach into everyday healthcare decisions and activities ensuring we also meet our corporate social responsibility to the community. Our life and work environments are intrinsically linked to our health and we will replicate the strong environmental awareness shown in our community in order to support the Government's aim of 'wellbeing'.

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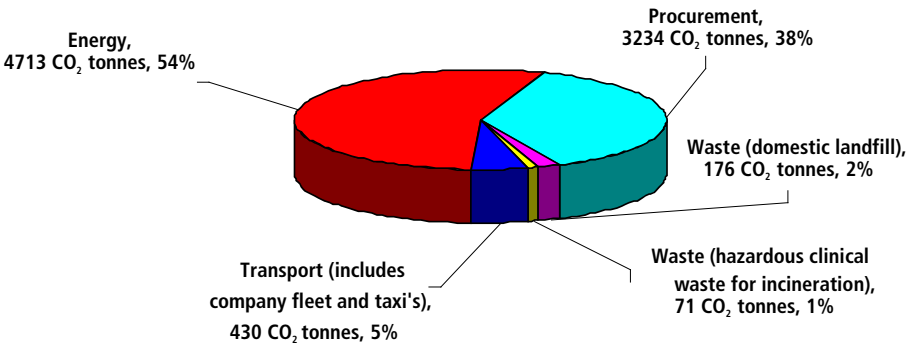
To support this commitment the Trust will ensure all managers with strategic and operational responsibility for environmental guardianship have access to up to date legislation, energy consumption information, and guidance on all issues relating to the environment and sustainability. In addressing these issues we will work with external key stakeholders including suppliers, contractors, and government bodies which promote sound environmental strategies such as The Carbon Trust, CarbonAqua and the Energy Saving Trust to ensure a well rounded approach is taken, and new technical developments are implemented where practical.

The Environment and Sustainability Policy. In 2008/09 the Trust undertook a piece of work to define its carbon footprint, which showed the biggest contributor to be our energy consumption.

Table 3B – Our carbon footprint



The Trust is committed to reducing its carbon footprint and has set out a number of targets in the Environmental and Sustainability Policy. These include:

- **Reduce energy consumption of gas and electricity by 15% from 2000 and 2010, and work towards a 10% carbon reduction by 2015 (based on 2007 levels).**
- **Development of a Travel Plan by 2010.**
- **Ensure 5% of our supply of gas and electricity comes from sustainable resources by the end of 2014.**
- **Reduce water consumption by 5% by 2011.**
- **Reduce volumes of clinical waste for incineration by 25% annually from 2012 and reduce non-clinical waste volumes through recycling initiatives 5% annually from 2009**

To ensure we achieve these objectives the Trust has appointed an Environmental and Waste Manager and has set up an Environmental Strategy Group. The Trust will also focus on 5 key projects to reduce our energy and water consumption. To help fund these projects the Trust has secured £35,400 funding from Carbon Action Yorkshire.

The Carbon Management Plan. The Carbon Management Plan focuses on 5 key areas, these are:

- **New boiler controls which will measure temperatures of the boilers and control when the boilers switch on and off.**
- **Conversion of the existing low frequency lighting to high frequency lighting with an energy savings of around 50%.**
- **Having a better understanding of what is being used, as it is being used providing a useful internal management tool to assist with compliance with legislation.**
- **Restrict the flow of water where it is currently above the recommended flow rate of 6 litres per minute.**
- **Monitor and adjust the speed of those motors that are operating at less than full power helping to reduce heat output and reducing their maintenance.**

The five areas above will allow us to reduce the cost of our energy spend by a quarter and

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reduce our overall consumption of carbon by 1035 CO_2 tonnes which is equal to 12% of our consumption.

We will be working with The Carbon Trust to identify ways to reduce our carbon footprint further and we have been accepted onto The Carbon Trust's 10 month Carbon Management Programme and are currently developing staff awareness campaigns and have commenced our environmental initiatives by appointing over 120 Environmental Champions who will champion best practice throughout the Trust's estate.

The Leeds Climate Charter. We have signed the Leeds Climate Charter along with over 100 other businesses in Leeds from both the private and public sector. We have thereby made a commitment to reduce our carbon footprint and to continue to focus on business improvements which support our low carbon ethos.

3.8 The NHS Foundation Trust Code of Governance

The Board of Directors recognises the importance of the principles of good corporate governance and is committed to improving the standards of corporate governance. In September 2006 Monitor, the independent regulator of Foundation Trusts, published the NHS Foundation Trust Code of Governance which can be viewed on Monitor's website. The purpose of the Code is to assist NHS Foundation Trust Boards to improve their governance practices by bringing together the best practices of the public and private sectors.

3.8.1 Application of the main and supporting principles of the Code of Governance

The NHS Foundation Trust Code of Governance is implemented through a number of key governance documents, policies and procedures including:

- **The Constitution which incorporates the Standing Orders for the Board of Directors and Board of Governors**
- **Standing Financial Instructions**
- **Reservation of Powers to the Board of Directors**
- **Schedule of Decisions/Duties Delegated by the Board of Directors**
- **The Statement on Internal Control**
- **Codes of Conduct and Standards of Business Conduct**
- **The Annual Plan and the Annual Report**
- **Terms of Reference for the sub-committees of the Board of Directors**

3.8.2 Compliance with the Provisions of the Code of Governance

The Board of Directors considers that, except where mentioned below throughout 2008/09 the Trust has met the requirements of the Code of Governance. Non-compliance, or limited compliance is reported below.

Code Provision C.2.1: - *"Re-appointment (of the Chief Executive) by the Non-Executive Directors followed by re-approval by the Board of Governors thereafter should be made at intervals of no more than five years. All other Executive Directors should be appointed by a committee of the Chief Executive, the Chairman and Non-Executive Directors and subject to re-appointment at intervals of no more than five years".* The process of appointing the Chief Executive and Executive Directors is in full compliance with the requirements of the Code of Governance, however, the Chief Executive and Executive Directors are employed on permanent contracts (except for the current Director of HR who is employed on a temporary contract) as this provides continuity for the organisation and there are no plans to move away from this.

Code Provision C.2.3: - *"The names of Governors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to `enable members to make an informed decision on their election. This should include prior performance information such as attendance record at Governor meetings and other relevant events organised by the NHS Foundation Trust for Governors".* The Trust agrees that the attendance record at formal meetings of the Board of Governors is relevant and should be made available to voters when elected Governors stand for re-election. However the Trust does not believe that attendance at other events organised by the Trust for Governors is of the same status. In the interests of recruiting a diverse and representative Board of Governors the Trust recognises that elected members will come from a wide variety of backgrounds and will be able to devote different amounts of time to the role in addition to the minimum requirement to attend formal meetings.

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Code Provision D.2.1: - *"The Chairman with the assistance of the secretary of the boards if applicable should use the performance evaluations as the basis for determining individual and collective professional development programmes for directors relevant to their duty as board members".* The Chairman of the Trust is not solely responsible for determining the individual and collective professional development programmes for Directors. The Board of Governors agree the method of appraisal for both the members of the Board of Directors and the Board of Governors. The Chairman of the Trust determines the development programme for Non-Executive Directors and the Chief Executive determines the development programme for Executive Directors. There is also an annual process of evaluation which is undertaken by the Board as a whole and from this come jointly agreed objectives, some of which may then roll forward into individuals' development plans.

Code Provision E.1.1: - *"Any performance-related elements of the remuneration of Executive Directors should be designed to align their interests with those of patients, service users and taxpayers and to give these Directors keen incentives to perform at the highest levels".* This Trust does not operate a system of performance related pay or bonuses.

Code Provision E.2.2: - *"The Remuneration Committee should have delegated responsibility for setting remuneration for all Executive Directors, including pension rights and any compensation payments. The Committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of 'senior management' for this purpose should be determined by the board but should normally include the first layer of management below Board level".* The Board has determined that the definition of 'senior management' should be limited to members of the Board of Directors only. All other staff remuneration is covered by the NHS Agenda for Change pay structure. In addition to this the Remuneration Committee does not agree the pension rights for Executive Directors. These are determined through the NHS pension scheme.

Code Provision G.1.6: - *"The Board of Directors should monitor how representative the NHS Foundation Trust's membership is and the level and effectiveness of member engagement. This information should be used to review the Trust's membership strategy, taking into account any emerging best practice from the sector".* This function is primarily carried out by the Board of Governors' Membership Committee and not the Board of Directors. However, the Board of Directors sets the direction for the Membership Strategy and this is communicated to the Board of Governors.

PDU team

Alan Walton - Physical Activity Therapist - Gym Service - Becklin Centre

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4.1 Patient Care

4.1.1 Principal Activities of the Trust

4.1.1.1 Adult Mental Health Directorate

Our Adult Mental Health directorate delivers services for people aged between 17 and 65 who have serious and complex mental health problems. We aim to provide high quality, safe, responsive and consistent specialist mental health services to the people of Leeds.

Key achievements during 2008/09

In the last year the main focus for improving the care and treatment we provide has been around building on the quality of the services that we give to service users, reducing the amount of time they have to wait to be seen by our services by becoming more efficient, and trying to make sure that all services users receive the same levels of service that meet agreed local and national standards.

Key developments include:

- Significant investment in our acute in-patient services allowing us to increase both the numbers of staff and their skills to provide safer and more therapeutic services.
- Developing a proposal to implement a new Healthy Living Team, incorporating the Gym Service to support the work to reduce physical health inequalities experienced by people who use our services.
- Cutting down the waiting time to access our Psychological Therapies services, by merging the psychology and psychotherapy services into a single service with just one point of access, thereby reducing the number of steps involved in accessing care and increasing the choice available to service users.
- Implementing a programme of risk assessment training for all clinical staff in the directorate to ensure they have the right skills to both assess the risk to service users and safely manage this.
- Moving services from Maple House at St Mary's Hospital to Millside in Meanwood to provide a more appropriate environment in which to deliver better quality care to service users.
- Taking on responsibility from NHS Leeds for managing the Out of Area Treatment budget and introducing a new team of clinical and administrative staff, ensuring service users spend as little time as possible away from Leeds and their family, friends and carers.

Key issues and risks for the future development of the Adult Mental Health Services directorate

In 2009/10 we will build upon our achievements and improve the experience of service users and carers in our services and care pathways by further removing any delays and steps that do not add value to clinical care and treatment. We will also reduce any variation between clinical teams to ensure that services are equitably provided across the City. Embedding systematic use of Integrated Care Pathways and clinical outcome measures in all services will ensure care is based on best available evidence. We will make the best use of available resources to ensure that we meet the clinical demand and need for each service.

To achieve this ambition the Adult Mental Health directorate will need to undertake a detailed review of the current provision of Community Mental Health Teams, Oak Day Hospital and COMPASS Team (Rehabilitation and Recovery Community Service). The directorate will finalise a proposal to implement a new model for the Community Care Pathway which will be more able to match resources to demand and reduce unnecessary clinical variation that currently leads to some inequity in service delivery. By embedding this service within the mainstream community mental health teams will also help to reduce stigma for those people with very complex mental health needs.

The directorate has been working in partnership with NHS Leeds, Volition and Adult Social Care to review access to housing and supported accommodation for service users within the acute inpatient service. The purpose of this work is to identify opportunities to significantly improve the process of securing accommodation and significantly reduce delayed discharges for those service users with housing needs. This project recognises the importance that having settled and appropriate housing has on longer term health and wellbeing outcomes.

4.1.1.2 Specialist Services Directorate

The Specialist Services directorate is a collection of 10 specialist services operating on a local, regional and national basis. The services respond to the requirements of multiple commissioners and are all managed by a partnership of professional managers and senior clinicians. During 2008/09 the directorate has focused on improving its physical care environments, Multi Disciplinary Team skill mix and service outcome measurement.

Key achievements during 2008/09 include:

- Improvements to the physical environment

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for the women's Forensic Service, ensuring that the environment meets privacy and dignity requirements and that women have additional dedicated space and an improved service model.

- The opening of the 'Enhancing the Healing Environment' suite providing a purpose designed environment to help mothers with mental health problems recover in therapeutic and relaxing surroundings.
- The introduction of naso-gastric feeding in the inpatient unit for eating disorders to reduce the number of service users who travel out of area for this treatment.
- The provision of a 24 hour mental health support to Accident & Emergency departments in Leeds with the recruitment of new staff to work the additional hours.
- "Diverse Pathways" in the personality disorder services being awarded accredited status by the Community of Communities, the governing body for practice standards across therapeutic community services, making it the first non-residential service in the country to achieve this status.
- The expansion of the Psychiatric Intensive Care Unit to a maximum of 12 beds to accommodate service users from out of area and reduce the number of Leeds service users who have to travel out of area for treatment
- The development, validation and delivery of a teaching course to support health care professionals working with people with mental health problems and a coexisting addiction.

Key issues and risks for the future development of the Specialist Services directorate

Due to the nature of specialist services the directorate has to monitor and stay ahead of developments in the private and public sector in order to be competitive and maintain/grow its market share. During this year there was a dip in eating disorders inpatients referrals in the Summer followed by a peak in the Winter. Peaks and troughs in demand lead to difficulties in the predictability of income into the directorate. Expansion of income generating services will allow better management of future peaks and troughs.

During 2008/09 changes in regional commissioning structures and commissioning intentions have brought some uncertainty to the future shape of the services especially within Forensic Services, Addictions and the Perinatal Service. While this could create a risk to the future of the services; with the correct business strategy it may also create opportunities for growing our market share and contracting with different commissioning groups. In order to maintain the directorate's strategy for growth we need to continue to explore new markets and funding opportunities. Due to the regional nature of specialist services the Trust needs to ensure that it remains engaged not only with local commissioners, but also with those from outside the region. Should the Trust not maintain such working relationships, or if it fails to understand the changing needs of all commissioners, this may adversely affect some specialist services.

During 2009/10 the directorate will continue to work on improving clinical outcome measures and care pathways. The focus on income generation and attracting a broader commissioning base will also be embedded further into the directorates' services. A strategy for non-medical prescribing will be considered in services supported by the Nursing directorate.

Each of the ten services has developed its own business plan for the coming years, some highlights from these listed in the next column

- **Development of a dual diagnosis services across the organisation with the support from NHS Leeds.**
- **Implementation of the new City-wide treatment services model with the centralisation of service provision**
- **Development of a Forensic Addictions Service**
- **Implementation of the Accident & Emergency expansion plan**
- **Enhancement of the community and day care provision provided within the Perinatal Service**
- **Expansion of service provision in the Personality Disorder network, including crisis care and day service provision with the aim of reducing inpatient bed days**
- **Enhancement of pharmacy services to outpatients and inpatient acute areas to improve medicines management**

4.1.1.3 Older People's Mental Health Services Directorate

The Older People's Service provides a range of community and inpatient services, which currently comprise:

- **Community Mental Health Teams**

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- **Day Treatment Services**
- **Memory Service**
- **Younger People with Dementia Services**
- **Community Rehabilitation Service**
- **Liaison Mental Health Service**
- **Inpatient services for people with dementia**
- **Inpatient services for people with an acute mental health need**

Key achievements during 2008/09 include:

- Engagement with a range of stakeholders on proposed changes to improve older people's mental health services leading to the development of a comprehensive strategy for Older People's Mental Health Services. This has been approved by the Board of Governors and the Board of Directors.
- The development of a range of new and improved service models involving a range of stakeholders to improve the range of community based services with admission to hospital only where necessary.
- The development of an improved service pathway for acute mental health inpatient services.
- The development of a service user, carer and public forum to improve public involvement in service improvements and developments
- Contributions to winning a number of national and local awards, including the Health and Social Care, Dignity in Care Award; and the Hilda Knowles' Award
- The development of transport assessments to ensure effective and appropriate transport provision for older people attending our service

Key issues and risks for the future development of Older People's Mental Health Services

Over the next year the main focus of Older People's Mental Health Services will be to:

- Formally engage with a wide range of stakeholders on the proposed new improvements to services, and following that engagement begin implementing the changes to the services.
- Improve the range and quality of information available to service users, carers and the pubic, through a range of media including the Trust website.

The key risk area for the coming year would be a delay in starting the formal engagement process. This would then delay the implementation of the service changes, which would impact on staff morale and require us to continue providing under used services resulting in more people requiring admission to hospital due to an inadequate range of community services.

Older people's services provided by the Trust will need to consider the potential risk from other service developments which could take over current service provision. These could be for example from the developing practice based commissioning consortia or voluntary and private sector provision. It is important that older people's services are efficient, effective and of such quality that they meet the mental health needs of older people in Leeds.

4.1.1.4 Learning Disability Services Directorate

The Learning Disability Services directorate provides specialist services for adults living in Leeds, who have a learning disability and additional complex health needs. Specialist services such as nursing, psychiatry, psychology and therapy services are delivered by staff trained in the speciality of learning disabilities.

The service receives referrals through a single point of access and operates on a three tiered service model. This system means that service users should receive the correct level and type of care in an appropriate manner.

The Learning Disability Services directorate also provides a Specialised Supported Living Service, which is made up of sixteen dedicated support teams enabling 94 adults with a learning disability and complex health and support needs to live in their own homes.

Key achievements during 2008/09 include:

- The refurbishment of the Continuing Treatment In-Patient Unit which has improved the care environment, to better meet the needs of service users
- Continued involvement of service users including:
  - The establishment of a Care Programme Approach (CPA) Focus Group to find out more about our service user's experience of CPA and to see how the process could be improved,
  - An evaluation of our Tier 1 and 2 Services, using our award winning Inclusive Consultation approach with an easy read report produced and used as part of our programme of service development,
  - A directorate development day to plan the direction of the service over the forthcoming year hosted by service users, following which action plans were presented back to service users, along with signed pledges, committing the directorate to meet these.

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- The development of a learning disabilities website based on the "easy on the ***i*** " accessible design system. The site will not only be an attempt to improve the way we communicate with service users, but it will also provide opportunities for service users to help design, choose, and even be, part of its content.
- The Intensive Interaction Project Lead working with the directorate Business Manager to develop and produce a staff induction pack for use within Trust services, with a view to marketing this to other providers both nationally and internationally
- Developing a bespoke Challenging Behaviour Training Package developed in order that it can be marketed to organisations external to the Trust.

Key issues and risks for the future development of the Learning Disability directorate

The Learning Disability Services directorate has continued to focus on the ongoing implementation of the Learning Disability Strategy, which has seen a radical change in the way the service has worked over the last year. This will be fully evaluated during 2009 and improvements made where necessary.

The launch of the Department of Health's 'Valuing People Now', presents us with new challenges to ensure that the directorate delivers an effective Specialist Learning Disability Service. However, with the recent publication of several national reports, all related to poor practice and service delivery for people with learning disabilities, it is imperative that the directorate continues to deliver effective specialist services.

It has to be acknowledged that we are working in an increasingly competitive health and social care economy; in order for the directorate to stay ahead of developments in the private and public sector, it is important that we develop the correct business and marketing strategy.

Whilst the role of the Business Development Manager will be key to this the Trust also needs to ensure it retains working relationships will all our commissioners to ensure we are meeting the changing needs of service users and carers.

4.1.2 Service User and Carer Experience

4.12.1 The Service User Survey

The National Service User Survey is used by the Healthcare Commission to benchmark the Trust's performance in terms of service user experience. It was carried out through a questionnaire sent to a random sample of 850 people on the Care Programme Approach database (excluding Learning Disabilities).

The following is a summary of overall results for the Trust from the Survey for 2008.

Scores we improved on since 2007:
Trust and confidence in the psychiatrist
Individual had a say about medication
Individual had a care plan
Individual had an out of hours number to call
Individual had enough say about decisions about their care

Scores we fell back from the previous year:
When the individual was last seen
Individual can contact their care co-ordinator with problems

In relation to other NHS Trusts we scored better in the areas of medication, care reviews and overall views and experiences of individuals using our services. The Trust scored the same as other Trusts in other areas covered by the National Service User Survey and none of the scores were worse than other Trusts. For more detailed information visit the Care Quality Commission website **www.cqc.org.uk**

Actions arising from the results of the survey have been drawn together in an overarching action plan which will be reviewed during the year through our Performance Group and performance managed through directorate performance reviews.

Here are a few of the actions identified by service directorates:

- The Adult directorate will be concentrating on improving the application of the Care Programme Approach for service users in the forthcoming year. Service users told us through the survey that we did not always make it clear who their care coordinator is and also that some service users do not have the chance to review their care plan as often as they should. We have undertaken a review and audit of our current practice and will be making the required changes to any information we give to service users to improve how we communicate this important aspect of their care with them. We will also be looking at training clinical staff receive to improve their knowledge and application of the Care Programme Approach. The survey did show that more service users found the contents of the care plans useful in 2008 than they did in 2007 which we need to continue to improve in 2009.

- The Older People's Service directorate will be improving the quality and availability of information for older people over the next year. Service users told us through the survey that they would like

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more information about available local support in the community. Work through the Memory Service has developed a comprehensive resource pack, enabling staff to provide information to service users and carers tailored to their individual needs. This is called an information prescription. Information about the services we provide for older people, the therapeutic and treatment options as well as information on service improvements will be made available in the form of leaflets and booklets. Information will also be available on Trust's Website.

- The survey reported that 59% of service users did not have any talking therapies. The Forensic Service has made positive efforts in responding to the demand for talking therapies as it operates with a significantly higher level of clinical psychologists to service user than the national average. The service recognises the role of psychological therapy has always been an essential component of clinical working within forensic mental health. The Forensic Psychological Service is currently undergoing a review with one of the intention of increasing the current level of face to face contacts. The Forensic Service continues to support the drive for therapy through the creative arts such as art therapy and is planning to introduce music and drama therapy.

The National Service User Survey will be carried out again on a voluntary basis in Spring 2009 with an increased sample of 2000 in order to increase the depth and breadth of responses from which to plan for improving services.

4.1.2.2 Public and Patient Involvement

The Trust has an Involving People Policy and Consultation Procedure that sets out principles, values and standards for involving people who use our services and their carers in line with the NHS Act 2006 and Real Involvement guidance.

The Involving People Council provides leadership for involvement across the Trust and reports to the Diversity and Social Inclusion Strategy Group. Each clinical directorate has a lead or leads for involvement. They report to the Involving People Council and are responsible for developing and leading involvement activity in their directorate. The Local Involvement Network is becoming established in Leeds and the Trust is building positive relationships with them to the extent that we will be participating in their launch event in June. The Trust is also represented on the City-wide Patient and Public Involvement Group as well an NHS Yorkshire & Humber network.

Volunteers at the Trust are a very valuable resource and enhance the daily routine of the service user adding to the quality of their stay at the Trust. They provide a wide range of dedicated services which include befriending on the wards or in the community, and assisting in walking groups. A new scheme has been developed this year at Malham House and The Becklin Centre. This is where a volunteer accompanies a service user to the Nail Salon. The salon provides manicures, hand massage and painting of nails, and has proved as very successful. The Trust would like to thank its volunteers for their time and dedication in carrying out their valuable role.

There were no formal consultations in 2007/8. Pre-engagement activity is currently taking place with regard to a number of proposed service changes in 2009/10. These include the Older People's Mental Health Strategy and the central treatment centre.

The Trust is also a member of the Health Proposals Working Group, which is a sub-committee of Health Scrutiny, which reviews all proposed significant and substantial service changes.

4.1.2.3 Patient Advice and Liaison Services (PALS)

The Patient Advice and Liaison Service is an important way in which the views of service users and carers can influence and develop services. It offers support to both mental health and learning disability services.

PALS is an accessible, confidential and free service that supports service users, carers, family members and staff who may have any concerns about Trust services. PALS is not an advocacy service nor a formal complaints service, and experience has shown that with an early intervention the need for issues escalating into a formal complaint can often be avoided. However, the PALS team do work alongside both advocacy and complaints and will make referrals to these services when appropriate. During the period 1 April 2008 to 31 March 2009 the team handled 406 cases, from across the whole of the organisation. These cases ranged from requests for information through to more complex issues around clinical care and communication.

People are encouraged to give feedback, good or bad, on how they feel the Trust provides services and the team capture and record the issues raised and feed these back into the organisation to influence development and improvement.

To contact PALS call our Freephone on 0800 0525 790
Email: PALS@leedspft.nhs.uk

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4.1.2.4 Dealing with Concerns – our Complaints Service

There are occasions when service users, their relatives, carers or advocates feel that it is necessary to make a formal complaint about the care and treatment they have received. The Trust is committed to ensuring that complaints are dealt with openly, promptly and fairly; and that people will not be treated adversely as a result of having made a complaint.

The Trust always fully investigates complaints in line with the NHS complaints regulations and aims to ensure that individual concerns are addressed and appropriate actions are implemented to learn lessons to improve services and to help to ensure there is not a reoccurrence of similar events in the future.

From 1 April 2008 to 31 March 2009, 78 formal complaints were received compared with 98 formal complaints received between 1 April 2007 and 31 March 2008. We aim to respond to all complaints within 25 working days to ensure we comply with NHS complaints regulations; during the financial year 98% were responded to within this timescale.

Examples of how services have been changed following the receipt and investigation of complaints are highlighted below.

- **The provision of a female only area in the courtyard at the Becklin Centre.**
- **Junior Doctors induction course now includes advice that family members should not be used as interpreters and details of how to contact interpreting services.**
- **All correspondence to service users, carers, advocates is to be marked " Private and Confidential".**

4.1.3 Operational Performance

4.1.3.1 Raising Awareness of Performance in the Trust

To promote and encourage ownership of the performance agenda the Trust has a Performance Group in place. This ensures an integrated approach to performance management as the group includes representatives from each service directorate and relevant corporate departments. The Performance Team are also represented at Trust-wide meetings to provide a clear understanding of performance and to ensure this remains a priority for staff throughout the Trust.

The Trusts Performance Framework includes a continuous cycle of internal corporate and service directorate performance reviews. To support the continuous development of the Trust's performance agenda the Performance Team works jointly with colleagues in service directorates and corporate departments to develop indicators and embed these performance measures in the review process.

For 2008/09 the Trust reviewed its internal processes for undertaking self-assessments of its performance against Care Quality Commission core standards. A full and thorough re-assessment of each of the 44 standards against which we have to self-declare was completed in conjunction with designated leads from corporate departments and service directorates.

Further information on our quality performance can be found in Section 9, including information on our achievements against Healthcare Commission core standards, and our registration with the Care Quality Commission.

4.1.3.2 Risk Management Standards

The Trust was assessed for its compliance against the Risk Management Standards (RMS) of the NSH Litigation Authority (NHSLA) on 25 and 26 March 2009. The result was that we were successful in achieving accreditation at Level 1 RMS, subject to making minor modifications to one procedural document.

4.1.3.3 'Scores on the Doors'

This is a national star-rating scheme which provides information about the standards of hygiene in all food businesses. The Trust continues to perform very highly and of the 14 sites assessed, 10 achieved a score of excellent and 4 achieved very good.

4.1.3.4 Data Quality

The Audit Commission have recently published a report "Figures you can Trust – A briefing on Data Quality in the NHS". This looks at the level of evidence and assurance about the quality of underlying data specifically within the NHS. The Trust has been included in the report for "undertaking regular information gaps and data quality assessments across all key service data and information; and reporting these assessments and action plan monitoring to the board" citing our current practices of providing Board assurance in respect of data quality in the case study. The programme of work undertaken to achieve this recognition has been ongoing for 2 years with the Information and IT departments working closely with directorates to ensure the provision of quality data.

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4.1.3.5 Mental Health Act Commissioners Annual Report

The Commission is responsible for visiting Trusts and safeguarding the interests of people detained under the Mental Health Act. The Commission produced its annual report noting the progress made in respect of previous inspections and making recommendations for further improvements, which the Trust will be addressing through an action plan.

Overall, the Commission found a generally high standard of care planning across the services and a high level of dedication and commitment amongst staff caring for detained patients. Many detained patients gave very positive accounts of the caring qualities of the ward staff and the important part played in their recovery of one to one interactions with individual staff members. The report also noted that commissioners had once again been well supported by Trust staff at all levels.

The Mental Health Act Commission was superseded by the Care Quality Commission on 1 April 2009, and the Commission's report on the Trust are available from the Care Quality Commission website **www.cqc.org.uk**

4.1.3.6 Auditors Local Evaluation

ALE is an Audit Commission process by which auditors assess how well NHS organisations manage and use their financial resources. This is done by evaluating the organisation against detailed assurances in respect of five key themes set by the Audit Commission.

Although the ALE assessment is not mandatory for Foundation Trusts the Board of Directors decided to gather assurance regarding stewardship of resources and so decided to continue with the ALE process internally and use the Internal Audit Team to carry out the evaluation.

The assessment was completed and the Trust's overall ALE score was confirmed as level 3 for 2007/08, which is defined as 'consistently above minimum requirements – performing well'.

In respect of 2008/09, Internal Audit will again perform the ALE process for the Trust and expects to publish a final score in the Autumn of 2009.

4.1.3.7 Confidentiality of information

This Trust is committed to ensuring that all information for which it has responsibility is kept safely and is used appropriately by individuals authorised to have access to such information. We take incidents very seriously and these are investigated fully so we can learn lessons and take action to prevent similar incidents occurring.

Monitor reportable incidents

In line with reporting requirements the Board of Directors is satisfied that an analysis of our Information Governance incident reporting records, for the period covered by this report, contains no incidents which have either a volume or severity that would class them as a Serious Untoward incident.

Other data related incidents

Table 4A – Summary of Other Personal Data Related Incidents in 2008/09

Category	Nature of Incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	0
V	Other	3

4.2 Stakeholder Relations

This Trust contributes to partnership working through a range of City-wide groups and processes. We are a member of the Leeds Strategic Partnership, represented on the Healthy Leeds Partnership, the Compact Implementation group and the Leeds Arts Partnership. The Trust also contributes to a number of specific work-streams to ensure we effectively contribute to the development and improvement of health outcomes for people who use our services and we are represented on a group led by NHS Leeds overseeing the development of City-wide mental health needs assessment.

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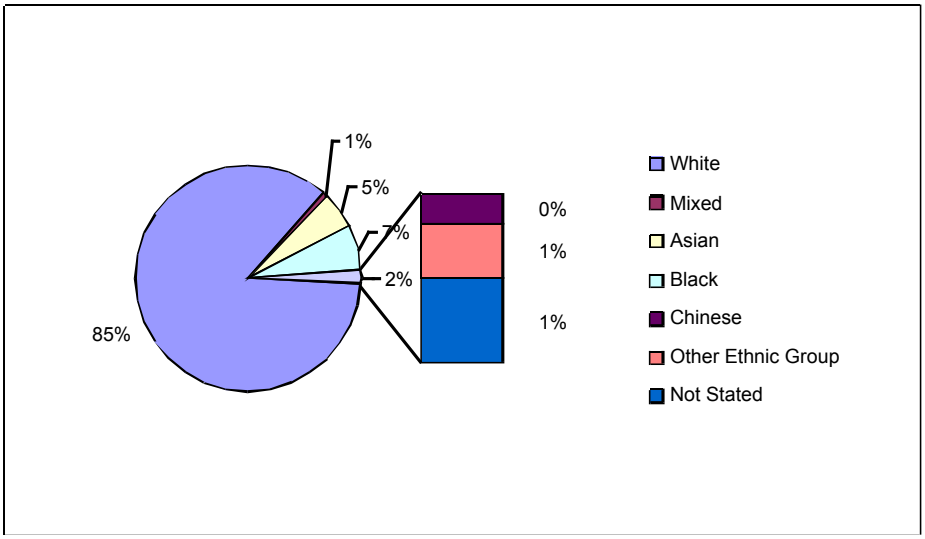
The Trust is represented on a range of local and regional networking groups such as the City-wide Patient and Public Involvement group as well as NHS Yorkshire & Humber PPI network. We have a formal partnership agreement in place with Volition, Older People's Forum and the Learning Disability Forum as well as Adult Social Care, and regular meetings to review partnership working. We have brokered partnerships with a diverse range of mainstream providers (for example, Supporting People and Park Lane College) and have set specific Key Performance Indicators for partnership working to enable the Trust to measure the implementation of the Trust's Recovery and Social Inclusion Strategy.

4.3 Equality and Diversity

Leeds Partnerships NHS Foundation Trust is fully committed to diversity and equality both for our staff and for our service users. The table below shows the ethnic profile of our staff as at the end of March 2009.

Table 4B – Ethnic Profile of Trust Staff at 31 March 2009



Our "Single Equality Scheme 2007-20010" sets out our vision for the Trust to be recognised as an organisation which values the diversity of its staff and service users and takes action to challenge intolerance and discriminatory behaviours. It details our strategic aims and arrangements that meet the general duties set out in equality legislation and our moral and ethical obligations.

The Trust is one of six sites in Yorkshire and the Humber participating in the Pacesetters Programme. This has been developed by the Department of Health to support the NHS to respond to health inequalities suffered by particular groups and communities.

Over the last year projects focusing on reducing health inequalities for our service users have been undertaken. These have focused on equality issues in the areas of gender, race, disability and sexual orientation. Further projects focusing on our workforce are currently being undertaken which include improving the use of workforce data and tackling under-representation within the workforce.

In addition we have been pro-active in developing and implementing a City-wide approach to "Delivering Race Equality in Mental Health Care" 2005 (DRE). This is a government five year action plan for achieving equality and tackling discrimination in mental health services for people from black and minority ethnic communities. The focus of the action plan is on three priority areas; more appropriate and responsive services, community engagement, and better information.

The national "Count Me In" census contributes to this work and the Trust participated for the third year in the census. This has enabled us to have a comprehensive dataset, profiling our inpatient service user population and to analyse trends and patterns and develop action plans where inequalities have been identified.

Equality Impact Assessments are undertaken on policies, procedures and service changes within the Trust. These are published on our website. This process examines the impact for black and minority ethnic groups and other aspects of equality including gender, disability, age, religion and belief, and sexual orientation to assess potential adverse impact or adverse outcomes. Where potential adverse impact is identified action plans are implemented to reduce this.

4.4 Research and Development

4.4.1 The West Yorkshire Mental Health Research & Development Consortium

Research and Development activity is supported through membership of the West Yorkshire Mental Health R&D Consortium. Other Consortium members include local NHS mental health organisations and universities.

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For 2008/09 the implementation of the Department of Health strategy "Best Research for Best Health 2005" has been the main focus of the Consortium's work. It has also been a priority to ensure that all current projects adopted by the National Institute for Health Research are fully recorded on their database as future funding streams will be based on this data.

4.4.2 Research & Development Project Activity

During 2008/09 the R&D Department has supported activity in 55 research and service evaluation projects across the Trust.

Studies adopted onto the National Institute for Health Research portfolio are of high quality, and have the potential to deliver significant outcomes for the NHS. They are led by teams recognised as highly competent in their fields, and are funded from national sources, through a process of competitive bidding. This confers recognition onto participating organisations for the high standard of their work and attracts support costs to further the progress of such work. For the year 2008/09 the Trust had 9 such studies open, with a further 1 awaiting organisational approval. This represents a significant increase in portfolio activity within the Trust.

During 2008/09 a number of projects were completed with the following direct impact for the Trust:

- Developing and implementing a framework and techniques for embedding learning about service user safety risks in adult mental health practice. Focus groups provided insight into the factors that can lead to unsafe acts; and the active engagement of staff teams has helped to embed learning and promote action for learning from incident reporting.
- "Understanding the barriers and facilitators of effective implementation of self-care in Mental Health Trusts" allowed service users to identify themes that act as either barriers or facilitators for mental health Trusts as they support self-care. Local feedback conferences in West Yorkshire, London and Hampshire aimed to validate these findings and allow stakeholders to discuss important issues which will frame the next stage of the analysis. Identified themes included the quality of the self-care projects themselves, the role of Trust staff in supporting these activities, and the formation and maintenance of links with the Trust and other providers' services.

4.4.3 Service User and Carer Activities

This year has seen the further development of the roles of the Service User and Carer Research Assistants, who in September led a second successful research workshop for service users and carers in Leeds, attracting participants from across West Yorkshire.

The Research in Action, research skills training course, completed its first cohort of teaching in April leading to increased involvement in Trust project peer review and project activity from its graduates.

A number of service user led projects have been undertaken including the compilation of service users' activities which play a part in their recovery, and work evaluating the effectiveness of service user inclusion in the training of staff through participation in the Assessment & Learning in Practice Settings (ALPS) project.

In November the Consortium was shortlisted for the national 'Involvement to Impact' awards, in the mental health category. The focus of the Involvement to Impact Awards is to demonstrate how staff and organisations have worked with patients and the public and how this involvement has impacted on health and social care service planning, design and evaluation. A poster was submitted for presentation at the awards conference and attended by one of the Research Assistants.

The 2008 Annual Consortium Conference, held at Bradford University, also had a service user and carer focus. This was a successful full day event, attracting 70 delegates from across the Consortium. Speakers from the Mental Health Research Network, and the service user and carer organisation, INVOLVE, provided the keynote addresses and there were a number of successful workshops including; inclusion of learning disability service users in R&D activity, the application of self-care in recovery, and an overview of service user led research across the Consortium.

4.5 Mental Health Act Managers

Mental Health Act Managers are members of the public, who have been appointed by the Trust, together with a number of Non-Executive Directors who act in this role. Their key responsibilities are to review and hear appeals from patients who are either detained under the Mental Health Act or who have been placed on Community Treatment Orders (CTO), and to discharge those patients who no longer meet the criteria to be detained or be subject to Supervised Community Treatment as a result of a CTO.

An additional focus for the Mental Health Act Managers this year has been to prepare for the introduction of the revisions to the Mental Health Act 1983, which came into force from 3 November 2008. In the lead up to the changes the Mental Health Act Managers have attended training sessions about the key changes that affect their role.

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As well as holding appeals, Mental Health Act Managers make periodic informal visits to wards and units throughout the Trust. Service users, detained under the Act, can discuss with the Managers any non-clinical issues they may have concerns about such as social and environmental care and well-being.

The Trust is very appreciative of the time and commitment the Mental Health Act Managers and the Non-Executive Directors have given this year, particularly during a time when there has been major change in mental health law. As a result, the Trust once again wishes to place on record its thanks to the Mental Health Act Managers for the dedication and skill they apply when undertaking this vital role.

Mental Health Act Managers for the period 1 April 2008 to 31 March 2009

Robert Seymour (Chair)	
Peter Gallant (Secretary to the MHA Managers)	
Enid Atkinson	Peter Coltman
Kathleen Fenwick	John Fothergill
Roger Helm	Nancy Hill
Brian Kemp	Kate Kershaw
Jenny Roper	Angela Senior
Linda Shaffner	Savi Tyndale-Biscoe
Pat Varley	Gordon Wilson

4.6 Other Developments within the Trust

4.6.1 Workforce developments

During the year there have been a number of important achievements in respect of our workforce, these include:

- Achieving a listing in the Health Service Journal/Nursing Times NHS 100, reflecting the top 100 Healthcare employing organisations.
- Developing a Nursing Strategy to offer a vision for mental health and learning disability nursing within Leeds for the next 2-3 years. The implementation of the strategy is supported by a progressive nursing structure with a Lead Nurse in each of the four service directorates complemented by Trust-wide Nurse Reference Group.
- Developing a bespoke competence-based recruitment selection tool called 'Talent Screening' for learning disability staff.
- Being an accredited centre for the delivery of the Institute of Leadership & Management (ILM) programmes. These programmes are marketed beyond the Trust to partner agencies in the Leeds health economy.
- Restructuring the Development Team to provide greater economies of scale, sharing of skills and consultancy services to the business.
- Creating a suite of e-learning solutions for organisational development needs sharing these with the NHS Yorkshire and the Humber.
- Increasing the number of policies and procedures that have been equality impact assessed ensuring that equality of opportunity, eliminating discrimination and promoting good relations between people from different groups are central to our services.

Further information about the Trust's workforce can be found in Section 3.5.

4.6.2 System Developments

The Trust has also undertaken a number of system developments which include:

- Successfully completing a project to replace the Trust's existing Patient Administration System with a new Care Records System known as "Paris". The system has been deployed on a phased basis between July and November 2008 across all directorates and work is underway to complete deployment in specialist areas, and to expand clinical usage of the system to support delivery of care.
- Migration from an in-house system to a fully integrated module within "Paris" supporting the administration of the new statutory requirements of the Mental Health Act.
- Completing the expansion and upgrade of the Trust's IT network infrastructure to support the Trust's future IT and business requirements.

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- A back-up data centre at the Becklin Centre providing contingency and disaster recovery facilities in the event of loss of the main data centre at St. Mary's House.
- Further developments in the Electronic Staff Record system (ESR) meaning that managers can now record appraisals on line.
- The implementation of a new junior doctors' monitoring system, which means that electronic returns can be sent direct to the deanery.
- Directly linking the Electronic Staff Records system into the General Medical Council's database, so automatic registration updates can take place.

4.7 Financial Performance

4.7.1 Summary

The year ended 31 March 2009 was the first full year of operation as a Foundation Trust and the overall performance of the Trust continued to be strong. Whilst the surplus was £1.2m compared with a plan of £2.5m this was after taking account of non-recurrent exceptional items at a cost of around £1.5m.

Table 4C

	Metrics		Rating	
	Plan	Actual	Plan	Actual
Achievement of plan: EBITDA	100%	95.5%	5	4
Underlying Performance: EBITDA margin	3.3%	3.0%	2	2
Financial efficiency: Return on assets	6.7%	7.3%	5	5
Financial efficiency: Surplus margin	2.2%	1.4%	4	3
Liquidity	51 days	58 days	5	5
Overall rating			3	3

The EBITDA margin attracts the largest weighting. It derives from the operating income and expenses (net earnings) before accounting for interest, taxation, depreciation or amortisation. It shows how the Trust is able to generate cash through normal activities, thereby allowing it to invest in services and meet financial obligations as a going concern.

The overall financial health of the Trust is assessed by Monitor, through a number of risk ratings. A risk rating of 3 provides Monitor with assurance that a Foundation Trust is in good financial health. This Trust is currently assessed as '3' by Monitor, in line with the 2008/09 plan.

St.Mary's Hospital

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Table 4D

	Plan £ million	Actual £ million	Variance from Plan £ million
Income			
Clinical income	107.8	107.4	-0.4
Non-clinical income	6.2	11.7	5.5
Total income	114.0	119.1	5.1
Expenses			
Pay costs	-84.4	-86.9	-2.5
Drug costs	-2.4	-2.1	0.3
Other non-pay costs	-23.5	-26.5	-3.0
Total expenses	-110.3	-115.5	-5.2
EBITDA	**3.7**	**3.6**	**-0.1**
Profit/Loss on asset disposal	0.4	-0.2	-0.6
Interest received	1.2	1.0	-0.2
Depreciation	-1.6	-1.5	0.10
Dividend payable	-1.2	-1.2	0.1
Impairments	0	-0.5	-0.5
Net surplus	**2.5**	**1.2**	**1.3**

Clinical income was slightly lower than plan due to a reduction in cost per case specialist income for services including forensics and eating disorders.

Non-clinical income was higher than plan for a number of reasons. The Trust had to make some accounting changes in respect of recharges which amounted to £1.7m, there was additional income for corporate services of £1.0m, further income for the Northern School for Child & Adolescent Psychiatry of £1.3m and a sum of £0.7m was received from the Accent Group in respect of the PFI contract.

Pay costs were broadly on plan apart from additional items including the effect of having to make accounting changes (£1.2m), costs in respect of the Northern School for Child & Adolescent Psychiatry (£0.8m) and Care Pathways & Packages costs (£0.3m).

Non-pay costs were higher than plan, the most significant items being in respect of Accent Group (£0.5m), the Northern School for Child & Adolescent Psychiatry (£0.5m) and corporate services (£0.8m).

Table 4E

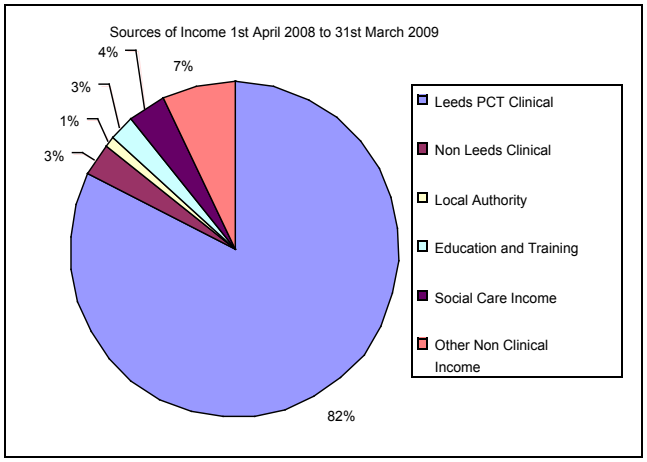
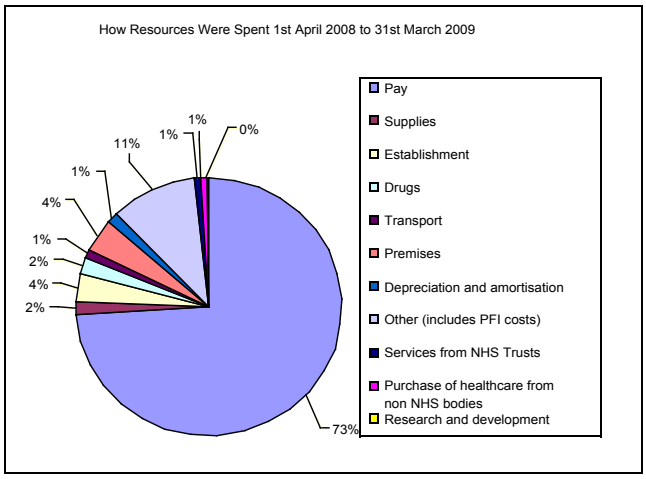


Table 4F



These graphs show the source and application of money received during 2008/09. The Trust contracted with Leeds PCT for 82% of its income but also had contracts with other PCTs, the Yorkshire and the Humber Strategic Health Authority and the Local Authority for the provision of clinical and education training services.

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4.7.2 Asset Revaluations

Table 4G

	Revaluation Reserve Prior Year Adjustment £ million	Income & Expenditure Prior Year Adjustment £ million	Total Prior Year Adjustment £ million	Revaluation Reserve 2008/09 £ million	Income & Expenditure 2008/09 £ million	Total Income & Expenditure 2008/09 £ million
St Mary's Hospital	12.3	0.4	12.7			
Aire Court	1.4		1.4			
Malham House				0.6		0.6
Springfield Mount				0.2	0.2	0.4
St Mary's House				0.3		0.3
All other				0.5	0.2	0.7
Total	13.7	0.4	14.1	1.6	0.4	2.0

A revaluation of all land and buildings took place which resulted in an expenditure charge in 2008/09 of £0.4m and a prior year adjustment of £14.1m. Going forward, this will have the impact of reducing both depreciation and dividends payable by a total of £0.7m.

The revaluations were done in 2 ways. Specialist assets including St Mary's Hospital and Aire Court were based on a Modern Equivalent Value, which assumes the most efficient space utilisation in a modern building and also considers cost effective location. Given the nature and age of these sites, particularly St Mary's Hospital, this resulted in a significant reduction in valuation. Because this was a change in accounting policy, a prior year adjustment for a large proportion of the reduction in revaluation was made back to the date of Foundation Trust authorisation, 1 August 2007.

Non-specialist assets, are those which more easily lend themselves to alternative use, and have been valued at existing use.

4.7.3 Cash releasing efficiency savings

Cash releasing efficiency savings (CRES) can be defined as plans which achieve an actual reduction in costs or increase in income. In 2008/09 there was a plan to make £5.3m CRES, of this plan £4.9m was delivered. The majority of CRES schemes were based on cost reductions and were mostly achieved. The most significant area where plans were not fully achieved was in respect of income from invested money this was due to the collapse in interest rates during the accounting period which meant the Trust received a lower amount of interest than expected, these new lower rates of return will be taken into account for plans for 2009/10 onwards.

4.7.4 Other Significant Non-Recurrent Items 2008/09

The underlying position of the Trust was in fact much stronger than the level of surplus suggests. In 2008/09 a provision was created in the sum of £1.4m to meet potential pay and legal costs related to revised Agenda for Change terms and conditions and equal pay claims.

We had also hoped to gain a profit from the sale of land and buildings of around £0.5m. However, due to the economic slowdown a number of assets were not in fact sold and Crooked Acres was sold at a 'book' loss.

4.7.5 Investments in Quality 2008/09

As a result of the increasing number of very ill service users requiring more nursing supervision at the Becklin Centre, funding was made available to increase staffing ratios on the acute adult service wards. This increased staffing numbers to an average of 5 staff during the two daytime shifts and 4 staff at night. Additional funds were also set aside to enhance pharmacy services. The annual cost of these initiatives is £1.1m.

In addition, further revenue funds of £0.3m were made available to services and to improve the estate, as well as significantly increasing the size of the capital programme. Further investments were made in support of the implementation of the Mental Health Act and the social enterprise café at the Becklin Centre.

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4.7.6 The Balance Sheet

Table 4H

	Plan £ million	Actual £ million	Variance from Plan £ million
Fixed assets	**45.3**	**31.1**	**-14.2**
Current Assets			
Cash	12.8	16.5	3.7
Debtors / prepayments / stocks	4.7	3.8	-0.9
Total Current Assets	**17.5**	**20.3**	**2.8**
Current Liabilities			
Creditors	-5.8	-5.8	0.0
Accruals	-2.5	-3.8	-1.3
Deferred Income	-0.1	-3.1	-3.0
Total Current Liabilities	**-8.4**	**-12.7**	**-4.3**
Net Current Assets	**9.1**	**7.6**	**-1.5**
Long Term Debtors	3.6	3.7	0.1
Total Assets Less Current Liabilities	**58.0**	**42.4**	**-15.6**
Provisions	-1.5	-2.9	-1.4
Total Assets Employed	**56.5**	**39.5**	**-17.0**
Taxpayers' Equity			
Public Dividend Capital	19.5	**19.5**	**0**
Income & Expenditure Reserve	14.0	**12.6**	**-1.4**
Revaluation reserve	23.6	**8.0**	**-15.6**
Other Reserves	-0.6	**-0.6**	**0**
	56.5	**39.5**	**-17.0**
Total Taxpayers' Equity / Funds Employed			

The Board of Directors report that there were no post balance sheet events, which is stated at Note 20 to the Annual Accounts (see Section 10).

As previously stated the value of fixed assets has reduced significantly. This was in the main due to the conversion to Modern Equivalent Value of the St Mary's Hospital site. Whilst a small proportion was charged as expenditure in 2008/09 the majority was charged to the Revaluation Reserve.

Cash was ahead of plan at 31 March 2009, due in part to a receipt of £2.5m as a result of the sale of a number of Private Finance Initiative sites from Accent Group Ltd to Equitix Ltd in February 2009. This will provide funds for the Trust to invest in these buildings and in particular to improve temperature control. The sites affected by the sale are Becklin Centre, Newsam Centre, The Mount, Asket House, Asket Croft, Parkside Lodge, and Little Woodhouse Hall.

The Newsam Centre

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4.7.7 Loans and Working Capital

Table 4I

	Plan £ million	Actual £ million	Variance from Plan £ million
Cash & investments	12.8	16.5	3.7
Facility	8.5	8.5	0.0
Days (number of days liquidity)	**56**	**58**	**2**

As a Foundation trust, greater emphasis is placed on the management of working capital, ie the money and assets that an organisation can call upon to finance its day-to-day operations. Trusts have to be able to meet commitments in the short term without necessarily relying on receiving any extra income.

Building up cash reserves allows the Trust to develop new services, invest in the estate without the need for borrowing. The above table shows that the Trust has sufficient liquidity to meet its commitments.

As a result of a change in the rules regarding public dividend capital, the previous practice of maintaining funds in either the National Loans Fund and / or U.K. commercial clearing banks ended. Therefore, whilst £10m was deposited with the National Loans Fund at 31 March 2008, all cash funds were deposited with the Office of the Paymaster General as at 31 March 2009. It should be noted that during the year, surplus funds are deposited temporarily in low risk deposit accounts with either U.K. commercial clearing banks or the National Loans Fund in line with the Trust's Treasury Management Policy.

4.7.8 Exposure of the Trust to Financial Risks

Price risk - The Trust has relatively low exposure to price risk this is for three main reasons. Firstly salary costs are the single biggest component of cost. The multi-year pay deal agreed for the majority of staff last up to 2010/11 has already been factored into financial plans. Secondly, income assumptions are set out each year through the NHS Operating Framework. Assumptions made going forward regarding inflationary changes have been assumed to be extremely low in the future. Finally, most income by value is on a 'block' basis rather than 'pay as you go' and it is unlikely, for the significant part of the Trust's income stream that this will change before the year 2011/12.

Credit risk - This is minimal as the majority of the customers of the Trust are public sector organisations and in particular are NHS entities.

Liquidity risk - Liquidity risk is felt to be low. This is because operating costs are incurred primarily through legally binding contracts for services provided to Primary Care Trusts, which in turn are financed from money received from Parliament. Assumptions about future capital income have been revised to take into account the new market conditions. It is now assumed that there will be no asset sales for the foreseeable future other than the Wilson's Arms site. The capital programme will be funded through a combination of future depreciation and existing cash resources.

Cash flow risk - The main sources of income and expenditure are extremely predictable. The Trust is forecast to retain significant cash and other liquidity resources for the foreseeable future. Cash flow risk is therefore felt to be low due to the adequate level of cash reserves; the Trust has decided not to renew the working capital facility of £8.5m in place with Lloyds TSB until 31 July 2009.

4.7.9 Disclosure for the Payment of Creditors

The Trust adopts the Better Payment Practice Code, which requires payment of all undisputed invoices by the due date or within 30 days of receipt of goods. Further information can be found in Note 7 of the annual accounts (see Section 10).

4.7.10 Outlook for the Future

After years of steady growth, the financial outlook for the NHS is one of much lower growth. Plans for 2009/10 are built on firm assumptions, as contracts for income have been agreed and a very prudent view of future finances beyond 2009/10 has been taken. After 2010/11, future growth monies are assumed to be solely linked to improvements in quality, requiring investment in line with the additional resources potentially to be made available.

Reliance on discretionary budgets is low, the main areas affected being Older People's Services (Partnerships for Older People's Projects) at around £700,000. Should a decision be made by NHS Leeds not to renew this funding, then expenditure will be immediately halted with minimal financial risk. The other area relates to the Research Consortium, a collaborative venture with South West Yorkshire Mental Health NHS Trust and Bradford NHS Care Trust. Should either party withdraw from this arrangement, the Trust will consider its own position but will only be exposed to minimal financial risk.

The Trust anticipates moving from mainly

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block-based income to more cost-per-case contracts by 2011/12. Based on current projections of demand and taking account of the NHS Leeds strategic plan, no significant reductions in income are forecast. Income growth assumptions in 2011/12 will require investment and should they become doubtful, investment will be curtailed accordingly.

Accounting policies for pensions and other retirement benefits are set out in note 1.14 to the annual accounts, and details of senior employees' remuneration can be found in the Remuneration Report (see Section 8).

4.8 Estates Strategy

The Trust's estate comprises owned and leased premises and PFI buildings. The PFI premises are under 10 years old and were designed to modern legislative requirements and standards. Equitix, our new PFI provider, provides all the facilities' services under an agreed performance framework. The major advantage of this is that our PFI partner is contractually bound to maintain the services and premises to agreed standards over the life of the contract. However, we work closely with our PFI provider to make sure they deliver high quality services.

The Trust has a 5 year Estates and Capital Revenue Programme which is aligned to the Trust's business and service plans ensuring that the accommodation is fit for the provision of care services. This has been put in place to ensure premises are fit for purpose and provide an appropriate therapeutic and working environment for both service users and staff and to ensure assets deliver value for money.

A major effect upon the estate will be to meet the challenges imposed by the environmental targets such as carbon reduction plans, waste management legislation and recycling opportunities. The Trust has developed its plans and this covers all aspects of procurement and sustainability (further information about the Trust and the Environment can be found in Section 3.7).

Factors underpinning the Estates Strategy include:

- **The changing care provision reducing the overall need for acute inpatient beds and a move to providing services in more community settings.**
- **Keeping all properties in the estates portfolio under review to ensure they continue to meet all legislative and statutory requirements.**
- **Effective operational management of the estate linked via a rolling programme of maintenance and planned works to maintain the premises to acceptable standards.**
- **A managed disposal programme to dispose of those buildings which are declared surplus and for which the costs of repair would otherwise be incurred. These capital receipts can then be reinvested in provision of healthcare services.**

During 2008/09 the Trust undertook Fire Risk Assessments of all its premises in accordance with the Regulatory Reform Order (Fire). The programme for action/rectification works are now being concluded as part of the Capital Programme. With regard to the DDA independent reviews extensive works and improvements have been undertaken principally to the St Mary's Hospital and St Mary's House sites. These are now nearing completion. During 2009/10 the second phase of the DDA programme will be undertaken and this will deal with the outstanding Trust premises.

4.9 Health and Safety

The Trust is committed to ensuring the health, safety and welfare of its employees. We also fully accept our responsibility for others who may be affected by our work activities. Health and safety will be managed proactively, on the basis of risk assessment, with the aim of minimising the potential for injury and ill health.

Union-appointed Safety Representatives have an important and valued role in representing the interests of all staff (including those who are not in a union), consulting with management and supporting the Trust's health and safety arrangements. Their rights as Safety Representatives are outlined in the 'Safety Representatives: Consultation with Employees Policy'. The Trust has a joint Staffside meeting which leads the Health and Safety agenda across the Trust. This is an executive level group.

The Trust recognises its responsibility to appoint competent people to provide specialist assistance in managing health and safety matters. These include members of the Risk Management Department, senior nurse for infection control and the Fire Officer. The Facilities Department has a special responsibility to ensure that health and safety

Operating and Financial Review

issues are fully considered in the design and maintenance of the Trust's premises.

Managers are responsible for providing a safe working environment and ensuring the health, safety and welfare of employees, patients, users and others within the services for which they have managerial control. Assessing what is 'reasonably practicable' will require managers to make balanced and pragmatic decisions, based on considerations of the level of risk against the cost and practicality of action necessary to reduce the risk. It is recognised that the Trust faces particular challenges in that the working environment of some staff is in the community.

4.10 Counter Fraud

In December 2008 the Trust and its in-house service received the results of the mandatory external assessment of its counter fraud arrangements. This was level 3 signifying "health body performing well". No other NHS body in the Region received a higher rating and only three other bodies received a level 3 assessment. The Local Counter Fraud Specialists (LCFSs) hope to improve on this score in 2009/10.

During the year, LCFSs continued to work with managers to develop procedures to reduce or eliminate the risk of losses to fraud at the Trust. LCFSs continued to develop a counter fraud culture at the Trust using presentations, e-mails to staff and articles in Trust magazines. The aim of this work is to educate and raise awareness among staff groups that fraud is an intolerable act against the NHS and to make all staff assist in reducing fraud to an absolute minimum.

The Mount

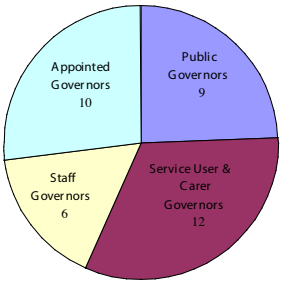
Tricia Thorpe - Service User Governor

Board of Governors

5.1 Composition of the Board of Governors

The Board of Governors is made up of 27 elected Governors and 10 appointed Governors. It is what gives the public a voice in helping to shape and influence the future of mental health and learning disability services in Leeds.

Table 5A – Number of Seats in each Governor Constituency



Three quarters of Governors are elected from the Trust's membership, which means that members (numbering 14,000 as at the 31 March 2009) have a say in the Trust's future.

Governors elected or appointed to the initial Board of Governors were allocated a term of office of either 2 years or 3 years. This allocation was done by drawing lots at the first meeting of the Board of Governors, and was carried out to ensure that all Governors did not come to the end of their term of office at the same time. However, any Governor subsequently elected or appointed to the Board of Governors will have a term of office of three years.

Elected Governors nominate themselves and are elected using a first past the post system of voting. Elections are carried out in accordance with the Trust's Constitution.

Appointed Governors are appointed by those organisations the Trust has identified as partner organisations (see table 5C). The organisation has the ability to nominate whomever it feels is appropriate to represent it on the Board of Governors.

Tables 5B & 5C list the Governors that have served on the Board of Governors during the period covered by this annual report.

Table 5B – Elected Governors

Name	Constituency	Term of Office	Date appointed from	Date Term of office ends
Joanna Blythe	Public: Leeds Non-resident	3 years	3.12.08	2.12.11
Rona Dailey	Public: Pudsey	3 years	3.12.08	2.12.11
Gina Greenley	Public: Central	3 years	3.12.08	2.12.11
Roger Harrington	Public: Leeds East	2 years	17.8.07	16.8.09
Alec Hudson	Public: Morley and Rothwell	2 years	17.8.07	16.8.09
Fiona Keighley	Public: Leeds North West	3 years	28.10.08	27.10.11
Andrew Marran	Public: Elmet	3 years	17.8.07	16.8.10
John Mason	Public: Leeds North East	3 years	17.4.08	16.4.11
David Smith *	Public: Leeds West	3 years	17.4.08	31.3.09
Ann Louise Butler	Service User: Leeds	2 years	17.8.07	16.8.09
Andy Parker	Service User: Leeds	2 years	17.8.07	16.8.09
Tricia Thorpe	Service User: Leeds	2 years	17.8.07	16.8.09
Linda Tingle	Service User: Leeds	3 years	17.8.07	16.8.10
Maria Trainer	Service User: Leeds	3 years	17.8.07	16.8.10
Andrew Bottomley	Carer: Leeds	3 years	17.4.08	17.4.11
Cheryl Grant	Carer: Leeds	3 years	17.8.07	16.8.10
Janette Howlett	Carer: Leeds	3 years	17.8.07	16.8.10
Margaret Orchard	Carer: Leeds	3 years	17.4.08	16.4.11
Jackie Worthington	Carer: Leeds	2 years	17.8.07	16.8.09
Ron Sweeney	Carer: Non-Leeds	3 years	17.8.07	16.8.10
Lawrence Atkins	Staff: Clinical	2 years	17.8.07	16.8.09
Chris Collins	Staff: Clinical	3 years	17.8.07	16.8.10
Vivien Deacon *	Staff: Clinical	2 years	17.8.07	14.1.09
Vince Hitchiner	Staff: Clinical	3 years	17.8.07	16.8.10
Pamela Morris	Staff: Non-Clinical	2 years	17.8.07	16.8.09
Dave Shelley	Staff: Non-Clinical	3 years	17.8.07	16.8.10

*Indicates those Governors that have resigned during 2008/09 before the end of their term of office

Board of Governors

Table 5C – Appointed Governors

Name	Constituency	Term of Office	Date appointed from	Date Term of office ends
Jill Copeland	NHS Leeds	2 years	17.8.07	16.8.09
Jan Egan	Leeds Older Peoples Forum Voluntary Sector Reference Group	3 years	18.1.08	17.1.11
Dawn Freshwater	University of Leeds	3 years	18.1.08	17.1.11
Tony Gadie *	Accent Group Ltd	3 years	17.8.07	13.2.09
Pip Goff	Volition	2 years	17.8.07	16.8.09
Peter Harrand	Leeds City Council	2 years	17.8.07	16.8.09
Richard Hogston	Leeds Metropolitan University	3 years	17.8.07	16.8.10
Mark Milsom	West Yorkshire Police	3 years	17.8.07	16.8.10
Philip Norman	Leeds Teaching Hospitals NHS Trust	2 years	17.8.07	16.8.09
Amanda Robinson	Leeds Local Medical Committee	2 years	17.8.07	16.8.09

*Indicates those Governors that have resigned during 2008/09 before the end of their term of office

5.2 Meetings of the Board of Governors

During 2008/09 the Board of Governors formally met four times. All Board of Governors' meetings are open to members of the Trust and members of the public. Notice of these meetings is published in the local newspaper and on our website **www.leedspft.nhs.uk.**

Table 5D below details the number of meetings attended by each Governor during 2008/09. This is shown out of a maximum of 4 meetings unless a Governor has either resigned from, or joined the Board of Governors part-way through the financial year.

Table 5D – Number of Meetings Attended by each Governor

Name	Appointed or Elected	Attendance	Name	Appointed or Elected	Attendance
Lawrence Atkins	E	3/4	Joanna Blythe *	E	1/1
Andrew Bottomley *	E	2/4	Anne Louise Butler	E	3/4
Chris Collins	E	3/4	Jill Copeland	A	1/4
Rona Dailey *	E	1/1	Vivien Deacon **	E	1/2
Jan Egan	A	2/4	Dawn Freshwater	A	2/4
Tony Gadie **	A	0/3	Gina Greenely *	E	1/1
Cheryl Grant	E	2/4	Pip Goff	A	3/4
Peter Harrand	A	4/4	Roger Harrington	E	3/4
Vince Hitchiner	E	2/4	Richard Hogston	A	4/4
Janette Howlett	E	3/4	Alec Hudson	E	3/4
Fiona Keighley *	E	1/2	Andrew Marran	E	4/4
John Mason *	E	4/4	Mark Milsom	A	1/4
Pamela Morris	E	4/4	Philip Norman	A	3/4
Margaret Orchard *	E	2/4	Andy Parker	E	4/4
Amanda Robinson	A	3/4	Dave Shelley	E	4/4
David Smith * **	E	2/4	Ron Sweeney	E	4/4
Tricia Thorpe	E	3/4	Linda Tingle	E	2/4
Maria Trainer	E	4/4	Jackie Worthington	E	4/4

* Indicates those Governors that were elected or appointed part way through 2008/09 and therefore may not have had the opportunity to attend all meetings.
** Indicates those Governors who resigned part way through 2008/09 and may not have had the opportunity to attend all meetings.

Board of Governors

5.3 The Constituencies

The Board of Governors is made up of three Constituencies to which Governors can be elected. These are Public, Service User & Carer, and Staff Constituencies.

The Public Constituency is divided into nine areas. There are eight areas which follow those defined for the purpose of local government elections within the Leeds metropolitan area, and one further Public Constituency for non-Leeds. There is one elected Governor seat from each of these nine areas.

The Service User and Carer Constituency is divided into 4 classes, Service User Leeds Resident, Service User Non-Leeds Resident, Carer Leeds Resident, and Carer Non-Leeds Resident. In the Service User and Carer Constituency there are a total of 12 seats; 6 Carer seats and 6 Service User seats.

The Staff Constituency is divided into 2 classes, Clinical Staff and Non-Clinical Staff. There are 4 Clinical Staff Governors and 2 Non-Clinical Staff Governors.

Further information about the Constituencies can be found in the Trust's Constitution which is on our website **www.leedspft.nhs.uk** or information about which Constituency you can join can be obtained from the Membership Office on Leeds 0113 3055900 or email **ftmembership@leedspft.nhs.uk**

5.4 Duties of the Board of Governors

A valuable part of being an FT is the Board of Governors. In addition to its primary duty of representing the views of the membership or, for appointed Governors, the organisation they are appointed by, there are a number of key statutory tasks the Board of Governors must carry out. These include:

- **Advising the Board of Directors on the Trust's strategic direction.**
- **Providing views to the Board of Directors on the Trust's forward planning.**
- **Representing the view of members of the Constituencies.**
- **Appointing or removing the Chairman of the Trust and the other Non-Executive Directors.**
- **Approving the appointment of the Chief Executive.**
- **Determining the remuneration, allowances and terms and conditions for the Chairman of the Trust and other Non-Executive Directors.**
- **Appointing or removing the Trust's external auditor.**
- **Being presented with the annual accounts, any report by the external auditor and the annual report.**
- **Ensuring the Board of Directors do not breach the Trust's Terms of Authorisation as set by Monitor.**

During 2008/09 the Trust has worked with the Board of Governors to develop its services and improve service user care. Some of the main areas of work undertaken by the Board of Governors during 2008/09 include:

- **Advising the Board of Directors on its proposed strategic priorities including:**
  - **Changes to the Older People's Mental Health Services**
  - **The Trust's strategy delivery programme.**
- **Receiving assurance that the Board of Directors is not in breach of the Terms of Authorisation.**
- **Preparing a comment for inclusion in the Annual Healthcheck Declaration.**
- **Re-appointing the Chairman of the Trust and advising on the process for appointing a new Chair of the Trust.**
- **Advising on the process for the appointment of a Non-Executive Director.**
- **Appointing the Deputy Chair of the Trust.**

5.5 Sub-Committees of the Board of Governors

The Board of Governors may not delegate any of its responsibilities; however, it can choose to carry out its duties either through individual Governors or through groups and committees. In the light of this the Board of Governors has appointed two sub-committees to focus on specific work streams. These Committees are the Appointments and Remuneration Committee and the Membership Committee. Both these Committees report formally to the Board of Governors.

Board of Governors

- **The Membership Committee**
  This Committee reviews and makes recommendations to the Board of Governors in respect of the development of the membership, progress against the membership strategy, and the election process.

- **The Appointments and Remuneration Committee**
  This Committee reviews and makes recommendations to the Board of Governors regarding appointments to vacant posts within the Non-Executive Director team, and also sets the level of remuneration made to members of the Non-Executive Team. Any recommendations made by the Appointments and Remuneration Committee must be formally ratified by the Board of Governors. Further information about this Committee can be found in the Remuneration Report in Section 8.

5.6 Elections

5.6.1 Elections in 2008/09

During 2008/09 Leeds Partnerships NHS Foundation Trust held two rounds of elections. The first commenced in Spring 2008. From this we elected to two vacant seats in the Public Constituency namely Leeds North East and Leeds West; and we also elected two Leeds Carer Governors.

Following this there still remained 5 vacant seats. To fill these seats the Trust held further elections in the Autumn of 2008 and from this we successfully recruited four more Governors to the public seats of Leeds Central, Leeds North West, Pudsey and Non-Leeds Resident.

5.6.2 Future Elections

After the Autumn 2008 elections one seat remained unfilled, that of Service User Non-Leeds. This along with the vacancy that has arisen with the resignation of Vivien Deacon, who is a Clinical Staff Governor and David Smith (Public Leeds West), will go forward into the next round of elections which will commence in Summer 2009.

The Summer 2009 elections will also see a number of seats contested where Governors' terms of office have come to an end. Details of the elections will be published on our Website and in our members' quarterly magazine "Building New Foundations".

5.7 Register of Governors' Interests

A Register of Governors' Interests is held by the Trust and is available to view by contacting the Head of Corporate Governance by telephone on 0113 3055930 or emailing cath.brand@leedspft.nhs.uk

5.8 Working Together

The work of the Board of Directors and the Board of Governors is closely aligned, and minutes of the meeting of each Board are presented to the other. The Chairman of the Trust provides a formal link between the two Boards and it is his responsibility to ensure an appropriate flow of information. In attendance at each meeting are the Director of Corporate Development, the Head of Corporate Governance and the Personal Assistant to the Director of Corporate Development.

The Board of Governors may invite the Chief Executive, or any other member of the Board of Directors to attend. During the period of reporting each member of the Executive Team has attended one or more meetings of the Governors or has made presentations. In addition to this the Non-Executive Directors have also been in attendance to listen to the debate and understand the issues raised by the Board of Governors.

Executive and Non-Executive Directors have taken a number of steps to understand the views of the Governors and members:

- **Non-Executive Directors have held a series of workshops to allow a shared understanding of views on the topics of membership, environmental issues and anti-stigma.**
- **The Chairman and the Director of Service Delivery and Chief Nurse have jointly held a series of informal sessions for Governors to which they can bring issues and concerns.**
- **Staff Governors meet with the Chairman and Chief Executive on a regular basis.**

Janette Howlett, Carer Governor, Leeds

Chris Butler, Chief Executive and Ian Hughes, Chairman

Board of Directors

6.1 Introduction

The Board of Directors is legally responsible for the day-to-day management of the Trust and is accountable for the operational delivery of services, targets and performance, as well as the definition and implementation of strategy and policy. It does this by:

- **Setting the overall strategic direction of the Trust**
- **Monitoring performance against objectives**
- **Providing effective financial stewardship**
- **Ensuring the Trust provides high quality, effective and service user-focused services through clinical governance**
- **Ensuring high standards of corporate governance and personal conduct**
- **Promoting effective dialogue between the Trust and local communities**

The Board is made up of 6 Executive Directors, including the Chief Executive and 6 Non-Executive Directors including the Chairman of the Trust.

Table 6A – The Board of Directors

Non-Executive Team	
Ian Hughes	Chairman of the Trust
Catherine Coyle	Non-Executive Director
Linda Phipps	Non-Executive Director – (Deputy Chair until 30.9.08)
Niccola Swan	Non-Executive Director – (Deputy Chair from 1.10.08)
Allan Valks	Non-Executive Director – (Senior Independent Director from 1.8.07)
Merlin Wilce	Non-Executive Director
Executive Team	
Chris Butler	Chief Executive
Mike Doyle	Director of Corporate Development
Steve Griffin	Director of Human Resources (appointed from 11.4.08) (non-voting)
Michele Moran	Director of Service Delivery and Chief Nurse
Guy Musson	Director of Finance and Performance
David Newby	Medical Director

At the Board of Governors meeting held 17 August 2007 Ian Hughes was appointed by the Board of Governors as the initial Chairman of the Trust for an initial period of 1 year (1 August 2007 to 31 July 2008). Following a robust process the Board of Governors considered and ratified the re-appointment of Ian Hughes as Chairman of the Trust for a further period of 20 months running from 1 August 2008 to 31 March 2010.

On 11 April 2008 Steve Griffin was appointed as the Interim Director of Human Resources on a part-time basis. With effect from the 1 August 2008 the Board of Directors confirmed that Mr Griffin would continue his part-time engagement for the foreseeable future and as such would have "interim" removed from his title.

The membership of the Board of Directors is balanced, complete and appropriate as demonstrated by the biographical details of Board members set out below. All the Non-Executive Directors are considered to be independent in both judgement and character, and there are no relationships or circumstances which are likely to affect, or could appear to affect, judgment in this respect.

It is also reported that the Chairman of the Trust has no other significant commitments which affect his ability to carry out his duties as Chairman of the Trust to the full and is therefore able to allow sufficient time for the performance of those duties.

Each of the current Non-Executive Directors was appointed to their post prior to the Trust being authorised as a Foundation Trust. On appointment as the initial Non-Executive Directors, the Board of Governors agreed their individual appointments to the end of their existing period of appointment. The period of these appointments is detailed in the Remuneration Report in Section 8. Should it become necessary to remove any Non-Executive Director, including the Chairman of the Trust, from their post this will be done by the Board of Governors in accordance with the Constitution.

Board of Directors

6.2 Profile of Members of the Board of Directors

Ian Hughes, Chairman of the Trust

Ian has been a Non-Executive Director/Chairman in the NHS since 1986, first in Calderdale, then, in 1998 he was appointed as the Non-Executive Chairman of Leeds Community and Mental Health Teaching NHS Trust, which became Leeds Mental Health Teaching NHS Trust. Latterly he was appointed as Chairman of Leeds Partnerships NHS Foundation Trust.

His other part-time involvements are as Professor of Pharmacology in the University of Leeds, as a lay member of the General Osteopathic Council, and with the Richmond Fellowship (a mental health charity), the General Social Care Council, the Bar Council and the Judicial Appointments Commission.

Catherine Coyle, Non-Executive Director

Catherine is currently a strategic communications consultant on Government funded environmental projects. In her spare time she is active in the community and until recently was a Non-Executive member of Scarborough, Whitby, and Ryedale PCT where she acted as children's champion, working closely with Surestart to improve services in the area. She was also information governance lead and member of the Northern Mental Health & Learning Disability Chairs' Group.

Prior to becoming a Non-Executive Director of the Trust, Catherine worked as a senior manager at Yorkshire Television gaining valuable commercial and business development experience establishing new and emerging market opportunities both nationally and internationally. She was also directly responsible for a range of programming, which picked up a host of awards for community coverage, including BT and the Cooperative Society media awards.

Linda Phipps, Non-Executive Director

Prior to joining the Trust as a Non-Executive Director on 1 February 2006, Linda was Chair of East Leeds Primary Care Trust.

She already has experience of mental health services having previously served on the Board of Directors of the Leeds Mental Health Service Teaching NHS Trust before taking up the post with East Leeds PCT. Linda has a special interest in governance and risk, and chairs the Trust's Risk Management and Governance Committee.

Linda's background is in senior commercial management in the transport and local government sectors. Currently she has a portfolio of non-executive and management consultancy roles, particularly in coaching, facilitation and rapporteur work, and is a Governor of Leeds Metropolitan University.

Niccola Swan, Non-Executive Director (and Deputy Chair)

Prior to becoming a Non-Executive Director of the Trust in January 2007, Niccola spent 25 years with Barclays Bank working in corporate banking, credit risk, operations and retail. She ended her career there as Regional Director of the North East. For four years she was the Barclays Group Diversity Director and so advises the Trust's Diversity Strategy Group, as well as chairing the Resources Committee.

On leaving Barclays Niccola was Deputy Chief Executive of the Employers' Forum on Disability, a membership organisation which helps employers recruit, retain and serve disabled people. She left this role in July 2008 and now has a portfolio career. She is a member of the Disability and Employment Advisory Committee which advises the Minister for Disabled People, and is a Director of Dignity in Dying which campaigns for greater choice at end of life. She writes and trains on diversity, is a magistrate and a Home Start volunteer.

Merlin Wilce, Non-Executive Director

Merlin's background is in education where he was a Principal Lecturer in Health Policy at Leeds Metropolitan University. He has been an Associate Lecturer at the Open University for the last decade or so and was a Visiting Lecturer at the University of Leeds for a 13 year period, mainly at the former Nuffield Institute for Health.

Prior to becoming a Non-Executive Director in September 2002, Merlin was a Mental Health Act Commissioner and was on the Management Committee of a voluntary organisation providing community mental health services in Leeds. He also served as the Chair of Leeds Community Health Council. He is currently a Lay Member of the Mental Health Review Tribunal.

Allan Valks, Non-Executive Director (Senior Independent Director)

Allan is currently a Chartered Accountant, working as a Director in the Corporate Finance Team at BDO Stoy Hayward LLP. Prior to joining the Trust he was a Non-Executive Director of the North East Leeds PCT from its inception in April 2002 until October 2006.

Allan has experience of working with the Department of Health NHS Foundation Trust implementation branch, Monitor and existing NHS Foundation Trusts as well as extensive experience in the commercial sector. He currently chairs the Audit Committee.

Board of Directors

Chris Butler, Chief Executive
Chris joined the then Leeds Mental Health Teaching NHS Trust as its Chief Executive in January 2005.

Chris has a broad range of experience, first as a nurse and latterly as a PCT Chief Executive in London. He has also been a Senior Civil Servant. He has experience in primary care; commissioning – both local and strategic; service provision; and the working of Government. Chris is keen to ensure that he is directly connected to the experience of staff, service users, and carers by spending as much time as he can in the Trust's services, and by directly engaging with staff and with groups representing people who use its services.

Nationally Chris has an extensive network of contacts with the Chief Executives of other mental health trusts and leaders in the professions.

Mike Doyle, Director of Corporate Development
Mike qualified as a Registered Mental Health Nurse in 1974 and as a Registered General Nurse in 1975. Mike worked in a variety of nursing roles including a Charge Nurse and a Community Psychiatric Nurse before becoming a Director of Nursing.

In his managerial career Mike has managed a number of Acute Hospitals and has been a Director in the mental health services in Leeds since 1992, undertaking a broad range of responsibilities. Mike has spent his career working in York, Sheffield and Leeds. He has a Masters Degree in Health Service Studies.

Steve Griffin, Director of Human Resources
Steve has worked as a Director of Human Resources for several NHS Trusts in Yorkshire and the North East including teaching hospitals. He has also worked for a national trade union and the Department of Health on major change projects in the NHS. Steve holds a masters degree and is professionally qualified.

Michele Moran, Director of Service Delivery and Chief Nurse
Michele qualified as a nurse in 1986 and subsequently as a Midwife, and in 1991 as a Health Visitor. She started her managerial career at Bradford Community Trust. Michele has been a senior manager in a wide range of NHS settings, from GP practices to acute settings.

Michele has been a member of several Royal College of Nursing Strategic forums and also a member of the Standing Nursing Midwifery Advisory Committee. She has undertaken CHI (Commission for Health Improvement) reviews, focusing on Mental Health Services. Currently Michele is a member of the NHS Confederation Research Network on the Executive Board and has also been chosen to be part of the NHS Talent Pool 'IMAS' and has recently undertaken a short secondment alongside PricewaterhouseCoopers LLP. Michele has recently been elected as Chair of the Foundation Trust Network (FTN) Clinical Leads Network.

Guy Musson, Director of Finance and Performance
Guy began his NHS finance career at the former Leeds Area Health Authority in 1975, qualifying in 1982. Holding a number of posts in Yorkshire, his last post before joining the Trust in February 2005 was Director of Finance and Commissioning at East Leeds PCT.

Guy is also a member of the pool of Interim Management and Support (IMAS) NHS consultants. The IMAS scheme facilitates the deployment of selected senior NHS managers on temporary assignments with NHS organisations seeking particular expertise in developing their organisations or resolving issues. His first assignment has been with a large acute NHS Trust wishing to proceed to Foundation Trust status.

Dr David Newby, Medical Director
David graduated in medicine from Christ's College Cambridge and Sheffield University Medical School before specialist training in psychiatry in Leeds and Manchester. He worked as a Consultant in General Adult Psychiatry in Leeds for 14 years, but for much of that time also had responsibility for providing a liaison psychiatry service to Wharfedale General Hospital in Otley.

As a former Associate Medical Director for Continuing Professional Development, he played a key part in the establishment of the Andrew Sims Centre, a national training provider in mental health. He chairs the network board for the West Yorkshire Comprehensive Local Research Network and has recently worked with the Department of Health and the NHS Confederation to produce national guidance on the employment of Consultant Psychiatrists. Dr Newby was appointed as Medical Director for the Trust in April 2002.

Board of Directors

6.3 Meetings of the Board of Directors

The Board of Directors meets monthly, with four meetings a year held in public. In addition to the formal Board of Directors meetings, members of the Board of Directors hold workshop sessions regularly throughout the year and use this time to explore new emerging issues or use the time for development. In addition to the 12 scheduled Board of Directors meetings two extraordinary meetings also took place during 2008/09 on the 12 June and 10 November 2008.

Table 6B – Attendance at the Board of Directors' meetings during 2008/09

Name	Attendance	Name	Attendance
Ian Hughes (chair)	14/14	Chris Butler	13/14
Catherine Coyle	13/14	Mike Doyle	10/14
Steve Griffin	10/14	Michele Moran	13/14
Guy Musson	12/14	David Newby	14/14
Linda Phipps	12/14	Niccola Swan	14/14
Allan Valks	12/14	Merlin Wilce	14/14

6.4 Register of Directors' Interests

A Register of Directors' Interests is available from the Head of Corporate Governance who can be contacted by ringing 0113 3055930 or emailing cath.brand@leedspft.nhs.uk

6.5 Evaluation of the Board of Directors and Its; Sub-Committees

The Board of Directors undertakes a formal evaluation of its performance and effectiveness on an annual basis, with the results being analysed by the Trust's Clinical Audit Team, using recognised evaluation tools. Any actions to come out of the evaluation are recorded and then monitored by the Risk Management and Governance Committee to ensure appropriate progress is made.

In addition to this each Board of Directors' sub-committee undertakes an annual evaluation of its own effectiveness. The outcome of the review is fed back into the sub-committee for it to determine what action is required. The overall results from the sub-committee effectiveness are fed into the overall Board of Directors annual effectiveness workshop.

In addition to the evaluation of the Board of Directors as a whole, each member of the Board of Directors has an annual appraisal and Personal Development Plan, which is reviewed on a regular basis.

6.6 The Audit Committee

The Audit Committee is the primary governance committee. It provides a central means for the Board of Directors to ensure effective internal controls are in place, and an independent check on the executive arm of the Board of Directors. The primary role of the Audit Committee is to judge and report upon the adequacy and effective operation of the overall control systems in the organisation.

Membership of the Audit Committee is made up of Non-Executive Directors as shown in table 6C below. In regular attendance at the Committee are the Director of Finance and Performance, the Chief Internal Auditor, the Deputy Chief Internal Auditor, the Audit Manager (Government and Public Sector) from PricewaterhouseCoopers LLP, and the Head of Corporate Governance.

The table below shows the number of Audit Committee meetings attended by each member, out of a maximum of 7.

Table 6C - The Audit Committee

Name	Attendance
Allan Valks (chair)	7/7
Niccola Swan	5/7
Catherine Coyle	6/7
Merlin Wilce	7/7

6.7 The Nominations Committee

The role of the Nominations Committee is to identify the skills, knowledge and experience required for vacant Board of Directors' posts for both Executive and Non-Executive posts and to be involved in the process of recruiting to vacant posts. Where the vacant post is for a Non-Executive Director (including the Chairman of the Trust) the Nominations Committee will work in conjunction with the Board of Governors' Appointments and Remuneration Committee in respect of these matters.

During the year the Committee has advised

Board of Directors

the Appointments and Remuneration Committee on the process for the appointment of the Chair of the Trust and the process for future Non-Executive Director vacancies.

The table below shows the number of Nominations Committee meetings each member was eligible to attend out of a maximum of 3.

Table 6D – The Nominations Committee

Name	Attendance	Name	Attendance
Ian Hughes (chair)	2/3	Chris Butler	3/3
Michele Moran*	1/1	Steve Griffin*	1/2
Linda Phipps	3/3	Niccola Swan	2/3
Allan Valks	3/3		

*Michele Moran attended the Committee as a representative of the Executive Team until the appointment of Steve Griffin, Director of HR.

6.8 Other Sub-Committees of the Board of Directors

6.8.1 The Remuneration Committee

Details of the work of the Remuneration Committee are included in the Remuneration Report (see Section 8).

6.8.2 The Resources Committee

The Resources Committee has been put in place to assure the Board of Directors on aspects of Trust resources, including staff, estates and finances and to ensure there is an integrated approach to utilising these resources.

The table below shows the number of Resources Committee meetings each member was eligible to attend out of a maximum of 6.

Table 6E - The Resources Committee

Name	Attendance	Name	Attendance
Niccola Swan (chair)	6/6	Michele Moran	6/6
Mike Doyle *	4/6	Guy Musson	6/6
David Newby	3/6	Heather Cook *	1/1
Steve Griffin **	3/6	John Walker	5/6
HR Representation **	3/6		

* Heather Cook attended the March meeting on behalf of Mike Doyle
** HR representation on the Committee is provided by the Director of HR and/or other senior members of the HR Department

6.8.3 The Risk Management and Governance Committee

The purpose of the Risk Management and Governance Committee is to assure the Board of Directors in areas of corporate and clinical governance, risk registers and risk management, and to review the Assurance Framework.

The table below shows the number of Risk Management and Governance Committee meetings each member was eligible to attend out of a maximum of 6

Table 6F – The Risk Management & Governance Committee

Name	Attendance
Linda Phipps (chair)	6/6
Michele Moran	4/6
Guy Musson	6/6
Steve Griffin *	1/6
Victoria Betton	3/6
Helen Wiseman	4/6
Christine Woodward **	1/1
Chris Butler	6/6
Mike Doyle	6/6
David Newby	6/6
Cath Brand	6/6
Don Brechin	5/6
HR Representation *	4/6

*HR representation on the Committee is provided by the Director of HR and/or other senior members of the HR Department

**Indicates members who joined the Committee during 2008/09

Board of Directors

6.8.4 The Information Management and Technology (IM&T) Governance Committee

It is the function of the IM&T Governance Committee to assure the Board of Directors there are systems of control in place related to all areas of information technology and knowledge management.

The table below shows the number of IM&T Governance Committee meetings each member was eligible to attend out of a maximum of 4.

Table 6G – The IM&T Governance Committee

Name	Attendance	Name	Attendance
Ian Hughes (chair)	3/4	Mike Doyle	4/4
Guy Musson *	2/3	David Newby	3/4
Steve Griffin **	0/2	Dave Shelley	4/4
Lee Eddison *	1/1	Heather Cook	4/4
Gerard Enright	4/4	Alan Ellis *	0/2
Gary Hostick ***	2/3	Gail Hird **	1/1
Matthew Watkins **	1/1	Carl Starbuck **	2/3

*Indicates members who stepped down from the Committee during 2008/09
**Indicates members who joined the Committee during 2008/09
***Gary Hostick attends the meeting full time on behalf of Michele Moran

(L) Carl Starbuck - IM&T Governace Committee, 2009 Staff Awards, Newcomer of the year. Award presented by Ian Hughes (R) - Chairman

Jo Third - Development and Events Business Manager

Membership

7.1 The Constituencies and Eligibility to Join

The Trust has 3 membership constituencies:

- Public
- Service User and Carer
- Staff

The Public Constituency is divided into nine areas. There are eight areas, which follow the areas defined for the purpose of local government elections within the Leeds metropolitan area, and one further public Constituency for Non-Leeds. Anyone (excluding staff members) who resides within these areas can join the Public Constituency for the area in which they live. There is one Governor elected from each of these nine areas.

The Service User and Carer Constituency is divided into 4 classes, Service User Leeds Resident, Service User Non-Leeds Resident, Carer Leeds Resident, and Carer Non-Leeds Resident. Anyone who has used our services or cared for someone who has used our services in the last 10 years can join the Service User and Carer Constituency. Their home address will determine if they join the Leeds or Non-Leeds classes of this Constituency. In the Service User and Carer Constituency there are a total of 12 elected seats on the Board of Governors.

The Staff Constituency is divided into 2 classes, Clinical Staff and Non-Clinical Staff. Any individual who is employed by the Trust under a contract of employment will become a member of the Staff Constituency unless they opt out. In addition to those individuals directly employed by the Trust people who exercise a function for the Trust may also choose to be a member of the Staff Constituency. There are 4 Clinical Staff Governors and 2 Non-Clinical Staff Governors on the Board of Governors.

7.2 Number of Members

Membership has grown steadily to the current figure of 13,988. Table 7A illustrates the breakdown, by Constituency of the total number of members as at the 31 March 2009.

Total membership broken-down by constituency	
Public Constituency	**Number of Members**
Elmet	572
Leeds East	818
Leeds North East	1330
Morley & Rothwell	636
Pudsey	740
Leeds Central	1926
Leeds North West	1627
West	1036
Non- Leeds Resident	1618
Total Public Members	**10303**
Service User and Carer Constituency	**Number of Members**
Service User Leeds Resident	326
Service User Non-Leeds Resident	50
Carer Leeds Resident	437
Carer Non-Leeds Resident	40
Total Service Users and Carer Members	**853**
Staff Constituency	**Number of Members**
Clinical	2154
Non Clinical	678
Total Staff Members	**2832**

Chapeltown Carnival - Signing up Ronnie from Leeds Rhino's

Membership

7.3 Developing a Representative Membership

The profile of the current membership in terms of ethnicity, gender and age continues to be broadly in line with that of the respective constituencies, with no significant deficits. During the part 12 months, the Trust has undertaken activity with gender-specific; ethnicity-specific and age-specific groups to ensure that the membership continues to be representative. The Trust has also committed to a new membership database software package that will enable up-to-the-minute, highly detailed reporting of membership demographics for reports and planning future activity. This is scheduled to be operational in April 2009.

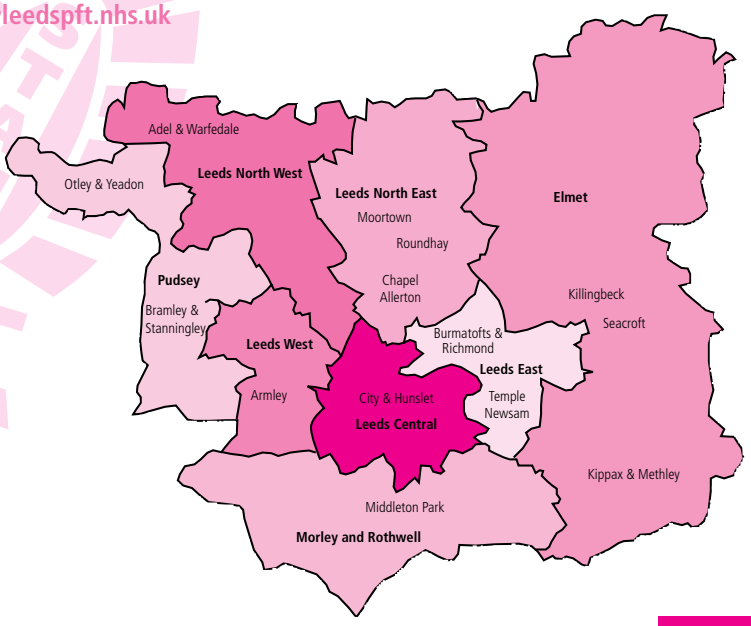
7.4 Membership Recruitment

In the past year, the Trust has focussed on developing an engaged and involved membership via its membership communications, including: updates, events, websites and by its highly regarded membership newsletter 'Building New Foundations'.

During this time, we also initiated a series of anti-stigma events and related activity with local partnership organisations and special interest groups to both raise awareness of mental health issues and to challenge the stigma surrounding mental ill-health. In addition we plan to continue to develop a series of exciting membership recruitment and engagement events including road-shows, PR activity, public events and presentations at meetings organised by both voluntary groups and groups from diverse communities.

7.5 The Constituencies and Eligibility to Join

The Membership Office is the initial point of contact for members to make contact with the Trust or Governors. The office can be contacted by telephoning 0113 3055900 or email FTmembership@leedspft.nhs.uk



Lisa Avery-Jones - IT, signing up members at the Chapeltown Carnival, August 2008

Remuneration Report

8.1 Introduction

The Companies Act 2006, as interpreted for the public sector, requires NHS bodies to prepare a Remuneration Report containing information about Directors' remuneration. In the NHS the report will be in respect of the senior managers of the NHS body. The definition of "senior managers" is:

"Those person in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decision of the entity as a whole rather than the decision of individual directorates or departments."

The Chief Executive has confirmed that for the purpose of the Remuneration Report "senior managers" are Executive and Non-Executive Directors, and this report is in respect of those individuals.

8.2 Remuneration of Non-Executive Directors (Board of Governors' Appointments and Remuneration Committee)

The Appointments and Remuneration Committee, a sub-committee of the Board of Governors, sets the remuneration and terms of service for the Non-Executive Directors. This sub-committee comprises 4 members of the Board of Governors and is chaired by the Chairman of the Trust, except where the remuneration or terms of service for the Chairman of the Trust is being discussed.

The overarching policy for the remuneration of the Chairman of the Trust and the Non-Executive Directors is to award levels in line with other comparable NHS Foundation Trusts, using benchmarked figures from a number of sources; and to award annual uplifts in line with those received by staff employed by the Trust.

The Appointments and Remuneration Committee receives advice from the Nominations Committee, which is a Sub-committee of the Board of Directors (see Section 6.7 for details of the membership of the Nominations Committee), and Cath Brand, Head of Corporate Governance. In addition to advice and support received from within the Trust the Committee is authorised under its Terms of Reference to engage external advice where it feels this is appropriate.

The table below shows the number of meetings each member was eligible to attend out of a maximum of 3.

Table 8A – Appointments and Remuneration Committee

Name	Attendance	Name	Attendance
Ian Hughes (chair)	2/3	Tony Gadie	2/3
Alec Hudson	3/3	Ron Sweeney	3/3
Allan Valks *	3/3		

*Allan Valks, Non-Executive Director and Senior Independent Director, attends each meeting in capacity of Deputy Chair of the Committee.

During 2008/09 the sub-committee undertook a review of the initial level of remuneration awarded to the Non-Executive Directors. To assist with this review the Committee engaged CAPITA Health Service Partners and commissioned the company to provide a bespoke report. This report was used as the basis of the review and the Committee concluded that the level awarded was correct. In addition to the review of the level of the initial remuneration, the Committee recommended to the Board of Governors that Non-Executive remuneration be uplifted by the same annual percentage as awarded to all other Trust staff.

Each of the current Non-Executive Directors was appointed to their post prior to the Trust being authorised as a Foundation Trust. On appointment as the initial Non-Executive Directors, the Board of Governors agreed their individual appointments to the end of their existing period of appointment.

At the Board of Governors meeting held 17 August 2007 Ian Hughes was appointed by the Board of Governors as the initial Chairman of the Trust for an initial period of 1 year (1 August 2007 to 31 July 2008). Following a robust process the Board of Governors considered and ratified the re-appointment of Ian Hughes as Chairman of the Trust for a further period of 20 months running from 1 August 2008 to 31 March 2010.

Remuneration Report

Time to Change Event - June 2009

The period of the appointments for each of the Non-Executive Directors is detailed below.

Name	Title	Dates
Ian Hughes	Chairman of the Trust	1.8.07 to 31.3.10
Catherine Coyle	Non-Executive Director	1.8.07 to 31.1.11
Linda Phipps	Non-Executive Director	1.8.07 to 31.1.10
Niccola Swan	Non-Executive Director	1.8.07 to 30.11.10
Allan Valks	Non-Executive Director	1.8.07 to 30.11.10
Merlin Wilce	Non-Executive Director	1.8.07 to 9.9.10

8.3 Remuneration of the Executive Directors (Board of Directors' Remuneration Committee)

The remuneration of the Executive Directors is set by the Remuneration Committee, which is a Sub-committee of the Board of Directors. The Committee comprises all the Non-Executive Directors and is chaired by the Chairman of the Trust.

The overarching policy of the Remuneration Committee is to follow the guidance given by the Department of Health in determining the pay and terms of service for Executive Directors.

The Remuneration Committee is supported by and has received advice from Chris Butler, the Chief Executive, to confirm his support for the approach taken to the remuneration of the Executive Team, and Steve Griffin the Director of HR in relation to employment matters.

The table below shows the number of Remuneration Committee meetings attended by each member, out of a maximum of 2.

Table 8B – The Remuneration Committee

Name	Attendance	Name	Attendance
Ian Hughes (chair)	2/2	Catherine Coyle	1/2
Linda Phipps	2/2	Niccola Swan	2/2
Merlin Wilce	2/2	Allan Valks	2/2

There is no performance related pay in any Directors current contract of employment. Where a salary requires review, a benchmarking exercise may be requested to make comparison against other similar NHS organisations.

Contracts for all Executive Directors are permanent, except for the Director of HR whose contract is on a temporary basis. With regards to those Executive Directors who are on a permanent contract there is no proposal to issue short term or rolling contracts. The notice periods for

Remuneration Report

World Mental Health Day - October 2008

Directors are in their employment contracts. Details of the contract start date for the Chief Executive and other members of the Executive Team are as follows:

Name	Title	Dates
Chris Butler	Chief Executive	1.1.05
Mike Doyle	Director of Corporate Development	12.8.93
Michele Moran	Director of Service Delivery and Chief Nurse	29.8.05
Guy Musson	Director of Finance and Performance	7.2.05
David Newby	Medical Director	8.4.02

During the period of this report there have been no early termination of either contracts or appointments and therefore no compensation payments have been made to any member of the Board of Directors for early termination

All members of the Board of Directors follow an agreed appraisal process comprising self appraisal, 360° peer appraisal and input from the appraiser. In May 2008 appraisals for the Executive Directors were carried out by the Chief Executive; the appraisals for the Chief Executive and the Non-Executive Directors were carried out by the Chairman of the Trust; and the appraisal of the Chairman was carried out by the Senior Independent Director with input from members of the Board of Governors.

The appraisal of individual Board members identified strengths and good performance, and areas for development. The appraisal looks at individuals' development needs, which informs tailored Personal Development Plans. The outcome of the appraisal is not linked to remuneration and no performance related pay is awarded to any member of the Board of Directors or any member of staff within the Trust.

Going forward into 2009/10 members of the Board of Directors have agreed to take part in an online appraisal tool which is being hosted by the NHS Yorkshire and the Humber Strategic Health Authority.

8.4 Senior Employees Pension Entitlements, Remuneration and Benefits in Kind

The disclosure on senior employees' remuneration and pension entitlements is subject to audit by the Trust's external auditors PricewaterhouseCoopers LLP. The Auditors will read the narrative in this section and consider whether it is consistent with the annual accounts.

Table 8C sets out the pension entitlements for senior employees in the Trust, it should be noted that the significant increase in cash equivalent transfer values is due to a change in the factors used in the calculation, which came into force on 1 October 2008 as a result of the Occupational Pension Scheme (Transfer Value Amendment) regulations. (Table 8C on page 60)

Remuneration Report

Table 8C – Pension Entitlement for Senior Employees

Name and Title	Real Increase in pension at age 60 (bands of £2500) £000	Real Increase in pension lump sum at age 60 (bands of £2500) £000	Total accrued pension at age 60 at 31 March 2009 (bands of £5000) £000	Lump sum at age 60 related to accrued pension at 31 March 2009 (bands of £5000) £000	Cash equivelent transfer value at 31 March 2008 £000	Cash equivelent transfer value at 31 March 2009 £000	Real Increase in Cash equivelent transfer value £000	Employer-funded contribution to growth in CETV £000	Employer-funded contribution to stakeholder pension £000
Chris Butler - Chief Executive	0 - 2.5	5 - 7.5	5 - 10	20 - 25	89	163	72	50	0
Mike Doyle - Director of Corporate Development	2.5 - 5	12.5 - 15	40 - 45	120 - 125	639	1,009	354	248	0
Guy Musson - Director of Finance and Performance	0 - 2.5	5 - 7.5	40 - 45	130 - 135	644	894	234	164	0
Dr David Newby - Medical Director	0 - 2.5	7.5 - 10	55 - 60	175 - 180	890	1,237	324	227	0
Michele Moran - Director of Service Delivery and Chief Nurse	2.5 - 5	10 - 12.5	30 - 35	100 - 105	385	552	157	110	0

Non-Executive Directors do not receive pensionable remuneration and consequently there are no entries for them in respect of pensions.

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 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.

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 the end of the period.

Remuneration Report

Table 8D – Remuneration and Benefits in Kind for Senior Staff

Name and Title	2008-09			8 months ending 31.3.08		
	Salary (bands of £5000) £000	Other remuneration (bands of £5000) £000	Benefits in kind £	Salary (bands of £5000) £000	Other remuneration (bands of £5000) £000	Benefits in kind £
Chris Butler - Chief Executive	140 - 145	5 - 10		90 - 95	0 - 5	
Mike Doyle - Director of Corporate Development	95 - 100		£8,600	60 - 65		£5,500
Guy Musson - Director of Finance and Performance	105 - 110	5 - 10		70 - 75	0 - 5	£1,500
Dr David Newby - Medical Director	95 - 100	45 - 50	£5,400	60 - 65	25 - 30	£3,400
Michele Moran - Director of Service Delivery and Chief Nurse	105 - 110	0 - 5	£100	70 - 75		£2,200
Steve Griffin - Director of Human Resources	50 - 55	0 - 5		N/A		
Ian Hughes - Chairman	40 - 45		£700	25 - 30		£500
Merlin Wilce - Non Executive Director	10 - 15		£500	5 - 10		£200
Linda Phipps - Non Executive Director	10 - 15		£100	5 - 10		£100
Nicola Swan - Non Executive Director	10 - 15		£300	5 - 10		£600
Allan Valks - Non Executive Director	10 - 15		£200	5 - 10		
Catherine Coyle - Non Executive Director	10 - 15	0 - 5		5 - 10		£100

The salary for Steve Griffin (Director of HR) was paid through a recruitment agency.

For Chris Butler, Guy Musson, Michele Moran, Steve Griffin and Catherine Coyle the amounts shown as "Other Remunerations" include car allowances, and a payment for child care allowances. The amount paid to David Newby includes a national clinical excellence award, which is externally funded, and the proportion of his salary paid to him for the clinical work he carries out.

"Benefits in Kind" in respect of the Chairman of the Trust and other Non-Executive Directors relate to the reimbursement of out of pocket expenses incurred whilst on Trust business, and those paid to Executive Directors are in respect of the Directors' lease car scheme.

Signed..... Date..... 4 / 6 / 09

Chris Butler, Chief Executive and Accounting Officer

Maria Warner - Head of Development and Events

Quality Report

9.1 Current View of the Trust's Position and Status for Quality

The last year has seen us pushing forward with our ambition to deliver further improvements in the safety and reliability of our services. This has been reflected in a range of initiatives including major investment in enhanced staffing for acute inpatient services, work to reduce errors in the prescribing and administration of medicines and a systematic programme of clinical risk training to help protect and support our most vulnerable patients. This gives us an increasingly solid foundation from which to drive up the quality of our services in order to deliver our Trust ambition, whilst at the same time realising the vision set out in Lord Darzi's report "High Quality Care for All".

We are keen to improve our understanding of service quality as experienced by service users and carers and will be working with members and Governors in further developing our tools for measuring patient experience.

We also continuously seek to ensure that we are meeting our obligations to the public through, for example, delivering national standards. This year we have stripped down the elements of the Healthcare Commission's core standards to take a totally fresh view about their implementation in our Trust. We have learnt through this process that a tremendous amount of work has been done to deliver these standards. Not surprisingly we have also learnt of areas where we wish to improve and we will particularly focus on quality improvements in the areas set out in this report.

Chris Butler, Chief Executive
5th June 2009

9.2 Overview of Organisational Effectiveness Initiatives

The Trust has developed a number of initiatives which are aimed at increasing organisational effectiveness around quality. These include:

"First Do No Harm". This ongoing programme aims to achieve continued improvement in the safety and reliability of our services. Developments arising from this initiative have included £1.1 million new and recurrent investment to improve staffing ratios where needed for the protection of our most vulnerable patients, a systematic programme of clinical risk training across all services and concerted work on a small number of high impact areas where safety can be improved. The latter has included work on reducing errors related to prescribing and administering medicines as well as improvements in how we reduce harm from slips, trips and falls. All of this allows the Trust to consciously manage risk to provide the best outcome for patients.

Practice Development Unit. In the past year our Adult Acute Inpatient Services became the first Mental Health unit in the country to achieve second level accreditation. The award is accredited to services that have the highest level of evidence-based care and treatment and works towards understanding patients' needs and increasing patient experience. This is a significant achievement and demonstrates the level of enthusiasm, passion and commitment that our staff in this area have towards clinical excellence. The process involves independent accreditation and support by the University of Leeds.

Leadership Development. Our Trust is an Institute of Leadership and Management (ILM) centre and is currently in partnership with NHS Leeds in providing all of their leadership development programmes alongside our own. Programmes are aimed at all levels, from Team Leader or Supervisor roles through to Strategic Leaders in the Trust.

We have an established Leadership Forum which last year hosted a Trust wide event for key staff in leadership roles. The event focused on addressing the findings of the previous year's staff survey.

This year the forum will be taking part in a trial to look at clinical leadership competencies, to ensure that our recruitment and succession planning is as effective as possible.

Governor Development. Our Governors attend regional workshops and events have also been run locally on topics for information or interest such as new Mental Health Act legislation and social inclusion. Our Governors are also included in the Trust's development and appraisal program.

Governance arrangements. In the pursuit of our application for Foundation Trust status we underwent a thorough review of our governance arrangements. Following this we have continued to improve our risk management processes and reporting arrangements so that the Trust's Board of Directors and its sub-committees remain focused on the quality of our services and our continuing aspirations for improvement.

Quality Report

9.3 How we Have Prioritised our Quality Improvements Initiatives

Our top three priorities for quality improvement are:

Priority 1: To further reduce the incidence of severe violence and aggression.

Priority 2: Continue to take steps to ensure we are supporting our staff to work with the best clinical evidence available in the treatment and care of our patients.

Priority 3: Maintaining, and where possible improving upon, the high level of patients who report that they have been treated with dignity and respect.

Please Note: In this first year of publishing our quality improvement initiatives, timescales have meant that we have had limited opportunities for consultation. In determining these priorities we have therefore drawn on commitments to patient safety initiatives previously agreed by the Board of Directors and the Board of Governors, as well as service user survey information and feedback from directorates in our Trust about their priorities for quality improvement. We will use the learning from this first quality report to improve our consultation in subsequent years so that we can be sure of focusing on objectives of agreed relevance for all of our stakeholders.

9.4 Our Selected Priorities and Proposed Initiatives

Each of the priorities above, with our proposed initiatives for 2009-10, is described in detail on the following pages.

As well as prioritising quality improvement initiatives the Trust is also required to assess performance against selected metrics in the areas of Safety, Clinical Effectiveness and Patient Experience. These metrics are shown in Section 9.7. This identifies the metrics the Trust has chosen to assess performance against in each of these areas and demonstrates levels of performance for 2007 and 2008 where available.

Table 9A – Priority 1

To further reduce the incidence of severe violence and aggression.	
Description of issue and rationale for prioritising	**Current initiatives in 2008/09**
Although there has been a reduction in the incidence of violence and aggression scoring the highest severity level (National Patient Safety Agency (NSPA) levels 4 and 5) we know that feeling safe and supported is of great importance when our patients are at their most vulnerable. We therefore wish to see further improvements. A therapeutically safe service is one where predictable and preventable harm is either eliminated (where doing so does not impede recovery) or minimised to the point where the predictable benefits of accepting the risk outweigh the predictable harm.	• "First Do no Harm" - 2008 Year of Patient Safety • Significant new investment in staffing levels of acute inpatient services • Achievement of Adult Acute Inpatient Practice Development Unit status • Updated Risk Management training by every qualified member of clinical staff.
Aim/Goal	**New initiatives to be implemented in 2009/10**
To further reduce incidents of violence and aggression with a severity rating of 3 or above, whilst maintaining the positive reporting culture in the Trust.	• Using existing knowledge and tools from the National Audit of Violence, run by the Royal College of Psychiatrists' Centre for Quality Improvement (in which the Trust has participated), we will seek to identify further high impact initiatives which will improve patient experience in this area. • We will further explore ways of ascertaining meaningful measures of our patients' experience of violence and aggression.
Current status	
Number of incidents of violence and aggression scoring 3 or above in severity (by NPSA rating): **2007: 62 incidents** **2008: 47 incidents**	
Identified areas of improvement	
Specific areas for targeting improvement will be identified.	

Quality Report

Table 9B – Priority 2

Continue to take steps to ensure we are supporting our staff to work with the best clinical evidence available in the treatment and care of our patients.	
Description of issue and rationale for prioritising	**Current initiatives in 2008/09**
Clinical effectiveness can be summarised as ensuring we always do the right thing at the right time for the right patient. There is a wealth of evidence available which tells us what treatments and interventions are most likely to help our patients but we can still improve on the consistency with which this evidence is applied in practice. Identifying and dismantling the barriers which prevent this should have significant impact on improving outcomes for patients.	• We have developed an integrated service improvement model. • Work is underway to improve access to psychological therapies across all services. • Development of a physical health improvement procedure and joint working with NHS Leeds and primary care to embed this. • Development of a Nursing Strategy which is supporting the nursing contribution to best practice.
Aim/Goal	**New initiatives to be implemented in 2009/10**
To further improve the consistency with which best clinical evidence is put into practice.	The Trust has invested in the Leeds–York–Bradford Research Alliance (LYBRA), one of seven national Collaborations for Leadership in Allied Health Research and Care (CLAHRC). This brings together academic and NHS partners with the objective of determining how best to get research evidence into day to day practice. We will use this partnership to identify and implement initiatives which will improve the clinical effectiveness of our services. We will aim to have this new partnership fully embedded during the course of 2009/10
Current status	
We have been able to declare compliance with the Healthcare Commission core standard C5a concerning how we deal with National Institute for Clinical Excellence and other applicable guidance relevant to the work of our Trust.	
Identified areas of improvement	
We seek to further consolidate and embed our processes for supporting best practice.	

Quality Report

Table 9C – Priority 3

Maintaining, and where possible improving upon, the high level of patients who report that they have been treated with dignity and respect.

Description of issue and rationale for prioritising

We know that dignity and respect are a key measure of patient experience. Our Trust received positive feedback through the patient survey that patients feel they are treated with dignity and respect. Audit and engagement work in this area has revealed clear areas for potential improvement which will help our Trust reach its goal.

Aim/Goal

All patients experience a service where they are always treated with dignity and respect.

Current initiatives in 2008/09

- Privacy and Dignity features as a key benchmark in the Essence of Care Strategy.
- A Privacy and Dignity framework has been devised to achieve the ten factors in the Department of Health's Dignity Challenge, which the Trust has adopted across all care groups.
- A Citywide poster campaign to raise awareness of privacy and dignity issues has been initiated across all directorates.
- Each directorate has an action plan to work on issues of privacy and dignity identified from audits or questionnaires.
- An audit of mixed sex accommodation has identified key priorities for development resulting in a successful bid for improvement monies.

Current status

- The following figures are taken from the patient survey 2008: Percentage of patients who answered "yes definitely" to the question "did the person treat you with respect and dignity?"

Psychiatrist	89%
CPN	93%
Other Health Professional	89%

- Single sex accommodation standards achieved across 90% of bed base.
- Patient Environment Action Team (PEAT) results for 2008 demonstrated a score of excellent on Privacy and Dignity for all inpatient areas assessed.

Identified areas of improvement

- To at least maintain the current level of patient experience of privacy and dignity.
- Leadership initiatives to enhance the role of staff as ambassadors for privacy and dignity.
- Making supporting resources available to staff and patients.

New initiatives to be implemented in 2009/10

- Developing a Trust intranet site which will host educational literature about dignity.
- Multiagency training and education steering group established.
- Continuing to disseminate literature, educational material and the Trust's Dignity Strategy.
- Exploring ways to improve gathering patient views.
- A procedure for privacy and dignity will be developed which will address environmental aspects and issues of care and compassion.
- Project developed to improve patient experience of single sex accommodation.
- The development of metrics associated with privacy and dignity.

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9.5 Response to Regulators

9.5.1 Healthcare Commission / Care Quality Commission Core Standards

The Healthcare Commission was the independent watchdog for healthcare in England until the 1 April 2009 when the Care Quality Commission came into being and assumed the role of independent regulator of all health and adult social care in England.

In October 2008 the Trust received the results of the Healthcare Commission's Annual Healthcheck performance assessment for 2007/08. We received a score of 'good' for quality of services and 'excellent' for use of resources.

The Trust had received a random inspection from the Healthcare Commission (HCC) over the Summer, as part of their core standards assessment process. The visit had focused on five standards, and two of the five standards inspected were subsequently qualified because the HCC did not agree with the Trust's declaration. We then appealed against this decision; the outcome was that the appeal was upheld in relation to one of the standards (C21 clean, well-designed environments) but not upheld in relation to standard C24 (emergency preparedness).

In light of this the Trust has reviewed its internal processes for undertaking self-assessments of its performance against core standards. We have now completed a full and thorough re-assessment of each of the 44 standards against which we have to self-declare. Following this robust process the Trust's core standard declaration for 2008/09 is that we are fully compliant with all core standards by the end of the year, but have a lapse in-year with core standard C24. The lapse in C24 related specifically to the frequency of communications cascade testing, which should be undertaken every 6 months. A test was undertaken in August 2008 and a further test in February 2009. The Trust is fully confident that these steps have returned us to a position of compliance.

9.5.2 Registering with the Care Quality Commission

From April 2009, every NHS Trust that provides healthcare directly to patients must be registered with the Care Quality Commission (CQC). In 2009/10 trusts are registered on the basis of their performance in infection control. To register as a provider of health services with the CQC we comprehensively assessed our measures to control healthcare associated infections.

In providing services we will not compromise on having the highest standards. We also believe it to be critical that we are transparent with those who commission our services and the public, about our own levels of performance. Consequently in our declaration to the CQC we specifically drew attention to our concern about the timeliness of our receiving pathology reports. We purchase this service from another NHS Trust.

We were pleased that on the 1 April 2009 the CQC granted our application for registration subject to one condition specifically related to resolving this single issue. Whilst there was no evidence that this has had an adverse impact on patient care, we took immediate action to resolve the problem. We applied to the Care Quality Commission on the 8 May for the removal of the condition and were pleased to receive confirmation from the CQC on the 26 May that our application had been successful and the condition had been removed with immediate effect.

The safety of people who use our services is our top priority and we will continue to openly develop and strengthen our systems to ensure the safety of patients and the quality of our services.

9.5.3 Monitor Assessments

Table 9D – The Trust's Overall Performance

Risk ratings	Quarter 1 2008/09	Quarter 2 2008/09	Quarter 3 2008/09	Quarter 4 2008/09
Financial	3	3	3	3
Governance	Green	Green	Green	Amber
Mandatory services	Green	Green	Green	Green

The Governance risk rating for Quarter 4 has dropped from green to amber as a result of underachievement of the delayed transfers of care target. This target carries a weighting of 1.0 in Monitor's Compliance Framework and therefore a breach of this target results in a drop from green to amber. The Trust had previously declared that it would meet this target but when Monitor confirmed the construction it became apparent that across the whole year the threshold had not been met. By the end of Quarter 4 the Trust is achieving a rate of 7.2%, using the construction that Monitor requires us to use. Action plans in all relevant service areas have already resulted in significant improvements in the current position. The Trust will make continued strenuous efforts to maintain this improvement trajectory and fully expects to return to a compliant position by the end of the first quarter of 2009/10.

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It is important to note that the Care Quality Commission (formerly Healthcare Commission) excludes those delays which are attributable only to social care (using definitions given in Department of Health guidance). Adopting this construction, the Trust would achieve a threshold of 7.5% throughout 2008/09. If Monitor were to use the same construction (as the Trust had previously believed that it would) then we would remain compliant with this important national target.

9.5.4 Commission for Social Care Inspection Star Rating

The Specialised Supported Living Service provided by the Trust has maintained its rating of 'excellent' across all domains of the national minimum standards by the Commission for Social Care Inspection for the past 2 years. The service has achieved the maximum rating of three stars in the 2007 and 2009 star ratings for domiciliary care services. As a result the service will not now be formally inspected until August 2010.

9.6 Response to Links and to Feedback from Members and Governors

The Leeds LINk (Local Involvement Network) is a newly formed group this year. The Trust has already met with the group, to invite their third party comments on our performance, as part of the Annual Health Check declaration. Leeds LINk decided not to make any comments this year but indicated that they look forward to a positive working relationship in the future.

Additionally, Governors' comments on Trust performance have recently been sought, as part of the Annual Health Check declaration. Comments made were positive and supportive of the Trust's achievements, and the discussions demonstrated a real appetite for continued involvement in quality improvement. The Trust values Governor and member involvement in our development.

9.7 Quality Overview

9.7.1 Performance of the Trust Against Selected Metrics

Table 9E – Performance Against Selected Metrics

	Safety measures reported	2007	2008	Similar Trusts
1	Number of patient related incidents of violence and aggression scoring NPSA level 3 or above in severity *Number of incidents at level 1 severity*	62 3917	47 3566	N/A (see notes)
2	Number of medication administration errors rated at NPSA level 2 or above *Number of incidents at level 1 severity*	19 at level 2 1 at level 3 0 at level 4&5 526	28 at level 2 3 at level 3 0 at level 4&5 691	N/A (see notes)
3	Numbers of unauthorised absence from inpatient units	263	297	N/A (see notes)
4	Number of patient related slips, trips and falls scoring NPSA level 3 or above in severity *Number of incidents at level 1 severity*	44 756	32 823	N/A (see notes)
5	Numbers of incidents reported to NPSA per 1,000 bed days (all categories)		April to Sept 2008: 42.56	April to Sept 2008: 12.02
	Clinical Effectiveness measures reported	**2007**	**2008**	**Similar Trusts**
6	Number of guidelines relevant to the Trust that have a comprehensive baseline audit of compliance and the subsequent development of an action plan as appropriate		2009-Baseline year	
7	The number of patients offered a copy of care plan	93.25%	85.89%	
8	The percentage of patients who report 'Yes definitely' to having being told about possible side effects of medication	44%	51%	40% (2008)
9	The percentage of patients who report 'Yes definitely' to involvement in deciding what's in their care plan.	41%	45%	39% (2008)
	Patient Experience measures reported	**2007**	**2008**	**Similar Trusts**
10	Percentage of patients who report 'Yes definitely' to being treated with respect and dignity by the professional providing care;			
	Psychiatrist	83%	89%	84% (2008)
	CPN	91%	93%	88% (2008)
	Other Health Professional	84%	89%	87% (2008)
11	Percentage of bed base where single sex accommodation standards have been achieved.		90%	
12	Percentage of patients who report 'Yes' to having a telephone number to call out of hours	50%	40%	46% (2008)
13	Percentage of patients who felt overall care received was good or better	82%	87%	79% (2008)
14	Percentage of staff who reported they 'agreed' or 'strongly agreed' they would recommend their trust as a place to work.	Not included in 2007 survey	47%	53% (2008)

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Notes on selected metrics and the source of data used

1, 2, 4: NPSA degree of harm ratings:

1 - No harm
2 - Low harm
3 - Moderate harm
4 - Severe harm
5 - Death

We are encouraged to see a rise in the number of incidents reported at level 1 severity between 2007 and 2008 as our Trust has worked hard to develop a strong culture of reporting. This also demonstrates that the overwhelming majority of incidents result in no harm. The NPSA cautions against direct comparison with other Trusts on the specific number of reports as even organisations in the same cluster can vary considerably in size and activity.

5: A high level of reporting is indicative of a good culture of safety and so we value being the fourth highest reporting Trust in a group of 66.

7: Data taken as a snapshot in December using internal reporting systems

8, 9; 10; 12: Data taken from Service User Survey

14: The Trust believes that a positive staff culture is essential in providing a good patient experience. Data is taken from the staff survey, which is distributed to a random sample of staff.

9.7.2 National Standards and Priorities

Table 9F – National Targets (as defined by Monitor)

	2008/09	Threshold
100% of 7 day follow up achieved	Percentage followed up April 2008 - March 2009 = 98.58%	95%
% of adult hospital admissions where the service user has had a gate keeping assessment from Crisis Resolution Home Treatment services	Percentage gate-kept June 2008 - March 2009 = 91%	90%
Minimising delayed transfers of care	Including delays recorded as attributable to social care = 16.02%. Excluding delays recorded as attributable to social care (CQC construction) = 7.21%.	No more than 7.5%
Maintain level of crisis resolution teams set in 03/06 planning round	Level met	-

Table 9G – Care Quality Commission (formerly Healthcare Commission) Standards and Priorities

	2007/08	2008/09	Target
To comply with the HCC / CQC core Standards	40/41	43/44	44/44
To comply with the HCC / CQC national priorities	Excellent	To be confirmed by the CQC in October 2009	

Table 9H – Healthcare Associated Infections

	2008/09
Number of cases of MRSA Bacteraemia	0
Number of cases of Clostridium Difficile	11

(L) Chris Butler - Chief Executive with Dr William Moyes - Monitor Chairman

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10.1 Directions by Monitor in respect of NHS Foundation Trust's Annual Accounts

Monitor, the independent regulator of NHS Foundation Trusts, with the approval of HM Treasury, in exercise of powers conferred on it by paragraph 25(1) of Schedule 7 of the National Health Service Act 2006, (the 2006 Act) hereby gives the following Directions:

1 Application and Interpretation

1) These Directions apply to NHS Foundation Trusts in England
2) In these Directions "The Accounts" means:
- for an NHS Foundation Trust in its first operating period since authorisation, the accounts of an NHS Foundation Trust for the period from authorisation until 31 March; or
- for an NHS Foundation Trust in its second or subsequent operating period following authorisation, the accounts of an NHS Foundation Trust for the period from 1 April until 31 March
- The "NHS Foundation Trust" means the NHS Foundation Trust in question.

2 Form of Accounts

1) The Accounts submitted under paragraph 25 of Schedule 7 to 2006 Act shall show, and give a true and fair view of, the NHS Foundation Trust's gains and losses, cash flows and financial state at the end of the financial period.
2) The Accounts shall meet the accounting requirements of the NHS Foundation Trust Reporting Manual (FT FReM) as agreed with HM Treasury, in force for the relevant financial year.
3) The Balance Sheet shall be signed and dated by the Chief Executive of the NHS Foundation Trust.
4) The Statement on Internal Control shall be signed and dated by the Chief Executive of the NHS Foundation Trust.

3 Statement of Accounting Officer's Responsibility

1) The statement of accounting officer's responsibilities in respect of the accounts shall be signed and dated by the Chief Executive of the NHS Foundation Trust

4 Approval on behalf of HM Treasury

1) These directions have been approved on behalf of HM Treasury.

Signed by the authority of Monitor, the independent regulator of NHS Foundation Trusts

Dr William Moyes (Chairman)
17 January 2008

10.2 Assurance Statements

The financial statements have been prepared in accordance with the 2007/08 NHS Foundation Trust Financial Reporting Manual issued by Monitor. The accounting policies contained in that manual follow UK generally accepted accounting practice for companies (UK GAAP) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The Statement on Internal Control describes how the Trust manages risk to ensure the delivery of its policies, aims and objectives. The Independent Auditor's Report describes how the financial statements reflect a 'true and fair view' of the finances of the Trust and that proper accounting controls were in place and used.

Independent audits cost the Trust £48,000 in the period 2008/09. During 2008/09 the Trust commissioned additional assurance work from PricewaterhouseCoopers LLP (the external auditors who undertook the audit of the Trust's financial statements). This cost the Trust an additional £12,000 and was related to the restatement of the opening balance sheet for International Financial Accounting Standards (IFRS) This work did not look at maximising opportunities from the introduction of IFRS and therefore the independence of the Trust's external auditors was not compromised.

10.2.1 Statement of the Chief Executive's Responsibilities as the Accounting Officer of Leeds Partnerships NHS Foundation Trust

The National Health Service 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 finance for which they are answerable, and for the keeping of proper accounts, are set out in the Accounting Officers' Memorandum issued by the independent regulator of NHS Foundation Trusts ("Monitor").
Under the National Health Service Act 2006, Monitor has directed Leeds Partnerships NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Leeds Partnerships NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.
In preparing the accounts the Accounting Officer

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is required to comply with the requirements of the NHS Foundation Trust Financial Reporting Manual and in particular to:

- **Observe the Accounts direction issued by Monitor, 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 Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements.**
- **Prepare the financial statements on a going concern basis.**

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

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

Signed.....

4 / 6 / 09

Date.....

Chris Butler, Chief Executive and Accounting Officer

10.2.2 Statement on Internal Control

This statement covers the period 1 April 2008 to 31 March 2009.

Leeds Partnerships NHS Foundation Trust's (LPFT) Board of Directors is accountable for internal control. The NHS Act 2006 designates the Chief Executive of the Board of Directors as Accounting Officer.

Scope of responsibility

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

LPFT forms part of the West Yorkshire health economy. As Accounting Officer I work closely with NHS Leeds who are the main commissioner of the Trust's services and ensure close liaison with the Yorkshire & Humber Strategic Health Authority (SHA) on matters of strategic significance.
I also work closely with other partners to ensure the delivery and the development of services to service users, including Leeds City Council and partner agencies in the voluntary sector. I also maintain a close working relationship with the representatives of the Trust's staff, in particular the representatives of trade unions constituted as 'Staffside'.

Significant partnership working is evident within the health economy to ensure that delivery arrangements are compliant with the expectations of the NHS Operating Framework and actions emerging from the SHA's strategy 'Healthy Ambitions'. Our Trust has a legally binding contract with NHS Leeds set within an integrated business plan promulgated with key stakeholders, including the Strategic Health Authority and Leeds City Council.

The purpose of the system of internal control

Our Trust's ambition is that:

'In 2011 people choose our Foundation Trust because we always deliver the best mental health and learning disability care'.

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 Leeds Partnerships 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 Leeds Partnerships NHS Foundation Trust for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts.

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Compliance with NHS Pension Scheme regulations

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 in to the Scheme are accurately updated in accordance with the timescales detailed in the regulations.

Capacity to handle risk

In this period, our Trust maintained an embedded and robust Assurance Framework indicating appropriate levels of control relating to risk within the framework of an approved risk management strategy.

There were clinical governance and Assurance Framework structures in place that reviewed risk including a Serious Untoward Incident Panel and the Confidential Enquiry into Suicide and Undetermined Death. During the course of the year these were amalgamated into an overarching Trust Incident Review Group including Non-Executive Director representation.

These were complemented by a number of organisational and service based standards such as those of the National Institute for Health and Clinical Excellence and the relevant National Service Frameworks. Procedures were in place to review and to learn lessons from any serious incidents, complaints or claims.

Active programmes of learning existed within our Trust covering risk management, clinical risk assessment and root cause analysis, overseen by the Trust's Risk Management Department.

It is my view that our Trust had arrangements in place during this period to manage significant business risks as set out in the Assurance Framework.

The risk and control framework

Risk management is embedded in the organisation through its governance arrangements that span both clinical and non-clinical risk. Responsibility for risk management lies with LPFT's Board of Directors. The Risk Management and Governance Committee oversees the risk process being responsible for the allocation of risk to the various other sub-committees of the Board of Directors. Where deemed appropriate, the Risk Management and Governance Committee retained ownership of risks suited to its own responsibilities.

Four principles have underpinned our Trust risk strategy. These are:

- **Transparency in managing risk**
- **Co-ordination of assessment and management of risk**
- **Public credibility in gaining confidence in policies**
- **Effectiveness in the way risk is identified and responded to**

Our Trust has in place a corporate risk register which captures all extreme risks. These are reported in summary form to each meeting of the Board of Directors meeting as part of the monthly Corporate Performance report and each meeting of the Executive Team considers which if any new risks ought to be considered.

Our Trust utilises a five by five matrix applied to the variables of likelihood and impact. Risks are assessed using a risk review template which considers existing controls and our Trust's capacity to manage the risk if it materialised.

Risk is assessed and considered in a way that is reflective of the needs of our key stakeholders. This is achieved by including the following in our risk processes:

- **Non-Executive Directors**
- **Patient and Public Involvement Team**
- **The Staff**
- **Service Users and Carers**

Risk is continuously being identified, evaluated and controlled through risk assessments, risk schedules and risk treatment plans.

Control measures are in place to ensure that all the organisation's obligations under the equality, diversity and human rights legislation are complied with.

Clinical risk management continues to be supported by a standardised approach to risk assessment, underpinned by the Care Programme Approach and supported by staff in the Trust's corporate and service directorates.

Our Trust maintains risk registers at both a corporate level and at a directorate level, underpinned by an Assurance Framework linked to the Annual Healthcheck of the former Healthcare Commission, now the Care Quality Commission (CQC). This provides LPFT's Board of Directors with the opportunity to have a consistent oversight of risk and helps our Trust mitigate risk in an organisation where risks exist hand-in-hand with service developments and modernisation.

Our Trust was granted Risk Management Standards Assessment Level 1 in March 2009 by the NHS Litigation Authority. Having passed this standard, during 2009/10 we will focus on improving any areas of weakness found in the assessment as part of an ongoing review; whilst at the same time progressing work to prepare our Trust for achieving level 2 accreditation in due course.

On the 27 March 2009, under the Health & Social Care Act 2008, our Trust's application for registration as a service provider was granted by the Care Quality Commission, with just one condition. This condition referred to an issue previously identified by ourselves and brought to the attention of the CQC through its own review processes, concerning the timeliness of

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the receipt of pathology tests from an external provider. Measures have been put in place to fully resolve this prior to the end of April 2009 and therefore in good time for the CQC deadline of June 2009.
Our Assurance Framework classified objectives within the following domains:

- **Safety**
- **Clinical and Cost Effectiveness**
- **Governance**
- **Patient Focus**
- **Accessible and Responsive Care**
- **Care Environment**
- **Public Health**

Risk sharing is common practice with other agencies such as NHS Leeds and the directorate of Adult Social Care in Leeds City Council Social Services. There is some convergence of policies and procedures and in some cases, single management. This allows for the involvement of stakeholders in risk management procedures.

During 2008/09, a systematic review was carried out of all of the Core Standards of the former Healthcare Commission, with a thorough and systematic review of all 44 elements. This enabled our Trust to have an even greater degree of assurance than previously.

During the period, our Trust was able to declare full compliance with all nationally imposed core standards and targets with the exception of C24, Emergency Preparedness. The issue rendering this non-compliant was solely in relation to the frequency of communication cascades. This was subsequently rectified and our Trust has been fully compliant on this issue since 29 August 2008.

For 2009/10, the Assurance Framework has been fully revised and refreshed to more directly align with the strategic objectives of our organisation.

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

The Annual Plan covering the period up to 2010/11 sets out how the vision and objectives of our Trust will be delivered.

The Executive Team of LPFT has responsibility for overseeing day-to-day operations of our Trust and for ensuring that resources are used economically, efficiently and effectively.

The Auditors Local Evaluation (ALE) is a comprehensive review looking at five key areas of performance:

- **Financial Reporting**
- **Financial Management**
- **Financial Standing**
- **Internal Control**
- **Value for money**

Although the external ALE process is not a mandatory requirement for NHS Foundation Trusts, the Audit Committee decided to maintain ALE as an internally managed process to provide additional assurance. This yielded a strong performance with a rating of '3' overall. The use of resources score determined by Monitor (the independent regulator of NHS Foundation Trusts) through a financial risk rating assessment has now replaced the ALE assessment score. During the period, Monitor assessed our rating as 3, which on a scale of 1 to 5 represents the level needed to satisfy Monitor's requirements.

Service directorate reviews continued to take place, each directorate being reviewed by Executive and Non-Executive Directors with particular reference to both the domains featuring in the Annual Healthcheck and also our Trust's strategic objectives. This provided both assurance regarding the quality of services and use of resources in each main service area as well as promoting a more considered view of future needs and objectives.

Issues identified in National Staff Survey results received from the Healthcare Commission have been reviewed and action plans developed where appropriate. Similarly, issues identified in the Picker Institute Service User Survey have been similarly addressed.

After due consideration of procurement practices, our Trust implemented a new e-procurement system from National Shared Business Services. By 31 March 2009 this was in place across our Trust with a view to rolling out to the remaining area of facilities procurement early in 2009/10.

As an NHS Foundation Trust, quarterly submissions are despatched to Monitor, requiring LPFT's Board of Directors to confirm that our Trust has met all core standards and national targets. Information on financial performance is also included. Monitor then assess submissions and subsequently confirm a rating for quality of services and use of resources. The Trust has been assessed thus far as good on both counts.

In 2008/09, however, following confirmation in April 2009 of the Monitor construct of their measure of delayed discharges, which unlike the CQC construct includes delays outside of the control of the NHS, retrospectively, our Trust was not compliant. Action already taken, particularly in respect of managing older people's services delays has seen a sustainable and significant reduction in such delays which brought the relative percentage of delays down to 7.4% by the end of Quarter 4 against a Monitor threshold of 7.5%. Had the CQC definition been applied, however, our Trust would have been under the Monitor threshold all year. These actions included:

- **The appointment of a Bed Manager**
- **Strengthening capacity management processes**
- **Introduction of a delayed discharge escalation process**

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- **Directorate escalation process established for bed management**
- **Performance management reinforced**
- **Development of a bed management intranet site**
- **Management supervision of the process and structures**
- **Undertaking a housing project with the Local Authority**

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 and the executive managers within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports.

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

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

In terms of integrated governance, The Board of Directors, its sub-committees and the Board of Governors carry out an annual review of effectiveness. The Risk Management and Governance Committee brings together work-streams relating to the Assurance Framework, the risk register and the assessment of both clinical and non-clinical aspects of risk.

Our Trust receives its core accounting systems and processes from third parties. The main accounting functions are provided by NHS Shared Business Services Ltd. Assurance is provided to the Trust through Statement of Auditing Standards (SAS) No. 70, prepared by NHS Shared Business Services independent auditors. This internationally recognised auditing standard signifies that a service organisation has had its control objectives and control activities examined by an independent accounting and auditing firm.

The payroll service is provided by the Leeds Teaching Hospitals NHS Trust (LTHT). Assurance is received from LTHT and its internal auditors regarding both the performance and controls associated with the Electronic Staff Record system, which concludes that the payroll function is operational within an environment of effective control.

As well as providing audit scrutiny of the annual financial statements, our Trust's external auditors, PricewaterhouseCoopers LLP, provide assurance through the review of systems and processes as part of the annual audit plan.

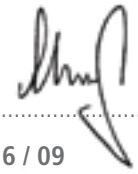
As stated at the outset, our Trust's Board of Directors has accountability for ensuring an effective system of internal control is in place. This is achieved through various governance committees, which it reviews on an annual basis. These are the Risk Management & Governance Committee, the Resources Committee, and the Information Management & Technology Governance Committee.

Our Trust's Audit Committee oversees the standards that each governance committee strives to achieve.

The Resources Committee of the Board of Directors continues to ensure that plans for services, workforce, finance and estate were integrated and provide good value. The Information Management and Technology Committee supported necessary control mechanisms throughout our Trust. The Committees continue to meet at intervals throughout the year. Minutes and reports from the committees are received by both the Audit Committee and the Board of Directors.
The Executive Directors have personal responsibility for particular aspects of internal control within their individual portfolios.

Internal Audit reviews the system of internal control on an on-going basis. The Internal Audit Plan is derived from an assessment of risk areas within our Trust and includes all areas where Internal Audit is named in the Assurance Framework as a provider of assurance on the effectiveness of key controls.

During the year we have discovered ways to improve our systems of internal control, however, no significant control issues other than that associated with delayed discharges were identified during the period.



Signed.....

Date.....4 / 6 / 09

Chris Butler, Chief Executive and Accounting Officer

10.2.3 The Directors Statement of Responsibility

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period. In preparing these accounts the Directors are required to:

- **Apply on a consistent basis accounting policies laid down**

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by the Secretary of State with the approval of the Treasury.

- **Make judgements and estimates that are reasonable and prudent.**
- **State whether applicable accounting standards have been followed, subject to any material departures disclosures 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 and enable them to ensure that the accounts comply with the requirements outlined in the above-mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed.....

4 / 6 / 09

Date.....

Chris Butler, Chief Executive and Accounting Officer

Signed.....

4 / 6 / 09

Date.....

Guy Musson, Director of Finance

10.3 Independent Auditors Report to the Board of Governors of Leeds Partnerships NHS Foundation Trust

We have audited the financial statements of Leeds Partnerships NHS Foundation Trust for the year ended 31 March 2009 which comprises the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Financial Reporting manual issued by the Independent Regulator of the NHS Foundation Trusts ("Monitor").

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with relevant statute, the Audit Code for NHS Foundation Trusts issued by Monitor and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Board of Governors of Leeds Partnerships NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 and for no other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the NHS Foundation Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the NHS Foundation Trust; and the overall presentation of the financial statements.

Opinion of financial statements

In our opinion the financial statements:

- Give a true and fair view, in accordance with the NHS Foundation Trust Financial Reporting Manual, of the state of the NHS Foundation Trust's affairs as at 31 March 2009 and of its income and expenditure and cash flows for the year then ended; and
- Have been properly prepared in accordance with the NHS Foundation Trust Financial Reporting Manual.

Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts
In our opinion

- The part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Reporting Manual; and
- The information given in the Directors' 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

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from locations not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or

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- We have not received all the information and explanations we require for our audit; or
- The Statement on Internal Control does not met the disclosure requirements set out in the NHS Foundation Trust Financial Reporting manual or is misleading or inconsistent with information of which we are aware from our audit; or
- We have not been able to satisfy ourselves that the NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor

Ian Looker (Partner)
05 June 2009
For and on behalf of PricewaterhouseCoopers LLP Chartered Accountant and Statutory Auditors, Benson House, 33 Wellington Street Leeds

(a) The maintenance and integrity of the Leeds Partnerships NHS Foundation Trust website is the responsibility of the directors, the work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

10.4 Annual Accounts Forward

Leeds Partnerships NHS Foundation Trust ("Trust") is required to "keep accounts in such form as Monitor (The Independent Regulator for NHS Foundation Trusts) may with the approval of Treasury direct" (Paragraph 24 (1) Schedule 7 of the National Health Service Act 2006 ("the 2006 Act")). The Trust is required to "prepare in respect of each financial year annual accounts in such form as Monitor may with the approval of the Treasury direct" (Paragraph 25 (1) Schedule 7 to the 2006 Act). In preparing their annual accounts, the Trust must comply with any directions given by Monitor, with the approval of the Treasury, as to the methods and principles according to which the accounts are to be prepared and the information to be given in the accounts (Paragraph 25 (2) Schedule 7 to the 2006 Act). In determining the form and content of the annual accounts Monitor must aim to ensure that the accounts present a true and fair view (Paragraph 25 (3) Schedule 7 to the 2006 Act).

Signed.....

Date.....4 / 6 / 09

Chris Butler, Chief Executive and Accounting Officer

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009	NOTE	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
Income from activities	3	**107,341**	68,425
Other operating income	4	**11,730**	6,471
Operating expenses	5	**(117,477)**	(72,826)
OPERATING SURPLUS		**1,594**	2,070
Profit/(loss) on disposal of fixed assets	8	**(164)**	94
SURPLUS BEFORE INTEREST		**1,430**	2,164
Finance income	9	**1,017**	603
Other finance costs	16	**(32)**	0
SURPLUS FOR THE FINANCIAL PERIOD		**2,415**	2,767
Public Dividend Capital dividends payable		**(1,223)**	(897)
RETAINED SURPLUS FOR THE PERIOD		**1,192**	1,870

The notes on pages 80 to 100 form part of these accounts.
All income & expenditure is derived from continuing operations.

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BALANCE SHEET AS AT 31 MARCH 2009	NOTE	31 March 2009 £000	31 March 2008 (Restated) £000
FIXED ASSETS			
Intangible assets	10	**77**	130
Tangible assets	11	**26,990**	28,388
		27,067	28,518
CURRENT ASSETS			
Stocks and work in progress	12	**65**	57
Debtors	13	**3,955**	5,182
Investments	14	**0**	10,000
Cash at bank and in hand	18.3	**16,527**	1,563
		20,547	16,802
CREDITORS: Amounts falling due within one year	15	**(11,273)**	(11,218)
NET CURRENT ASSETS		**9,274**	5,584
DEBTORS: Amounts falling due after more than one year	13	**7,467**	7,264
TOTAL ASSETS LESS CURRENT LIABILITIES		**43,808**	41,366
CREDITORS: Amounts falling due after more than one year	15	**(1,425)**	0
PROVISIONS FOR LIABILITIES AND CHARGES	16	**(2,917)**	(1,564)
TOTAL ASSETS EMPLOYED		**39,466**	39,802
FINANCED BY:			
TAXPAYERS' EQUITY			
Public dividend capital	22	**19,509**	19,509
Revaluation reserve	17	**8,015**	9,849
Donated asset reserve	17	**30**	15
Other reserves	17	**(651)**	(651)
Income and expenditure reserve	17	**12,563**	11,080
TOTAL TAXPAYERS' EQUITY		**39,466**	39,802

The financial statements on pages 77 to 100 were approved by the Board on 4 June 2009 and signed on its behalf by:

Signed: ..... (Chief Executive)

Date: 4 / 6 / 09

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR YEAR ENDED 31 MARCH 2009	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
Surplus for the period before dividend payments	2,415	2,767
Fixed asset impairment losses	0	(100)
Unrealised (deficit)/surplus on fixed asset revaluations	(1,543)	6,035
Increase in donated asset reserve due to receipt of donated assets	15	15
Total gains and losses recognised in the period	887	8,717
Prior period adjustment	(14,136)	
Total gains and losses recognised since last annual report	(13,249)	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009	NOTE	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
OPERATING ACTIVITIES			
Net cash inflow/(outflow) from operating activities	18.1	8,418	5,475
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		631	361
Net cash inflow/(outflow) from returns on investments and servicing of finance		631	361
CAPITAL EXPENDITURE			
(Payments) to acquire tangible fixed assets		(3,363)	(499)
Receipts from sale of tangible fixed assets		486	809
(Payments) to acquire intangible assets		0	(59)
Net cash inflow/(outflow) from capital expenditure		(2,877)	251
DIVIDENDS PAID		(1,223)	(1,346)
Net cash inflow/(outflow) before management of liquid resources and financing		4,949	4,741
MANAGEMENT OF LIQUID RESOURCES*			
(Purchase) of current asset investments		(394,500)	(271,500)
Sale of current asset investments		404,500	267,000
Net cash inflow/(outflow) from management of liquid resources		10,000	(4,500)
Net cash inflow/(outflow) before financing		14,949	241
FINANCING			
Capital receipts		15	0
Net cash inflow/(outflow) from financing		15	0
Increase/(decrease) in cash		14,964	241

* Liquid resources can be defined as amounts held on deposit with National Loans Facility (7 day access) and on fixed term deposit with UK clearing banks.

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1.0 Accounting Policies

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the NHS Foundation Trust Financial Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2008/09 NHS Foundation Trust Financial Reporting Manual issued by Monitor. The accounting policies contained in that manual follow UK generally accepted accounting practice for companies (UK GAAP) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of tangible fixed assets at their value to the business by reference to their current costs. For specialised operational property the modern equivalent asset valuation method has been used. NHS foundation trusts, in compliance with HM Treasury's Financial Reporting Manual, are not required to comply with the FRS 3 requirements to report "earnings per share" or historical profits and losses.

1.2 Income Recognition

Income is accounted for by applying the accruals convention. The main source of income for the NHS Foundation Trust is from commissioners in respect of healthcare services provided under local agreements (NHS contracts). Income is recognised in the period in which services are provided, for patients in whose treatment straddles the year end this means income is apportioned across the financial years on the basis of length of stay. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

1.3 Pooled Budgets

The NHS Foundation Trust has entered into a pooled budget with Leeds PCT and Leeds City Council. Under the arrangement funds are pooled under S31 of the Health Act 1999 for People with Learning Disabilities.

As a provider of healthcare services the NHS Foundation Trust does not make contributions to the pool, but receives funding from the pool to provide some of its services for People with Learning Disabilities.

1.4 Expenditure Recognition

Expenditure is accounted for by applying the accruals convention. However Losses and Special Payment amounts at note 29 are calculated on a cash basis.

1.5 Intangible Fixed Assets

Intangible assets are capitalised when they are capable of being used in a NHS Foundation Trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000.

Intangible fixed assets held for operational use are valued at historical cost and are amortised over the estimated life of the asset on a straight line basis, except capitalised Research and Development which is revalued using an appropriate index figure. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred. They are amortised over the shorter of the term of the licence and their useful economic lives.

1.6 Tangible Fixed Assets

Capitalisation

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- **individually have a cost of at least £5,000; or**
- **collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or**
- **form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.**

The finance costs of bringing fixed assets into use are not capitalised.

Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may

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not be recoverable. The costs arising from financing the construction of the fixed asset are not capitalised but are charged to the income and expenditure account in the year to which they relate.

All land and buildings are revalued using professional valuations in accordance with FRS 15 every five years. A three yearly interim valuation is also carried out.

Professional valuations are carried out by the District Valuers of the Revenue and Customs Government Department.

Valuations are carried out by external professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. A valuation was undertaken as at 31 March 09 and the results of that exercise have been incorporated into these accounts.

The valuations are carried out primarily on the basis of modern equivalent asset ("MEA") for specialised operational property and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing use value. For non-operational properties including surplus land, the valuations are carried out at open market value.

The adoption of MEA valuation for specialised operational property represents a change to the accounting policy used previously, which was depreciated replacement cost. Due to this change in policy a prior period adjustment has been included in these accounts which back dates the MEA valuation to 1st August 2007.

Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the five or three-yearly valuation or when they are brought into use.

Operational equipment is valued at net current replacement cost. Equipment surplus to requirements is valued at estimated net recoverable amount.

Depreciation, amortisation and impairments

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land or on assets surplus to requirements.

The useful economic lives of tangible fixed assets are estimated as follows:

- **Short life engineering plant and equipment - 5 years**
- **Medium life engineering plant and equipment - 10 years**
- **Long life engineering plant and equipment - 15 years**
- **Vehicles - 7 years**
- **Furniture - 10 years**
- **Office and IT equipment - 5 years**
- **Short life medical and other equipment - 5 years**
- **Medium life medical equipment - 10 years**
- **Long life medical equipment - 15 years**
- **Mainframe type IT installations - 8 years**

Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's professional valuers. Leaseholds are depreciated over the primary lease term

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Fixed asset impairments resulting from losses of economic benefits are charged to the income and expenditure account. All other impairments are taken to the revaluation reserve and reported in the statement of total recognised gains and losses to the extent that there is a balance on the revaluation reserve in respect of the particular asset.

1.7 Donated Fixed Assets

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the donated asset reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the income and expenditure account. Similarly, any impairment on donated assets charged to the income and expenditure account is matched by a transfer from the donated asset reserve. On sale of donated assets, the net book value of the donated asset is transferred from the donated asset reserve to the Income and Expenditure Reserve.

1.8 Liquid Resources

Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the cashflow statement.

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1.9 Private Finance Initiative (PFI) Transactions

The NHS follows HM Treasury's Technical Note 1 (Revised) "How to Account for PFI transactions" which provides definitive guidance for the application of application note F to FRS 5.

The PFI payments made by the NHS foundation trust are treated as an operating expense. This is because the balance of the risks and rewards of ownership of the PFI property are borne by the PFI operator.

1.10 Stocks and Work-in-Progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value.

1.11 Cash and Bank

Cash and bank balances are recorded at the current values of these balances in the NHS foundation trust's cash book. These balances exclude monies held in the NHS foundation trust's bank account belonging to patients (see "third party assets" below). Interest earned on bank accounts is recorded as "interest receivable" in the period to which it relates. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.12 Research and Development

Expenditure on research is not capitalised. Expenditure on development is capitalised if it meets the following criteria:

- **there is a clearly defined project;**
- **the related expenditure is separately identifiable;**
- **the outcome of the project has been assessed with reasonable certainty as to:**
  - **its technical feasibility;**
  - **its resulting in a product or service which will eventually be brought into use;**
- **adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital.**

Expenditure so deferred is limited to the value of future benefits expected and is amortised through the income and expenditure account on a systematic basis over the period expected to benefit from the project. It is revalued on the basis of current cost. The amortisation charge is calculated on the same basis as used for depreciation i.e. on a quarterly basis. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. Where possible, NHS Foundation Trusts disclose the total amount of research and development expenditure charged in the Income and Expenditure account separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

1.13 Provisions

The NHS Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is material, the estimated risk-adjusted cash flows are discounted using the Treasury's discount rate of 2.2% in real terms.

Contingencies

Contingent liabilities are provided for where a transfer of economic benefits is probable. Otherwise, they are not recognised, but are disclosed in note 21 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.**

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 16.

Non-clinical risk pooling

The NHS Foundation 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 the NHS Litigation Authority and in return receives assistance with the

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costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

1.14 Pension Costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.pensions.nhsbsa.nhs.uk. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is 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, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.
The Scheme is subject to a full actuarial valuation every four years (until 2004, based on a five year valuation cycle), and a FRS17 accounting valuation every year. An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date.

The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay. On advice from the Scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From 1 April 2008, employees contributions are on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings.

b) FRS17 Accounting valuation

In accordance with FRS17, a valuation of the Scheme liability is carried out annually by the Scheme Actuary as at the balance sheet date by updating the results of the full actuarial valuation.

Between the full actuarial valuations at a two-year midpoint, a full and detailed member data-set is provided to the Scheme Actuary. At this point the assumptions regarding the composition of the Scheme membership are updated to allow the Scheme liability to be valued

The valuation of the Scheme liability as at 31 March 2009, is based on detailed membership data as at 31 March 2006 (the latest midpoint) updated to 31 March 2009 with summary global member and accounting data.

The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

Scheme provisions up to 31 March 2008

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement, less pension already paid, subject to a maximum amount equal to twice the member's final year's pensionable pay less their retirement lump sum for those who die after retirement, is payable.
For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the income and expenditure account at the time the Trust commits itself to the retirement, regardless of the method of payment.

The Scheme provides the opportunity to members to increase their benefits through money purchase Additional Voluntary Contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee/member can make contributions to enhance an employee's pension benefits. The benefits payable relate directly to the value of the investments made.

Scheme provisions from 1 April 2008

From 1 April 2008 changes have been made to the NHS Pension Scheme contribution rates and benefits. Further details of these changes can be found on the NHS Pensions website **www.pensions.nhsbsa.nhs.uk.**

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1.15 Value Added Tax

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

1.16 Corporation Tax

The NHS Foundation Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to disapply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum.

1.17 Foreign Exchange

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the Income and Expenditure Account.

1.18 Third Party Assets

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

1.19 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as a tangible fixed asset and a debt is recorded to the lesser of the minimum lease payments discounted by the interest rate implicit in the lease.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires.

The interest element of the finance lease payment is charged to the income and expenditure account over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the income and expenditure account on a straight-line basis over the term of the lease.

1.20 Public Dividend Capital (PDC) and PDC Dividend

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 original NHS Trust.

A charge, reflecting the forecast cost of capital utilised by the NHS Foundation Trust, is paid over as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held with the Office of the Paymaster General. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

1.21 Losses and Special Payments

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

Losses and Special Payments are charged to the relevant functional headings in the Income and Expenditure Account on an accruals basis, including losses which would have been made good through insurance cover had NHS Foundation Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). Note 29 is compiled directly from the losses and compensations register which is prepared on a cash basis.

1.22 Financial Instruments and Financial Liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the NHS Foundation Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Derecognition

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the NHS Foundation Trust has transferred substantially all of the risks and rewards of ownership.

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

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Classification and Measurement

Financial assets are categorised as 'Loans and Receivables'.

Financial liabilities are classified as 'Other Financial liabilities'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments with are not quoted in an active market. They are included in current assets
The NHS Foundation Trust's loans and receivables comprise: current investments, cash at bank and in hand, NHS debtors and 'other debtors'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Other financial liabilities

Other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

Impairment of financial assets

At the balance sheet date, the NHS Foundation Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cashflows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the income and expenditure account and the carrying amount of the asset is reduced through the use of a bad debt provision.

2. SEGMENTAL REPORTING

All of the NHS Foundation Trust's income generating activities relate to the healthcare sector.

3.1 INCOME FROM ACTIVITIES	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
Cost and Volume Contract income	**3,118**	2,739
Block Contract Income	**96,894**	61,948
Clinical Partnerships providing mandatory services	**3,392**	3,121
Other clinical income from mandatory services	**1,937**	617
Clinical income for the secondary commissioning of mandatory services	**2,000**	0
TOTAL	**107,341**	68,425

3.2 INCOME FROM ACTIVITIES	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
Primary Care Trusts	**101,941**	64,687
NHS Trusts	**23**	0
Local Authorities	**1,118**	690
Non NHS other	**4,259**	3,048
TOTAL	**107,341**	68,425

Other Income Non NHS, includes £3,392k income for social care clients (£2,103k - 8 months ended 31 March 2008)

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4. OTHER OPERATING INCOME	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
Research and development	389	333
Education and training	3,149	2,305
Non-patient care services to other bodies	3,617	1,376
Other income	4,575	2,457
TOTAL	11,730	6,471

5. OPERATING EXPENSES 5.1 OPERATING EXPENSES COMPRISE:	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 (Restated) £000
Services from NHS Trusts	708	399
Purchase of healthcare from non NHS bodies	1,023	67
Executive directors' costs	781	508
Non executive directors' costs	143	87
Staff costs	85,935	53,651
Drug costs	2,141	1,588
Supplies and services - clinical (excluding drug costs)	698	627
Supplies and services - general	1,121	809
Establishment	4,331	2,106
Research and development	382	244
Transport	1,459	914
Premises	4,834	3,086
Depreciation and amortisation	1,506	1,176
Fixed asset impairments	451	374
Audit fees -statutory audit and regulatory reporting	55	63
Other auditors remuneration	12	0
Clinical negligence	157	125
Other	11,740	7,002
TOTAL	117,477	72,826

Expenditure categorised as Services from NHS Trusts (£708k) has been separately classified as such for 08/09. This expenditure relates to clinical and non-clinical services provided by Leeds Teaching Hospitals NHS Trust. The prior period amounts have been reclassified accordingly for consistency purposes.

£911k expenditure categorised as Purchase of Healthcare from non NHS bodies relates to payments to private sector healthcare providers, which is new expenditure for 08/09. A further £112k relates to expenditure with the Alzheimers Society. This expenditure was categorised as 'other' operating expenditure in 07/08. The prior period amounts have been reclassified accordingly for consistency purposes.

Other Expenditure includes £10,124k in relation to PFI costs. These are primarily monthly service charge payments to the operators of the two PFI schemes to which the Foundation Trust is party (see note 24).

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5.2 OPERATING LEASES 5.2.1 OPERATING EXPENSES INCLUDE:	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
Hire of plant and machinery	**336**	217
Other operating lease rentals	**10,802**	6,640
TOTAL	**11,138**	6,857

5.2.2 ANNUAL COMMITMENTS UNDER NON - CANCELLABLE OPERATING LEASES ARE:	Land and buildings		Other leases		Total	Total
	2008/09 £000	2007/08 £000	**2008/09 £000**	2007/08 £000	**2008/09 £000**	2007/08 £000
Operating leases which expire:						
Within 1 year	**3**	17	**102**	99	**105**	116
Between 1 and 5 years	**219**	284	**299**	406	**518**	690
After 5 years	**10,672**	10,600	**0**	0	**10,672**	10,600
TOTAL	**10,894**	10,901	**401**	505	**11,295**	11,406

6. STAFF COSTS AND NUMBERS 6.1 STAFF COSTS	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
Salaries and wages	**68,177**	42,739
Social Security Costs	**5,303**	3,088
Employer contributions to NHS Pension Scheme	**8,282**	5,346
Other pension costs	**0**	0
Agency/contract staff	**4,953**	2,986
TOTAL	**86,715**	54,159

Permanently employed staff costs exclude salaries of £90k which have been capitalised.

6.2 AVERAGE NUMBER OF PERSONS EMPLOYED	Year ended 31 March 2009 Number	8 Months ended 31 March 2008 Number
Medical and dental	**182**	161
Ambulance staff	**0**	0
Administration and estates	**494**	481
Healthcare assistants and other support staff	**61**	79
Nursing, midwifery and health visiting staff	**1,230**	1,251
Nursing, midwifery and health visiting learners	**0**	0
Scientific, therapeutic and technical staff	**267**	238
Social care staff	**7**	11
Bank and agency staff	**259**	259
Other	**0**	0
TOTAL	**2,500**	2,480

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6.3 MANAGEMENT COSTS	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
Management costs	7,321	4,727
Income	119,071	74,896
Ratio of management costs to income (%)	6.1%	6.3%

6.4 RETIREMENTS DUE TO ILL-HEALTH	Year ended 31 March 2009 Number	8 Months ended 31 March 2008 Number
Number of retirements on the grounds of ill health	6	2

	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
Value of early retirements on the grounds of ill health	278	105

7. BETTER PAYMENT PRACTICE CODE	Year Ended 31 March 2009		8 Months ended 31 March 2008	
	Number	£000	Number	£000
Total Non-NHS trade invoices paid in the period	22,923	31,777	16,287	16,906
Total Non-NHS trade invoices paid within target	21,286	29,515	15,369	15,651
Percentage of Non-NHS trade invoices paid within target	93%	93%	94%	93%
Total NHS trade invoices paid in the period	725	7,200	468	5,192
Total NHS trade invoices paid within target	640	6,781	408	4,884
Percentage of NHS trade invoices paid within target	88%	94%	87%	94%

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.

8. PROFIT/(LOSS) ON DISPOSAL OF FIXED ASSETS	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
Profit/(loss) on the disposal of fixed assets is made up as follows:		
(Loss)/Profit on disposal of land and buildings	(165)	109
Profit/(Loss) on disposal of other tangible fixed assets	1	(15)
TOTAL	(164)	94

9. INTEREST RECEIVABLE	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000
On bank balances and short term investments	659	379
Other	358	224
TOTAL	1,017	603

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10. INTANGIBLE FIXED ASSETS	Software licences £000	Total £000
Gross cost at 1 April 2008	292	292
Disposals	**(85)**	(85)
Gross cost at 31 March 2009	**207**	**207**
Amortisation at 1 April 2008	162	162
Charged during the year	53	53
Disposals	(85)	(85)
Amortisation at 31 March 2009	**130**	**130**
Net book value		
- Purchased at 1 April 2008	130	130
- Total at 1 April 2008	**130**	**130**
- Purchased at 31 March 2009	77	77
- Total at 31 March 2009	**77**	**77**

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11 TANGIBLE FIXED ASSETS 11.1 TANGIBLE FIXED ASSETS AT THE BALANCE SHEET DATE COMPRISE THE FOLLOWING ELEMENTS:	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & Fittings £000	Total £000
Cost or valuation at 1 April 2008	17,273	22,568	0	644	713	423	2,680	1,055	45,356
Prior Period Adjustment	(10,688)	(3,448)	0	0	0	0	0	0	(14,136)
Revised Cost or valuation at 1 April 2008	6,585	19,120	0	644	713	423	2,680	1,055	31,220
Additions purchased	0	0	0	2,343	41	0	256	44	2,684
Additions donated	0	0	0	15	0	0	0	0	15
Additions government granted	0	0	0	0	0	0	0	0	0
Impairments	0	(440)	0	(11)	0	0	0	0	(451)
Reclassifications	0	1,876	0	(2,683)	25	0	782	0	0
Other revaluations	(1,131)	(1,013)	0	0	17	11	0	27	(2,089)
Disposals	(375)	(275)	0	0	0	(85)	(221)	(49)	(1,005)
Cost or Valuation at 31 March 2009	**5,079**	**19,268**	**0**	**308**	**796**	**349**	**3,497**	**1,077**	**30,374**
Depreciation at 1 April 2008	0	0	0	0	383	204	1,632	613	2,832
Charged during the year	0	850	0	0	51	47	426	79	1,453
Impairments	0	0	0	0	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Other in year revaluation	0	(575)	0	0	8	5	0	16	(546)
Disposals	0	0	0	0	0	(85)	(221)	(49)	(355)
Depreciation at 31 March 2009	**0**	**275**	**0**	**0**	**442**	**171**	**1,837**	**659**	**3,384**
Net book value									
- Purchased at 1 April 2008	6,585	19,120	0	629	330	219	1,048	442	28,373
- Donated at 1 April 2008	0	0	0	15	0	0	0	0	15
- Government granted at 31 March 2008	0	0	0	0	0	0	0	0	0
- Total at 31 March 2008	**6,585**	**19,120**	**0**	**644**	**330**	**219**	**1,048**	**442**	**28,388**
- Purchased at 31 March 2009	5,079	18,963	0	308	354	178	1,660	418	26,960
- Donated at 31 March 2009	0	30	0	0	0	0	0	0	30
- Government granted at 31 March 2009	0	0	0	0	0	0	0	0	0
- Total at 31 March 2009	**5,079**	**18,993**	**0**	**308**	**354**	**178**	**1,660**	**418**	**26,990**

Of the totals at 31 March 2009, £865k related to land valued at open market value (£1,525k at 31 March 2008) and £0k related to buildings valued at open market value (£275k at 31 March 2008). This land is due to be disposed of in 2009/10.

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11.2 ANALYSIS OF TANGIBLE FIXED ASSETS	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & Fittings £000	Total £000
Net book value									
NBV - Protected assets at 31 March 2009	3,644	18,138	0	0	0	0	0	0	21,782
NBV - Unprotected assets at 31 March 2009	1,435	855	0	308	354	178	1,660	418	5,208
Total at 31 March 2009	**5,079**	**18,993**	**0**	**308**	**354**	**178**	**1,660**	**418**	**26,990**

	Protected £000	Unprotected £000	Total £000
The net book value of land, building and dwellings at 31 March 2009 comprises			
Freehold	21,782	2,290	24,072

	Protected £000	Unprotected £000	Total £000
The net book value of land, building and dwellings at 31 March 2008 comprises			
Freehold	21,415	4,290	25,705

	Year ended 31 March 2009 £000		8 months ended 31 March 2008 £000
Impairment of assets			
Abandonment of assets in course of construction	**11**		15
Other	**149**		325
Changes in market price	**291**		134
	451		474

Results from interim estate revaluation as at 31 March 2009 and 2008 respectively.

Relates to asset held at open market value awaiting disposal.

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12. STOCKS AND WORK IN PROGRESS	31 March 2009 £000	31 March 2008 £000
Raw materials and consumables	65	57
TOTAL	65	57

13. DEBTORS 13.1 DEBTORS Amounts falling due within one year:	31 March 2009			31 March 2008		
	Financial Assets £000	Non Financial Assets £000	Total £000	Financial Assets £000	Non Financial Assets £000	Total £000
NHS debtors	1,082	0	1,082	2,068	0	2,068
Provision for irrecoverable debts	(69)	0	(69)	(176)	0	(176)
Prepayments	0	1,206	1,206	0	1,066	1,066
Other debtors	1,736	0	1,736	2,224	0	2,224
Sub Total	2,749	1,206	3,955	4,116	1,066	5,182
Amounts falling due after more than one year:						
NHS debtors	0	0	0	0	0	0
Prepayments	0	6,550	6,550	0	6,367	6,367
Other debtors	917	0	917	897	0	897
Sub Total	917	6,550	7,467	897	6,367	7,264
TOTAL	3,666	7,756	11,422	5,013	7,433	12,446

Prepayments over one year includes an amount of £6,157k in respect of PFI schemes (31 March 2008 £5,939k)

13.2 PROVISION FOR IMPAIRMENT OF DEBTORS	Year ended 31 March 2009 £000	8 months ended 31 March 2008 £000
At 01 April 2008 / 01 August 2007	176	108
Increase in provision	40	68
Amounts utilised	(30)	0
Unused amounts reversed	(117)	0
TOTAL	69	176

13.3 ANALYSIS OF IMPAIRED DEBTORS Age analysis of impaired debtors	31 March 2009 £000	31 March 2008 £000
Up to three months	0	10
Over six months	69	166
TOTAL	69	176

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AGEING OF NON IMPAIRED DEBTORS PAST DUE DATE	31 March 2009 £000	31 March 2008 £000
Up to three months	435	1,216
In three to six months	46	102
Over six months	110	212
TOTAL	591	1,530

14. CURRENT ASSET INVESTMENTS	£000
Cost or valuation at 1st April 2008	10,000
Additions	394,500
Disposals	(404,500)
COST OR VALUATION AT 31ST MARCH 2009	0

Current asset investments made during the year comprised fixed term cash deposits with UK clearing banks and HM Treasury National Loans facility

15. CREDITORS	31 March 2009			31 March 2008		
15.1 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Financial Liabilities £000	Non Financial Liabilities £000	Total £000	Financial Liabilities £000	Non Financial Liabilities £000	Total £000
NHS creditors	1,970	0	1,970	1,346	0	1,346
Other tax and social security	0	1,693	1,693	0	1,714	1,714
Capital creditors	277	0	277	941	0	941
Other creditors	1,866	0	1,866	2,087	0	2,087
Accruals	3,785	0	3,785	3,502	0	3,502
Deferred income	0	1,682	1,682	0	1,628	1,628
TOTAL	7,898	3,375	11,273	7,876	3,342	11,218

Other creditors include: £977k outstanding pensions contributions at 31 March 2009 (31 March 2008 £985k).

15.2 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	31 March 2009			31 March 2008		
	Financial Liabilities £000	Non Financial Liabilities £000	Total £000	Financial Liabilities £000	Non Financial Liabilities £000	Total £000
Deferred income	0	1,425	1,425	0	0	0
TOTAL	0	1,425	1,425	0	0	0

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15.3 PRUDENTIAL BORROWING LIMIT

The NHS Foundation Trust is required to comply and remain within a prudential borrowing limit. This is made up of two elements:

- the maximum cumulative amount of long-term borrowing. This is set by reference to the five ratio tests set out in Monitor's Prudential Borrowing Code. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long term borrowing limit.
- the amount of any working capital facility approved by Monitor. Further information on the NHS Foundation Trust Prudential Borrowing Code and Compliance Framework can be found on the website of Monitor, the Independent Regulator of Foundation Trusts

	31 March 2009 £000	31 March 2008 £000
Total long term borrowing limit set by Monitor	**11,700**	10,000
Working capital facility	**8,500**	8,500
TOTAL	**20,200**	18,500

Total prudential borrowing limit
The NHS Foundation Trust had a long term borrowing limit of £11.7m in 2008/09 but made no borrowings (2007/08 £nil borrowings) Compliance with Prudential Borrowing Limit ratios is shown below:

Financial ratio	**Actual ratios 2008/09**	**Approved PBL ratios 2008/09**	**Actual ratios 2007/08**	**Approved PBL ratios 2007/08**
Maximum debt/capital ratio	0%	15%	0%	15%
Minimum dividend cover	3.7	>1	4.6	>1
Minimum interest cover	Not applicable	>3	Not applicable	>3
Minimum debt service cover	Not applicable	>2	Not applicable	>2
Minimum debt service to revenue	0%	<3%	0%	<3%

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16. PROVISIONS FOR LIABILITIES AND CHARGES	Pensions relating to other staff £000	Legal claims £000	Agenda for change £000	Other £000	Total £000
At 1 April 2008	1,464	70	30	0	**1,564**
Arising during the year	58	70	1	1,385	**1,514**
Utilised during the year	(105)	(40)	(10)	0	**(155)**
Reversed unused	(6)	(11)	(21)	0	**(38)**
Unwinding of discount	32	0	0	0	**32**
At 31 March 2009	**1,443**	**89**	**0**	**1,385**	**2,917**
Expected timing of cashflows:					
Within one year	105	89	0	1,385	**1,579**
Between one and five years	420	0	0	0	**420**
After five years	918	0	0	0	**918**
TOTAL	1,443	89	0	1,385	**2,917**

The pensions provision is in respect of employees who have taken early retirement through injury etc.

The legal claims provision is in respect of employers' and public liability claims.

The provision for other legal claims has been assessed by the NHS Foundation Trust's legal advisors, in terms of the anticipated timing and amounts.

Other provisions comprise unsocial hours sickness pay claims (£1,227k) and equal pay claims legal costs (£158k).The unsocial hours provision has been made following clarification from NHS Employers on the national agreement for Agenda for Change terms and conditions para 14.4. The equal pay provision relates to the estimated legal costs for 5 equal pay claims lodged as a result of the implementation of Agenda for Change.

The unwinding of discount on the provisions appears as a finance cost on the face of the income and expenditure account.

£284k is included in the provisions of the NHS Litigation Authority at 31 March 2009 in respect of clinical negligence liabilities of the NHS Foundation Trust (31 March 2008 £154k).

17. MOVEMENTS ON TAXPAYERS' EQUITY 17.1 MOVEMENT IN TAXPAYERS' EQUITY	Year ended 31 March 2009 £000	8 months ended 31 March 2008 £000
Taxpayers' equity at beginning of year/period	**53,938**	46,118
Prior period adjustments	**(14,136)**	0
Surplus for the financial year/period	**2,415**	2,767
Public dividend capital dividends	**(1,223)**	(897)
Fixed asset impairments	**0**	(100)
(Deficit)/surplus from revaluations of fixed assets and current asset investments	**(1,543)**	6,035
Net gains /(losses) on available for sale investments	**0**	0
Additions/(reductions) in donated asset reserve	**15**	15
Additions/(reductions) in other reserves	**0**	0
TAXPAYERS' EQUITY AT 31 MARCH 2009	**39,466**	53,938

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17.2 MOVEMENTS ON RESERVES Movements on reserves in the period comprised the following:	Revaluation Reserve £000	Donated Asset Reserve £000	Other Reserves £000	Income and Expenditure Reserve £000	Total £000
At 1 April 2008	23,538	15	(651)	11,527	**34,429**
Prior period adjustments	(13,689)	0	0	(447)	**(14,136)**
Transfer from the income and expenditure account	0	0	0	1,192	**1,192**
Fixed asset impairments	0	0	0	0	**0**
(Deficit) on other revaluations/indexation of fixed/current assets	(1,543)	0	0	0	**(1,543)**
Transfer of realised profits/(losses) to the income and expenditure reserve	0	0	0	0	**0**
Receipt of donated assets	0	15	0	0	**15**
Other transfers between reserves	(291)	0	0	291	**0**
AT 31 MARCH 2009	**8,015**	**30**	**(651)**	**12,563**	**19,957**

Other Reserves relates to the write off of an asset which was included in the original NHS Trust's asset base at inception.

18. NOTES TO THE CASH FLOW STATEMENT 18.1 RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES:	2008/9 £000	2007/08 £000
Total operating surplus/(deficit)	**1,594**	2,070
Depreciation and amortisation charge	**1,506**	1,176
Fixed asset impairments and reversals	**451**	374
(Increase)/decrease in stocks	**(8)**	6
(Increase)/decrease in debtors	**1,410**	292
Increase/(decrease) in creditors	**2,144**	1,625
Increase/(decrease) in provisions	**1,321**	(68)
Net cash inflow/(outflow) from operating activities before restructuring costs	**8,418**	5,475
Payments in respect of fundamental reorganisation/restructuring	**0**	0
NET CASH INFLOW FROM OPERATING ACTIVITIES	**8,418**	5,475

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18.2 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	2008/9 £000	2007/08 £000
Increase/(decrease) in cash in the period	**14,964**	241
Cash (inflow) from new debt	**0**	0
Cash outflow from debt repaid and finance lease capital payments	**0**	0
Cash (inflow)/outflow from (decrease)/increase in liquid resources	**(10,000)**	4,500
Change in net debt resulting from cash flows	**4,964**	4,741
Non - cash changes in debt	**0**	
Net funds at 1 April 2008	**11,563**	
NET FUNDS AT 31 MARCH 2009	**16,527**	

18.3 ANALYSIS OF CHANGES IN NET DEBT	At 1 April 2008 £000	Cash Transferred (to)/from other NHS bodies £000	Other cash changes in year £000	Non-cash changes in year £000	**At 31 March 2009 £000**
OPG cash at bank	1,490	0	14,955	0	**16,445**
Commercial cash at bank and in hand	73	0	9	0	**82**
Current asset investments	10,000	0	(10,000)	0	**0**
TOTAL	**11,563**	**0**	**4,964**	**0**	**16,527**

19. CAPITAL COMMITMENTS

Commitments under capital expenditure contracts at 31 March 2009 were £465k (31 March 2008 £487k)

20. POST BALANCE SHEET EVENTS

There were no post balance sheet events.

21. CONTINGENCIES	2008/9 £000	2007/08 £000
Contingent liabilities	**56**	39
NET VALUE OF CONTINGENT LIABILITIES	**56**	39

Contingent liabilities represent legal cases being dealt with by NHSLA, on the Foundation Trust's behalf, and are primarily in respect of employer's liability. Due to the nature of the amounts and timing of the cashflows it would be impractical to estimate the value and timings of the amounts and cashflows.

During the period a number of equal pay claims were lodged with the Foundation Trust. The likelihood of the outcomes of these claims has not yet been assessed by the Trust's legal advisors and it is not possible to quantify the value of any related contingency.

22. MOVEMENT IN PUBLIC DIVIDEND CAPITAL	2008/9 £000
Public Dividend Capital as at 1 April 2008	**19,509**
Movement in year	**0**
PUBLIC DIVIDEND CAPITAL AS AT 31 MARCH 2009	**19,509**

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During the period Leeds Partnerships NHS Foundation Trust had a number of material transactions with entities which are considered related parties to members of the Board and senior managers of the NHS Foundation Trust. These entities are listed below :

23. RELATED PARTY TRANSACTIONS	Payments to Related Party £000	Receipts from Related Party £000	Amounts owed to Related Party £000	Amounts due from Related Party £000
University of Leeds (Non Executive Director I Hughes) **2008/09**	**226**	**230**	**49**	**98**
8 months ended 31 March 2008	292	73	42	5
Leeds Metropolitan University (Non Executive Director L Phipps) **2008/09**	**7**	**36**	**10**	**23**
8 months ended 31 March 2008	10	15	5	

During the period Leeds Partnerships NHS Foundation Trust had a significant number of material transactions with entities for which the Department of Health is regarded as the parent. Material transactions are defined as those with cumulative value in excess of £1m for the period. These entities are listed below:

	Income		Expenditure	
	Year ended 31 March 2009 £000	8 Months ended 31 March 2008 £000	**Year ended 31 March 2009 £000**	8 Months ended 31 March 2008 £000
Yorkshire and Humber Strategic Health Authority	**5,150**	2,779		
NHS Leeds	**100,261**	63,825		
Leeds Teaching Hospitals NHS Trust				
Barnsley PCT	**1,029**		**4,640**	1,666
TOTAL	**106,440**	66,604	**4,640**	1,666

In addition, the NHS Foundation Trust has had a number of material transactions with other Government Departments and other central and local government bodies. Most of these transactions have been with Leeds City Council in respect of joint enterprises.

The NHS Foundation Trust has also received revenue payments from a number of charitable funds, certain of the Trustees for which are also members of the Board.

The audited accounts of the Funds Held on Trust will be made available separately.

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24. PRIVATE FINANCE TRANSACTIONS PFI schemes deemed to be off-balance sheet	Year ended 31 March 2009 £000	8 months ended 31 March 2008 £000
Amounts included within operating expenses in respect of PFI transactions deemed to be off-balance sheet - gross	**10,687**	6,535
Amortisation of PFI deferred asset	(563)	(364)
NET CHARGE TO OPERATING EXPENSES	**10,124**	6,171

The NHS Foundation Trust is committed to make the following payments during the next year:	2009/10 £000	2008/09 £000
PFI scheme which expires;		
11th to 15th years (inclusive)	**1,252**	1,135
16th to 20th years (inclusive)	**9,412**	9,120

The estimated annual payments in future years are expected to be materially different from those which the NHS Foundation Trust is committed to make during the next year.

The NHS Foundation Trust has two ongoing PFI schemes	2009/10 £000
Estimated capital value of the PFI schemes	4,916/43,778
Contract start date:	1998/2001
Contract end date:	2019/2028

The first is for the provision of two community units, for inpatient and daycare for older people with severe mental illness, together with a base for a community mental health team. The estimated capital value of the PFI scheme is £4,916,000. The scheme started in September 1998 and is contracted to end in September 2019.

The second is for the provision of six mental health units, providing a comprehensive range of mental health services. The estimated capital value of the PFI scheme is £43,778,000. The first unit opened in December 2001 and the last unit opened in February 2003. The contract end date is July 2028. Cash payments totalling £5,366,000 previously made to the PFI partner on completion of each unit have resulted in a £528,000 reduction in the 2006/07 gross annual unitary charges.

25 PEOPLE WITH LEARNING DISABILITIES (PLD) POOLED BUDGET

Leeds Partnerships NHS Foundation Trust participates a pooled budget arrangement with NHS Leeds and Leeds City Council as a provider of services.

26 FINANCIAL RISK

Liquidity Risk
The NHS Foundation Trust's net operating costs are incurred primarily under annual service agreements with local Primary Care Trusts, which are financed from resources voted annually by Parliament. The NHS Foundation Trust also largely finances its capital expenditure from funds generated through operating surpluses. Consequently there is not considered to be exposure to significant liquidity risks.

Interest Rate Risk
100% of the NHS Foundation Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. Leeds Partnerships NHS Foundation Trust is not, therefore, exposed to significant interest-rate risk.

Foreign Currency Risk
The NHS Foundation Trust has no foreign currency income and negligible foreign currency expenditure.

Treasury Risk
The NHS Foundation Trust places most surplus cash amounts on fixed term deposit with UK clearing banks for periods up to 3 months. These deposits are made in accordance with the NHS Foundation Trust's Treasury Management Policy. This policy places limits on the amounts that can be deposited with individual banks and requires that banks meet certain risk rating targets as measured by three major risk rating agencies. Exposure to treasury risk is therefore controlled by depositing cash amounts solely with UK clearing banks under strict criteria, or by using the HM Treasury National Loans facility.

Credit Risk The NHS Foundation Trust's customers are primarily NHS or wider "Whole of Government" bodies where the risk of payment default is minimal.

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27 FINANCIAL INSTRUMENTS

FRS 29, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The NHS FoundationTrust is not exposed to the degree of financial risk faced by business entities because of the continuing service provider relationship that the NHS Foundation Trust has with local Primary Care Trusts and the way those Primary Care Trusts are financed. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 29 mainly applies. The NHS Foundation Trust has 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.

For assets and liabilities held at amortised cost values, these values are considered to be close to the fair values. Debtors over one year are discounted at the appropriate interest rate to ensure accurate approximation to fair value. Provisions under contract are also discounted similarly to achieve an accurate approximation to fair value.

27.1 FINANCIAL ASSETS **Financial Assets by Category**	**31 March 2009 Total** **£000**	**31 March 2009 Loans and receivables** **£000**	31 March 2008 Total £000	31 March 2008 Loans and receivables £000
NHS Debtors (net of bad debt provisions)	**1,082**	**1,082**	2,001	2,001
Provision for irrecoverable debts	**-69**	**-69**	0	0
Other debtors	**2,653**	**2,653**	2,115	2,115
Current asset investments	**0**	**0**	10,000	10,000
Cash at bank and in hand	**16,527**	**16,527**	1,562	1,562
TOTAL	**20,193**	**20,193**	15,678	15,678

27.2 FINANCIAL LIABILITIES **Financial Liabilities by Category**	**31 March 2009 Total** **£000**	**31 March 2009 Other financial liabilities** **£000**	31 March 2008 Total £000	31 March 2008 Other financial liabilities £000
NHS Creditors	**1,970**	**1,970**	1,346	1,346
Other creditors	**1,866**	**1,866**	4,742	4,742
Capital creditors	**277**	**277**	0	0
Accruals	**3,785**	**3,785**	3,484	3,484
Provisions under contract	**2,917**	**2,917**	0	0
TOTAL AT 31 MARCH 2008 & 2009	**10,815**	**10,815**	9,572	9,572

27.3 FAIR VALUES	**31 March 2009 Book Value** **£000**	**31 March 2009 Fair Value** **£000**	31 March 2008 Book Value £000	31 March 2008 Fair Value £000
Set out below is a comparison, by category, of book values and fair values of the NHS Foundation Trust's financial assets and liabilities as at 31 March 2009 where these values may differ.				
Financial assets Debtors over one year	**917**	**917**	897	897
TOTAL	**917**	**917**	897	897
Financial liabilities Provisions under contract	**2,917**	**2,917**	1,363	1,363
TOTAL	**2,917**	**2,917**	1,363	1,363

28 THIRD PARTY ASSETS

The NHS Foundation Trust held £53,735 cash at bank and in hand at 31 March 2008 (£65,771 - at 31 March 2008) which relates to monies held by the NHS Foundation Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

29 LOSSES AND SPECIAL PAYMENTS

There were 100 cases of losses and special payments in the year, totalling £75k in value.
Note: The total costs included in this note are on a cash basis and will not reconcile to the amounts in the notes to the accounts which are prepared on an accruals basis.

Notes

Notes

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Patient Advice and Liaison Service (PALS)

If you need any help or advice about our services, please contact:
Tel: 0800 0525 790 (freephone)
Email: PALS@leedspft.nhs.uk

Membership

We'd like to recruit as many service users, staff, carers and members of the public as possible to become members of our Foundation Trust.

Being involved in our Trust is the best way to influence the decisions we make. Membership is free.

If you would like to become a member of the Leeds Partnerships NHS Foundation Trust, please contact:

Membership Office

Tel: 0113 305 5900
Email: FTmembership@leedspft.nhs.uk
Web: www.get-involved.co.uk

Communications

For a copy of this annual report, or for further information about the Trust, please contact:
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