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COUNCIL OF GOVERNORS' MEETING

A meeting of the Harrogate and District NHS Foundation Trust Council of Governors will take place on Wednesday 3 August 2016 at the Pavilions of Harrogate, Great Yorkshire Showground, Harrogate, HG2 8NZ

Start: 5.45pm Finish: 8.00pm

(Private discussion for Governors and the Board will commence at 5.15pm)

AGENDA				
Time	Item No.	Item	Lead	Paper No.
5.45	1.0	Welcome and apologies for absence <i>Welcome to the public and setting the context of the meeting</i>	Mrs S Dodson, Chairman	-
5.45	2.0	Minutes of the meeting held on 18 May 2016 <i>To review and approve the minutes</i>	Mrs S Dodson, Chairman	2.0
5.50	3.0	Matters Arising and Review Action Log <i>To provide updates on progress of actions</i>	Mrs S Dodson, Chairman	3.0
5.55	4.0	Declarations of Interest <i>To declare any interests relevant to the agenda and to receive any changes to the register of interests</i>	Mrs S Dodson, Chairman	4.0
6.00	5.0	Chairman's verbal update on key issues <i>To receive the verbal update for consideration</i>	Mrs S Dodson, Chairman	-
6.10	6.0	Annual Report and Accounts 2015/16 (including the External Audit Assurance Report to the Council of Governors) <i>To receive the report and Auditor's opinion for comment</i>	Dr R Tolcher, Chief Executive Mr A Smith, Senior Manager, KPMG	- 6.1
6.20	7.0	Governor Sub-Committee Reports <i>To receive the reports for comment</i>	Mrs S Dodson, Chairman	
		7.1 <i>Volunteering and Education Group</i>	Mrs E Edgar, Staff Governor	7.1
		7.2 <i>Membership, Development and Communications Group</i>	Ms P Allen, Deputy Chair of the Council of Governors/ Public Governor	7.2
		7.3 <i>Patient and Public Involvement/ Learning from Patient Experience Group</i>	Mrs L Dean, Public Governor	7.3
6.35	8.0	Chief Executive's Strategic and Operational Update, including Integrated Board Report <i>To receive the update and report for comment</i>	Dr R Tolcher, Chief Executive	- 8.1
6.50 – 7.00 pm – Break				

7.00	9.0	Question and Answer Session for members of the public and Governors <i>To receive and respond to questions from the floor relating to the agenda</i>	Mrs S Dodson, Chairman	-
7.30	10.0	Update from the Deputy Chair of Governors on Non-Executive Director Appraisals <i>To receive the update for consideration</i>	Ms Pamela Allen, Deputy Chair of the Council of Governors	-
7.35	11.0	Report from the Nominations Committee <i>To receive the report for comment and approve:</i> - <i>The terms of reference</i> - <i>Minutes of the meeting held 25 July 2016</i> - <i>Re-appointment of Mrs S Dodson, Chairman</i> - <i>Re-appointment of Professor Proctor, Non-Executive Director</i>	Mrs S Dodson, Chairman Mr I Ward, Senior Independent Director Ms Pamela Allen, Deputy Chair of the Council of Governors	11.0
7.45	12.0	Audit Committee update on the External Auditor Performance <i>To receive the update for consideration</i>	Mr Chris Thompson, Non-Executive Director/ Audit Committee Chair	12.0
7.50	13.0	External Auditor Appointment Process Update <i>To receive the update for comment</i>	Ms Debbie Henderson, Company Secretary	13.0
7.55	14.0	Any other relevant business not included on the agenda <i>By permission of the Chairman</i>	Mrs S Dodson, Chairman	-

Date and time of next meeting – Wednesday 2 November 2016 at 5.45pm, St. Aidan’s Church of England High School, Harrogate, HG2 8JR

Harrogate and District

NHS Foundation Trust

Council of Governors

Minutes of the public Council of Governors' meeting held on 18 May 2016 at 17:45 hrs
at St. Aidan's Church of England High School, Oatlands Drive, Harrogate.

Present:

Mrs Sandra Dodson, Chairman
Ms Pamela Allen, Public Governor/Deputy Chair of Council of Governors
Cllr. Bernard Bateman, Stakeholder Governor
Mrs Yvonne Campbell, Staff Governor
Mrs Angie Colvin, Corporate Affairs and Membership Manager
Mr Jonathan Coulter, Director of Finance/Deputy Chief Executive
Ms Clare Cressey, Staff Governor
Mrs Liz Dean, Public Governor
Mr Tony Doveston, Public Governor
Mrs Emma Edgar, Staff Governor
Cllr John Ennis, Stakeholder Governor
Mrs Beth Finch, Stakeholder Governor
Mrs Jill Foster, Chief Nurse
Mr Robert Harrison, Chief Operating Officer
Mrs Jane Hedley, Public Governor
Miss Debbie Henderson, Company Secretary
Mrs Pat Jones, Public Governor
Mrs Sally Margerison, Staff Governor
Mr Phillip Marshall, Director of Workforce and Organisational Development
Mrs Joanna Parker, Stakeholder Governor
Prof. Sue Proctor, Non-Executive Director
Mrs Joyce Purkis, Public Governor
Dr Daniel Scott, Staff Governor
Dr David Scullion, Medical Director
Mrs Maureen Taylor, Non-Executive Director
Mr Chris Thompson, Non-Executive Director
Dr Ros Tolcher, Chief Executive
Mrs Lesley Webster, Non-Executive Director
Mr Paul Widdowfield, Communications and Marketing Manager

In attendance: 5 members of the public

1. Welcome to the public and setting context of the meeting, including apologies for absence and introductions

Apologies were received from Mr Michael Armitage, Public Governor, Dr Sally Blackburn, Public Governor, Mrs Cath Clelland, Public Governor, Dr Sarah

Crawshaw, Stakeholder Governor, Mr Neil McLean, Non-Executive Director, Mrs Zoe Metcalfe, Public Governor, Mr Peter Pearson, Public Governor, Mr Ian Ward, Non-Executive Director and Dr Jim Woods, Stakeholder Governor.

In addition, Mrs Dodson also received apologies from Mr Kallum Taylor, Volunteering and Engagement Officer, Healthwatch North Yorkshire.

Mrs Dodson offered a warm welcome to the members of the public and introduced Mrs Cressey and Miss Henderson to their first public Council of Governor meeting. She welcomed questions for item 11 on the agenda and asked for these to be submitted during the break.

2. Minutes of the last meeting, 6 February 2016

The minutes of the last meeting were agreed as a true and accurate record.

3. Matters arising and review of actions schedule

Mrs Dodson went through the outstanding actions on the schedule at Paper 3.0.

Items 1 and 2 were ongoing.

Item 3 - Mrs Foster stated that the Nutritional Assistants were highly valued and work was progressing with staff on the wards to develop the role. She would be happy to provide a further update at a future meeting.

Item 5 - Mrs Webster confirmed that she had received positive feedback from Deloitte who had observed the Quality Committee in January following the Well-Led Review at the end of last year. Deloitte had also provided some areas for development and this would be taken forward by the Quality Committee.

3.1 Update on Quality of Care Teams, including Governors assigned to teams

Item 4 on the actions schedule - Mrs Foster referred to Appendix 3.1 which provided a current list of Governors who were assigned to a Quality of Care Team. A recent update from the Directorates on the effectiveness of Quality of Care Teams confirmed an overall improvement however, some teams were still progressing. It was agreed that the most effective meetings were those held separately to the business meetings and a further review of Quality of Care Teams would be taken forward as part of the new Directorate structure coming into force next week.

4. Declaration of interests

Mrs Dodson confirmed that all Non-Executive Directors, including herself, were declaring an interest in item 7 on the agenda and would leave the meeting at that stage.

4.1 Council of Governors' Declaration of Interests

Cllr. Bateman confirmed he was no longer a member of Ripon City Council.

Mrs Dodson reminded Governors that they would be asked to sign a Declaration of Interest form on an annual basis but that the overall summary would be brought to each quarterly Council of Governor meeting as a standard item on the agenda. Governors were reminded that it was the obligation of each individual Governor to inform the Trust in writing within seven days of becoming aware of the existence of a relevant or material interest.

5. Chairman's verbal update on key issues

Mrs Dodson did not have any verbal update on key issues for this meeting other than those which would be covered by Dr Tolcher under item 9 on the agenda.

6. Governor sub-committees

Mrs Dodson moved on to clarify the role of the two formal sub committees and the Patient and Public Involvement, Learning from Patient Experience Group. She said how important it was for the general public to hear about the work of these sub-committees and thanked Governors for their commitment and involvement.

6.1 Volunteering and Education

The report from the Volunteering and Education Governor Working Group, chaired by Mrs Hedley, had been circulated prior to the meeting and was taken as read.

Mrs Hedley highlighted the recent Insight Event which provided the opportunity for local students to visit information stands and hear presentations from Allied Health Professionals (Podiatrists, Physiotherapists, Nutrition and Dietetics, Occupational Therapists, and Speech and Language Therapists). Feedback from the event was extremely positive and Mrs Hedley thanked all the staff involved.

There were no questions.

6.2 Membership Development and Communications

The report from the Membership Development and Communications Governor Working Group, chaired by Ms Allen, had been circulated prior to the meeting and was taken as read.

Ms Allen highlighted the elections and referred to the timetable attached to her report confirming the Notice of Election had been published that day. Nominations were open for two seats on the Council of Governors; one for Ripon and west district and a new seat for The Rest of England.

Mrs Dodson encouraged Governors to promote the elections and confirmed that briefing sessions would be held for anyone interested in finding out more about the role of a Governor. There would also be information available on the website.

Dr Tolcher commented that the Annual Members' Meeting (AMM), being held on 13 September, would be a joint event with Commissioners and would continue the conversation with the public from last year's AMM about future health and social care for our patients.

There were no questions for Ms Allen.

6.3 Patient and Public Involvement

The report from Mrs Purkis, on the last two meetings of the Learning from Patient Experience Group, had been circulated prior to the meeting and was taken as read.

Mrs Purkis referred to the Infection Prevention and Control update confirming that three cases of *C difficile* had been investigated this year with none attributable to lapses in care. She also highlighted the discussion around preventing spread of infection and, in addition to a variety of best practice methods, it was suggested that the person delivering the meal tray should encourage and assist the patient with hand washing prior to receiving their meal.

Mrs Dean, also a member of the Learning from Patient Experience Group, commented on the improvement of the data provided in the reports.

Mrs Dodson reiterated the importance of the Learning from Patient Experience Group and how valuable their role was in understanding, monitoring, challenging, and seeking to improve the quality of experience of the Trust's service users.

In response to Mrs Hedley's question about longer visiting times possibly compromising infection control, Mrs Foster clarified that the domestic team would continue to clean as they would have done prior to extending the visiting hours. Visitors would continue to be asked to comply with our infection prevention and control measures by not visiting following any episodes of vomiting and/or diarrhoea, or with a cough, cold or other infection; full details were available on our website. It was considered however beneficial to have patient's loved ones with them whilst in hospital and Mrs Dodson added that extending the visiting hours was a positive initiative.

Mrs Edgar commented that it was also having a positive impact on the traditional two hour busy period in the afternoon when visiting hours were more restrictive.

Mrs Haley, member of the public, stated that visiting hours now finished at 7pm and this may be an issue for people who work. Mrs Foster confirmed that visiting hours were a guide and, in such cases where visitors had difficulties visiting before 7pm, flexibility in arrangements could be discussed

with the person in charge on the ward - contact details were available on the website.

There were no further questions or comments.

6.4 Quality Priorities

Mrs Foster outlined the purpose of the Quality Account, an integral part of the Annual Report and Account, which reflected both on the highest priorities of the Trust for the forthcoming year and reported on progress made in the past year.

Mrs Foster highlighted the importance of stakeholder engagement in producing the Quality Account and the priorities for improvement in 2016/17 would be:

- Reduce morbidity and mortality related to sepsis
- Improve care of people with learning disabilities
- Provide high quality stroke care – demonstrated by improvement in national indicators.
- Improve the management of inpatients on insulin.

Ms Allen commented that Governor and stakeholder involvement in the Quality Priorities process had been very interesting, staff had worked extremely hard to pull the document together, and the Council of Governors endorsed the Quality Account.

Mrs Dodson added that the Quality Account would continue to be monitored through the Quality Committee.

7. Report from the Remuneration Committee, including the ratification of the Terms of Reference and Minutes, 5 May 2016

The Chairman and Non-Executive Directors left the room at this stage in the meeting.

Ms Allen summarised Paper 7.0 which had been circulated prior to the meeting and taken as read.

The Remuneration Committee had met on 5 May and held a detailed discussion regarding the remuneration for the Chairman and Non-Executive Directors in the coming 2016/17 financial year. Ms Allen commented that the Committee was provided with a detailed report including comparative benchmark data which they were able to analyse and debate before agreeing to the recommendation

The Council of Governors would now be required to approve the Terms of Reference, consider and approve the recommendation of the Remuneration Committee and, the members of the Remuneration Committee would be asked to ratify the minutes of the meeting held on 5 May.

In response to Dr Scott's comment about the recommended remuneration figures, Mr Coulter clarified that in addition to the figures stated in Paper 7.0, item 7, a cost of living uplift of 1% would also be added.

Cllr Ennis asked for the percentage of the salary uplift and Mr Coulter confirmed this was approximately 3-4%. He also confirmed the Committee had discussed the fact that the Chairman and Non-Executive Directors had not received an increase in remuneration for the last three years.

Cllr Bateman asked how the remuneration of the Chairman and Non-Executive Directors in the Trust compared with that of other Trusts.

Mr Coulter confirmed the Committee was provided with detailed salary benchmarking information each year and agreed to circulate this to Governors for information.

Action: Mrs Colvin for Mr Coulter

Members of the Remuneration Committee added further comments and reassured fellow Governors that the recommendation came out of a very lengthy and detailed discussion.

The Governors on the Committee also acknowledged the continued hard work and dedication of the Chairman and Non-Executive Directors and passed on their thanks.

The Council of Governors were all in favour of the recommendation, the Terms of Reference were approved and the Remuneration Committee minutes were ratified.

The Non-Executive Directors and the Chairman returned to the room at this stage in the meeting.

8. Communication and Marketing Strategy

Mrs Dodson welcomed Mr Widdowfield, Communications and Marketing Manager to present the new Communications and Marketing Strategy 2016-2019.

Mr Widdowfield provided a brief introduction on his new role as Communications and Marketing Manager and stated he had worked for the Trust for nine months.

His presentation included achievements made so far including the new website, communications through social media, improved relationships with local media, a weekly staff bulletin, marketing of services, and high profile projects. He was delighted to add that in developing the new website, workshops were held for staff, patients, and stakeholders to understand the user journey and the feedback received was extremely valuable. He encouraged Governors to take a look at the new website and welcomed any further feedback.

He talked about the Trust's commitment to continue to improve communications and marketing and how the Communications and Marketing Team had integrated into the wider Business Planning Team, promoting a strong opportunity to embed expertise for new business and developing existing services.

Developed with the Trust's strategic objectives in mind, the Communications and Marketing Strategy would focus on promoting the delivery of, and access to, high quality care, partnership working to deliver integrated care, and clinical and financial stability.

Cllr Bateman asked how the Trust would communicate with the older community and those who were not engaged with the internet. Mr Widdowfield was pleased to report that all generations were active on the internet but there was still value in communicating through a variety of resources including newspapers and the radio.

Miss Henderson was keen to promote engagement with local groups and local networks.

Mr Doveston agreed that newspapers were a vital method of communication and would like to see the Trust promoting its services at every opportunity.

Mr Widdowfield confirmed that he and Dr Tolcher had met with the Harrogate Advertiser; it was a positive meeting and further opportunities were discussed.

Mrs Parker highlighted the maternity Facebook group which was reaching out to lots of new mums; introducing staff, showcasing the facilities, promoting the maternity service and sharing positive stories. This was a good example of the right media for the right audience and it was proving to be extremely successful.

Dr Scott asked how the new initiatives could be evaluated. Mr Widdowfield confirmed there would be a variety of levels of evaluation from instinctive to qualitative and he would continue to seek feedback.

Mr Harrison added that we could evaluate through patients choosing our services and a variety of feedback mechanisms, including surveys.

Mrs Dodson thanked Mr Widdowfield for an interesting and informative presentation and was pleased to report that he was a member of the Governor Working Group for Membership Development and Communications and would continue to work closely with Governors.

9. Chief Executive's strategic and operational update

Dr Tolcher presented the following headlines:

Headlines from 2015/16

Dr Tolcher was proud to present a summary of what the Trust had achieved at the end of an exceptionally challenging year. She highlighted the performance dashboard which demonstrated that all NHS Constitution Key Performance Indicators had been achieved with the exception of Quarter 4 A&E (Emergency Department) waiting time indicator. Over the full year 95.4 per cent of patients had been seen within four hours which was testimony to the work of staff across the Trust. All 18 week and cancer referral to treatment targets had been met which Dr Tolcher described as fundamental for local people. She was delighted to report that face to face contacts with community nurses had increased by 13.6 per cent; there had been a substantial reduction in falls, and a continued focus on pressure ulcers.

Moving on to finance, Dr Tolcher reported an operating surplus of £27,000, short of the planned surplus, but an achievement of 100 per cent of cost improvement

savings. There was also a 10 per cent growth in revenue over the last 12 months with new business in County Durham, Darlington and Middlesbrough.

Dr Tolcher was delighted with the feedback received from patients and staff in both the National Inpatient Survey and 2015 National Staff Survey; people using our services had continued to rate them amongst the best nationally and there was a significant increase in staff who would recommend the Trust as a place to work or receive care.

National strategic drivers

Dr Tolcher talked about the NHS Five Year Forward View; a national document which sets out how the health service needs to change towards a more engaged relationship with patients, carers and citizens to promote wellbeing and prevent ill-health. It sets out a vision of a better NHS, the steps needed to get there, and the actions needed from others.

Dr Tolcher also referred to The Dalton Review which complements the Five Year Forward View, driving out variations in quality related to organisational structures and looks at ways to enable a secure future for services in non-viable Trusts.

Current issues

Moving on to what the year ahead looks like for Harrogate and District NHS Foundation Trust, Dr Tolcher described three focus areas:

- Business as usual safe and sound.
- Clinical transformation.
- Business development and strategy.

This in mind, Dr Tolcher summarised the systems and organisational issues for the Trust at the current time and these including funding decisions, New Care Models, safe staffing levels, seven day services, and new contracts for junior doctors, to name a few.

Finally, Dr Tolcher summarised the finance plan for 2016/17 and explained that the Trust would receive £4.6 million sustainability and transformation funding if the agreed 'control' total of £6.8 million and performance commitments were delivered. This means that the Trust needed to generate £2.2 million to receive the £4.6 million totalling the £6.8 million; a challenging incentive.

On behalf of the Council of Governors, Mrs Hedley thanked Dr Tolcher for her presentation which provided a clear analysis of the overall picture for the Trust at the current time.

At this stage in the meeting Prof Proctor, Cllr Ennis, Cllr Bateman and Mrs Jones left due to another meeting commitment and Mrs Dodson called for a refreshment break.

10. Q&A session for members of the public and Governors

Mrs Dodson moved to the tabled questions submitted during the break and prior to the meeting.

Mr Wright, member of the public, submitted the following questions:

“A couple of months ago there was a front page article in the Harrogate Advertiser. It criticised the Trust for charging patients over £700,000 for car parking in the previous year.

The response from the Trust was quite muted. Having asked my own questions, I have discovered that the costs of running the car park are in excess of the £700,000.

- 1. Could you please confirm that this is the case?**
- 2. It’s too late now but wouldn’t it have been worth explaining these costs and that, if no charges are made, hospital services would have to be reduced?**
- 3. Does the Trust have plans to engage more with the local press?**

Mr Harrison thanked Mr Wright for his questions and confirmed this was a sensitive subject matter and car parking charges often appear nationally in the media. Of note, there is no hospital car parking charges in Scotland.

Mr Harrison confirmed there were reasons for car park charges including the cost of the car parking infrastructure/multi storey car park, the cost of the land, lighting, and car parking staff. This totalled approximately £700,000 per year and there would be an impact on patient care if car parking charges did not cover the cost.

Mr Harrison summarised the car parking concessions, publicised on the Trust website as follows:

Certain patients and visitors would be eligible to receive concessionary parking.

Patients and visitors who qualify for **free parking** must fall into one of these categories:

- Disabled (must produce a Blue Badge).
- In receipt of: Working Family Tax Credit, Pension Guarantee Credit, Employment and Support Allowance or Income Support.
- In receipt of War Pension.
- Hospital volunteers.
- Patients receiving cancer treatment.
- Patients who attend the hospital but their appointment is subsequently cancelled.

Patients and visitors who qualify for **50 per cent discount** must fall into one of these categories:

- Parents or guardians visiting the Paediatric Ward.
- Parents visiting the Special Care Baby Unit.

If a patient attends an outpatient appointment and the clinic runs an hour or more late, they would be eligible for a discount. The size of the discount would depend upon the length of the delay. If this applied, the patient would be advised to speak to reception staff.

In addition, Mr Harrison advised that concessions were at the discretion of the Ward Manager.

Finally Mr Harrison confirmed that the Trust aimed at being fair and car parking charges were benchmarked with local authority charges.

Mrs Purkis, Public Governor, submitted the following question:

“What will be the impact on the What Matters to Us Pilot begun in Boroughbridge, Knaresborough and Green Hammerton in February 2016 if HDFT receives less transformational funding in 2016-17 compared to that received in 2015-16?”

Mr Coulter confirmed the vision would still be to deliver services aligned with the Vanguard programme however there was double running on some costs and funding was expected to be lower next year. The Knaresborough, Boroughbridge and Green Hammerton pilot sites were delivering integrated mental health, social, and health care and this would continue to be rolled out however, this was expected to be scaled down a little in time.

Mrs Dodson reassured Governors that further detail would be included in the discussions at the next Board to Board meeting scheduled for the following week.

Mrs Paulak , member of the public asked the following question:

“Can you provide an update regarding developments in the Endoscopy Unit?”

Mr Harrison explained that a Business Case had been submitted to the Board and a procurement phase was underway to develop a new Endoscopy Unit on top of the Maxillofacial Suite at Harrogate District Hospital. In addition, Mr Harrison added that the Trust was providing endoscopy services in collaboration with Leeds Teaching Hospitals NHS Foundation Trust at Wharfedale Hospital.

11. Assurance on challenges for 2016/17 and reflection on performance 2015/16

Mrs Dodson applauded the Executive Team for what had been achieved during a challenging year. She asked the Non-Executive Directors to summarise their reflections on 2015/16 and think about challenges moving forward into 2016/17.

Starting with reflections on 2015/16, Mr Thompson, Chair of the Audit Committee was pleased to report the Trust’s rigorous approach and this could be evidenced through meetings including Senior Management Team and Audit Committee. He was assured that management were prepared, focussed and he commented on the effective work of Internal Audit. He commented on the new business in County

Durham, Darlington and Middlesbrough and confirmed the Audit Committee and Finance Committee were assured that the Trust had a grip on the finances.

Mrs Taylor, Chair of the Finance Committee, commented on the expectations of a larger surplus but she highlighted that the Trust chose to invest mid-year in emergency and acute services. She commented that this was a good decision and focussed on providing high quality care; the Trust still delivered a small surplus at year end. She congratulated everyone for the 100% delivery of the cost improvement savings and remarked on the tremendous efforts of the Business Planning Team.

Mrs Webster, Chair of the Quality Committee stated that there had been a huge amount of activity on quality initiatives working towards the quality priorities Mrs Foster referred to earlier in the meeting. She referred to the Quality Account, a huge but immensely informative document, and encouraged people to read it to get to know what was going on and the enthusiasm of the staff throughout the Trust.

Mrs Dodson echoed her Non-Executive Director colleague comments and applauded all staff for their commitment and hard work. She highlighted the ongoing challenge in recruitment and commended staff who were working above and beyond and their continued passion for delivering high quality care for patients.

Mrs Dodson confirmed Professor Proctor had had to leave during the break but also wanted to reflect on staffing.

Moving on to challenges for 2016/17, Mr Thompson referred to the continued drive for efficiency, providing high quality services, developing new services, and driving for new business.

Mrs Webster agreed and added that the new Directorate structure needed time to settle. She confirmed there was always lots of work to do and referred to the Carter Review; additional requirements around efficiency in hospitals to make savings in the NHS.

Mrs Taylor referred to the finance slide in Dr Tolcher's presentation and confirmed there was a challenge ahead to deliver the £2.2 million surplus in order to receive the additional £4.6 million. She commented on nurse recruitment and how important it was for the Trust to secure a good proportion of new nurses including international recruitment. Mrs Taylor expressed her disappointment that the Vanguard funding was not as expected, but she supported the Trust's vision to continue improving integrated services and this would require close partnerships with the Clinical Commissioning Group to maintain a sustainable model. Finally, Mrs Taylor briefly mentioned exciting new opportunities in the Estates Department.

Again Mrs Dodson agreed with the many challenges highlighted by her Non-Executive Director colleagues and confirmed there would be some difficult conversations but the Trust would drive forward every opportunity to maximise high quality and safe services for patients. She was confident in the Executive Team, endorsed by the Well-Led Review and the staff across the organisation.

Mrs Dodson asked if there were any questions at this point.

Mrs Paulak, member of the public asked more about recruitment and our partnership with local schools. In response, Dr Tolcher confirmed we had excellent engagement with schools through our innovative and award winning Education Liaison Programme and this was reported through the Governor Working Group for Volunteering and Education. It was important to capture the interests of students, our future workforce, and we provided excellent work experience and volunteering opportunities in addition to the Education Liaison programme. The Trust was also represented on the Public Services Leadership Board.

Mrs Hedley, Chair of the Governor Working Group for Volunteering and Education clarified that we had received 150 applications this year for work experience placements.

There were no more questions for Non-Executive Directors and Mrs Dodson moved on to the next item on the agenda.

12. Approve External Auditor appointment process

Mrs Dodson confirmed it was a Constitutional duty of the Council of Governors to appoint an independent external auditor. Paper 13 which outlined the process had been circulated prior to the meeting and taken as read.

Mr Coulter outlined the process and the procurement framework which has been developed to reduce costs and risks. He explained the proposed timeline and confirmed the aim was to have the recommendation of the selection panel ratified at the Council of Governors' meeting on 2 November.

The Council of Governors approved using the North of England Commercial Procurement Collaborative framework and approved the timetable and establishment of the Auditor Selection Panel.

Mrs Dodson asked any Governor wishing to be involved in the selection panel to let Miss Henderson know following the meeting.

13. Any other business

13.1 Annual Members' Meeting Minutes, 3 September 2015 and notification of Annual Members' Meeting, 13 September 2016

The minutes from the Annual Members' Meeting held on 3 September 2015 had been circulated prior to the meeting and taken as read. Mrs Dodson reminded Governors that these would be ratified at the next Annual Members' Meeting and she asked for any Governors who were in attendance to let Miss Henderson know if there were any errors in the minutes as soon as possible.

The next Annual Members' Meeting would be held on Tuesday 13 September at 6-8pm at the Cedar Court Hotel in Harrogate.

Mrs Hedley was pleased with the initiative of having a fruit stall located outside the main entrance to Harrogate District Hospital. Mr Harrison confirmed that it was the Estates Team who led this initiative and engaged with the fruit shop owner.

14. Date and time of next meeting

Mrs Dodson thanked everyone for attending and confirmed the next meeting would take place on Wednesday, 3 August 2016 at 5.45 pm at a venue to be confirmed.

UNCONFIRMED

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HDFT Council of Governor Meeting Actions Schedule – August 2016
Completed Actions

This document logs actions completed following agreement at Council of Governor meetings. Completed items will remain on the schedule for the following three meetings and then removed.

Outstanding items for action are recorded on the ‘outstanding actions’ document.

Ref	Meeting Date	Item Description	Director/Manager Responsible	Date due to go to Council of Governor meeting or when a confirmation of completion/progress update is required	Confirm action complete or detail progress and when item to return to Board if required
1	4 November 2015	Contact H&RCVS re Stakeholder Governor	Mrs Sandra Dodson, Chairman		Complete
2	4 November 2015	Consider adding Trust objectives and quality improvement priorities to Quality of Care Team Terms of Reference and agenda templates	Dr Sylvia Wood, Deputy Director of Governance		Complete
3	6 February 2016	Circulate Ripon Fast Response Team visit report to Cllr Ennis and missing appendices from paper	Dr Sylvia Wood, Deputy Director of Governance		Complete

4	6 February 2016	Amended HDFT Constitution to be submitted for discussion and approval to Board of Directors 24 February	Mr Andrew Forsyth, Interim Head of Corporate Affairs		Complete
5	6 February 2016	Reminder communication to staff re collecting GP details from patients attending appointments	Mr Rob Harrison, Chief Operating Officer		Complete
6	6 February 2016	Provide feedback from Quality Committee on findings from Well Led Review	Mrs Webster, Non- Executive Director		Complete
7	18 May 2016	Circulate salary benchmarking information provided to Remuneration Committee to all Governors for information	Mr Jonathan Coulter, Deputy Chief Executive/Director of Finance		Complete
8	4 November 2015	Update on the effectiveness of Quality of Care Teams	Mrs Jill Foster, Chief Nurse		Complete

HDFT Council of Governor Meeting Actions Schedule – Outstanding Actions

This document logs items agreed at Council of Governor meetings that require action following the meeting. Where necessary, items will be carried forward onto the Council of Governor agenda in the relevant agreed month. The Director/Manager responsible for the action will be asked to confirm completion of actions or give a progress update at the following Council of Governor meeting when they do not appear on a future agenda.

When items have been completed they will be marked as such and transferred to the completed actions schedule as evidence.

Ref	Meeting Date	Item Description	Director/Manager Responsible	Date due to go to Council of Governor meeting or when a confirmation of completion/progress update is required	Detail progress and when item to return to Council of Governor meeting if required
1	16 October 2013	Invite Governors to Consultant Interview Presentations	Mrs Angie Colvin, Corporate Affairs and Membership Manager	Ongoing	Ongoing
2	29 October 2014	Elected Governors to receive regular updates on the Healthy Ripon project	Chief Executive update	Ongoing	Ongoing
3	29 July 2015	Update on progress of Nutritional Assistants	Mrs Jill Foster, Chief Nurse	Further update 2 November 2016	Update provided 18 May 2016

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COUNCIL OF GOVERNORS DECLARATION OF INTERESTS

The following is the current register of the Council of Governors of Harrogate and District NHS Foundation Trust and their declared interests.

The register is maintained by the Foundation Trust Office, and holds the original signed declaration forms. These are available for inspection by contacting the office on 01423 554489.

Name	Governor Status	Interests Declared	
Ms Pamela Allen	Public elected	NONE	
Mr Michael Armitage	Public elected	NONE	
Cllr Bernard Bateman	Stakeholder	Directorships, including non-executive directorships held in private companies or PLCs A position of Authority in a charity or voluntary organisation in the field of health and social care A position of Authority in a local council or Local Authority Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services	Chairman – The Think Tank (Bulb Ltd) Chairman – Oakmore Investments President of AGE UK North Yorkshire President of Ripon YMCA Chairman and County Councillor North Yorkshire County Council Councillor on Harrogate Borough Council President of AGE UK North Yorkshire
Dr Sally Blackburn	Public elected	NONE	
Mrs Yvonne Campbell	Staff elected	NONE	

1 (updated July 2016)

Name	Governor Status	Interests Declared	
Mrs Cath Clelland	Public elected	Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies).	Canny Consultants Ltd, Director and part owner York St John University Board of Governors
Dr Sarah Crawshaw	Stakeholder	Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the NHS Foundation Trust, including but not limited to, lenders or banks	National Institute for Health Research Clinical Research Network (NIHR CRN)
Ms Clare Cressey	Staff elected		NONE
Mrs Liz Dean	Public elected		NONE
Mr Tony Doveston	Public Elected	A position of Authority in a charity or voluntary organisation in the field of health and social care	Volunteer for Yorkshire Air Ambulance
Mrs Emma Edgar	Staff elected		NONE
Mrs Beth Finch	Stakeholder	A position of Authority in a charity or voluntary organisation in the field of health and social care Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services	Operational Senior Service Manager, British Red Cross Independent living (Yorkshire Area) Operational Senior Service Manager, British Red Cross Independent Living (Yorkshire Area)
Cllr Ivor Fox	Stakeholder	Position of authority in a local council or Local Authority	Cllr Harrogate Borough Council Declarations of interested awaited
Mrs Jane Hedley	Public elected		NONE
Mrs Pat Jones	Public elected	Position of authority in a local council or Local Authority Position of authority in a charity or voluntary organisation in health and social care	Conservative Councillor representing Stray Ward Welcome to Harrogate Board Member Trustee at Harrogate CVS Governor at Harrogate Ladies College Trustee at Harrogate International Festival

2 (updated July 2016)

Name	Governor Status	Interests Declared	
Mrs Sally Margerison	Staff elected	NONE	
Mrs Zoe Metcalfe	Staff elected	Position of authority in a local council or Local Authority	Harrogate Borough Councillor
Mrs Joanna Parker	Stakeholder	Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the NHS Foundation Trust, including but not limited to, lenders or banks	Employee at York Teaching Hospital NHS Foundation Trust.
Mr Peter Pearson	Public elected	Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies) Position of authority in a local council or Local Authority	Director – Severn Valley Railway (Holdings) PLC Conservative Councillor representing Spa Ward, Ripon City Council.
Mrs Joyce Purkis	Public elected	Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services	Volunteer at St Michael's Hospice, Harrogate
Dr Daniel Scott	Staff elected	NONE	
Dr Jim Woods	Stakeholder	Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies) Ownership, part-ownership or directorship of private companies, business or consultancies likely or possibly seeking to do business with the NHS Other	Director of Yorkshire Health Network Ltd Partner: Dr Moss and Partners GP Surgery Partner: Harrogate Medical Services Part Owner: Kings Road Pharmacy Liaison officer for Harrogate Division of North Yorkshire LMC/Chairman Harrogate LMC

3 (updated July 2016)

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Annual external audit report to governors

Harrogate and District NHS Foundation Trust

—

3 August 2016

Content

The contacts at KPMG in connection with this report are:

Andrew Smith

Director, KPMG LLP UK

Tel: 0161 246 4056

andrew.smith2@kpmg.co.uk

James Boyle

Manager, KPMG LLP UK

Tel: 0161 246 4604

james.boyle@kpmg.co.uk

Thilina De Zoysa

Assistant Manager, KPMG LLP UK

Tel: 0113 231 3529

thilina.dezoysa@kpmg.co.uk

Important notice

1. Summary

2. Financial Statements Audit

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- 1 Recommendations raised and followed up
- 2 Audit Differences
- 3 National Audit Office Group Assurance
- 4 Audit Independence

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Important Notice

This report is presented under the terms of our audit engagement letter. Circulation of this report is restricted. The content of this report is based solely on the procedures necessary for our audit. This report is addressed to Harrogate and District NHS Foundation Trust and has been prepared for your use only. We accept no responsibility towards any member of staff acting on their own, or to any third parties. The National Audit Office (NAO) has issued a document entitled Audit Code (the Code). This summarises where the responsibilities of auditors begin and end and what is expected from the Trust. External auditors do not act as a substitute for the Trust's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Basis of preparation: We have prepared this External Audit Report (Report) in accordance with our engagement letter dated 3rd February 2016.

Purpose of this report: This Report is made to the Trust's Audit Committee in order to communicate matters as required by International Audit Standards (ISAs) (UK and Ireland), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

Restrictions on distribution: This Report is subject to disclosure restrictions as set out in our Engagement Letter.

Limitations on work performed: This Report is separate from our long form audit report and does not provide an additional opinion on the Trust's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors reporting. We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit: Our audit is complete.



Summary

Section One

Summary

Financial Statements Audit

We intend to issue an unqualified audit opinion on the accounts following the Audit Committee adopting them and receipt of the management representations letter.

We have completed our audit of the financial statements.

We received the draft Annual Report on 12 May 2016. Our work over the Trust's Annual Report, which includes consideration over the content of the Annual Report (including the Remuneration Report) and review of the Annual Governance Statement (AGS) is in progress.

Our key findings are:

- There are no unadjusted audit differences, explained in section 2 and appendix 2.
- We have agreed presentational changes to the accounts with Finance, mainly related to compliance with the Annual Reporting Manual (ARM).

Quality Accounts

We have completed our audit of the Trust's Quality Accounts:

- You have achieved a clean limited assurance opinion on the content of your Quality Report, which could be referenced to supporting information and evidence provided. This represents an unmodified audit opinion on the Quality Report.
- This year we have also tested the 'percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period' and the 'percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge' as the two mandated indicators. Our detailed testing on the indicators has concluded that we are able to give a clean limited assurance opinion on the presentation and recording of these.
- Our work on the local indicator, 'emergency re-admissions within 28 days of discharge from hospital' as selected by Governors has indicated that we did not identify any issues that would have an impact on our ability to issue a limited assurance opinion in respect of this indicator if we were required to give one. However, we noted that the Trust locally reports against a 30 day rather than a 28 day target which is consistent with other acute providers.

Use of resources

Based on the findings of our work, we have concluded that the Trust has adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required to certify that we have completed the audit of the Trust financial statements in accordance with the requirements of the Code. If there are any circumstances under which we cannot issue a certificate, then we must report this to those charged with governance. There are no issues that would cause us to delay the issue of our certificate of completion of the audit.

Other Matters

We intend to issue an unqualified Group Audit Assurance Certificate to the NAO regarding the Whole of Government Accounts submission, made through the submission of the summarisation schedules to Monitor.

We are satisfied that the Trust has addressed the recommendations raised in our ISA260 and Quality Accounts Reports in 2014/15. We have made no of recommendations as a result of our 2015/16 work.

In auditing the accounts of an NHS body auditors must consider whether, in the public interest, they should make a report on any matters coming to their notice in the course of the audit, in order for it to be considered by Trust members or brought to the attention of the public; and whether the public interest requires any such matter to be made the subject of an immediate report rather than at completion of the audit. There are no matters that we wish to report.



Financial Statements Audit

Section Two

Financial Statements Audit

We audit your financial statements by undertaking the following tasks:

Work Performed	Accounts production stage		
	Before	During	After
1. Business Understanding: review your operations	✓	✓	–
2. Controls: assess the control framework	✓	–	–
3. Prepared by Client Request (PBC): issue our prepared by client request	✓	–	–
4. Accounting standards: agree the impact of any new accounting standards	✓	✓	–
5. Accounts Production: review the accounts production process	✓	✓	✓
6. Testing: test and confirm material or significant balances and disclosures	–	✓	✓
7. Representations and opinions: seek and provide representations before issuing our opinions	✓	✓	✓

We have completed the first six stages shown above and report our key findings below:

1. Business Understanding	In our 2015/16 audit plan we assessed your operations to identify significant issues that might have a financial statements consequence. We confirmed this risk assessment as part of our audit work. We have provided an update on each of the risks identified later in this section.
2. Assessment of the control environment	We have assessed the effectiveness of your key financial system controls that prevent and detect material fraud and error. We found that the financial controls on which we seek to place reliance are operating effectively. We have reviewed the work undertaken by your internal auditors, in accordance with ISA610 and used the findings to inform and planning and audit approach. We have chosen not to place reliance on their work due to the approach we adopted for the financial statements audit. This has not led to any additional resource burden for the Trust.
3. Prepared by client request	The quality of the documentation received was of a high standard and was received in a timely manner.
4. Accounting standards	We work with you to understand the changes to accounting standard and other technical issues. For 2015/16 these changes have related to: <ul style="list-style-type: none"> • IFRS 13 (Fair Value Accounting) – no impact on the Trust’s financial statements; • Disclosing the cost of PFI schemes in the summarisation schedules – no impact on the Trust’s financial statements; • Disclosing operating expenditure and salaries in excess of the Prime Minister – The Trust has not included this disclosure within its Remuneration Report. We have made the Trust aware of the need to include this disclosure as part of their Remuneration Report.

Section Two

Financial Statements Audit

5. Accounts Production	We received complete draft accounts by 22 April 2016 in accordance with Monitor's deadline. The accounting policies, accounting estimates and financial statement disclosures are in line with the requirements of Monitor. As in previous years, we will debrief with the Finance team to share views on the final accounts audit. Hopefully this will lead to further efficiencies in the 2016/17 audit process. In particular, we would like to commend Trust finance staff who were available throughout the audit visit to answer our queries. We thank the finance team for their co-operation throughout the visit which allowed the audit to progress and complete within the allocated timeframe.
6. Testing	We have summarised the findings from our testing of significant risks and areas of judgement within the financial statements on the following pages. During the audit we identified only presentational issues which have been adjusted as they have no material effect on the financial statements.
7. Representations	You are required to provide us with representations on specific matters such as your going concern assertion and whether the transactions in the accounts are legal and unaffected by fraud. We provided a draft of this representation letter to the Deputy Chief Executive / Director of Finance on 16 May 2016. We draw your attention to the requirement in our representation letter for you to confirm to us that you have disclosed all relevant related parties to us

We are required under ISA 260 to communicate to you any matters specifically required by other auditing standards to be communicated to those charged with governance; and any other audit matters of governance interest. As the Trust is required to comply with elements of the UK Corporate Governance Code through the Foundation Trust Code of Governance, ISA 260 (16-1) also requires us to communicate to you any information that we believe is relevant to understanding our rationale and the supporting evidence for the exercise of our professional judgement. This includes our view of: Business risks relevant to the financial reporting objectives, the application of materiality and the impact of our judgements on these areas for the overall audit strategy and audit plan; significant accounting policies; management's valuations of the Trust's material asset and liabilities and the related disclosures; the quality of management's assessment of the effectiveness of the system of internal control included in the AGS; and Any other matters identified during the course of the audit. We have not identified any other matters to specifically report.

To ensure that we have provided a comprehensive summary of our work, we have over the next pages set out:

- The results of the procedures we performed over the valuation of land and buildings which was identified as a significant risk within our audit plan and which will form a part of our audit opinion;
- The results of our procedures to review the required risks of the fraudulent risk of revenue recognition and management override of control; and
- Our view of the level of prudence you have applied to key balances within your financial statements

Section Two

Financial Statements Audit

SIGNIFICANT audit risk	Account balances effected	Summary of findings
<p>Valuation of land and building</p>	<p>Property, Plant and Equipment (PPE) , £85.7m, [PY £76.9m]</p>	<p>Land and building valuation is an estimate, arrived using various assumptions and judgements. Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost of a modern equivalent asset value (MEAV) that has the same service potential as the existing property. There is significant judgement involved in determining the appropriate basis (EUV or MEAV) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation and the condition of the asset. In particular the MEAV basis requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site, with a potentially significant effect on the valuation.</p> <p>For 2015/16, the Group Commissioned an interim “desk-top” revaluation of all of the land and buildings, which did not involve the physical inspection of the assets. This was undertaken by an external valuer from Her Majesty’s Valuation Office Agency.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the competence, capability, objectivity and independence of the Trust’s external valuer; • Reviewing the valuation report, terms of engagement of, and the instructions issued to the valuer to confirm consistency with the requirements of the NHS Foundation Trust Annual Reporting Manual (FT ARM); • Critically assessing the reasonableness of the valuation indices applied by the valuer by benchmarking them against those used across the healthcare sector; • Reconciling the valuer’s report to the financial statements to ensure that valuation movements had been applied correctly both in total and at an individual asset level; • Critically assessing whether the impairments and revaluations have been correctly accounted for in line with applicable accounting standards and the FT ARM; and • Assessing the adequacy of the disclosures about the key judgements and degree of estimation involved in arriving at the valuation and the related sensitivities • Checking the revaluation basis and considering its appropriateness in line with NHS FT ARM guidance. • Assessing, in the light of our knowledge of the Trust’s assets whether the selection of land and buildings covered by the valuation included all assets since the previous valuation. <p>There are no matters arising from this work that we need to bring to your attention.</p>

Section Two

Financial Statements Audit

Risks that ISAs require us to assess in all cases	Why	Our findings from the audit
<p>Fraud risk from revenue recognition</p>	<p>Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.</p> <p>We recognise that the incentives in the NHS differ significantly to those in the private sector which have driven the requirement to make a rebuttable presumption that this is a significant risk. These incentives in the NHS include the requirement to meet regulatory and financial covenants, rather than broader financial reporting or share based management concerns.</p> <p>Other incentives that should be considered focus on the desire to avoid regulatory attention or to mask financial errors or irregularities which could be seen to apply in a public sector context.</p> <p>We have identified recognition of NHS income as an other audit risk from our risk assessment (agreement of balances) and we have rebutted the inherent risk of fraud.</p>	<p>Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant audit risk.</p> <p>In our External Audit Plan 2015/16 we reported that we do not consider this to be a significant risk for NHS bodies, as there is unlikely to be an incentive to fraudulently recognise revenue. This is still the case and we have therefore rebutted this presumed risk for 2015/16 at the Trust.</p> <p>However, due to its significance in the context of the financial statements as a whole, NHS income has continued to be a key area of audit. We have undertaken routine audit procedures detailed in our External Audit Plan 2015/16 in relation to Agreement of Balances to enable us to identify if there are any potential issues around income recognition. Please see page 11 for details of the testing carried out in this area.</p> <p>As we have not identified any specific fraud risks from revenue recognition, this risk is not included within our enhanced audit report.</p>
<p>Fraud risk from management override of controls</p>	<p>Professional standards require us to communicate the fraud risk from management override of controls as significant because management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We have not identified any specific additional risks of management override relating to this audit.</p>	<p>We have not identified any specific risks of management override relating to this audit and as a result this risk is not included within our enhanced audit report.</p> <p>Our audit methodology incorporates the risk of management override as a default area of audit focus. In line with our methodology, we have carried out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual as relevant.</p> <p>As part of our work we considered all year-end journals posted by the Trust as they are perceived to be the journals through which there is the greatest risk of management manipulation of the Trust's financial position. We identified that there were 229 journals posted in this time frame. This had a total financial impact of decreasing the income and expenditure position by £1,171,928 and the Trust's net asset position by the same amount. This provides us with assurance that management has not used closing period journals to manipulate the financial position of the Trust</p>

Section Two

Financial Statements Audit

Areas of audit focus	Why	Our findings from the audit
Agreement of balances	<p>The agreement of balance exercise completed at the year-end contributes directly to the year-end production of the FT sector, NHS England and DH consolidated final accounts. There are a number of arrangements between bodies that can cause complications for this process, which may lead to differences arising.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the Trust's level of engagement with the process. • Discussing the accounting treatment for more complex areas, such as lead commissioning arrangements and net / gross accounting treatments, to ensure there is consistency of treatment between bodies. • Inspecting the third party confirmations from participating bodies to compare the values they are disclosing within their financials statements to the value disclosed in your financial statements.
Going concern	<p>Going concern considerations should separate the future of the FT itself from the likely continuation of the services it provides. There is a distinction between the going concern position of the FT and the basis for the preparation of its accounts.</p> <p>The <i>NHS Foundation Trust Code of Governance</i>, paragraph C.1.2, requires FTs to disclose whether or not the financial statements have been prepared on a going concern basis and the reasons for this decision, with supporting assumptions or qualifications as necessary within the performance report.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtained evidence that management has considered going concern in preparing the accounts, that management's assumptions are appropriate and any material uncertainties have been disclosed. • Inspecting the 2016-17 Budget to Monitor and reasonableness of that from our cumulative audit knowledge and experience of the Trust. <p>There are no matters arising from this work that we need to bring to your attention.</p>

Section Two

Financial Statements Audit

Areas of audit focus	Why	Our findings from the audit
<p>Impact of FRS 102 on the consolidated accounts</p>	<p>The Trust acts as corporate trustee for the Harrogate and District NHS Foundation Trust Charitable Fund. The Trust prepares accounts for the charity and produces a consolidated set of accounts for the group.</p> <p>In July 2014, the SORP Committee issued the two new Charity SORPs to reflect the new UK accounting framework, which is FRS 102. All charities that prepare accrual accounts must apply the new SORP for financial years beginning on or after 1 January 2015.</p> <p>On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to recognise and measure them in accordance with the foundation trust's accounting policies and eliminate intra-group transactions, balances, gains and losses.</p>	<p>The Charity is a small charity with total assets of £1.8m and liabilities of £55K. The total income and expenditure is £460K and £819K respectively. The Charity has always been a small charity and the amounts are not significant to the parent undertaking.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Checking the adjustments made to the charity's assets, liabilities and transactions are complete and accurate. • Confirming that all intra-group transactions have been eliminated correctly. <p>There are no matters arising from this work that we need to bring to your attention.</p>
<p>Remuneration report</p>	<p>Certain elements of the annual report are subject to audit, particularly the Remuneration Report. As a result of the sensitive nature of the disclosures within the Remuneration Report, and the fact that the information is a material disclosure for readers of the accounts, accurate and complete disclosure requirements represents a key area of audit focus.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Checking the salary single total figure table. • Checking the pension benefits table. • Checking the payments for loss of office. • Checking the exit packages. • Checking the analysis of staff numbers. <p>Other than minor presentational issues that have been corrected there are no matters arising from this work that we need to bring to your attention</p>

Financial Statements Audit

Areas of audit focus	Why	Our findings from the audit
<p>Carbon energy management scheme</p>	<p>The Trust has entered into a 25-year carbon management scheme, which is expected to deliver net energy savings in excess of £4 million and reduce carbon emissions by 90,000 tonnes.</p> <p>The £7 million capital project started in April 2015 and is scheduled for completion in 2016. It involves upgrading the electrical infrastructure across the Trust's estates with more energy efficient equipment.</p> <p>The capital project is unlikely to be fully complete by 31 March 2016. However, a significant proportion of the spend is expected to have been incurred by that date.</p>	<p>In response, our audit procedures in this area included a detailed accounting analysis with reference to applicable accounting standards specific to this scenario.</p> <p>The accounting analysis indicated that the expenditure on the carbon energy management scheme is outside the scope of IFRIC 12 (service concession arrangement) and IFRIC 4 (determining whether an arrangement contains a lease).</p> <p>There appears to be no embedded lease arrangement within this agreement and therefore this arrangement also falls outside the scope of IAS17 (Leases).</p> <p>We have also checked the additions as part of our work over the Trust's 'Property Plant and Equipment' balance.</p> <p>There are no matters arising from this work that we need to bring to your attention</p>
<p>New children's services contracts</p>	<p>The Trust has won three new contracts to deliver children's services in Durham, Darlington and Middlesbrough from 1 April 2016, which combined will generate additional revenue of circa £17 million.</p>	<p>Our work indicated that note 26 to the financial statements, which covers events after the reporting period, included the disclosure of the new children's services contracts.</p> <p>We have confirmed that the information provided has been correctly disclosed in line with FT ARM guidance.</p>

Section Two

Financial Statements Audit

Judgements in your financial statements

We always consider the level of prudence within key judgements in your financial statements. Given the communication of additional expectations to Foundation Trusts this year by NHS Improvement to specifically review the strength of their balance sheet we have summarised our view below using the following range of judgement. For the Trust the key judgement is valuation of land and buildings.



Assessment of subjective areas				
Asset/liability class	Current year	Prior year	Balance (£m)	KPMG comment
Valuation of land and buildings (part of Property Plant and Equipment)	3	3	£85.6 (PY:£76,953)	<ul style="list-style-type: none"> The Trust has used the services of a professionally qualified valuation expert from Her Majesty's Valuation Office (HMVO) to value its land and buildings as at 31 March 2015. The valuation has been carried out in line with the FT ARM. The valuation is an estimate and involves various assumptions. We reviewed the assumptions used by the valuation expert and the valuation report for the year ended 31 March 2016. We compared that with applicable accounting standards and consistent application of assumptions in relation to the Trust as well as the wider NHS sector. We also obtained assurance in relation to the competency and the experience of HMVO valuer to conduct such a valuation. We can confirm that the assumptions used by the valuer are reasonable and appropriate. The valuation has resulted in an increase in value of £2.9m which has been incorporated within the Statement of Changes in Taxpayers Equity. We can also confirm that the valuer is professionally qualified and has the relevant expertise and experience to carry out such a valuation on Trust's land and buildings as at 31 March 2016.

Section Two

Financial Statements Audit

Annual report

We have yet to complete our work over the Trust's Annual Report. This work includes reading the contents of the Annual Report (including the Accountability Report, Performance Report and AGS) and auditing the relevant parts of the Remuneration Report. As part of our work we consider whether:

- there are any inconsistencies between the contents of the Accountability, Performance and Director's Reports and the financial statements.
- there are any material inconsistencies between the knowledge acquired during our audit and the director's statements. As Directors you confirm that you consider the that the annual report and accounts taken as a whole are fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.
- the part of the Remuneration Report that is required to be audited were all found to be materially accurate;
- the AGS is consistent with the financial statements and complies with relevant guidance; and
- the report of the Audit Committee included in the Annual Report appropriately addresses matters communicated by us to the Audit Committee, and meets guidance as set out in the ARM.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Section Two

Financial Statements Audit

Audit Fees

Our fee for the audit was £47,000 plus VAT (£49,500 in 2014/15). This fee was in line with that highlighted within our audit plan agreed by the Audit Committee in January 2016. Our fee for the external assurance on the quality report was £8,000 plus VAT (£8,000 in 2014/15).

Our fee for the external audit of Harrogate and District NHS Foundation Trust Charitable Fund was £2,000 plus VAT (£2,000 in 2014/15).

We have also completed non-audit work at the Trust during the year on providing an accounting opinion on the Carbon and Energy Fund Project. The fee for this work was £5,000 and was approved by the Audit Committee in March 2016.

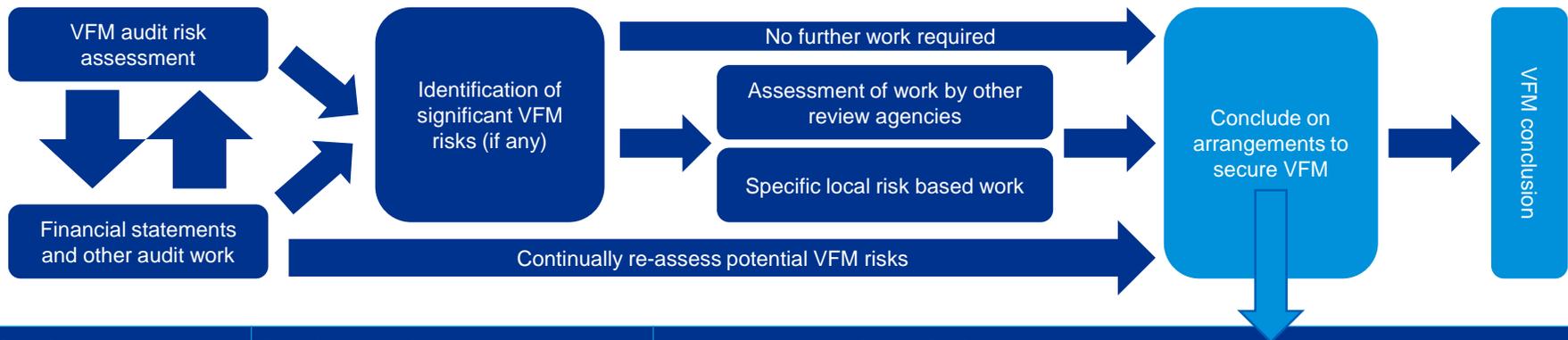


Value for Money

Section Three

Value for Money

From 2015/16 our value for money (VFM) work follows the NAO's new guidance. It is risk based and targets audit effort on the areas of greatest audit risk. Our methodology is summarised below. We identified 3 significant VFM risks which are reported overleaf. We have also provided a summary below of the routine work required to issue our VFM conclusion, which is that we are satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016.



AGS review	Regulatory review	Other matters considered in risk assessment
<p>We reviewed the 2015/16 AGS and took into consideration the work of internal audit.</p> <p>As our work over the Trust's Annual Report is incomplete, we are unable to state at this stage whether the AGS reflects our understanding of the Trust's operations and risk management arrangements.</p>	<p>We considered the outcomes of relevant regulatory reviews (NHS Improvement, CQC, etc.) in reaching our conclusion.</p> <p>As at the date of this report, the Trust has a financial sustainability risk rating of 3 and a governance rating of green. We have considered both of these factors when determining whether the Trust has adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.</p>	<p>As part of our risk assessment we reviewed various matters, including:</p> <ul style="list-style-type: none"> • core assumptions in the 2016/17 Annual Plan. • current operational performance and commissioner relationships / contractual risks. • planned VS actual outturn. • management's assessment of the Trust's ability to continue as a going concern.

Section Three

Value for Money

Value for money risk	Why this risk is significant	Our audit response and findings
<p>CQC inspection and compliance with national and local performance target</p>	<p>In November 2013, the Trust was last inspected by the Care Quality Commission in the first wave of the new model of inspections of acute hospitals. As the review was a pilot, no formal inspection rating was provided. The inspection was largely positive and the subsequent action plan was closed in November 2014. The CQC has informed the Trust that it will undergo a formal inspection in February 2016.</p>	<p>As at the date of this report, the CQC had yet to publish its findings from its formal inspection of the Trust which took place in February 2016. We will consider any implications on our VFM conclusion of the results of this inspection if published prior to the signing of our opinion.</p> <p>We did not identify any other regulatory correspondence and/or reports during the course of the audit which has led us to modify our VFM conclusion. However, we will consider any information which becomes available prior to signing our VFM conclusion to determine its impact.</p> <p>We have reviewed the Trust's Patient Recorded Outcome Measures (PROMs) data, as reported in the Trust's Quality Accounts (page 44 of the Quality Accounts), for which the Trust has results for a full performance year (2014/15). Our review indicated that the Trust's health gain scores for groin hernias, hip replacements and knee replacements were below the national average (the Trust does not perform high numbers of varicose vein operations and so the results of this procedure have not been reported within the Trust's Quality Accounts). However, the Trust's scores are not considered to be an outlier from national position and isn't considered to have a lowest value for any acute Trust across the areas reported. Furthermore, it is worth noting that PROMS data is based on patient perception and therefore does not equate to a subjective measure of performance.</p> <p>We have reviewed the Trust's performance against local and national quality and productivity targets. Specifically, as part of our Quality Accounts work, we have considered the Trust's reported performance against the indicators in Monitor's Compliance and Risk Assessment Frameworks for each quarter of 2015/16 (page 103 of the Quality Accounts). Our review found that the Trust has reported to have met or exceeded Monitor's target performance, for each required indicator, in each quarter of 2015/16. However, it was noted that the Trust's performance against the A&E 4 hour standard was below the 95% target for Q4. However this does not affect the Trust's overall governance rating as long as the Trust reports performance above the 95% standard next quarter.</p> <p>We have not identified any issues through our work on this risk to date which would lead us to modify our VFM conclusion.</p>

Value for Money

Value for money risk	Why this risk is significant	Our audit response and findings
<p>Agency spend</p>	<p>In October 2015, the Secretary of State for Health announced new controls over staffing agencies and higher-paid NHS managers employed through agencies. The controls will cap the amount companies can charge per shift for all staff, including doctors and non-clinical personnel.</p> <p>Additionally, NHS regulators will be setting expectations on overall levels of agency spend for each NHS organisation. Announcements mandated a cap on nursing spend. These new measures are aimed at removing £1 billion from agency spending bills over 3 years. The government hopes that savings can be re-invested in frontline patient care.</p> <p>The Trust spent £4 million on agency staff last year, which equated to 3% of the Trust's annual pay bill. This is relatively low in comparison to other acute trusts. However, keeping agency spend under the mandated cap will be a challenge for the Trust because of the difficulties faced in recruiting permanent staff and the need to balance the need to reduce agency usage with operational and quality risk.</p>	<p>Since November 2015, the Trust has been reporting on a weekly basis to the NHS Improvement Agency, in line with national guidelines, to detail their performance against the newly introduced agency cap.</p> <p>As part of our audit we have considered the arrangements and actions put in place by the Trust to ensure its compliance with the agency cap. We are aware that the Trust has worked to improve controls around the use of agency to help ensure compliance with the agency spend cap since the introduction of the new rules. This has included working to ensure only approved agencies appearing on the recommended framework are used and that discussions have been held with agencies to determine whether prices charged can be amended to meet the cap's requirements (e.g. discussions have been held with the British Nursing Agency in relation to rates charged for their General Nursing agency usage).</p> <p>From 1 April 2016, the reporting requirements of the Trust around their compliance with the agency cap have remained consistent. However, as at the date of this report, the NHS Improvement Agency had not released guidance as to the impact of breaching the agency cap. NHS Improvement Agency guidance states that performance against the cap will impact upon the release and payment of 'Sustainability and Transformation Fund' monies, however the criteria, measurement and guidance in relation to this has not yet been released.</p> <p>We have not identified any issues through our work on this risk to date which would lead us to modify our VFM conclusion.</p>

Section Three

Value for Money

Value for money risk	Why this risk is significant	Our audit response and findings
<p>Due diligence on new children's services contracts</p>	<p>The Trust has won three new contracts to deliver children's services in Durham, Darlington and Middlesbrough from 1 April 2016, which combined will generate additional revenue of circa £17 million.</p> <p>A risk exists that the Trust does not fully understand the services that they are taking over, particularly the assets acquired and the liabilities assumed as well as the forecast surplus / deficit position.</p>	<p>As part of our audit, we have reviewed the arrangements in place at the Trust to ensure an appropriate and sufficient due diligence process had been carried out on the three new children's services contracts, in line with Monitor's guidance.</p> <p>Through our work we have confirmed that for each of the three contracts won, the Trust had fully completed a 'Bid or No Bid' process. This process is normally completed either before or just after an 'Invitation to Tender' has been issued and is dependent on the information available to the Trust at the time. It is through this process that the Trust considers the attractiveness, success factors, financial and quality impact of each tender. This process forms a key stage of the Trust's due diligence processes and includes key aspects required to be considered by Monitor.</p> <p>Furthermore, we identified that the Trust set up a Mobilisation Group and created separate mobilisation plans for each of the core contracts to ensure the effective transition and operation of these new contracts.</p> <p>We have not identified any issues or concerns as part of our work which would lead us to modify our VFM opinion.</p>



Appendices

Recommendations raised and followed up

We have also follow up the recommendations from the previous years audit, in summary:

Total number of recommendations	Number of recommendations implemented	Number outstanding (repeated below):
1	1	0

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (May 2016)
Financial Statements				
1	3	<p>Annual Governance Statement</p> <p>There is a new Monitor requirement in respect of the Annual Governance Statement. Paragraph 7.99 of the Annual Reporting Manual sets out “<i>Monitor does not prescribe for foundation trusts which issues should be considered to be significant control issues.</i> Foundation trusts should ensure that a consistent definition of what constitutes significance is applied from year to year”</p> <p>In order to meet this requirement, we recommend that the Trust Board agrees the definition of a significant control issue which should be applied when preparing the Annual Governance Statement in future years. We have shared an example definition with management which the Trust may want to use and adapt. Prior to sending to Trust Board for approval, we recommend that the definition is shared with us for review and comment.</p>	<p>A piece of work will be carried out by the Trust Board to formally agree the definition of a significant control issue during 2015/16</p> <p>Deputy Director of Governance March 2016</p>	<p>Implemented</p> <p>The Trust has developed an outline process which was discussed at Director Team in April 2016. The key points to note are:</p> <ul style="list-style-type: none"> • An approved template will be used each year to identify control issues raised by the Head of Internal Audit and Director Team. • Each control issue will then be assessed against the defined criteria and the result documented. The opinion of internal and external audit and Audit Committee will then be added. • It will not be the quantity of Yes/No that is necessarily important – having just one Yes could trigger a significant control issue. The outcome will be documented following discussion. • The outcome will be used to define the significant control issues for inclusion in the Annual Governance Statement, and will be referred to for ongoing consistency.

Audit Differences

Under UK auditing standards (ISA (UK&I) 260) we are required to provide the Audit Committee with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK&I) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Audit Committee, we are required to provide details of all adjustments greater than £185k. We have not identified any adjustments of this nature during the course of our audit.

Under UK auditing standards (ISA UK&I 260) we are required to provide the Audit Committee with a summary of adjusted audit differences (including disclosures) identified during the course of our audit. We have not identified any adjustments of this nature during the course of our audit.

We identified a number of minor presentational issues during our audit and these have all been amended by the Trust.

We are required to report any inconsistencies greater than £250,000 between the signed audited accounts and the consolidation data and details of any unadjusted errors or uncertainties in the data provided for intra-group and intra-government balances and transactions regardless of whether a Trust is a sampled or non-sampled component. We have provided details of the inconsistencies that we are reporting to the NAO on the next page, in Appendix 3.

Appendix Three

National Audit Office Group Assurance

Counter party	Type of balance/ transaction	Balance as per Trust (£'000)	Balance as per counter party (£'000)	Difference (£'000)	Comments on Difference
Hambleton , Richmondshire and Whitby CCG	Income / Expenditure	£5,892	£5,436	£456	Certain individual invoices raised by the Trust have been disputed by the CCG and have not been accounted for in the CCG accounts. Discussions with Trust management informed us that the CCG has raised queries in respect of GP Out Of Hours and Autism, however the disputed values are higher than the Trust would expect. The main contributing factor relates to the dispute around GP Out Of Hours where discussions between the two bodies relate to monies relating to one month of GP Out of Hours services but the CCG has included a dispute relating to every month for which the service relates in 15/16. Whilst we have been unable to obtain a detailed breakdown of the transactions which make up the dispute, we have gained sufficient assurance that the Trust's treatment of this income is appropriate through alternative procedures performed.
Harrogate and Rural District CCG	Income / Expenditure	£105,375	£102,653	£2,722	This variance relates to HaRD CCG only including half of the accrual statement value as part of the AoB process whereas HDFT are including the full amount. As part of our work on the financial statements, we have reviewed the contract in place between the Trust and HaRD CCG and considered the reason and impact behind contract variations. Whilst we have been unable to obtain a detailed breakdown of the transactions which make up the dispute, we have gained sufficient assurance that the Trust's treatment of this income is appropriate through alternative procedures performed.
Leeds North CCG	Income / Expenditure	£19,600	£20,425	(£825)	Leeds North CCG are including expenditure which HDFT have issued credit notes for. This relates to accruals from 14/15 where the CCG debtor in 14/15 has been cancelled out due to credit notes issued. However the CCG has included this as expenditure in 15/16. We have sufficient evidence to support Trust's treatment of this balance within the Trust's financial statements.

National Audit Office Group Assurance

Counter party	Type of balance/ transaction	Balance as per Trust (£'000)	Balance as per counter party (£'000)	Difference (£'000)	Comments on Difference
NHS Vale of York CCG	Income / Expenditure	£6,638	£5,939	£699	Discussions with Trust management informed us that this variance relates to GP Out Of Hours. A new provider took over this service in April, however, the Trust has had an agreement in place to charge the overspend in this area and March enhancements were paid in April. There was also a peak at the end of 2015/16 which the CCG has challenged. As part of our work on the financial statements, we have reviewed the contract in place between the Trust and the CCG and considered the reason and impact behind contract variations. Whilst we have been unable to obtain a detailed breakdown of the transactions which make up the dispute, we have gained sufficient assurance that the Trust's treatment of this income is appropriate through alternative procedures performed.
Hambleton , Richmondshire and Whitby CCG	Receivables /Payables	£1,348	£752	£596	Difference relates to the same issue discussed on the previous slide. Whilst we have been unable to obtain a detailed breakdown of the transactions which make up the dispute, we have gained sufficient assurance that the Trust's treatment of this income is appropriate.
Harrogate and rural District CCG	Receivables /Payables	£5,146	£3,652	£1,494	Discussions with the Trust informed us that HDFT included the net impact of maternity pathway payment here and the rest is an assessment of outturn. Explanations provided have been deemed reasonable. Whilst we have been unable to obtain a detailed breakdown of the transactions which make up the dispute, we have gained sufficient assurance that the Trust's treatment of this income is appropriate.
NHS Vale of York CCG	Receivables /Payables	£727	£151	£576	Variance relates to same issue discussed on the previous slide. Whilst we have been unable to obtain a detailed breakdown of the transactions which make up the dispute, we have gained sufficient assurance that the Trust's treatment of this income is appropriate.
Harrogate and rural District CCG	Payables/R eceivables	£255	£608	£353	Discussions with the Trust informed us that HaRD accounted for the maternity pathway payment as a pre-payment for 16/17 rather than part of their work in progress calculation. Explanation provided has been deemed reasonable. Whilst we have been unable to obtain a detailed breakdown of the transactions which make up the dispute, we have gained sufficient assurance that the Trust's treatment of this income is appropriate.

Appendix Three

National Audit Office Group Assurance

Counter party	Type of balance/ transaction	Balance as per Trust (£'000)	Balance as per counter party (£'000)	Difference (£'000)	Comments on Difference
York Teaching Hospitals NHS FT	Payables/R eceivables	£999	£1,282	£283	Discussions with the Trust informed us that this variance relates to facilities invoices from 2 years ago. There is also an invoice that the CCG has made queries about in relation to CASH and GUM which they successfully won a tender for. Explanation provided has been deemed reasonable. Whilst we have been unable to obtain a detailed breakdown of the transactions which make up the dispute, we have gained sufficient assurance that the Trust's treatment of this income is appropriate.

Appendix Four

Audit Independence

The purpose of this Appendix is to communicate all significant facts and matters that bear on KPMG LLP's independence and objectivity and to inform you of the requirements of *ISA 260 (UK and Ireland) Communication of Audit Matters to Those Charged with Governance*.

Integrity, objectivity and independence

We are required to communicate to you in writing at least annually all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place that, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

We have considered the fees paid to us by the Trust for professional services provided by us during the reporting period. We are satisfied that our general procedures support our independence and objectivity.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP Audit Partners and staff annually confirm their compliance with our Ethics and Independence Manual including in particular that they have no prohibited shareholdings.

Our Ethics and Independence Manual is fully consistent with the requirements of the Ethical Standards issued by the UK Auditing Practices Board. As a result we have underlying safeguards in place to maintain independence through: Instilling professional values, Communications, Internal accountability, Risk management and Independent reviews.

We would be happy to discuss any of these aspects of our procedures in more detail. There are no other matters that, in our professional judgement, bear on our independence which need to be disclosed to the Board of Governors.

Audit matters

We are required to comply with *ISA (UK and Ireland) 260 Communication of Audit Matters to Those Charged with Governance* when carrying out the audit of the accounts.

ISA 260 requires that we consider the following audit matters and formally communicate them to those charged with governance:

- Relationships that may bear on the firm's independence and the integrity and objectivity of the audit engagement lead and audit staff.
- The general approach and overall scope of the audit, including any expected limitations thereon, or any additional requirements.
- The selection of, or changes in, significant accounting policies and practices that have, or could have, a material effect on the Trust's financial statements.
- The potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.
- Audit adjustments, whether or not recorded by the entity that have, or could have, a material effect on the Trust's financial statements.

Appendix Four

Audit Independence

- Material uncertainties related to event and conditions that may cast significant doubt on the Trust's ability to continue as a going concern.
- Disagreements with management about matters that, individually or in aggregate, could be significant to the Trust's financial statements or the auditor's report. These communications include consideration of whether the matter has, or has not, been resolved and the significance of the matter.
- Expected modifications to the auditor's report.
- Other matters warranting attention by those charged with governance, such as material weaknesses in internal control, questions regarding management integrity, and fraud involving management.
- Any other matters agreed upon in the terms of the audit engagement.

We continue to discharge these responsibilities through our attendance at Audit Committees, commentary and reporting and, in the case of uncorrected misstatements, through our request for management representations.

Auditor Declaration

In relation to the audit of the financial statements of the Trust for the financial year ending 31 March 2016, we confirm that there were no relationships between KPMG LLP and the Trust, its directors and senior management and its affiliates that we consider may reasonably be thought to bear on the objectivity and independence of the audit engagement lead and audit staff. We also confirm that we have complied with Ethical Standards in relation to independence and objectivity.



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Report to the Trust Council of Governors: 3 August 2016

Title	Appendix 7.1 Governor Working Group – Volunteering and Education
Author(s)	Mrs Jane Hedley, Public Governor
Report Purpose	For information

This report summarises the items discussed at the last meeting of the Governor Working Group for Volunteering and Education, held on 5 July 2016.

The purpose of the group is to monitor, promote, develop and support the Volunteer Programme, Work Experience and Education Liaison and relevant workforce issues.

On Mrs Hedley’s behalf, Mrs Edgar will highlight the Work Experience programme administered by the Corporate Team, and as outlined in this report, the different opportunities offered.

Volunteering

We have 491 active volunteers; of these 398 are over 25 years of age and 83 under 25 years of age. Children's Safeguarding training has been completed by all the Volunteers.

Volunteers Week was celebrated in June. All volunteers interviewed said they wanted to give something back. Support for volunteering was reinforced by an article in the Harrogate Advertiser by Dr Price who had previously been a mealtime Volunteer as a school student. Lynne Gray, a therapist in the Sir Robert Ogden Macmillan Centre was awarded a special certificate following her nomination as Volunteer of the Year at the Stray FM Awards.

As usual, Volunteers have given their time in helping to run events including Medicine for Members, the Staff Summer Fair and the Big Picnic. They are helping the Patient Led Assessment of the Care Environment survey and Transforming Outpatients Department survey.

Work Experience

All students on Work Experience are easily recognised by a lime green lanyard and are given a certificate on completion, which is presented when their evaluation is submitted. Evaluation from the department is also valuable.

Students under 16 can be offered non-clinical placements in departments such as catering, estates, research, planning, supplies and switchboard. Students can often be undecided about a career but find this useful in learning more about the hospital.

Students over 16 can be offered clinical placements on wards and in departments where they learn more about a career on the frontline.

Finally students considering a medical career can be offered consultant placements, where they are able to shadow consultants in clinics, ward rounds and theatre lists in preparation for applications to University.

The Group is very appreciative of the administrative process being undertaken by the Corporate Team; of whom one member has undertaken Work Experience as a student.

Education Liaison

The Corporate Team has continued to make contact with all the schools and is progressing numerous events including the Preparing for Medical School Talk, Medical and Nursing Mock Interviews. Schools have been asked to send in the dates of forthcoming careers events and we have circulated the date of the Trust's Open Event. In July students from Ripon Outwood Academy visited the Pathology Department and Blood Sciences and the feedback was extremely positive.

Report to the Trust Council of Governors: 3 August 2016

Title	Appendix 7.2 Governor Working Group – Membership Development and Communications
Author(s)	Ms Pamela Allen, Public Governor
Report Purpose	For information

This report summarises the items discussed at the last meeting of the Governor Working Group for Membership Development and Communications, held on 18 July 2016.

The purpose of the group is to oversee the delivery of the Foundation Trust's Membership Development Strategy, including membership recruitment and engagement.

Ms Allen will highlight the Youth Members' Forum

Youth Members' Forum

The Youth Members' Forum is intended to get youth involved and promote the views and ideas of young Members and young people in general. A subgroup Steering Committee comprised of youths will assist in the designing and setting up the Youth Members Forum. Support from Governors by attendance and engagement at the Youth Members Forum meetings will be much appreciated.

The initiation of the Forum is in design stages and updates will be provided regarding progress made.

Medicine for Members

Medicine for Members' sessions on 4 May and 24 May were well received by attendees. There were 80 Members attending the sessions, which were focused on caring for people with dementia.

The next Medicine for Members event will be offered in October and the date is yet to be determined. The focus will be on caring for the frail elderly population.

Membership Forms

Membership forms, including text and graphics will be updated to reflect the changes in the Trust's boundaries and include the "Rest of England." The form will also be amended to include the LGBT gender option.

Elections

There were no nominees standing in the June election to fill the vacant seat in Ripon and in the Rest of England. There were several interested people who attended informational sessions, but there was an expression of concern regarding the time commitment of the Governor role.

The next election will be held this autumn, with closure in early December 2016. There are eight seats:

- 2 Public Governor seats for Harrogate and surrounding villages
- 1 Public Governor seat for Knaresborough and East District
- 2 Staff Governor seats for Nursing and Midwifery
- 1 Public Governor seat for the Rest of England
- 1 Public Governor seat for Ripon
- 1 Public Governor seat for the Wards of Wetherby and Harewood, Alwoodley, Adel and Wharfedale and Otley and Yeadon

Annual Members' Meeting

The meeting will be held at the Cedar Court Hotel in Harrogate on 13 September 2016 from 6 – 8 pm. (The agenda for the meeting has already been emailed to Governors.) Please note that this meeting is a responsibility of the Council of Governors and attendance by all is strongly encouraged.

Annual Open Event

The annual Open Event will be held on 29 September 2016. Governors' support is needed and a rota will be sent to Governors in the near future. A separate stand may be included at the Event for the Youth Members Forum.

Report to the Trust Council of Governors: 3 August 2016

Title	Appendix 7.3 Patient and Public Involvement - Learning from Patient Experience
Author(s)	Mrs Liz Dean, Public Governor
Report Purpose	For information

This report summarises the items discussed at the last meeting of the Learning from Patient Experience Group, held on 13 July 2016.

The purpose of the group is to understand, monitor, challenge and seek to improve the quality of the experience of users of services provided by HDFT, both in hospital and in the community, taking into account the values of the NHS Constitution and the Trust's Values and Behaviours.

Mrs Dean will highlight for discussion Quality and Patient Experience Reports.

Attendance

A discussion took place at the beginning of the meeting as to whether it was quorate. On review, following the meeting, the meeting was not quorate, however members agreed to continue the meeting as no decisions were required.

Quality and Patient Experience Reports

A summary of the Integrated Board Report covering the three Directorates detailed the main incident trends reported within the Children's and County Wide Community Care Directorate. There were gaps in the data provided and not all information was up to date. This was challenged within the meeting. It was highlighted that the complexity of reporting was still in the old directorate domain which was becoming challenging and the reason for data inaccuracies. A data protection issue was highlighted with one report. The Group were thanked for bringing this to the attention of the Directorate representative who re-assured the Group that the information would be redacted and those reports from the meeting would be disposed of.

Key points from the report: Of the 193 incidents reported in Q1 2016/17, 95 were reviewed at Complaints and Risk Management (CORM) (49%). The most frequent issues around Category 3 pressure ulcers were noted. Complaints: it was reported that 44 CORM actions were overdue and a number of plans were in place to address the backlog. Concerns were raised around the number of open actions sitting within Children's and County Wide Community Care Directorate. There was a challenge as to whether the figure reflected the data in the context. A piece of work is to be undertaken in August 2016 to look at plans for Datix restructure and cleansing. A meeting is to be held with the Chief Operating Officer to discuss the plans going forward.

Chief Nurse Reports June 2016

The Deputy Chief Nurse presented a summary of the report which was circulated in advance of the meeting and taken as read. Key points were highlighted:

Nurse Recruitment

Nurse recruitment is still a cause of concern. Successful recruitment campaigns have been run with eight registered Nurses and two Care Support workers receiving conditional offers. Further events are planned for every month moving forward. Approximately 40 student nurses qualifying in September had committed their future to the organisation. The English language qualification for working in the UK has had a significant impact on available candidates from the European Union. The Trust has started to look further afield for potential recruits

A discussion took place with regard to nurse revalidation it was reported that since 1 April 2016 fifty nurses have been supported through the revalidation process without difficulty.

Directorate National Inpatient Survey Action Plan

The National Inpatient Survey Action Plan was discussed. The Group asked to see progress from Directorates on the questions, taken from the CQC Picker Survey of Adult Inpatients 2014 and the PICKER Inpatient Survey published January 2015. There were five areas where the 2015 score was significantly different to the 2014 score. The Group asked for further clarification to be provided. One area requiring

further clarification was 'not offered a choice of food' as this was an area which generally scored highly and the Patient Voice Group generally found this to be an area of high quality. It will remain a standing item on the agenda and brought back every month for further monitoring.

Patient Voice Group Update

Concern was raised with regard to the process for responding to action plans as a result of PVG visits. It was agreed that the issue would be fed back to the Chief Nurse regarding the need to strengthen the process going forward.

- **Nutritional Action Plan**

No further update was received. The Directorate representative was asked to chase up the report and bring an update to the September meeting.

- **Trust Response to Wensleydale report**

A recommendation was that the heating needed to be constant for patients. There was a concern that no response had been received and no Datix report had been completed to reflect the issue. It was also noted that on one ward patients had fainted due to the heat but this had not been recorded. A further update would be provided at the next meeting.

- **Children's Action Plan**

No update. Agreed this would be provided at the September meeting.

PVG expressed frustrations following the submission of reports to the June meeting (detailed below). The Trust had not provided a response or update on the action plans:

- Byland (submitted June)
- Granby (submitted June)
- Ophthalmology (submitted June)
- Oakdale action plan (response should have been received in July)

Sepsis

It was noted that Sepsis was in the news; a discussion followed with an agreement going forward this would be included in the reporting.

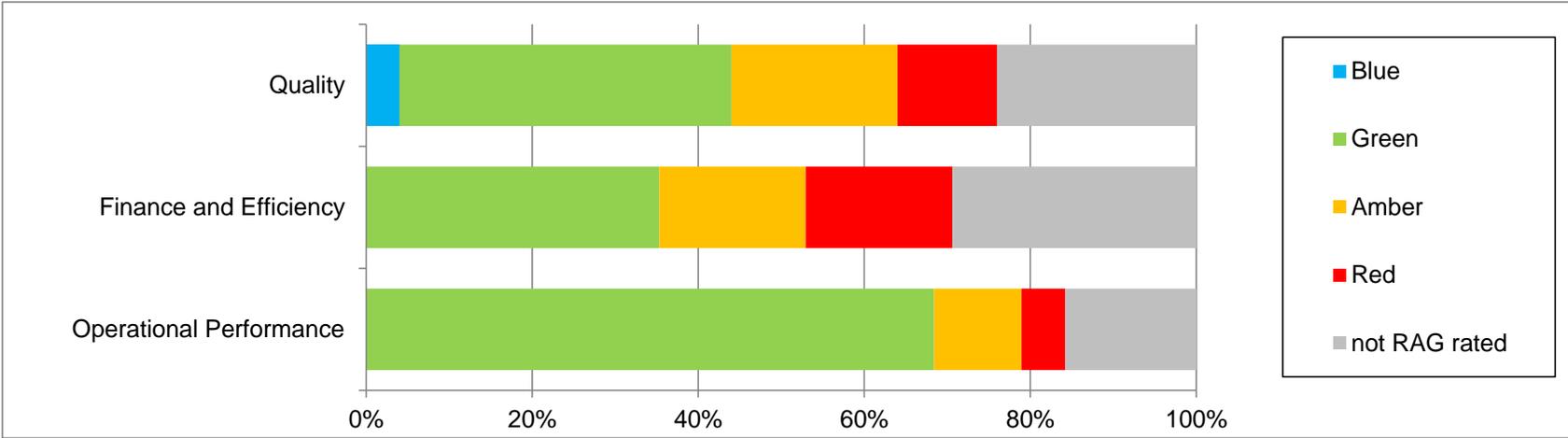
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Integrated board report - June 2016

Key points this month

1. Performance against the A&E 4 hour standard improved and was above the required 95% level in June for both Harrogate Emergency Department and Trust overall performance.
2. Whilst the Trust has delivered the Quarter 1 financial control total and will receive the first part of the S&T funding, the operational budgetary position is over £600k behind the plan to date. This significantly puts at risk achievement of future quarters' financial plan.
3. There were 8 hospital acquired cases of C.diff reported in the year to date (to end June). Root cause analyses on 5 cases has now been completed and 2 were deemed to be due to a lapse in care.
4. The agency bill for June was 2.2% of Trust pay expenditure. Expenditure remains below the agency ceiling set by NHS Improvement but is above the benchmark the Trust has set in month.
5. The number of falls causing harm increased in June. However the number reported in the year to date is lower than in the same period last year.
6. Delivery of 18 weeks and all cancer waiting times standards were achieved for Quarter 1.
7. New metrics looking at new birth visits and 2.5 year reviews in the Darlington, Co. Durham and Middlesbrough Healthy Child Programme have been included in the report this month.
8. The previous national CQUIN indicators relating to Acute Kidney Injury and Sepsis have been removed as they do not feature in the Trust's CQUIN scheme for 2016/17.

Summary of indicators



Quality - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
Safety thermometer - harm free care	Measures the percentage of patients receiving harm free care (defined as the absence of pressure ulcers, harm from a fall, urine infection in patients with a catheter and new VTE) in the Safety Thermometer audits conducted once a month. The data includes hospital and community teams. A high score is good. Whilst there is no nationally defined target for this measure, a score of 95% or above is considered best practice.		The harm free percentage for June was 95.6%, a decrease on the previous month, but remaining above the 95% standard and above the latest national average of 94.2%.	✓
Pressure ulcers - hospital acquired	The chart shows the cumulative number of grade 3 or grade 4 hospital acquired pressure ulcers in 2016/17. The data includes hospital teams only.		There was 1 hospital acquired grade 3 or grade 4 pressure ulcer reported in June, bringing the year to date total to 11. Of the 11 cases, 1 was deemed to be avoidable, 4 unavoidable and 6 cases are still under root cause analysis (RCA). The Trust has set a local trajectory for 2016/17 of zero avoidable hospital acquired grade 3 or grade 4 pressure ulcers. A maximum trajectory of 155 cases of grade 2-4 hospital acquired pressure ulcers has been agreed via the Quality Committee.	✓
	An additional chart has been added to this month's report to illustrate the long term trend in reported grade 3 or grade 4 hospital acquired pressure ulcers. The data includes hospital teams only.		The number of hospital acquired grade 3 or grade 4 pressure ulcers reported in 2016/17 to date is 11. This compares to 17 in the same period last year.	
Pressure ulcers - community acquired	The chart shows the cumulative number of grade 3 or grade 4 community acquired pressure ulcers in 2016/17. The data includes community teams only.		There were 7 community acquired grade 3 or grade 4 pressure ulcers reported in June, bringing the year to date total to 19. Of the 19 cases, 3 were deemed to be avoidable, 2 unavoidable and 14 cases are still under root cause analysis (RCA). A maximum trajectory for the number of grade 2-4 community acquired pressure ulcers was agreed at the Quality Committee and will be based on a 20% reduction against the number of cases reported in 2015/16.	✓

Quality - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
Falls	The number of inpatient falls expressed as a rate per 1,000 bed days. The data includes falls causing harm and those not causing harm. A low rate is good.		<p>The rate of inpatient falls was 5.4 per 1,000 bed days in June, a slight increase on the previous month but remaining significantly below the average HDFT rate during 2015/16.</p> <p>The falls sensors are now in place on Byland, Jervaulx and Farndale wards and there is a plan to roll out to the other ward areas.</p>	✔
Falls causing harm	The number of inpatient falls causing significant harm, expressed as a rate per 1,000 bed days. The data includes falls causing moderate harm, severe harm or death. A low rate is good.		<p>The rate of inpatient falls causing moderate harm, severe harm or death was 0.4 per 1,000 bed days in June, an increase on the previous month and above the average HDFT rate for 2015/16.</p> <p>There have been 5 inpatient falls causing moderate or severe harm in 2016/17 to date, of which 1 resulted in a fracture. This compares to 6 moderate or severe harm falls in the same period last year.</p>	✔
Infection control	The chart shows the cumulative number of hospital acquired C. difficile cases during 2016/17. HDFT's C. difficile trajectory for 2016/17 is 12 cases, no change on last year's trajectory. Cases where a lapse in care has been deemed to have occurred would count towards the Monitor risk assessment framework. Hospital acquired MRSA cases will be reported on an exception basis. HDFT has a trajectory of 0 MRSA cases for 2016/17.		<p>There were 2 cases of hospital acquired C. difficile reported in June, bringing the year to date total to 8 cases. Of these, 5 have now had root cause analysis (RCA) completed and 2 have been determined to be due to a lapse in care. 3 cases are still under RCA.</p> <p>No cases of hospital acquired MRSA have been reported in 2016/17 to date.</p>	✔
Avoidable admissions	The chart shows the number of avoidable emergency admissions to HDFT as per the national definition. The admissions included are those where the primary diagnosis of the patient does not normally require admission. Conditions include pneumonia and urinary tract infections in adults and respiratory conditions in children.		<p>There were 236 avoidable admissions in May, a decrease on last month.</p> <p>An admission avoidance/urgent care project group has been established and the Trust is working with HARD CCG to develop care models and pathways that support patients to stay in their own home and reduce the risk of hospital admissions. This is also the focus of the New Care Models work and one of the metrics being used to evaluate this pilot.</p>	✔

Quality - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
<p>Reducing readmissions in older people</p>	<p>The chart shows the proportion of older people aged 65+ who were still at home 91 days after discharge from hospital into rehabilitation or reablement services. A high figure is good. <i>This indicator is in development.</i></p>		<p>For patients discharged in March, 70% were still in their own home at the end of June, an increase on the previous month.</p> <p>Following a deterioration in performance on this metric in the last few months, a case note audit of a sample of patients is being carried out to understand any themes and actions required.</p>	
<p>Mortality - HSMR</p>	<p>The Hospital Standardised Mortality Ratio (HSMR) looks at the mortality rates for 56 common diagnosis groups that account for around 80% of in-hospital deaths and standardises against various criteria including age, sex and comorbidities. The measure also makes an adjustment for palliative care. A low figure is good.</p>		<p><i>There is no update of this data this month.</i></p> <p>HDFT's HSMR increased to 102.08 in March. However it remains within expected levels. At specialty level, 2 specialties (Geriatric Medicine and Gastroenterology) have a standardised mortality rate above expected levels.</p> <p>At site level, Ripon Hospital standardised mortality is now within expected levels.</p>	
<p>Mortality - SHMI</p>	<p>The Summary Hospital Mortality Index (SHMI) looks at the mortality rates for all diagnoses and standardises against various criteria including age, sex and comorbidities. The measure does not make an adjustment for palliative care. A low figure is good.</p>		<p><i>There is no update of this data this month.</i></p> <p>HDFT's SHMI increased to 91.36, compared to 91.07 last month. However this remains below the national average and below expected levels for the fourth consecutive month.</p> <p>At specialty level, 2 specialties (Geriatric Medicine and Gastroenterology) have a standardised mortality rate above expected levels and looking at the data by site, Ripon hospital has a higher than expected mortality rate.</p>	
<p>Complaints</p>	<p>The number of complaints received by the Trust, shown by month of receipt of complaint. The criteria define the severity/grading of the complaint with green and yellow signifying less serious issues, amber signifying potentially significant issues and red for complaints related to serious adverse incidents. The data includes complaints relating to both hospital and community services.</p>		<p>23 complaints were received in June compared to 16 last month, with one classified as amber.</p>	

Quality - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
Incidents - all	<p>The chart shows the number of incidents reported within the Trust each month. It includes all categories of incidents, including those that were categorised as "no harm". The data includes hospital and community services.</p> <p>A large number of reported incidents but with a low proportion classified as causing significant harm is indicative of a good incident reporting culture</p>		<p>There were 423 incidents reported in June. The number of incidents reported each month remains fairly static but the proportion classified as moderate harm, severe harm or death has reduced over the last 3 years.</p> <p>The latest published national data (for the 6 month period to end September 2015) showed that Acute Trusts reported an average ratio of 31 no harm/low harm incidents for each incident classified as moderate harm, severe harm or death (a high ratio is better). HDFT's local reporting ratio for the same period was 21.</p>	
Incidents - SIRs and never events	<p>The chart shows the number of Serious Incidents Requiring Investigation (SIRs) and Never Events reported within the Trust each month. The data includes hospital and community services.</p> <p>We have changed this indicator to now include both comprehensive and concise SIRs and have amended the presentation to show a cumulative position.</p>		<p>There were no never events reported in June. There have been 31 concise SIRs and 2 comprehensive SIRs reported in the year to date. In 2015/16, HDFT reported an average of 9.6 SIRs per month.</p>	
Friends & Family Test (FFT) - Staff - % recommend as a place to work	<p>The Staff Friends and Family Test (FFT) was introduced in 2014/15 and gives staff the opportunity to give feedback on the organisation they work in.</p> <p>The chart shows the percentage of staff that would recommend the Trust as a place to work. A high percentage is good. The Trust's aim is to feature in the top 20% of Trusts nationally.</p>		<p>In Quarter 1, 72% of HDFT staff recommended the Trust as a place to work - this compares to the latest published national average of 62%.</p> <p>The Staff, Friends and Family Test is now surveying the whole Trust rather than by Directorate. This will allow us to benchmark our response rate. During 2015/16, the whole Trust was only surveyed during Q3.</p>	
Friends & Family Test (FFT) - Staff - % recommend as a place to receive care	<p>The Staff Friends and Family Test (FFT) was introduced in 2014/15 and gives staff the opportunity to give feedback on the organisation they work in.</p> <p>The chart shows the percentage of staff that would recommend the Trust as a place to receive care. A high percentage is good. The Trust's aim is to feature in the top 20% of Trusts nationally.</p>		<p>In Quarter 1, 85% of HDFT staff recommended the Trust as a place to work - this compares to the latest published national average of 79%.</p> <p>The Staff, Friends and Family Test is now surveying the whole Trust rather than by Directorate. This will allow us to benchmark our response rate. During 2015/16, the whole Trust was only surveyed during Q3.</p>	

Quality - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality																		
Friends & Family Test (FFT) - Patients	The Patient Friends and Family Test (FFT) gives patients and service users the opportunity to give feedback. They are asked whether they would recommend the service to friends and family if they required similar care or treatment. This indicator covers a number of hospital and community services including inpatients, day cases, outpatients, maternity services, the emergency department, some therapy services, district nursing, community podiatry and GP OOH. A high percentage is good.		Due to a technical problem with the automated phone call service, less patients than usual were surveyed in June (1,200 compared to a monthly average of around 5,000). A fix for the technical issue should be in place by late July. 95.7% of patients surveyed in June would recommend our services, above the latest published national average of 92.8%.	✓																		
Safer staffing levels	Trusts are required to publish information about staffing levels for registered nurses/midwives (RN) and care support workers (CSW) for each inpatient ward. The chart shows the overall fill rate at HDFT for RN and CSW for day and night shifts. The fill rate is calculated by comparing planned staffing with actual levels achieved. A ward level breakdown of this data is published on the Trust website.		Overall staffing compared to planned was at 106%, compared to 107% last month. CSW staffing remains very high compared to plan - this is reflective of the increased need for 1-1 care for some inpatients. A significant focus is being placed on recruitment of RN staff including open events and targeted recruitment campaigns including the use of social media. A decision has been taken to pursue a further round of registered nurse recruitment in Europe.	✓																		
Staff appraisal rates	The chart shows the staff appraisal rate over the most recent rolling 12 months. The Trusts aims to have 90% of staff appraised. A high percentage is good. The figures from May 2016 now exclude employees currently on maternity leave, career break or suspension.		The locally reported cumulative appraisal rate for the 12 months to end June 2016 was 69.5%. Despite the overall figure, Medical & Dental appraisal rates have increased to 75.9%. Follow up emails have been sent out to areas of low compliance, requesting an action plan that will demonstrate how they will achieve at least a 90% compliance rate by December 2016. We are currently undertaking a data cleanse exercise of appraisal information for the Children's Services that TUPE transferred in to the Trust on 1st April 2016, so they are currently excluded from the appraisal rate figures.	✓																		
Mandatory training rates	The table shows the most recent training rates for all mandatory elements for substantive staff. A high percentage is good.	<table border="1"> <thead> <tr> <th>Competence Name</th> <th>% Completed</th> </tr> </thead> <tbody> <tr> <td>Equality, Diversity and Human Rights - Level 1</td> <td>83</td> </tr> <tr> <td>Fire Safety Awareness</td> <td>92</td> </tr> <tr> <td>Infection Prevention & Control 1</td> <td>99</td> </tr> <tr> <td>Infection Prevention & Control 2</td> <td>86</td> </tr> <tr> <td>Information Governance: Introduction</td> <td>89</td> </tr> <tr> <td>Information Governance: The Beginners Guide</td> <td>79</td> </tr> <tr> <td>Prevent Basic Awareness (December 2015)</td> <td>99</td> </tr> <tr> <td>Safeguarding Children & Young People Level 1 - Introduction</td> <td>95</td> </tr> </tbody> </table>	Competence Name	% Completed	Equality, Diversity and Human Rights - Level 1	83	Fire Safety Awareness	92	Infection Prevention & Control 1	99	Infection Prevention & Control 2	86	Information Governance: Introduction	89	Information Governance: The Beginners Guide	79	Prevent Basic Awareness (December 2015)	99	Safeguarding Children & Young People Level 1 - Introduction	95	The data shown is for end June. The overall training rate for mandatory elements for substantive staff is 90%. A workshop has been held with directorates to improve the follow up procedure for those members of staff whose mandatory and essential skills training is not up to date. The new follow up procedure will be implemented from 1st August 2016.	✓
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Quality - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
Sickness rates	Staff sickness rate - includes short and long term sickness. The Trust has set a threshold of 3.9%. A low percentage is good.		HDFT's staff sickness rate was 4.48% in May. Stress, anxiety and depression related absence is now the leading cause of sickness absence again. There are a number of Trust wide interventions aimed at raising awareness and supporting staff dealing with difficulties which will help to tackle this absence cause including mental health first aid, Schwartz rounds and mentally healthy workplace training.	✓
Temporary staffing expenditure - medical/nursing /other	The chart shows staff expenditure per month, split into contracted staff, overtime and additional hours and temporary staff. Lower figures are preferable. <i>The traffic light criteria applied to this indicator is currently under review.</i>		The proportion of spend on temporary staff during April was 6.9%, compared to 7.6% during 2015/16. The significant increase in expenditure for contracted staff since April is due to the transfer of Health Visiting staff from Darlington, Durham and Middlesbrough with effect from 1st April 2016.	✓
Staff turnover rate	The chart shows the staff turnover rate excluding trainee doctors, bank staff and staff on fixed term contracts. The turnover figures include both voluntary and involuntary turnover. Voluntary turnover is when an employee chooses to leave the Trust and involuntary turnover is when the employee unwillingly leaves the Trust. Data from the Times Top 100 Employers indicated a turnover rate norm of 15%, i.e. the level at which organisations should be concerned.		The Trust Turnover rate for the 12 month period up to May 2016 is 12.23%. This is the lowest Trust turnover reported over the previous 12 month period and continues the downward trend being reported since January 2016.	✓
Maternity - Caesarean section rate	The caesarean section rate is determined by a number of factors including ability to provide 1-1 care in labour, previous birth experience and confidence and ability of the staff providing care in labour. The rate of caesarean section can fluctuate significantly from month to month - as a result we have amended the presentation of this indicator this month to show a 12 month rolling average position.		HDFT's C-section rate for the 12 months ending June 2016 was 27.2% of deliveries, a slight decrease on last month. The Royal College of Obstetricians and Gynaecologists recently published a paper which included a range of metrics standardised for local populations, including C-section rates. Overall HDFT was "as expected" in terms of standardised C-section rates. The report is being reviewed in detail by the maternity team to benchmark our position.	✓

Quality - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
<p>Maternity - Rate of third and fourth degree tears</p>	<p>Third and fourth degree tears are a source of short term and long term morbidity. A previous third degree tear can increase the likelihood of a woman choosing a caesarean section in a subsequent pregnancy. Recent intelligence suggested that HDFT were an outlier for third degree tears with operative vaginal delivery. Quality improvement work is being undertaken to understand and improve this position and its inclusion on this dashboard will allow the Trust Board to have sight of the results of this.</p>		<p>The rate of 3rd/4th degree tears was 3.1% of deliveries in the 12 month period ending June 2016, a decrease on last month.</p> <p>The maternity team carry out a full review of all cases of 3rd/4th degree tears. Consideration is currently being made to a clinical re-audit of 3rd/4th degree tears occurring with normal deliveries.</p>	
<p>Maternity - Unexpected term admissions to SCBU</p>	<p>This indicator is a reflection of the intrapartum care provided. For example, an increase in the number of term admissions to special care might reflect issues with understanding of fetal heart rate monitoring in labour.</p> <p>We have amended the presentation of this indicator this month to show a 12 month rolling average position.</p>		<p>The chart shows the number of babies born at greater than 37 weeks gestation who were admitted to the Special Care Baby Unit (SCBU). The maternity team carry out a full review of all term admissions to SCBU.</p> <p>There were 5 term admissions to SCBU in June, compared to 6 in May. The average number per month over the last 12 months is 5.</p>	

Finance and Efficiency - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
Readmissions	% of patients readmitted to hospital as an emergency within 30 days of discharge (PbR exclusions applied). To ensure that we are not discharging patients inappropriately early and to assess our overall surgical success rates, we monitor the numbers of patients readmitted. A low number is good performance. This data is reported a month behind so that any recent readmissions are captured in the data.		The number of readmissions increased in May, both actual numbers and as a percentage of all emergency admissions. The is now slightly above the average rate for 2015/16 but remains within expected levels.	✓
Readmissions - standardised	This indicator looks at the standardised readmission rate within 30 days. The data is standardised against various criteria including age, sex, diagnosis, comorbidities etc. The standardisation enables a more like for like comparison with other organisations. The national average is set at 100. A low rate is good - rates below 100 indicate a lower than expected readmission rate and rates above 100 indicate higher than expected readmission rate.		<i>There is no update of this data this month.</i> HDFT's standardised readmission rate for the 12 month period ending January 2016 was 101.7 - above the national average but within expected levels.	✓
Length of stay - elective	Average length of stay in days for elective (waiting list) patients. The data excludes day case patients. A shorter length of stay is preferable. When a patient is admitted to hospital, it is in the best interests of that patient to remain in hospital for as short a time as clinically appropriate – patients who recover quickly will need to stay in hospital for a shorter time. As well as being best practice clinically, it is also more cost effective if a patient has a shorter length of stay.		The average elective length of stay for June was 3.2 days, a slight increase on the previous month. A focus on sustainably reducing this through the Planned Care Transformation programme is underway, which includes reducing the number of patients admitted the day before surgery.	✓
Length of stay - non-elective	Average length of stay in days for non-elective (emergency) patients. A shorter length of stay is preferable. When a patient is admitted to hospital, it is in the best interests of that patient to remain in hospital for as short a time as clinically appropriate – patients who recover quickly will need to stay in hospital for a shorter time. As well as being best practice clinically, it is also more cost effective if a patient has a shorter length of stay.		The average non-elective length of stay for June was 5.4 days, a slight increase on the previous month.	✓

Finance and Efficiency - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
Non-elective bed days	The charts shows the number of non-elective (emergency) bed days at HDFT for patients aged 18+, per 100,000 population. The chart only includes the local HARD CCG area. A lower figure is preferable.		As can be seen, the number of non-elective bed days for patients aged 18+ has remained fairly static over the last two years. Further analysis of this new indicator will be completed to look at the demographic changes during this period and the number of admissions for this group will assist in understanding this further. This is also the focus of the New Care Models work and one of the metrics being used to evaluate this pilot.	✓
Theatre utilisation	The percentage of time utilised during elective theatre sessions (i.e. those planned in advance for waiting list patients). The utilisation calculation excludes cancelled sessions - operating lists that are planned not to go ahead due to annual leave, study leave or maintenance etc. An extra line has been added to the chart to allow monitoring of this. A higher utilisation rate is good as it demonstrates effective use of resources. A utilisation rate of around 85% is often viewed as optimal.		Theatre utilisation decreased to 85.6% in June. However the number of cancelled sessions also decreased slightly. 8 elective lists were cancelled in June due to staffing issues related to the agency cap. A number of Saturday theatre lists were also not requested by surgeons due to their concerns over the risk of not being able to cover with staff due to the agency cap. A number of elective orthopaedic theatre lists were also converted to trauma lists due to a high fluctuations in the number of trauma patients.	⚠
Delayed transfers of care	The proportion of patients in acute hospital beds who are medically fit for discharge but are still in hospital. A low rate is preferable. A snapshot position is taken at midnight on the last Thursday of each month. The maximum threshold shown on the chart (3.5%) has been agreed with the CCG.		Delayed transfers of care decreased to 3.2% when the snapshot was taken in June. This remains below the maximum threshold of 3.5% set out in the contract.	✓
Outpatient DNA rate	Percentage of new outpatient attendances where the patient does not attend their appointment, without notifying the trust in advance. A low percentage is good. Patient DNAs will usually result in an unused clinic slot.		<i>There is no update of this data this month.</i> HDFT's DNA rate was 4.2% in March, a slight reduction on the previous month. As can be seen, HDFT's DNA rate is consistently significantly below that of both the benchmarked group of trusts and the national average.	✓

Finance and Efficiency - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
Outpatient new to follow up ratio	The number of follow-up appointments per new appointment. A lower ratio is preferable. A high ratio could indicate that unnecessary follow ups are taking place.		<p><i>There is no update of this data this month.</i></p> <p>The Trust is working closely with the CCG on the Elective Rapid Testing Programme as part of the work of the Joint Clinical Board. The three specialties running the rapid testing programme all have reducing face to face follow ups as part of their ambition.</p> <p>HDFT's new to follow up ratio decreased slightly in March - it is below the benchmark group average and the national average.</p>	✓
Day case rate	The proportion of elective (waiting list) procedures carried out as a day case procedure, i.e. the patient did not stay overnight. A higher day case rate is preferable.		<p>The Day Surgery Transformation group continues their work and are on plan.</p>	✓
Surplus / deficit and variance to plan	Monthly Surplus/Deficit (£'000s). In some months, a deficit is planned for. This indicator reports positive or adverse variance against the planned position for the month.		<p>The Operational Budgetary position for the year to June was a deficit of £448k, £612k behind plan. This is a significant area of risk to the Trust. The Trust has taken a year end approach to the quarterly reporting, resulting in an underlying surplus of £271k. This is above the control total requirement set by NHS Improvement. The Trust will therefore report achievement of the sustainability and transformation funding and a Quarter 1 surplus of £1,420k.</p>	✓
Cash balance	Monthly cash balance (£'000s)		<p>The Trust was £12,311k behind plan for cash in June with a balance of £2,429k. This is a result of the changes in profile following agreement of the acute contract with HaRD CCG.</p>	✓

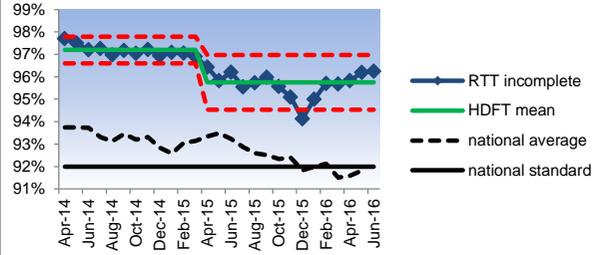
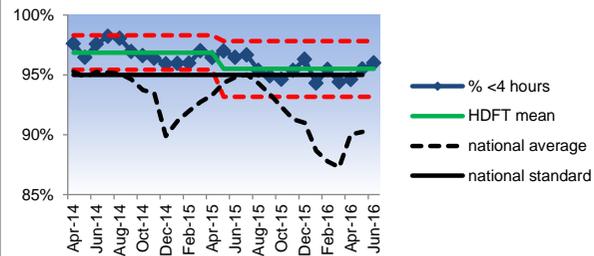
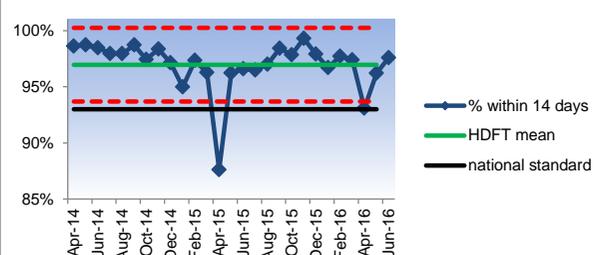
Finance and Efficiency - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality																		
NHS Improvement Financial Sustainability risk rating	The NHS Improvement Financial Sustainability risk rating includes four components, as illustrated in the table to the right. An overall rating is calculated ranging from 4 (no concerns) to 1 (significant concerns). This indicator monitors our position against plan.	<table border="1"> <thead> <tr> <th>Element</th> <th>Plan</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Capital Service Capacity rating</td> <td>4</td> <td>4</td> </tr> <tr> <td>Liquidity rating</td> <td>4</td> <td>4</td> </tr> <tr> <td>I&E Margin rating</td> <td>4</td> <td>4</td> </tr> <tr> <td>I&E Margin Variance rating</td> <td>3</td> <td>4</td> </tr> <tr> <td>Financial Sustainability Risk Rating</td> <td>4</td> <td>4</td> </tr> </tbody> </table>	Element	Plan	Actual	Capital Service Capacity rating	4	4	Liquidity rating	4	4	I&E Margin rating	4	4	I&E Margin Variance rating	3	4	Financial Sustainability Risk Rating	4	4	The Trust will report a risk rating of 4 for June.	✓
Element	Plan	Actual																				
Capital Service Capacity rating	4	4																				
Liquidity rating	4	4																				
I&E Margin rating	4	4																				
I&E Margin Variance rating	3	4																				
Financial Sustainability Risk Rating	4	4																				
CIP achievement	Cost Improvement Programme (CIP) performance outlines full year achievement on a monthly basis. The target is set at the internal efficiency requirement (£'000s). This indicator monitors our year to date position against plan.		66% of CIP schemes have been actioned to date. Although plans are in place for 93% of the efficiency requirement, the risk adjusted total reduces to 80% (£1.9m)	✓																		
Capital spend	Cumulative Capital Expenditure by month (£'000s)		Capital Expenditure was £39k ahead of plan at the end of Quarter 1.	✓																		
Agency spend in relation to pay spend	Expenditure in relation to Agency staff on a monthly basis as a percentage of total pay bill. The Trust aims to have less than 3% of the total pay bill on agency staff.		The agency bill for June was 2.2% of Trust pay expenditure. Expenditure remains below the agency ceiling set by NHS Improvement but is above the benchmark the Trust has set in month.	✓																		

Finance and Efficiency - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality																											
<p>Research - Invoiced research activity</p>	<p>Aspects of research studies are paid for by the study sponsor or funder.</p>	<table border="1"> <caption>Trend Chart Data (Estimated)</caption> <thead> <tr> <th>Quarter</th> <th>Invoiced amount (cum) (£)</th> <th>Target (cum) (£)</th> </tr> </thead> <tbody> <tr> <td>Q1 2015/16</td> <td>~40,000</td> <td>~50,000</td> </tr> <tr> <td>Q2 2015/16</td> <td>~80,000</td> <td>~100,000</td> </tr> <tr> <td>Q3 2015/16</td> <td>~140,000</td> <td>~150,000</td> </tr> <tr> <td>Q4 2015/16</td> <td>~200,000</td> <td>~200,000</td> </tr> <tr> <td>Q1 2016/17</td> <td>~240,000</td> <td>~250,000</td> </tr> <tr> <td>Q2 2016/17</td> <td>~50,000</td> <td>~100,000</td> </tr> <tr> <td>Q3 2016/17</td> <td>~100,000</td> <td>~150,000</td> </tr> <tr> <td>Q4 2016/17</td> <td>~150,000</td> <td>~200,000</td> </tr> </tbody> </table>	Quarter	Invoiced amount (cum) (£)	Target (cum) (£)	Q1 2015/16	~40,000	~50,000	Q2 2015/16	~80,000	~100,000	Q3 2015/16	~140,000	~150,000	Q4 2015/16	~200,000	~200,000	Q1 2016/17	~240,000	~250,000	Q2 2016/17	~50,000	~100,000	Q3 2016/17	~100,000	~150,000	Q4 2016/17	~150,000	~200,000	<p>As set out in the Research & Development strategy, the Trust intends to maintain its current income from commercial research activity and NIHR income to support research staff to 2019. Each study is unique. Last year the Trust invoiced for a total of £223k.</p>	
Quarter	Invoiced amount (cum) (£)	Target (cum) (£)																													
Q1 2015/16	~40,000	~50,000																													
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Operational Performance - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality																																				
NHS Improvement governance rating	NHS Improvement use a variety of information to assess a Trust's governance risk rating, including CQC information, access and outcomes metrics, third party reports and quality governance metrics. The table to the left shows how the Trust is performing against the national performance standards in the "access and outcomes metrics" section of the Risk Assessment Framework.	<table border="1"> <thead> <tr> <th>Indicator</th> <th>Q1 score</th> <th>Indicator</th> <th>Q1 score</th> </tr> </thead> <tbody> <tr> <td>18 weeks - incomplete</td> <td>0.0</td> <td>Cancer - 14 days</td> <td>0.0</td> </tr> <tr> <td>A&E - 4 hour standard</td> <td>0.0</td> <td>Cancer - 14 days - breast symptoms</td> <td>0.0</td> </tr> <tr> <td>Cancer - 62 days to treatment</td> <td>0.0</td> <td>C-Difficile</td> <td>0.0</td> </tr> <tr> <td>Cancer - 62 days to treatment - screening</td> <td>0.0</td> <td>MRSA</td> <td>0.0</td> </tr> <tr> <td>Cancer - 31 day subsequent treatment - surgery</td> <td>0.0</td> <td>Compliance with requirements regarding access to healthcare for patients with learning disabilities</td> <td>0.0</td> </tr> <tr> <td>Cancer - 31 day subsequent treatment - drugs</td> <td>0.0</td> <td>Community services data completeness - RTT information</td> <td>0.0</td> </tr> <tr> <td>Cancer - 31 day subsequent treatment - radiotherapy</td> <td>N/A</td> <td>Community services data completeness - Referral information</td> <td>0.0</td> </tr> <tr> <td>Cancer - 31 day first treatment</td> <td>0.0</td> <td>Community services data completeness - Treatment activity information</td> <td>0.0</td> </tr> </tbody> </table>	Indicator	Q1 score	Indicator	Q1 score	18 weeks - incomplete	0.0	Cancer - 14 days	0.0	A&E - 4 hour standard	0.0	Cancer - 14 days - breast symptoms	0.0	Cancer - 62 days to treatment	0.0	C-Difficile	0.0	Cancer - 62 days to treatment - screening	0.0	MRSA	0.0	Cancer - 31 day subsequent treatment - surgery	0.0	Compliance with requirements regarding access to healthcare for patients with learning disabilities	0.0	Cancer - 31 day subsequent treatment - drugs	0.0	Community services data completeness - RTT information	0.0	Cancer - 31 day subsequent treatment - radiotherapy	N/A	Community services data completeness - Referral information	0.0	Cancer - 31 day first treatment	0.0	Community services data completeness - Treatment activity information	0.0	<p>HDFT's governance rating for Q1 is Green. The Trust's performance against the A&E 4 hour standard was above 95% for Q1, but sustained delivery of this standard remains challenging.</p> <p>8 cases of hospital acquired C.difficile were reported in Q1. Of these, 5 have now had root cause analysis (RCA) completed and 2 have been determined to be due to a lapse in care. The Trust's C. difficile trajectory for the full year 2016/17 is a maximum of 12 cases due to lapses in care.</p>	
Indicator	Q1 score	Indicator	Q1 score																																					
18 weeks - incomplete	0.0	Cancer - 14 days	0.0																																					
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Cancer - 31 day first treatment	0.0	Community services data completeness - Treatment activity information	0.0																																					
RTT Incomplete pathways performance	Percentage of incomplete pathways waiting less than 18 weeks. The national standard is that 92% of incomplete pathways should be waiting less than 18 weeks. A high percentage is good.		<p>96.2% of patients were waiting 18 weeks or less at the end of June, above the required national standard of 92% and a slight increase on last month.</p> <p>All specialties were also above the 92% standard, including Trauma & Orthopaedics. However, concern remains about sustaining performance for this specialty, particularly in light of the new agency cap from 1st April and the impact it has on theatre staffing.</p>																																					
A&E 4 hour standard	Percentage of patients spending less than 4 hours in Accident & Emergency (A&E). The operational standard is 95%. The data includes all A&E Departments, including Minor Injury Units (MIUs). A high percentage is good. Historical data for HDFT included both Ripon and Selby MIUs. In agreement with local CCGs, York NHSFT are reporting the activity for Selby MIU from 1st May 2015.		<p>HDFT's Trust level performance for June 2016 was 96.0%, above the required 95% standard. This includes data for the Emergency Department at Harrogate and Ripon MIU. Performance for Harrogate ED was also above the standard at 95.2%.</p> <p>For Quarter 1 overall, Trust level performance was above the 95% standard at 95.4%, but performance for Harrogate Emergency Department was below the standard at 94.5%.</p>																																					
Cancer - 14 days maximum wait from urgent GP referral for all urgent suspect cancer referrals	Percentage of urgent GP referrals for suspected cancer seen within 14 days. The operational standard is 93%. A high percentage is good.		<p>Delivery at expected levels.</p>																																					

Operational Performance - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
<p>Cancer - 14 days maximum wait from GP referral for symptomatic breast patients</p>	<p>Percentage of GP referrals for breast symptomatic patients seen within 14 days. The operational standard is 93%. A high percentage is good.</p>		<p>Delivery at expected levels.</p>	
<p>Cancer - 31 days maximum wait from diagnosis to treatment for all cancers</p>	<p>Percentage of cancer patients starting first treatment within 31 days of diagnosis. The operational standard is 96%. A high percentage is good.</p>		<p>Delivery at expected levels.</p>	
<p>Cancer - 31 day wait for second or subsequent treatment: Surgery</p>	<p>Percentage of cancer patients starting subsequent surgical treatment within 31 days. The operational standard is 94%. A high percentage is good.</p>		<p>Delivery at expected levels.</p>	
<p>Cancer - 31 day wait for second or subsequent treatment: Anti-Cancer drug</p>	<p>Percentage of cancer patients starting subsequent drug treatment within 31 days. The operational standard is 98%. A high percentage is good.</p>		<p>Delivery at expected levels.</p>	

Operational Performance - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
Cancer - 62 day wait for first treatment from urgent GP referral to treatment	Percentage of cancer patients starting first treatment within 62 days of urgent GP referral. The operational standard is 85%. A high percentage is good.		<p>Trust total delivery at expected levels.</p> <p>Of the 11 cancer sites treated at HDFT, 4 had performance below 85% in June - colorectal (2.0 breaches), head & neck (0.5 breach), lung (1.0 breach) and upper gastro-intestinal (2.0 breaches).</p> <p>No patients waited over 104 days for treatment in June.</p>	
Cancer - 62 day wait for first treatment from consultant screening service referral	Percentage of cancer patients starting first treatment within 62 days of referral from a consultant screening service. The operational standard is 90%. A high percentage is good.		<p>Performance was below the 90% standard in June. However the latest estimated position for the full quarter is 90% performance with 1 breach and 10 reportable pathways.</p>	
Cancer - 62 day wait for first treatment from consultant upgrade	Percentage of cancer patients starting first treatment within 62 days of consultant upgrade. The operational standard is 85%. A high percentage is good.		<p>Delivery at expected levels.</p>	
GP OOH - NQR 9	NQR 9 (National Quality Requirement 9) looks at the % of GP OOH telephone clinical assessments for urgent cases that are carried out within 20 minutes of call prioritisation. The data presented excludes Selby and York as these do not form part of the HDFT OOH service from April 2015. A high percentage is good.		<p><i>There is no update of this data this month. The Trust recently changed the way that some patient groups are managed within the GP OOH service to improve efficiency and patient experience. Reports from the Adastra system no longer calculate the correct start time for these patients and as a result, the performance reported for some of the NQRs is now incorrect. We have been working with YAS to resolve this and have made some progress but are not yet confident that the data reported accurately reflects performance. The recent problems with the data have reiterated that the NQRs are out of date. We are proposing revised metrics which more comprehensively reflect both the quality and responsiveness of the GP OOH service.</i></p>	

Operational Performance - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
GP OOH - NQR 12	NQR 12 (National Quality Requirement 12) looks at the % of GP OOH face to face consultations (home visits) started for urgent cases within 2 hours. The data presented excludes Selby and York as these do not form part of the HFT OOH service from April 2015. A high percentage is good.		There is no update of this data this month. The Trust recently changed the way that some patient groups are managed within the GP OOH service to improve efficiency and patient experience. Reports from the Adastra system no longer calculate the correct start time for these patients and as a result, the performance reported for some of the NQRs is now incorrect. We have been working with YAS to resolve this and have made some progress but are not yet confident that the data reported accurately reflects performance. The recent problems with the data have reiterated that the NQRs are out of date. We are proposing revised metrics which more comprehensively reflect both the quality and responsiveness of the GP OOH service.	
Children's Services - 10-14 day new birth visit	The percentage of babies who had a new birth visit by the Health Visiting team within 14 days of birth. A high percentage is good. Data shown is for the 0-5 Health Visiting Service in North Yorkshire and the Healthy Child Programme in Darlington, Co. Durham and Middlesbrough.		Data for the Healthy Child Programme in Darlington, Co. Durham and Middlesbrough is presented for the first time this month. In June, 86% of babies in Darlington, 83% of babies in Co. Durham, 90% of babies in Middlesbrough and 81% of babies in North Yorkshire were recorded on Systmone as having had a new birth visit within 14 days of birth.	
Children's Services - 2.5 year review	The percentage of children who had a 2.5 year review. A high percentage is good. Data shown is for the 0-5 Health Visiting Service in North Yorkshire and the Healthy Child Programme in Darlington, Co. Durham and Middlesbrough.		Data for the Healthy Child Programme in Darlington, Co. Durham and Middlesbrough is presented for the first time this month. In June, 90% of children in Darlington, 82% of children in Co. Durham, 83% of children in Middlesbrough and 77% of children in North Yorkshire were recorded on Systmone as having had a 2.5 year review.	
Community equipment - deliveries within 7 days	The number of standard items delivered within 7 days by the community equipment service. A high percentage is good.		Performance remains above expected levels.	

Operational Performance - June 2016

Indicator	Description	Trend chart	Interpretation	Data quality
CQUIN - dementia screening	The proportion of emergency admissions aged 75 or over who are screened for dementia within 72 hours of admission (Step 1). Of those screened positive, the proportion who went on to have an assessment and onward referral as required (Step 2 and 3). The operational standard is 90% for all 3 steps. A high percentage is good.		Recurrent achievement of this standard. Ongoing monitoring. No new actions identified.	
Recruitment to NIHR adopted research studies	The Trust has a recruitment target of 2,750 for 2015/16 for studies adopted onto the NIHR portfolio. This equates to 230 per month. A higher figure is good.		Recruitment in June was above plan with 305 recruited onto studies during the month. However the year to date position remains 7.8% below plan.	
Directorate research activity	The number of studies within each of the directorates - included in the graph is Trustwide where the study spans directorates. The Trust has no specific target set for research activity within each directorate. It is envisaged that each clinical directorate would have a balanced portfolio.		The directorate research teams are subject to studies that are available to open. The 'type of study', Commercial, Interventional, Observational, Large scale, Patient Identification Centre (PIC) or N/A influence the activity based funding received by HDFT. Each category is weighted dependant on input of staff involvement. N/A studies are those studies which are not on the NIHR portfolio. They include commercial, interventional, observational, large scale, PIC, local and student projects. They do not influence the recruitment target.	

Data Quality - Exception Report

Report section	Indicator	Data quality rating	Further information
Operational Performance	GP Out of Hours - National Quality Requirement 9	Red 	The Trust recently changed the way that some patient groups are managed within the GP OOH service to improve efficiency and patient experience. Reports from the Adastra system no longer calculate the correct start time for these patients or assign them to the most appropriate level of urgency in data reports. As a result, the performance reported for some of the NQRs is now incorrect. We have been working with YAS to resolve this and have made some progress but are not yet confident that the data reported accurately reflects performance. The recent problems with the data have reiterated that the NQRs are out of date. We are proposing revised metrics which more comprehensively reflect both the quality and responsiveness of the GP OOH service.
Operational Performance	GP Out of Hours - National Quality Requirement 12	Red 	The Trust recently changed the way that some patient groups are managed within the GP OOH service to improve efficiency and patient experience. Reports from the Adastra system no longer calculate the correct start time for these patients or assign them to the most appropriate level of urgency in data reports. As a result, the performance reported for some of the NQRs is now incorrect. We have been working with YAS to resolve this and have made some progress but are not yet confident that the data reported accurately reflects performance. The recent problems with the data have reiterated that the NQRs are out of date. We are proposing revised metrics which more comprehensively reflect both the quality and responsiveness of the GP OOH service.
Quality	Reducing readmissions in older people	Amber 	This indicator is under development. We have recently amended the calculation of this indicator so that it correctly handles patients who had multiple admissions and multiple contacts with community services.
Finance and efficiency	Theatre utilisation	Amber 	The utilisation calculation excludes cancelled sessions - operating lists that are planned not to go ahead due to annual leave, study leave or maintenance etc. An extra line has been added to the chart to allow monitoring of cancelled sessions.
Operational Performance	Children's Services - 10-14 day new birth visit	Amber 	This is the first time that we have reported on this data. Caution should be exercised as further work is required to understand the completeness and quality of the data.
Operational Performance	Children's Services - 2.5 year review	Amber 	This is the first time that we have reported on this data. Caution should be exercised as further work is required to understand the completeness and quality of the data.

Indicator traffic light criteria

Section	Indicator	Further detail	Traffic light criteria	Rationale/source of traffic light criteria
Quality	Safety thermometer - harm free care	% harm free	Blue if latest month >=97%, Green if >=95% but <97%, red if latest month <95%	National best practice guidance suggests that 95% is the standard that Trusts should achieve. In addition, HDFT have set a local stretch target of 97%.
Quality	Pressure ulcers - hospital acquired	No. grade 3 and grade 4 avoidable hospital acquired pressure ulcers	tbc	tbc
Quality	Pressure ulcers - community acquired	No. grade 3 and grade 4 community acquired pressure ulcers	tbc	tbc
Quality	Falls	IP falls per 1,000 bed days	Blue if YTD position is a reduction of >=50% of HDFT average for 2015/16. Green if YTD position is a reduction of between 20% and 50% of HDFT average for 2015/16. Amber if YTD position is a reduction of up to 20% of HDFT average for 2015/16. Red if YTD position is on or above HDFT average for 2015/16.	Locally agreed improvement trajectory based on comparison with HDFT performance last year.
Quality	Falls causing harm	IP falls causing moderate harm, severe harm or death, per 1,000 bed days	Green if below trajectory YTD, Amber if above trajectory YTD, Red if above trajectory at end year or more than 10% above trajectory in year.	NHS England, NHS Improvement and contractual requirement
Quality	Infection control	No. hospital acquired C.diff cases	The number of avoidable emergency admissions to HDFT as per the national definition.	tbc
Quality	Avoidable admissions	The proportion of older people 65+ who were still at home 91 days after discharge from hospital into rehabilitation or reablement services.	tbc	tbc
Quality	Reducing readmissions in older people	tbc	tbc	tbc
Quality	Mortality - HSMR	Hospital Standardised Mortality Ratio (HSMR)	Blue = better than expected (95% confidence interval), Green = as expected, Amber = worse than expected (95% confidence interval), Red = worse than expected (99% confidence interval).	Comparison with national average performance.
Quality	Mortality - SHMI	Summary Hospital Mortality Index (SHMI)	Blue if no. complaints in latest month is below LCL, Green if below HDFT average for 2015/16, Amber if above HDFT average for 2015/16, Red if above UCL. In addition, Red if a new red rated complaint received in latest month.	Locally agreed improvement trajectory based on comparison with HDFT performance last year.
Quality	Complaints	No. complaints, split by criteria	Blue if latest month ratio places HDFT in the top 10% of acute trusts nationally, Green if in top 25%, Amber if within the middle 50%, Red if in bottom 25%	Comparison of HDFT performance against most recently published national average ratio of low to high incidents.
Quality	Incidents - all	Incidents split by grade (hosp and community)	Green if less than 8 SIRIs reported per month in the year to date and no never events reported in the current month; Amber if 8 or 9 SIRIs and reported per month in the year to date and no never events reported in the month; Red if 1 or more never event reported in the current month and/or 10 or more SIRIs reported per month in the year to date.	
Quality	Incidents - SIRIs (comprehensive and concise) and never events	The cumulative number of SIRIs (comprehensive and concise) and the number of never events reported in the year to date. The indicator includes hospital and community data.		
Quality	Friends & Family Test (FFT) - Staff	% staff who would recommend HDFT as a place to work	Blue if latest month score places HDFT in the top 10% of acute trusts nationally and/or the % staff recommending the Trust is above 95%, Green if in top 25% of acute trusts nationally, Amber if within the middle 50%, Red if in bottom 25%.	Comparison with performance of other acute trusts.
Quality	Friends & Family Test (FFT) - Staff	% staff who would recommend HDFT as a place to receive care	Green if latest month >= latest published national average, Red if < latest published national average.	Comparison with national average performance.
Quality	Friends & Family Test (FFT) - Patients	% recommend, % not recommend - combined score for all services currently doing patient FFT	Green if latest month overall staffing >=100%, amber if between 95% and 100%, red if below 95%.	The Trusts aims for 100% staffing overall.
Quality	Safer staffing levels	RN and CSW - day and night overall fill rates at trust level	Annual rolling total - 90% green, Amber between 70% and 90%, red=70%.	Locally agreed target level based on historic local and NHS performance
Quality	Staff appraisal rate	Latest position on no. staff who had an appraisal within the last 12 months	Blue if latest month >=95%; Green if latest month 75%-95% overall, amber if between 50% and 75%, red if below 50%.	Locally agreed target level - no national comparative information available until February 2016
Quality	Mandatory training rate	Latest position on the % staff trained for each mandatory training requirement	Green if <3.9% , amber if between 3.9% and regional average, Red if > regional average.	HDFT Employment Policy requirement. Rates compared at a regional level also
Quality	Staff sickness rate	Staff sickness rate		
Quality	Temporary staffing expenditure - medical/nursing/other	Expenditure per month on staff types.	tbc	tbc
Quality	Staff turnover	Staff turnover rate excluding trainee doctors, bank staff and staff on fixed term contracts.	Green if remaining static or decreasing, amber if increasing but below 15%, red if above 15%.	Based on evidence from Times Top 100 Employers
Quality	Maternity - Caesarean section rate	Caesarean section rate as a % of all deliveries	Green if <25% of deliveries, amber if between 25% and 30%, red if above 30%.	tbc
Quality	Maternity - Rate of third and fourth degree tears	No. third or fourth degree tears as a % of all deliveries	Green if <3% of deliveries, amber if between 3% and 6%, red if above 6%.	tbc
Quality	Maternity - Unexpected term admissions to SCBU	Admissions to SCBU for babies born at 37 weeks gestation or over.	tbc	tbc
Finance and efficiency	Readmissions	No. emergency readmissions (following elective or non-elective admission) within 30 days.	Blue if latest month rate < LCL, Green if latest month rate < HDFT average for 2015/16, Amber if latest month rate > HDFT average for 2015/16 but below UCL, red if latest month rate > UCL	Locally agreed improvement trajectory based on comparison with HDFT performance last year.
Finance and efficiency	Readmissions - standardised	Standardised emergency readmission rate within 30 days from HED	Blue = better than expected (95% confidence interval), Green = as expected, Amber = worse than expected (95% confidence interval), Red = worse than expected (99% confidence interval).	Comparison with national average performance.
Finance and efficiency	Length of stay - elective	Average LOS for elective patients	Blue if latest month score places HDFT in the top 10%	

Section	Indicator	Further detail	Traffic light criteria	Rationale/source of traffic light criteria
Finance and efficiency	Length of stay - non-elective	Average LOS for non-elective patients	of acute trusts nationally. Green if in top 25%, Amber if within the middle 50%. Red if in bottom 25%.	Comparison with performance of other acute trusts.
Finance and efficiency	Non-elective bed days for patients aged 18+	Non-elective bed days at HDFT for HARD CCG patients aged 18+, per 100,000 population	Improvement trajectory to be agreed.	Improvement trajectory to be agreed.
Finance and efficiency	Theatre utilisation	% of theatre time utilised for elective operating sessions	Green = >=85%, Amber = between 75% and 85%, Red = <75%	A utilisation rate of around 85% is often viewed as optimal.
Finance and efficiency	Delayed transfers of care	% acute beds occupied by patients whose transfer is delayed - snapshot on last Thursday of the month.	Red if latest month >3.5%, Green <=3.5%	Contractual requirement
Finance and efficiency	Outpatient DNA rate	% first OP appointments DNA'd		
Finance and efficiency	Outpatient new to follow up ratio	No. follow up appointments per new appointment.	Blue if latest month score places HDFT in the top 10% of acute trusts nationally. Green if in top 25%, Amber if within the middle 50%. Red if in bottom 25%.	
Finance and efficiency	Day case rate	% elective admissions that are day case		Comparison with performance of other acute trusts.
Finance and efficiency	Surplus / deficit and variance to plan	Monthly Surplus/Deficit (£'000s)	Green if on plan, amber <1% behind plan, red >1% behind plan	Locally agreed targets.
Finance and efficiency	Cash balance	Monthly cash balance (£'000s)	Green if on plan, amber <10% behind plan, red >10% behind plan	Locally agreed targets.
Finance and efficiency	NHS Improvement continuity of services risk rating	An overall rating is calculated ranging from 4 (no concerns) to 1 (significant concerns). This indicator monitors our position against plan.	Green if rating =4 or 3 and in line with our planned rating, amber if rating = 3, 2 or 1 and not in line with our planned rating.	as defined by NHS Improvement
Finance and efficiency	CIP achievement	Cost Improvement Programme performance	Green if achieving stretch CIP target, amber if achieving standard CIP target, red if not achieving standard CIP target.	Locally agreed targets.
Finance and efficiency	Capital spend	Cumulative capital expenditure	Green if on plan or <10% below, amber if between 10% and 25% below plan, red if >25% below plan	Locally agreed targets.
Finance and efficiency	Agency spend in relation to pay spend	Expenditure in relation to Agency staff on a monthly basis (£'s).	Green if <1% of pay bill, amber if between 1% and 3% of pay bill, red if >3% of pay bill.	Locally agreed targets.
Finance and efficiency	Research - Invoiced research activity		to be agreed	
Operational Performance	NHS Improvement governance rating	Trust performance on Monitor's risk assessment framework.	As per defined governance rating	as defined by NHS Improvement
Operational Performance	RTT Incomplete pathways performance	% incomplete pathways within 18 weeks	Green if latest month >=92%, Red if latest month <92%.	NHS England
Operational Performance	A&E 4 hour standard	% patients spending 4 hours or less in A&E.	Blue if latest month >=97%, Green if >=95% but <97%, red if latest month <95%	requirement of 95% and a locally agreed stretch target of 97%.
Operational Performance	Cancer - 14 days maximum wait from urgent GP referral for all urgent suspect cancer referrals	% urgent GP referrals for suspected cancer seen within 14 days.	Green if latest month >=93%, Red if latest month <93%.	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 14 days maximum wait from GP referral for symptomatic breast patients	% GP referrals for breast symptomatic patients seen within 14 days.	Green if latest month >=93%, Red if latest month <93%.	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 31 days maximum wait from diagnosis to treatment for all cancers	% cancer patients starting first treatment within 31 days of diagnosis	Green if latest month >=96%, Red if latest month <96%.	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 31 day wait for second or subsequent treatment: Surgery	% cancer patients starting subsequent surgical treatment within 31 days	Green if latest month >=94%, Red if latest month <94%.	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 31 day wait for second or subsequent treatment: Anti-Cancer drug	% cancer patients starting subsequent anti-cancer drug treatment within 31 days	Green if latest month >=96%, Red if latest month <96%.	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 62 day wait for first treatment from urgent GP referral to treatment	% cancer patients starting first treatment within 62 days of urgent GP referral	Green if latest month >=85%, Red if latest month <85%.	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 62 day wait for first treatment from consultant screening service referral	% cancer patients starting first treatment within 62 days of referral from a consultant screening service	Green if latest month >=90%, Red if latest month <90%.	NHS England, NHS Improvement and contractual requirement
Operational Performance	Cancer - 62 day wait for first treatment from consultant upgrade	% cancer patients starting first treatment within 62 days of consultant upgrade	Green if latest month >=85%, Red if latest month <85%.	NHS England, NHS Improvement and contractual requirement
Operational Performance	GP OOH - NQR 9	% telephone clinical assessments for urgent cases that are carried out within 20 minutes of call prioritisation	Green if latest month >=95%, Red if latest month <95%.	Contractual requirement
Operational Performance	GP OOH - NQR 12	% face to face consultations started for urgent cases within 2 hours	Green if latest month >=95%, Red if latest month <95%.	Contractual requirement
Operational Performance	Children's Services - 10-14 day new birth visit	% new born visit within 14 days of birth	Green if latest month >=90%, Amber if between 75% and 90%, Red if <75%.	Contractual requirement
Operational Performance	Children's Services - 2.5 year review	% children who had a 2 and a half year review	Green if latest month >=90%, Amber if between 75% and 90%, Red if <75%.	Contractual requirement
Operational Performance	Community equipment - deliveries within 7 days	% standard items delivered within 7 days	Green if latest month >=95%, Red if latest month <95%.	Contractual requirement
Operational Performance	CQUIN - dementia screening	% emergency admissions aged 75+ who are screened for dementia within 72 hours of admission	Green if latest month >=90%, Red if latest month <90%.	CQUIN contractual requirement
Operational Performance	Recruitment to NIHR adopted research studies	No. patients recruited to trials	Green if above or on target, red if below target.	
Operational Performance	Directorate research activity	The number of studies within each of the directorates	to be agreed	

Data quality assessment

Green		No known issues of data quality - High confidence in data
Amber		On-going minor data quality issue identified - improvements being made/ no major quality issues
Red		New data quality issue/on-going major data quality issue with no improvement as yet/ data confidence low/ figures not reportable

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Report to the Council of Governors' Meeting

3 August 2016

Report Title: Report from Council of Governors' Nominations Committee

Report From: Council of Governors' Nomination Committee

Report Purpose: To consider and approve the recommendations contained within the report

1. Background

The Nominations Committee met on 25 July 2016 to discuss the reappointment of Professor Sue Proctor to a second term of office and the annual reappointment of Mrs Sandra Dodson, Chairman.

The Nomination Committee also took an opportunity to review the Terms of Reference and these are included as Appendix 2 for approval from the Council of Governors.

In accordance with the Trust Constitution and NHS Foundation Trust Code of Governance, the Council of Governors is responsible for the appointment and reappointment of the Chairman and Non-Executive Directors. A Nominations Committee makes a recommendation to the full Council for discussion and approval.

The following reports are attached as follows:

- Appendix 1 Minutes of the meeting Monday 25 July 2016 – **for approval**
- Appendix 2 Nomination Committee Terms of Reference – **for approval**
- Appendix 3 Recommendation to reappoint Professor Sue Proctor to a second term of office as Non-Executive Director/vice-Chair from 1 August 2016 – 31 July 2019 – **for approval**
- Appendix 4 Recommendation to reappoint Mrs Sandra Dodson for a further 12 month period as Chairman of the Trust/Council of Governors from 1 October 2016 – 30 September 2017 – **for approval**

4. Recommendation of the Nominations Committee to the Council of Governors

The Nominations Committee would ask the Council of Governors to **APPROVE**:

- The recommendation to re-appoint Professor Sue Proctor for a second term, from 1 August 2016;
- The recommendation to re-appoint Mrs Sandra Dodson for a further 12 month period from 1 October 2016;
- The minutes of the meeting held 25 July 2016; and,
- The Terms of Reference for the Council of Governors' Nomination Committee

Full detail is provided in Appendices 1-4

**Minutes of the Nominations Committee
held on 25 July 2016
in the Boardroom, Trust HQ, 3rd Floor, Harrogate District Hospital**

Present

Members:

Mrs Sandra Dodson, Chairman (Chair – items 1,2,3,4 & 6)
Mr Ian Ward, Non-Executive Director and Senior Independent Director
(Chair – item 5)
Ms Pamela Allen, Public Governor/Deputy Chair of Governors
Ms Clare Cressey, Staff Governor
Mrs Liz Dean, Public Governor
Mrs Sally Margerison, Staff Governor
Mrs Joyce Purkis, Public Governor

Ex Officio:

Mrs Colvin, Corporate Affairs and Membership Manager
Ms Debbie Henderson, Company Secretary
Mr Phillip Marshall, Director of Workforce and Organisational
Development
Dr Ros Tolcher, Chief Executive

1. Apologies for absence

Mrs Dodson welcomed everyone to the meeting and confirmed that she would be chairing the meeting for items 1,2,3,4 and 6 on the agenda and Mr Ward would take over as Chair for item 5 on the agenda.

Apologies were received from Mrs Jane Hedley, Public Governor and Mrs Pat Jones, Public Governor.

2. Minutes of the previous meeting held on 22 July 2015

Members of the Committee, who were present at the meeting held on 22 July 2015, approved the minutes as a true and accurate record.

3. Terms of Reference Annual Review for approval

The Committee agreed the Terms of Reference subject to Mr Marshall's proposal to amend item 2.6 to read:

Other individuals may be invited to attend all, or part of the meetings, by invitation of the Chair. This shall include the Chief Executive and Director of Workforce and Organisational Development, or nominated deputy, in an advisory capacity when considering matters of appointment, re-appointment, appraisal and removal of the Chairman and Non-Executive Directors.

4. To propose the re-appointment of Professor Sue Proctor to a second term of office

Mrs Dodson referred to Paper 3 which had been circulated prior to the meeting and taken as read.

Mrs Dodson and Ms Allen had met with Professor Proctor on 13 June to conduct an annual review and set objectives for the coming year (all Non-Executive Director's objectives would be circulated to all Governors for information). Professor Proctor had expressed her wish to continue to a second term of office and Mrs Dodson confirmed it was the role of the Nominations Committee to propose the recommendation to the Council of Governors to reappoint Professor Proctor as Non-Executive Director (including the role of Vice-Chair) for a further term of office from 1 August 2016 until 31 July 2019.

Mrs Dodson led a discussion regarding Professor Proctor's competency in her role as Non-Executive Director and for the last 18 months as Vice-Chair. She summarised Professor Proctor's expertise in governance and wealth of understanding around safeguarding; highlighting her participation in the CQC inspection, the Savile report and as a member of both the Quality Committee and Audit Committee. Mrs Dodson also informed the Committee that in her role as Vice-Chair, Professor Proctor had been meeting Chairs across the region and deputising for her at meetings.

Ms Allen endorsed Mrs Dodson's comments and commented on Professor Proctor's enthusiasm, passion and wealth of expertise. She added that Professor Proctor was an asset to the organisation and was very supportive of the Council of Governors

There were no questions from the Committee.

Mrs Dodson therefore recommended to the Nominations Committee that Professor Proctor be reappointed for a second term, subject to the approval of the Council of Governors on 3 August.

The Nominations Committee was in favour of Mrs Dodson's recommendation.

5. To propose the annual reappointment of Mrs Sandra Dodson, Chairman

Mr Ward took over as Chair at this stage in the meeting.

Mr Ward referred to Paper 4 which had been circulated prior to the meeting and taken as read.

Mr Ian Ward and Ms Allen had met with Mrs Dodson on 6 June to conduct an annual review and set objectives for the coming year. Mr Ward confirmed it was the role of the Nominations Committee to recommend the approval of the continuation of Mrs Dodson's appointment from 1 October 2016 as the third year of her third term of office until 30 September 2017 to the Council of Governors

The Trust's Constitution states:

16.3.1 Non-Executive Directors will serve a three year period and will not normally exceed a maximum of three terms of office except in exceptional circumstances.

16.3.2 Any terms beyond two terms (six years) should be subject to annual endorsement of the continued appointment by the Council of Governors.

Mr Ward led a discussion regarding Mrs Dodson's competency in her role as Chairman. He was delighted to report that Mrs Dodson was very well regarded and this came across in the feedback received from the Council of Governors, Executive Directors, Non-Executive Directors and Clinical Directors. He added that Mrs Dodson maintained a high level of professionalism and enthusiasm, and continued to demonstrate a huge commitment to the organisation.

Ms Allen endorsed Mr Ward's comments and expressed the Council of Governors' appreciation of Mrs Dodson's enthusiasm and support.

Mrs Dean commented on the need for a smooth handover to a new Chairman and Mr Ward confirmed that Mrs Dodson would support this comment and the importance of the good relationship between the Chief Executive and Chairman.

There were no questions and the Nominations Committee agreed to make the recommendation to the Council of Governors on 3 August to endorse the continuation of Mrs Dodson's third term of office until 30 September 2017.

Mrs Dodson returned to the room at this stage in the meeting and took over as Chair.

6. Any other business

Ms Henderson confirmed there would be a report from the Nominations Committee to the Council of Governors on 3 August and members of the Committee would be invited to comment.

There was no other business.

Council of Governors

Nomination Committee

Terms of Reference

1. Purpose

- 1.1 The Nomination Committee is a formal committee of the Council of Governors established in accordance with the NHS Act 2006, as amended by the Health and Social Care Act 2012, the Harrogate and District NHS Foundation Trust Constitution, and the Monitor (NHS Improvement as of 1 April 2016) NHS Foundation Trust Code of Governance.
- 1.2 The Committee is established for the purposes of carrying out the duties of Governors with respect to the appointment, re-appointment, and removal of the Chairman and other Non-Executive Directors.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Council of Governors as set out in the Trust's Constitution, and shall be comprised of five Governors (including the Chair), at least three of which must be Public Governors.
- 2.2 Governors shall be appointed to the Committee until their term of office as a Governor ends, or they choose to resign from the Committee, which shall be confirmed in writing to the Chair of the Committee.
- 2.3 The Chairman of the Trust shall chair the Nomination Committee. In their absence, the Senior Independent Director will chair the meeting.
- 2.4 In the case of the appointment/re-appointment process for the Chairman, the Senior Independent Director will Chair the Committee.
- 2.5 In the case of the appointment/re-appointment process for Non-Executive Directors, the Chairman of the Trust will chair the Committee.
- 2.6 Other individuals may be invited to attend all, or part of the meetings, by invitation of the Chair. This shall include the Chief Executive and Director of Workforce and Organisational Development, or nominated deputy, in an advisory capacity when considering matters of appointment, re-appointment, appraisal and removal of the Chairman and Non-Executive Directors.
- 2.7 The Company Secretary shall attend all meetings of the Committee to provide advice on matters of corporate governance, procedure and conduct.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be the Chair and three Governors, two of which, must be Public Governors.

3.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all, or any of the authorities, powers and discretions of the Committee.

4. Frequency of Meetings

4.1 The Committee shall meet at least twice per year, and at any other times as the Chair of the Committee shall require.

5. Duties

The Committee shall carry out the following duties and functions:

- 5.1 Determine a formal, rigorous and transparent procedure for the selection of candidates for the office as Chairman or Non-Executive Director of the Trust, having regard to the views of the Board of Directors;
- 5.2 Regular review the job description and person specification of the role of the Chairman and Non-Executive Directors, to ensure capabilities and competencies required by the roles remain appropriate and in line with development of the Trust;
- 5.3 In identifying suitable candidates for the role of Chairman and Non-Executive Directors, the Committee may use open advertising and/or the services of external advisers to facilitate the search;
- 5.4 The Committee will identify candidates who meet the *'Fit and Proper Persons Test'* as set out in the Provider Licence. In doing so, the Committee shall be at liberty to seek advice and assistance from persons other than members of the Committee or the Council of Governors;
- 5.5 The Committee shall make recommendations to the Council of Governors as to potential candidates for appointment as Chairman and/or Non-Executive Director.
- 5.6 On a regular systematic basis, the Committee shall ensure a system is in place to monitor the performance of the Chairman and other Non-Executive Directors, and report the outcome of these reviews to the Council of Governors on an annual basis.
- 5.7 The Committee shall ensure there is a formal and transparent procedure for the appraisal of the Trust Chairman and Non-Executive Directors' performance.
- 5.8 The Nomination Committee shall give consideration to succession planning for Non-Executive Directors, taking into account the future challenges, risks and opportunities facing the Trust, and the skills and expertise required to meet them.
- 5.9 The Committee will have the freedom and support to appoint independent consultants to provide advice on the appointment of the Trust Chairman and Non-Executive Directors.
- 5.10 The Committee will establish an appointments panel for the purposes of managing the process for the appointment of a Chairman and/or Non-Executive Director. The Panel shall be comprised of a majority of Governors, the majority of which are Public Governors.

6. Secretariat

- 6.1 The Corporate Affairs and Membership Manager shall provide secretariat support to the Committee.
- 6.2 The Corporate Affairs and Membership Manager shall call meetings of the Committee at the request of the Chair, not less than ten clear days prior to the meeting date. The Agenda shall be agreed by the Chair of the Committee in consultation with the Company Secretary.
- 6.3 Unless otherwise agreed, notice of each meeting confirming the date, time and venue, an agenda of items to be discussed and supporting documentation, shall be available to each member of the Committee, and where appropriate, other persons required to attend, no later than five clear days before the date of the meeting.
- 6.4 The Corporate Affairs and Membership Manager shall minute the proceedings and resolutions of the Committee, including the names of members present and others in attendance. Draft minutes shall be distributed to Committee members for approval at the following meeting of the Committee.
- 6.5 Details of attendance at meetings shall be reported in the Trust's Annual Report and Accounts.

7. Authority

- 7.1 The Committee is authorised by the Council of Governors to carry out the functions and duties set out in these Terms of Reference.
- 7.2 All powers and authorities exercisable by the Council of Governors, together with any delegation of such powers or authorities to any Committee or individual, are subject to the limitations imposed by the NHS Act 2006, the NHS Licence Conditions, Trust Constitution, or by any other regulatory provision.
- 7.3 In discharging the functions and duties set out in these Terms of Reference, the Committee is to have due regard for the applicable principles of the Trust's Code of Conduct.

8. Reporting

- 8.1 The Committee shall report to the Council of Governors following every meeting.
- 8.2 The Chair of the Committee, Senior Independent Director, or Deputy Chair of the Council of Governors, shall report the proceedings of the meeting to the Council of Governors.

9. Terms of Reference Review

- 9.1 At least once a year, the Committee shall review its own performance, constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Council of Governors.

DH/V2 July 2016

Report to the Council of Governors' by the Nomination Committee

3 August 2016

Report Title:	Recommendation for the reappointment of Professor Sue Proctor, Non-Executive Director/Vice-Chair
Report from:	Mrs Sandra Dodson, Chairman and Ms Pamela Allen, Deputy Chair of the Council of Governors
Report purpose:	To recommend the reappointment of Professor Sue Proctor to a second term of office
Action required:	For decision and approval

Background and context

The Nomination Committee met on Monday 25 July to discuss and consider the re-appointment of Professor Proctor, Non-Executive Director and Vice-Chair, following the completion of her first term of office.

Mrs Sandra Dodson, Chairman and Ms Pamela Allen, Deputy Chair of Council of Governors met with Professor Sue Proctor on 13 June 2016 to conduct an annual review and to set Professor Proctor's objectives for the coming year. These were discussed at the meeting of the Nomination Committee on 25 July.

In summary, it was noted that Professor Proctor demonstrated a high level of competence to contribute effectively to the Board of Directors, in helping the Trust to achieve its long term strategy. Professor Proctor also has the capacity to avoid losing sight of the need to deliver high quality care to patients every day. Professor Proctor was also appointed as Vice-Chair on 4 February 2015 and has demonstrated a high level of commitment to this role.

Recommendation

There was unanimous support from members of the Nomination Committee to endorse the recommendation to approve the re-appointment of Professor Proctor for a second term of office.

Professor Proctor's first term of office commenced on 1 August 2013 and the Council of Governors are therefore asked to approve the recommendation to reappoint Professor Proctor as Non-Executive Director (including the role of Vice-Chair) for a second term of office from 1 August 2016 until 31 July 2019.

Mrs Sandra Dodson
Chairman

Ms Pamela Allen
Deputy Chair of the Council of Governors

FOR AND ON BEHALF OF THE COUNCIL OF GOVERNORS' NOMINATION COMMITTEE

Report to the Council of Governors' by the Nomination Committee

3 August 2016

Report Title:	Recommendation for the annual reappointment of Mrs Sandra Dodson, Chairman
Report from:	Mr Ian Ward, Senior Independent Director and Non-Executive Director; and Ms Pamela Allen, Deputy Chair of the Council of Governors
Report purpose:	To recommend the annual reappointment of Mrs Sandra Dodson, Chairman
Action required:	For decision and approval

Background and context

The Trust's Constitution states that Non-Executive Directors will serve a three year period and will not normally exceed a maximum of three terms of office except in exceptional circumstances. Any terms beyond two terms (six years) should be subject to annual endorsement of the continued appointment by the Council of Governors.

The Nomination Committee met on Monday 25 July to discuss and consider the annual re-appointment of Mrs Sandra Dodson, Chairman, as part of the requirement to undertake an annual review during her third term of office (in line with the NHS Foundation Trust Code of Governance).

Ms Pamela Allen, Deputy Chair of Council of Governors and Mr Ian Ward, Senior Independent Director met with Mrs Sandra Dodson on 6 June 2016 to conduct an annual review and to set Mrs Dodson's objectives for the coming year. These were discussed at the meeting of the Nomination Committee on 25 July.

In summary, it was noted that Mrs Dodson's competency in her role as Chairman continued to be exemplary. Mrs Dodson was very well regarded by her peers and this had been demonstrated in the feedback received from the Council of Governors, Executive Directors, Non-Executive Directors and Clinical Directors. Mrs Dodson maintained a high level of professionalism and enthusiasm, and continued to demonstrate a huge commitment to the organisation.

It was also acknowledged that Mrs Dodson had informed the Committee of her intention to stand down as Chairman of the Trust on 30 September 2017, on completion of her third term and the Nomination Committee acknowledged Mrs Dodson's commitment to ensuring a smooth handover to a new Chairman.

Recommendation

There was unanimous support from members of the Nomination Committee to endorse the recommendation to approve the annual re-appointment of Mrs Dodson's for the continuation of her third term of office. The Nominations Committee therefore recommend that Mrs Dodson's appointment continues on 1 October 2016 as the third year of her third term of office until 30 September 2017.

Mr Ian Ward
Non-Executive Director/
Senior Independent Director
26 July 2016

Ms Pamela Allen
Deputy Chair of the Council of Governors

FOR AND ON BEHALF OF THE COUNCIL OF GOVERNORS' NOMINATION COMMITTEE

**Report to the Council of Governors' meeting
3 August 2016**

Evaluation of the performance of the External Auditors during 2015-16

1. Introduction

The role of a Foundation Trust External Auditor is outlined in Monitor's Audit Code for NHS Foundation Trusts (the Audit Code). Essentially the external auditor:

- Provides the Council of Governors an independent opinion on the truth and fairness of the accounts;
- Reports to the Council of Governors if they have not been able to satisfy themselves that the Foundation Trust is using its resources economically, efficiently and effectively; and
- Provides the Council of Governors with independent assurance on the Foundation Trust's annual Quality Report.

In its paper "Appointing The External Auditor: A Guide For Governors", NHS Providers (previously the Foundation Trust Network) states that the Audit Committee is responsible for evaluating the performance of the Foundation Trust's External and Internal Auditors each year. It supports the Council of Governors to determine and deliver the process for appointing the External Auditor every three to five years (depending on the length of contract used by the Foundation Trust). However, it is the Council of Governors who must meet and make the final decision on the appointment of the External Auditor.

The Council of Governors' at its meeting in May 2016 agreed a formal process for the appointment of the Trust's External Auditors. This incorporated an outline timetable and also a proposal for the membership of the External Auditor Selection Panel. This process will commence end of July/Beginning of August with the publication of the invitation for potential firms to submit proposals. The process will culminate with a proposal to be endorsed by the Board of Directors in October and ratified by the Council of Governors at its November meeting.

2. Work undertaken for the Trust during 2015-16

In addition to the formal External Audit work, the Audit Committee did approve that KPMG (the Trust's current External Auditor) should also carry out a small piece of additional work advising on the appropriate accounting treatment to be adopted for the work undertaken by the Trust during 2015-16 on the heating, lighting and service infrastructure at the Harrogate District Hospital site, and also the treatment of existing assets that were replaced by that work.

3. Evaluation of performance during 2015-16

In accordance with best practice, the performance of External Audit is assessed on an annual basis and considered by the Audit Committee. The most recent assessment was undertaken during May 2016 and incorporated the views of members of the Audit Committee, the Senior Finance Team, Governance team, Clinical Team and Internal Audit. The outcomes from the evaluation are attached as appendices to this paper.

Overall, External Audit received an average rating of 4.60 in 2016 (the maximum possible score is 5.00), compared with last year's average rating of 4.50. The conclusion of the Committee was that the performance of the External Auditors had continued to be very good and no action points were identified as a result of the analysis.

Mr Chris Thompson
Non-Executive Director/HDFT Audit Committee Chair
26 July 2016

External Audit Effectiveness Assessment 2015/16 (undertaken April 2016)

Questions	Audit Committee Members				Client Management		Internal Audit		Total Score	Average Score
	1	2	3	4	1	2	1	2		
1. How assured are you as to the External Auditor's independence and objectivity?	5	5	5	5	5	4	-	-	29	4.8
2. How would you rate the External Auditor's knowledge of the organisation and the risks it faces?	5	4	5	4	4.6	4	-	-	26.6	4.4
3. How assured are you as to the embeddedness of External Audit's quality control procedures?	5	5	5	4	4.6	4	-	-	27.6	4.6
4. How would you rate the effectiveness of liaison between External and Internal Audit?	5	5	4	4	4.5	4	4	4	34.5	4.3
5. How would you rate the quality of the External Auditor's accounting / auditing judgements?	5	4	5	4	5	4	-	-	27	4.5
6. How would you rate the External Auditor's performance in relation to the timely resolution of issues?	5	4	4	4	3.6	5	-	-	25.6	4.3
7. How would you rate the External Auditor's communication / presentation of output?	5	5	5	5	4.6	5	-	-	29.6	4.9
8. How would you rate the working relationship between External Audit and management?	5	4	5	4	4.6	4	-	-	26.6	4.4
9. How would you rate the External Auditor's technical knowledge and expertise?	5	4	5	4	5	5	-	-	28	4.7
10. How would you rate the quality of the staffing of the audit team?	5	5	5	4	5	4	-	-	28	4.7

Comments: Very satisfied with quality of the work and the people

Score: 1=Low
5=High

External Audit Effectiveness Assessment 2015/16 (undertaken April 2016)

Questions	KPMG Average Score Year 5 of Contract	KPMG Average Score Year 4 of Contract	KPMG Average Score Year 3 of Contract	KPMG Average Score Year 2 of Contract	Previous External Auditor Average Score Year 5 of Contract
1. How assured are you as to the External Auditor's independence and objectivity?	4.8	4.9	4.86	4.9	5
2. How would you rate the External Auditor's knowledge of the organisation and the risks it faces?	4.4	4.6	4.29	4.7	5
3. How assured are you as to the embeddedness of External Audit's quality control procedures?	4.6	4.46	4.67	4.4	4.88
4. How would you rate the effectiveness of liaison between External and Internal Audit?	4.3	4.07	4.13	3.8	4.25
5. How would you rate the quality of the External Auditor's accounting / auditing judgements?	4.5	4.5	4.5	4.8	5
6. How would you rate the External Auditor's performance in relation to the timely resolution of issues?	4.3	4.4	4.33	4.6	4.88
7. How would you rate the External Auditor's communication / presentation of output?	4.9	4.52	4.71	4.3	4.88
8. How would you rate the working relationship between External Audit and management?	4.4	4.4	4.57	4.6	5
9. How would you rate the External Auditor's technical knowledge and expertise?	4.7	4.82	4.71	4.7	4.88
10. How would you rate the quality of the staffing of the audit team?	4.7	4.36	4.57	4.7	4.75
Total Score	45.6	45.03	45.34	45.5	48.52
Overall Average Score	4.6	4.50	4.53	4.55	4.85

Harrogate and District

NHS Foundation Trust

Report to the Council of Governors' Meeting

3 August 2016

Report Title: Appointment Process for External Auditors

Report From: Ms Debbie Henderson, Company Secretary
Mr Thomas Morrison, Head of Financial Accounts

Report Purpose: To receive an update on the process and timeline for the appointment of the Trust's External Auditor

1. Introduction

Harrogate and District NHS Foundation Trust (HDFT) was awarded Foundation Trust status on 1 January 2005; this allowed the Trust to select its own external auditors. HDFT commenced a tender process for the first time for the accounting year 2006/07, the end result of that tender process was the approval by the Trust's Council of Governors to appoint the Audit Commission (Trust Practice) as the Trust's External Auditors.

A further tendering process was carried out in 2011/12 resulting in the appointment of KPMG LLP as the Trust's External Auditors.

On both occasions the appointments were for a primary term of three years with an option to extend into secondary terms of a further two years. At the end of both three year primary terms the Trust, following the recommendation of the Audit Committee, reviewed the effectiveness of the incumbent External Auditor and recommended to the full Council of Governors approval of entering into the secondary terms; these were subsequently approved.

Technically the current contract with KPMG expires upon discharge of their duty to report the findings from the accounting year 2015/16 to the Council of Governors at the General Meeting scheduled to take place on 3 August 2016. As a result the Council approved the extension of the contract until 30 November 2016 at which point, tendering process for 2016/17 will be complete.

2. External Auditor Appointment Process

The Trust used an NHS Commercial Procurement Collaborative (CPC) framework agreement for the appointment of KPMG. Use of framework agreements is the preferred route for procurements as they offer value for money (VFM); they also significantly reduce the risk of legal challenges.

The North of England (NoE) CPC launched a replacement external audit framework in 12 February 2016 and has offered the use of their e-tendering portal "In-Tend" for the purpose of the External Audit appointment process. The portal would issue the Invitation to Tender (ITT) documents, funnelling any clarification questions via the portal to the Trust and would ultimately issue the award/decline letters. This safeguards the Trust, its officers and members of the Council of Governors in the event of any future challenge and provides a robust framework within which to manage the process.

3. Proposed Procurement Timetable

Following discussions between Mr Thomas Morrison, Head of Financial Accounts, Ms Debbie Henderson, Company Secretary, Mr David Sales, Procurement Manager and Mrs Jackie Williams, Procurement Specialist for North of England Commercial Procurement Collaborative, the service specification for the External Auditor Contract has been developed. On this basis, the following timetable is proposed:

Milestone	Draft Dates
Stage One	
Invite bidders to submit proposals for consideration (issue documents)	Friday 5 July 2016
Deadline for responses	Friday 26 August 2016
Trust Finance Team representatives review submissions	By Friday 9 September 2016
Trust Internal Audit Team representatives review submissions	By Friday 9 September 2016
Non-Executive Director/Governor Panel members review submissions	By Friday 9 September 2016
Meeting to discuss areas for further clarification following submission review – attendance: <ul style="list-style-type: none"> - Ms Pamela Allen, Deputy Chair of the Council of Governors (Panel Chair) - Mrs Yvonne Campbell, Staff Governor - Mr Tony Doveston, Public Governor - Mr Chris Thompson, Non-Executive Director - Mr Jonathan Coulter, Finance Director - Mr Thomas Morrison, Head of Financial Accounts - Mr Tom Watson, Internal Audit - Ms Debbie Henderson, Company Secretary 	Week commencing Monday 12 September 2016 <i>(subject to availability)</i>
Opportunity for bidders to visit the Trust (fact finding and undertake initial evaluation) – attendance as above <i>Scoring process for Stage One and selection of four preferred submissions</i>	Week commencing Monday 19 September 2016 <i>(subject to availability)</i>
Stage Two	
Presentation of preferred submissions to the Auditor Selection Panel (Stage Two scoring and evaluation)	W/c 10 October 2016
Recommendation from the External Auditor Appointment Panel to Board in Private	Wednesday 26 October 2016
Decision ratified by Council of Governors	2 November 2016
Contract award	2 November 2016
Voluntary Standstill Period	2 November 2016
Contract Start Date	16 November 2016

4. Auditor Selection Panel

The selection panel will be:

Ms Pamela Allen, Deputy Chair of the Council of Governors (Panel Chair)
Mrs Yvonne Campbell, Staff Governor
Mr Tony Doveston, Public Governor
Mr Chris Thompson, Non-Executive Director/Audit Committee Chair
Mr Jonathan Coulter, Deputy Chief Executive/Finance Director
Mr T Watson, Internal Audit Manager
Ms Debbie Henderson, Company Secretary

Ms Debbie Henderson
Company Secretary
26 July 2016

Mr Thomas Morrison
Head of Financial Accounts

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