

## COUNCIL OF GOVERNORS' MEETING (held in PUBLIC)

**Monday 6 September 2021 from 2.00 – 3.45pm**

**To be held at the Pavilions of Harrogate, Great Yorkshire Showground, Harrogate, HG2 8NZ**

### AGENDA

Time	Item No.	Item	Lead	Action	Paper
2.00	1.0	<b>Welcome and apologies for absence</b> <i>Welcome to the public, set the context of the meeting and receive any apologies for absence.</i>	Angela Schofield, Chairman	Note	Verbal
	2.0	<b>Declarations of Interest</b> <i>To declare any interests relevant to the agenda and to receive any changes to the register of interests</i>	Angela Schofield, Chairman	Note	Attached
	3.0	<b>Minutes of the meeting held on 8 June 2021</b> <i>To review and approve the minutes</i>	Angela Schofield, Chairman	<b>Approve</b>	Attached
	3.1	<b>Minutes of the Annual Members' Meeting held on 29 September 2020</b> <i>To review and approve the minutes</i>	Angela Schofield, Chairman	<b>Approve</b>	Attached
	4.0	<b>Matters arising and Action Log</b> <i>To receive updates on progress of actions</i>	Angela Schofield, Chairman	Note	Attached
2.10	5.0	<b>Chairman's update</b> <i>To note</i>	Angela Schofield, Chairman	Note	Verbal
2.20	6.0	<b>Non-Executive Directors Briefings</b> <i>To receive updates</i>	Non-Executive Directors	Note	Verbal
2.30	7.0	<b>Chief Executive and Executive Director strategic and operational update</b>	Steve Russell, Chief Executive	Note	Presentation
	7.1	<b>Integrated Board Report</b> <i>To receive the update and report for comment</i>			Attached
2.50	8.0	<b>Annual Report and Accounts 2020/21</b> <i>To receive the report for comment</i>	Steve Russell, Chief Executive/ Jordan McKie, Deputy Director of Finance	Note	Attached
	8.1	<b>Independent Auditors report</b> <i>To receive the report for comment</i>	Amy Thomas KPMG	Note	Attached
3.00	9.0	<b>Governor Development &amp; Membership Engagement Committee – Chair's Report</b> <i>To receive the report for comment</i>	Clare Illingworth, Lead Governor	Note	Attached

*You matter most*

	<b>9.1</b>	<b>Approved Minutes of Governor Development &amp; Membership Engagement Committee</b> <i>To receive the minutes of the Governor Development &amp; Membership Engagement Committee held on 23 February 2021</i>	Clare Illingworth, Lead Governor	Note	Attached
<b>3.10</b>	<b>10.0</b>	<b>Question and Answer Session for Governors and members of the public</b> <i>To receive and respond to questions submitted or from the floor</i>	Clare Illingworth, Lead Governor	Note	Attached
<b>3.40</b>	<b>11.0</b>	<b>Any other relevant business not included on the agenda</b> <i>By permission of the Chairman</i>	Angela Schofield, Chairman	Note	Verbal
	<b>12.0</b>	<b>Evaluation of meeting</b>	Angela Schofield, Chairman	Note	Verbal
<b>3.45</b>	<b>13.0</b>	<b>Date and Time of Next Meeting</b> <i>Monday, 6 December 2021, 4.30 – 6pm</i>	Angela Schofield, Chairman	Note	Verbal
	<b>14.0</b>	<b>Close of meeting</b>			

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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 554423

Name	Governor Status	Interests Declared	
Angela Schofield	Chairman	<b>A position of Authority in a charity or voluntary organisation in the field of health and social care</b>	Volunteer with Helping Older People (charity).
Ian Barlow	Public elected	<b>Other</b>	Owner of non-profit website 'Harrogate Guide'. Volunteer with The Harrogate District Climate Change Coalition. Future NHS Collaboration Platform. Participation Platform of the Care Quality Commission.
John Batt	Public Elected		NONE
Martin Dennys	Public elected	<b>Other</b>	Employed by NHS Digital, The Health and Social Care Information Centre, an arms length body to the Department of Health and Social Care.
Tony Doveston	Public elected	<b>A position of Authority in a charity or voluntary organisation in the field of health and social care</b>	Volunteer for Yorkshire Air Ambulance.
Sue Eddleston	Public elected		NONE
William Fish	Public elected	<b>Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies)</b>	Owner/Director – Manulytica Ltd.

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Name	Governor Status	Interests Declared	
Clare Illingworth	Stakeholder	NONE	
Andrew Jackson	Staff elected	Awaited	
Samantha James	Public elected	NONE	
Dr Loveena Kunwar	Staff elected	NONE	
Cllr John Mann	Stakeholder	Position of authority in a local council or Local Authority	Harrogate Borough Council Councillor for Pannal. North Yorkshire County Council for Harrogate Central.
Sam Marshall	Staff Governor	NONE	
Doug Masterton	Public elected	Position of authority in a local council or Local Authority	Member of Harewood Parish Council.
Kathy McClune	Staff Governor	NONE	
Karen Stansfield	Stakeholder Governor	Awaited	Dean of Health Studies, University of Bradford.
Dave Stott	Public elected	Other	Patient and Carer Representative at the Royal College of GP's. Simulated patient involved in the training and assessment of trainee doctors in Norwich, Leeds and Liverpool Medical Schools.
Heather Stuart	Staff elected		Partner works for Harrogate Healthcare Facilities Management trading as Harrogate Integrated Facilities (HIF).
Steve Treece	Public elected	Other	Steering Committee member of the Institute of Risk Management Health and Care Special Interest Group (The IRM is a professional body, providing risk management qualifications, education etc.)

2 (updated September 2021)

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### **Council of Governors' Meeting (held in Public)**

Minutes of the public Council of Governors' meeting held on 8 June 2021, at 4.30pm,  
via MS teams video conference

#### **Present:**

Angela Schofield, Chairman  
Pam Bagley, Stakeholder Governor  
Ian Barlow, Public Governor  
John Batt, Public Governor  
Martin Dennys, Public Governor  
Tony Doveston, Public Governor  
Sue Eddleston, Public Governor  
Clare Illingworth, Stakeholder Governor & Lead Governor  
Samantha James, Public Governor  
John Mann, Stakeholder Governor  
Doug Masterton, Public Governor  
Samantha Mearns, Stakeholder Governor  
Dave Stott, Public Governor  
Heather Stuart, Staff Governor  
Steve Treece, Public Governor

#### **In attendance:**

Jackie Andrews, Medical Director  
Sarah Armstrong, Non-Executive Director  
Angie Colvin, Corporate Affairs and Membership Manager (minutes)  
Jonathan Coulter, Deputy Chief Executive/Director of Finance  
Jeremy Cross, Non-Executive Director  
Lynn Hughes, Interim Company Secretary  
Andrew Jackson, Pathology Service Manager (observing)  
Russell Nightingale, Chief Operating Officer  
Emma Nunez, Interim Executive Director of Nursing, Midwifery and Allied Health Professionals (AHPs)  
Andy Papworth, Non-Executive Director  
Laura Robson, Non-Executive Director  
Steve Russell, Chief Executive  
Richard Stiff, Non-Executive Director  
Maureen Taylor, Non-Executive Director  
Angela Wilkinson, Director of Workforce & Organisational Development

#### **COG/06/2021/1.0 Welcome and apologies for absence**

The Chairman welcomed everyone to the meeting.

Apologies were received from Cath Clelland, Public Governor, Kathy McClune, Staff Governor, and Wallace Sampson, Non-Executive Director.

#### **COG/06/2021/2.0 Declarations of Interest**

Heather Stuart declared that her partner worked for Harrogate Healthcare Facilities Management trading as Harrogate Integrated Facilities (HIF) and this would be added to the register for future meetings. There were no further additional interests declared to those included on the register.

It was noted that Sarah Armstrong is a Director of HIF, Jonathan Coulter is Interim Chief Executive of HIF and Clare Illingworth is the nominated Stakeholder Governor of HIF.

### **COG/06/2021/3.0 Minutes of the last meeting held on 3 March 2021**

The minutes of the last meeting held on 3 March 2021 were agreed as an accurate record subject to a minor typing error at COG/03/2021/7.2, which should read:

The Chief Executive provided an update on the current Covid position, including the overall downward trend of cases and the positive and encouraging numbers of lower hospital acquired infection cases.

### **COG/06/2021/4.0 Matters Arising and Action Log**

There were no matters arising from the minutes of the last meeting.

The open actions on the Action Log were reviewed in turn:

Action: COG/09/2020/4.1.2 - Ophthalmology mobile testing facility.

Russell Nightingale confirmed that a facility in Wharfedale would be used for ophthalmology mobile testing.

This item was now closed.

Action: COG/03/2021/5.7 – External audit process.

Doug Masterton and Steve Treece had expressed their interest in participating in the external audit process. The Chairman invited Jonathan Coulter to update Governors on the process and timelines involved in the appointment of the external auditors. Jonathan Coulter confirmed the process would take place in October/November 2021 with a decision to be ratified at the Council of Governors' meeting in December 2021. He requested at least four Governors for the panel to appoint the external auditor. Ian Barlow, Tony Doveston and Clare Illingworth also offered to be involved in the process.

This item could now be removed from the action log.

### **COG/06/2021/5.0 Chairman's update**

The Chairman commenced her update with notifications of Governors leaving the Council. Pam Bagley, Stakeholder Governor from University of Bradford would be retiring at the end of the academic year. The Chairman thanked Pam for her support and advice and wished her all the best for the future. University of Bradford would be nominating a new Stakeholder Governor later in the year.

Neil Lauber, had stood down from his role of Staff Governor (Other Clinical). The Chairman thanked Neil and wished him all the best. This position would be included in the next round of Elections.

The Chairman offered a warm welcome to new colleagues joining the meeting. Russell Nightingale, Chief Operating Officer, Emma Nunez, Interim Executive Director of Nursing, Midwifery and Allied Health Professionals (AHPs), Angie Colvin, Corporate Affairs and Membership Manager who had recently returned to her substantive post following a secondment, and Kate Southgate, new Company Secretary, who would be joining the Trust on 21 June 2021.

Lynn Hughes, Interim Company Secretary, would be leaving the Trust later in June and the Chairman thanked her for her support.

The Chairman notified Governors of the new Non-Executive Director lead positions: Sarah Armstrong was now the Trust's Non-Executive Director lead for colleague wellbeing, Wallace Sampson was the Trust's Non-Executive Director lead for equality, diversity and inclusion. Andy Papworth had recently commenced the Non-Executive Director lead for maternity, a requirement in response to the Ockenden Report – Independent Review into Maternity Services as the Shrewsbury and Telford Hospital NHS Trust, and Laura Robson has always been the lead for Children's services. The Chairman confirmed these roles were to provide oversight and not operational activities.

The Chairman reminded Governors that the Non-Executive Director appraisal process for 2020/21 would commence shortly and the timetable was included in paper 5.1. Governors were encouraged to take part in the appraisal process, as one of their key responsibilities was to appoint Non-Executive Directors and to hold them to account for the performance of the Board of Directors. The lead roles described above would be circulated to Governors as part of the appraisal process along with their roles and responsibilities.

The Chairman was also pleased to report that Clare Illingworth had been reappointed as Stakeholder Governor for HIF for a second term of three years; she would therefore continue in her role as Lead Governor until that term of office was due for renewal in January 2023.

The Chairman confirmed the Colleague Recognition Governors Award had been awarded to Juliette Harris, Autism Assessment Team Administrator; the nomination from colleagues described the positive impact Juliette had on the team and the service.

The Council of Governor Elections timetable was detailed in paper 5.1. A further election would take place in the autumn for vacancies arising at the end of 2021.

The Annual Members' Meeting was scheduled to take place on Monday 6 September at The Pavilions of Harrogate, immediately following the next public Council of Governors' meeting. Further details, including timing would be confirmed.

Governors were reminded to contact the Chairman's PA in order to arrange their annual one-to-one discussion.

Concluding her update, the Chairman confirmed that the Board had approved the Trust's ambition to become an anti-racist organisation at its meeting held in public in May.

In response to a question from Heather Stuart asking if the appraisal process for the Non-Executive Directors would follow the new '4S' process, Angela Wilkinson confirmed that Governors had met and agreed the questions for the Non-Executive Director appraisals survey however, the Chairman and Lead Governor could use the '4S' process for each appraisal conversation. Angela Wilkinson explained that as part of the Trust's work on improving culture and the new values and behaviour framework, the '4S' process would guide appraisal conversations by promoting discussions around: 'Successes', 'Struggles', 'Setting Goals' and 'Support'.

**Resolved:** The Chairman's report was noted.

### **COG/06/2021/6.0 Non-Executive Director Briefing**

The Chairman reminded Governors of the process in place for Non-Executive Directors who chair sub-committees of the Board to routinely provide an update at the Council of Governor meetings. Maureen Taylor, Non-Executive Director and Chair of the Resources Committee, provided an update.

The Resources Committee, a sub-committee of the Board of Directors, meets every month and has oversight of the development and delivery of the organisation's financial plan. The committee's detailed work plan sets out agenda items throughout the year including finance, activity, performance and workforce, to provide assurance to the Board.

The key responsibilities of the Resources Committee include scrutiny and efficiency, financial strategy and financial performance with detailed work set out in the committee's terms of reference. A new area on the agenda is the oversight of the Board Assurance Framework and the risks that fall under the remit of the Resources Committee.

As Chair of the committee, Maureen Taylor provides a report for the Board, which flags up any items requiring further attention. A nominated Governor attends the committee on a regular basis.

The last Resources Committee met on 24 May and highlighted concerns to the Board regarding the level of vacancies in the 0-19 Services and the impact on service.

The Chairman thanked Maureen Taylor for her work chairing the Resources Committee and for the report she produces for Board.

There were no questions.

Steve Treece summarised his involvement in observing the committee and confirmed he received assurance from the range of work undertaken.

**Resolved:** The Non-Executive Director report was noted.

**COG/06/2021/7.0 Chief Executive and Executive Director Strategic and Operational update**

Steve Russell, Chief Executive, presented his update which incorporated responses to questions raised by Governors (Appendix 1) and supported by the Integrated Board Report (IBR).

The IBR was currently being revised and would be produced in a new format for the next meeting.

The Chief Executive confirmed there was a huge amount of work ongoing across all priority areas and he would cover some of these areas in his update.

Governors were reminded of the five major national and local priorities the Trust was focussing on: people, Covid, elective and cancer care recovery, primary care and inequalities and community and urgent care.

Summarising recovery of planned care services, the Chief Executive explained that the Trust was working towards 2019/20 activity levels due to the constraints of Covid. Referral levels into the Trust from primary care were back at pre-pandemic levels and, in some specialities, were above pre-pandemic levels; encouraging that people were accessing services both across community services and in the hospital setting. In April the Trust exceeded the requirements for planned activity set nationally so the Trust was eligible for the Elective Recovery fund. Most importantly, the Trust had restored services including outpatients, day cases and elective inpatients; a significantly improved position, and testament to the hard work of staff under Russell Nightingale's leadership. The Chief Executive provided details on referral rates and the impact on waiting lists which continued to rise; however, assurance could be provided that the Trust remained focussed by closely monitoring and reviewing this issue including the impact on patients. Cancer services continued and had recovered well; the Trust had met the 62-day cancer standard in April which was encouraging, however there were actions ongoing to meet the demand in the breast cancer pathway. The Chief Executive emphasised the importance on recovering services inclusively and equitably and confirmed the Trust remained focussed on waiting times that patients have been experiencing from different demographics. The Chief Executive hoped that recovery continued into May's figures, but there were concerns going into summer and the holiday season.

In terms of emergency care, the Chief Executive reported that Emergency Department attendances for April were back to pre-pandemic levels. Performance continued to be a challenge at 86.3% and demand continued to increase in May and June. This was not unique to the Trust and was being reported in Emergency Departments across the country. An early review of the Emergency Department demonstrated that it may be necessary to revise the current model to meet the national standard and therefore a Rapid Process Improvement Workshop was scheduled to take place on 28 June to explore different approaches.

In response to a question from Heather Stuart asking if there was a relationship with perceived access to GP services and Emergency Department attendance, the Chief Executive confirmed that primary care across Harrogate was open, as was most of the country, and primary care colleagues were working extremely hard. The Trust was carrying out approximately 28% of outpatient appointments virtually and GPs continued to offer services by default as virtual appointments. He echoed comments made by Maureen Taylor that such services received scrutiny by the Resources Committee.

The Chief Executive provided an update on the degree of attention and focus that the 0-19 services was receiving at Board level as it continued to face significant pressures. He highlighted the significant increase in safeguarding strategy meetings and the level of work this produced. The number of children in need across our footprint had doubled giving the scale of change to service demand; this was detailed in the pre-Covid and Covid recovery levels of caseload in the presentation slides. Taking all this information into account, there was an approximate 20% increase in demand and significant pressures on the team. The Trust had a number of mitigations in place to determine the appropriate focus and attention on the 0-19 services and to families most in need. These mitigations included virtual appointments, additional flexibility in working arrangements and redeployments. Again, the Resources Committee was scrutinising recruitment and it had requested further mitigations to be developed including introducing skill mix into 0-19 and safeguarding, further nursing support and internal redeployment. With regard to community dental services, large numbers of children were waiting for treatment. The waiting list had reduced with over 52 week waits going down in excess of 100 since the beginning of the financial year.

The Chief Executive gave a brief overview on the Trust's major quality priorities for 2021/22: caring at our best, learning at our best and leading at our best. He highlighted areas of work included in the recent Board reports being tissue viability, pressure ulcers, and compression bandages. A Quality Matron had been recruited to take forward this work to develop a ward accreditation scheme in order to strengthen the assurance process for wards and other clinical units. The second piece of work was around building on the governance framework and shared learning. A focus on patient experience would continue to build on the Trust's understanding of quality and actions required at ward and team level. The third element was around clarity of roles and responsibilities. The Chief Executive's recommendation was to provide a further update at the next Council of Governors' meeting so Governors could be assured that priorities continued to progress.

#### **Action: Chief Executive**

The Chief Executive highlighted the financial performance of the Trust confirming that it had met its financial plan in 2020/21 and recorded a break-even position. He echoed Maureen Taylor's comments that the Trust had an approved financial plan for the first six months of 2021/22 with a break-even position in April 2021. This was supported by £2.3m of top up funding and Covid-19 funding with guidance awaited for the second half of the year. The cash position remained strong and the capital programme would reduce the cash balance over the year.

The Chief Executive was pleased to provide an update on the organisation's culture programme - 'At Our Best'. He drew attention to the launch of the values and behaviours

framework and the range of improvement tools to support the ambition in becoming an outstanding place to work. Freedom to Speak Up Guardians would be central to this work.

Moving on to an update on the Corporate Risk Register (CRR) and Board Assurance Framework (BAF), with further details included in the Board report from 26 May, the Chief Executive highlighted a couple of key points. The Board had approved a review of the BAF and agreed that Board Committees would scrutinise the relevant strategic risks through the committee meetings. The BAF would be reviewed at each Board meeting to focus on the effectiveness and progress of risks and actions. There would be further changes in June to the CRR and the Corporate Risk Review Group, detailed in the report, in line with the Quality Governance Review. A new Executive Risk Group, which the Chief Executive would chair, would focus on reducing risks, action plans, timescales and progress.

The Chairman thanked the Chief Executive for his detailed and informative briefing, which included answers to questions raised by Governors during his presentation. She welcomed questions from Governors in response to the briefing.

Clare Illingworth felt there had not been much promotion around NHS 111 and services at Ripon Community Hospital via social and local media. In response, the Chief Executive confirmed that the Trust was being cautious around communications asking people to stay away from the Emergency Department during the pandemic however, the Trust was able to receive appointments via NHS 111 and patient services were also available at Ripon Community Hospital and Selby War Memorial Hospital. The Chairman added that she had seen a range of services available in the local media.

In response to a question from John Mann asking if NHS England had recently issued guidance to all GPs saying they should offer a face to face appointment if a patient requests one, the Medical Director clarified that all GPs did offer face to face appointments however, within the current constraints, the triage step could appear more pronounced to some people. The Medical Director confirmed that many patients attending hospital did in fact need to use our services.

Heather Stuart asked if the Emergency Department Rapid Process Improvement Workshop (RPIW) would take into account the Emergency Care Improvement Support Team (ECIST). The Chief Operating Officer confirmed that the ECIST helped systems, teams and individuals achieve enhanced patient outcomes across the urgent and emergency care pathway and the main theme for the RPIW would be about focusing on the process around the people.

Steve Treece sought further assurance regarding the 3 serious incidents and staffing levels within the IBR. The Chief Executive confirmed work was underway to review thresholds in a safe staffing review led by the Interim Executive Director of Nursing, Midwifery and AHPs. In terms of serious incidents, the Trust continued to encourage reporting as part of the clinical governance work stream with a view to promote learning. There were no themes between the 3 serious incidents referred to in the IBR and they were being investigated under the normal process.

Dave Stott referred to an Informal Governors' Briefing held on 10 May when the Chief Executive talked about 4 major priorities as well as lots of other priorities in the system. Linked with today's presentation from a staff perspective, Dave Stott sought further assurance on the relationship and engagement between the leadership team and the staff and the sense of the organisation's direction and energy to achieve its goals.

In response, the Chief Executive agreed the system could at times feel overwhelming for everyone, including the leadership team. He acknowledged the risk of disconnect, as in any organisation, however felt it was important to have clarity of purpose on the main priorities without other priorities feeling less important. The leadership regularly sought valuable feedback from colleagues across the organisation and welcomed feedback from Governors.

The Chairman commented on the enormous task for the NHS and she acknowledged the pressures that staff were under. She confirmed that health and wellbeing was an issue for colleagues and that the Trust was doing everything it could to support staff. She had been impressed with the high level of engagement and feedback received from staff, with over 2000 members of staff participating in workshops. Staff continued to express their views via Team Talk and the leadership team continued to be visible and accessible to colleagues across the organisation.

The Chairman welcomed additional comments from Non-Executive Director members of the People and Culture Committee.

Andy Papworth thanked Dave Stott for his question. He commented on some of the actions that had been put in place in addition to Team Talk. Non-Executive Directors' staff listening sessions had been re-introduced, this included several Non-Executive Directors meeting with a team or group of colleagues for a 'no agenda' conversation focused on 'how is it for you?'. So far, the sessions had been beneficial in giving Non-Executive Directors insights to the reality of front line. Changes had also been made to the appraisal process to include wellbeing conversations, and plans had been put in place to introduce more regular staff listening via the Inpulse Survey; complementing the annual Staff Survey. There was a range of activity to help manage both the access to interventions and focussed discussions with staff. In terms of the IT and digital agenda, conversations continued with staff regarding ways to make it easier for colleagues to do their job and enable more time for patient care.

Jeremy Cross provided further assurance by confirming that Non-Executive Directors were in agreement with the Trust's priorities and that robust conversations had been held at Board. He also echoed comments made by Andy Papworth around the importance of the culture work, and recognised the importance of giving line managers the right tools to work with to be able to communicate effectively with their teams. He also reinforced the importance of keeping a sense of priority and re-evaluating progress.

The Chairman asked Clare Illingworth and Heather Stuart to respond to Dave Stott's question from a staff perspective.

Heather Stuart commented on the challenges faced by staff who were working at pace and stressed the importance of effective communications. There were positive changes going forward, however some unrest around ward reconfiguration, recruitment and the impact this was having on staff.

Clare Illingworth agreed that staff were feeling overwhelmed however, she was impressed that the momentum of the culture work had continued despite the pandemic. She emphasised that the 'At Our Best' programme was fundamental to the success of improvement in standards and quality and she wanted to see that momentum continue going forward.

The Chairman thanked everyone for such a helpful and important discussion around such complex issues.

The Chief Executive acknowledged ongoing challenges and how this could be unsettling for staff; he confirmed the Trust would do everything it could to look after the workforce. He commented that in the current situation, at times of unrest at work and at home, people can interpret information differently, and on behalf of the Executive Team he made a request that if anyone had any worries, they could contact the Board who would welcome feedback and provide clarity around any issues raised.

The Chairman moved to additional questions from Governors.

Samantha James congratulated the Trust for its work around the ambition to become an anti-racist organisation. She asked if there would be a similar priority for the LGBT+ community.

The Chief Executive confirmed the Board's commitment in raising the profile of LGBT+ issues for patients, service users and colleagues. He confirmed the LGBT+ Staff Network had led the Trust's support towards Pride and that discussions were underway regarding the Stonewall workplace equality index. Members of the People and Culture Committee were keen to explore the Stonewall tool for LGBT+ inclusion in the workplace however, the committee respected the network's role in taking this decision forward.

Ian Barlow had been sighted on a BBC article around issues with NHS staffing over the next 5-10 years and asked what actions the Trust was taking going forward.

The Chief Executive confirmed the Trust was focussed on the more immediate and 1–3-year horizon rather than a 5-year plan, working with a workforce transformation model to look at alternatives to traditional workforce supply which might not exist in the future. He also talked about a non-medical workforce strategy to cover workforce challenges in certain specialities in the future and plans to respond.

The Director of Workforce and Organisational Development referred to regional and national programmes, working together across systems to influence and plan through the education system. The Trust reviewed the annual workforce plan every year to look at gaps, changes, opportunities to re-skill and be innovative through workforce re-design and through maximising the domestic markets.

The Chairman invited Pam Bagley, Stakeholder Governor for the University of Bradford, to comment on forward planning for the NHS and pre-registration training for nurses and doctors.

Pam Bagley was pleased to report that work was underway in all universities across the patch around placements and how to be more innovative with supervision. She talked about an initiative to expose third year students to speciality areas to promote interest in career pathways. Pam also confirmed that the Harrogate pathway was particularly popular with students at Bradford which was good news and helpful for staff to see interest from the future workforce.

**Resolved:** The Chief Executive's report was noted.

#### **COG/06/2021/8.0 Question and answer session for Governors and members of the public**

The Chairman thanked Governors for the questions they had submitted in advance of the meeting (Appendix 1) and noted there were no additional questions from members of the public.

The Chairman invited Non-Executive Directors to provide their insight into the questions to support the details provided as part of the Chief Executive's presentation.

#### **Question 1 from Doug Masterton – Corporate Risk Register**

Jeremy Cross referred to the discussion earlier in response to Dave Stott's question around prioritisation, the Corporate Risk Register, and assurance that focus on resources are in the right areas.



Doug Masterton referred to his attendance at the Audit Committee and expressed concerns at how many initiatives on the Risk Register were not progressing. He was however reassured by the scrutiny detailed in the Chief Executive's presentation.

The Chairman clarified that the Board spends dedicated time scrutinising the Corporate Risk Register to understand the progress made and the register would be enhanced in the approach of the new Executive Risk Group referred to earlier in the meeting.

Clare Illingworth asked if the newly formed Executive Risk Group included Non-Executive Directors. In response, the Chief Executive confirmed Non-Executive Directors would not be on the group.

The Chairman confirmed that the role of Non-Executive Directors was to be assured by the process rather than being involved in the process. They gain assurance through the sub-committees, by understanding processes, overseeing risks and escalating risks to the Board.

Through the lens of the Audit Committee, Richard Stiff felt reassured that the new Executive Risk Group would have the focus required from Executives within the new approach outlined by the Chief Executive earlier, however he acknowledged that it would take a little while to see some traction on progress of some of the issues.

The Chief Operating Officer reiterated that all the risks linked back to what is involved in running a Trust and the services provided. There were no surprises, but it was important to recognise risks and put mitigations in place.

The Chairman thanked Doug Masterton for his question.

#### Question 2 from Dave Stott – Patient Safety at HDFT

In addition to the detailed response provided by the Medical Director within the Chief Executive's update, Laura Robson felt that Non-Executive Directors could not give a guarantee to Governors that similar scandals, such as those referred to in the question, could never happen at HDFT. She highlighted the importance of the right culture within an organisation and the Freedom to Speak Up process.

Sarah Armstrong agreed with Laura Robson's comments and the importance of people being able to speak up. She referred to her previous experience and assurance in her role in being able to assess the difference between an isolated incident and common themes through a variety of different mechanisms.

The Chairman reiterated the role of Non-Executive Directors as guardians of complex processes and encouraged everyone to read the Medical Director's description of processes within the update. The Chairman added the importance in giving credibility to 'whistle blowers' and assured Governors that the Trust did everything in their power to employ good people, provide good training, undertake effective appraisals, to listen and study information about potential harm and safety issues.

#### Question 3 from Steve Treece – Recover Plans, Workforce

In addition to the update she provided earlier in the meeting, Maureen Taylor provided assurance and reiterated that the Resources Committee was scrutinising the Recovery Plan every month, including reviewing plans on workforce against activity. There were issues about recruitment and this was noted in the Recovery Plan.

#### Question 4 from Steve Treece – 0-19 Services

The Chairman confirmed this question had been covered in detail earlier in the meeting. The issues around the 0-19 services, including the level of vacancies, had been escalated to the Board through the Resources Committee and was receiving considerable focus on the Board agenda.

Steve Treece was reassured with the response to both his questions.

#### Question 5 from Steve Treece – Acute Stroke Services

The Chairman directed Governors to the response within the update. Non-Executive Directors would not have detailed information about this as it was an operational issue.

The Medical Director highlighted information regarding the priorities and key performance indicators confirming all were either on track or in progress. Trust level outcome data was yet to be published however key patient outcome performance metrics had improved for HDFT patients. Early signs were that the model was working however, small numbers from HDFT would likely be difficult to interpret. Governors would be kept informed of future progress.

**Action: Medical Director**

#### Question 6 from Sue Eddleston – Outpatient Appointments

The Chief Operating Officer had provided a detailed response in the update. He highlighted the target set in the NHS Long-Term Plan to provide at least 30% of outpatient appointments non-face-to-face with the Trust's current rate at 28% in April. In relation to the question, people with complex medical problems or without technology would still be able to attend face-to-face outpatient appointments. Feedback received had been positive regarding video consultations however feedback was still to be gathered for telephone consultations.

Sue Eddleston also commented on freeing up patient transport when patients received non-face-to-face appointments. She asked if patients were going to continue to be offered the choice of non-face-to-face and face-to-face appointments.

In response, the Chief Operating Officer confirmed that, as well as the element of patient choice, there was a need for clinical input; if a consultant preferred to see the patient this would require a face-to-face appointment. He agreed the need to increase the video option and work on this was underway.

#### Question 7 from Clare Illingworth – Staff Turnover

Clare Illingworth felt the response had been covered already and she was happy to provide further feedback based on personal experience outside of the meeting.

Jeremy Cross commented that Resources Committee members received a forward look of estimated turnover which had been stable over the last 15 months or so at around 12% (of which 8% was voluntary versus 4% involuntary). There were no negative trends to report within the 12% however, it was good practice to review exit interviews to understand the reasons for staff leaving the organisation and benchmark against other Trusts.

#### Question 8 – Update on Deloitte Report

Further to the details provided in his update, the Chief Executive summarised the progress of the 21 recommendations from Deloitte. He confirmed that the People and Culture Committee would be receiving a full update at their next meeting and he would then be happy to provide a further update to Governors at the next Council meeting.

**Action: Chief Executive**

With regard to some of the key work streams from the cultural review, the Chief Executive informed Governors that in terms of medical leadership, some changes had been made in response to the recommendation. The clinical governance recommendations had effectively been the reason for the new Quality Governance Framework and approach to risk. In relation to Harrogate Integrated Facilities (HIF), many of the recommendations around additional leadership capacity and all investigative and cultural work recommendations had been completed or continued to progress as part of the people and culture work. There was some further work required to finalise the estates structure. In Radiology the investigation was nearing conclusion; the interim report had been received and the broader findings had been discussed, with Radiologists and senior Radiographers developing their own action plans. Freedom to Speak Up changes have been made as recommended by Deloitte. HR

related recommendations included a review of a number of policies; the recruitment RPIW had been undertaken which had led to some of the proposed changes in relation to the anti-racist work as well as elements around fairness, conflicts of interest and fairness at work.

In relation to the question around the impact on colleagues, the Chief Executive confirmed it had been a challenging time. There had been feedback received that some of the changes had improved relationships and in Radiology, a Trainee Survey had improved considerably over the last 18 months with the most recent survey scoring at 100% for satisfaction with really strong feedback on training experience.

Jeremy Cross confirmed the People & Culture Committee was overseeing this piece of work and he agreed with the Chief Executive's comments.

**Resolved:** Responses to Governors' questions within the Chief Executive's presentation and following discussion with Non-Executive Directors was noted.

#### **COG/06/2021/9.0 Governor Development & Membership Engagement Committee - Chair's Report**

The Governor Development and Membership Engagement Committee Chair's Report was noted. Clare Illingworth confirmed the committee hadn't met since the meeting in February however the next meeting was scheduled to take place on 16 June. She gave a brief update on work ongoing including positive feedback from the NHS Providers Governors training day held on 6 May. Progress of the next newsletter for members, the new membership database and the elections was noted. The next Council of Governors' meeting and Annual Members' Meeting would take place on 6 September 2021 and not on the 1 September as stated in the paper.

Clare highlighted topics discussed at the training day on 6 May in a presentation to the Council; she recommended that all new Governors would benefit from attend this training in their first year of their term of office.

**Resolved:** The Governor Development and Membership Engagement Committee Chair's Report, matters of escalation, and the presentation from the NHS Providers training day on 6 May 2021 was noted.

#### **COG/06/2021/10 Any Other Business**

There were no other items of business raised at the meeting.

#### **COG/06/2021/11 Evaluation of the Meeting**

It was agreed that the meeting had overrun however, the updates and discussion had been extremely informative and beneficial. The Chairman noted that the majority of time had been spent around Governors' questions, which in turn would help Governors in fulfilling their roles and responsibilities.

#### **COG/06/2021/12 Date and Time of Next Meeting**

The next meeting is scheduled to take place on Monday, 6 September 2021 prior to the Annual Members' Meeting. Timings are to be confirmed.

## Appendix 1

### Council of Governors Meeting 8 June 2021

#### Governor questions

3

#### Topics Raised:

- **Corporate Risk Register**
- **Patient Safety at HDFT**
- **Recovery Plans – workforce**
- **0-19 Services**
- **Acute Stroke Services**
- **Outpatient Appointments**
- **Staff Turnover**
- **Update on the progress of actions following the Deloitte Report**

#### **Corporate Risk Register**

*Doug Masterton:*

1. Given the many and varied risks on the Corporate Risk Register, including 13 with scores of 12 or greater, are Non-Executive Directors confident that as much progress as possible is being made to reduce their number and gravity? In the summary of the Corporate Risk Register dated February 2021, in only one category had the score reduced, in one category (staff morale) the risk had increased and in 10 others there had been no movement. Are Non-Executive Directors confident that key directors, particularly the Chief Operating Officer, have enough capacity, time and support personnel to bring about improvement to key areas of the Trust's work?

#### **Patient Safety at HDFT**

*Dave Stott:*

Context: Over the past twenty or so years, the public have been informed of patient safety 'scandals' in various hospital trusts nationally. Formal enquiries have catalogued how many patients have needlessly died or unnecessarily come to harm in these trusts. On occasions rogue individual staff have been found negligent whilst at others, wider poor practice, inadvertent or otherwise has been exposed not just in terms of individual patient care but also because of failings at many organisational levels within these Trusts, including their leadership.

Examples include Mid-Staffordshire, Alder Hey, Gosport, Bristol, Solihull, Shrewsbury/Telford and Morecombe.

HDFT is a very well regarded Trust and it is unthinkable that anything like the above could ever happen here.

Or could it?

Governors would like reassurance from the Non-Executive Directors that:

2. Under their 'watch' no such unexposed 'scandal' or similar patient safety issues have happened, gone unrecorded or are even likely to happen at HDFT.
3. Non-Executive Directors are confident that the Trust has various systems in place to identify quickly and deal effectively with any untoward patient safety concerns.

## **Recovery Plans – workforce**

*Steve Treece:*

4. What assurances can the Council of Governors be provided with on the nature of any significant constraints to the Trust's recovery plans (e.g. regarding workforce) and the effectiveness of how these will be mitigated?

## **0-19 Services**

*Steve Treece:*

5. Following the continuing discussions over the North Yorkshire 0-19 contract and the number of vacancies in the Community and Children's directorate, what assurances can the Council of Governors be provided with on the mitigation of these and any other significant risks to the delivery and quality of community services provided by the Trust?

## **Acute Stroke Services**

*Steve Treece:*

6. What assurance can the Council of Governors be provided with on how the 2019 changes to acute stroke services, to focus these in Leeds, are progressing and whether these have resulted in improved patient outcomes?

## **Outpatient Appointments**

*Sue Eddleston:*

7. When do we envisage all normal face-to-face outpatients' appointments resuming. Also, do we have any feedback how patients have coped with telephone appointments- have they found it helpful. Would there be a possibility of giving patients a choice of either attending the hospital for a face to face Consultation or be given an option to have a telephone appointment.

This could be seen to benefit the patient not having to travel to hospital and cut down the need for hospital transport being needed to come to the hospital for patients not able to get about easily.

However, this is all well and good if you have a computer but what about elderly people without a computer and complex medical problems - how have their needs been met?

## **Staff Turnover**

*Clare Illingworth:*

8. Could you tell us what the turnover rate of Trust staff has been over the last couple of years, is this in line with other Trusts and are the Non-Executive Directors assured that there are no trends identified in the reasons for leaving data?

## **Update on the progress of actions following the Deloitte Report**

The Council of Governors would like an update on the progress of actions following the Deloitte Report and the impact on staff morale.

**Annual General Meeting/Annual Members Meeting**  
**held on Tuesday, 29 September 2020 at 5pm**  
**Boardroom, Harrogate District Hospital, Lancaster Park Road, Harrogate**  
**Via virtual arrangement (Teams Live)**

**Present**

Angela Schofield, Chairman  
 Sarah Armstrong, Non-executive Director  
 Jeremy Cross, Non-executive Director  
 Laura Robson, Non-executive Director/Senior Independent Director  
 Wallace Sampson, Non-executive Director  
 Richard Stiff, Non-executive Director  
 Maureen Taylor, Non-executive/Deputy Chair  
 Steve Russell, Chief Executive  
 Jackie Andrews, Executive Medical Director  
 Jonathan Coulter, Director of Finance/Deputy Chief Executive  
 Jill Foster, Chief Nurse  
 Tim Gold, Interim Chief Operating Officer  
 Angela Wilkinson, Director of Workforce and Human Resources  
 Pam Bagley, Stakeholder Governor, University of Bradford  
 John Batt, Public Governor, Knaresborough and East District  
 Cath Clelland, Public Governor, Rest of North Yorkshire and York  
 Clare Cressey, Stakeholder Governor, Harrogate Integrated Facilities/Lead Governor  
 Martin Dennys, Public Governor, Harrogate and surrounding villages  
 Tony Doveston, Public Governor, Harrogate and surrounding villages  
 Sue Eddleston, Public Governor, Ripon and West District  
 Loveena Kunwar, Staff Governor, Medical Practitioners  
 Neil Lauber, Staff Governor, Other Clinical  
 John Mann, Stakeholder Governor, North Yorkshire County Council  
 Doug Masterton, Public Governor, Wetherby and Harewood District  
 Kathy McClune, Staff Governor, Nursing & Midwifery  
 Dave Stott, Public Governor, Harrogate and surrounding villages  
 Heather Stuart, Staff Governor, Nursing & Midwifery  
 Steve Treece, Public Governor, Wetherby and Harewood District  
 Mark Chamberlain, Chairman of Harrogate Integrated Facilities  
 Lynn Hughes, Interim Company Secretary  
 Paul Widdowfield, Head of Communications and Marketing  
 13 Staff Members  
 54 Public Members

**Apologies**

Andy Papworth, Non-executive Director  
 Elaine Culf, Interim Corporate Affairs and Membership Manager

**AGM/AMM/20/1**

**Welcome and Introduction**

- 1.1 Angela Schofield, Chairman opened and welcomed everyone to the Trust's Annual General Meeting/Annual Members Meeting (AMM) and explained that the meeting gave the Trust with the opportunity to reflect on the financial year 2019/20.

- 1.2 Due to the restrictions in place with COVID-19 pandemic the meeting was held via a virtual live arrangement. Angela explained that throughout the evening a number of Trust colleagues would share their experiences of working during the pandemic and the meeting would start with hearing from two patients who had been a patient at the Trust. Angela thanked April Martin, the Mayoress of Harrogate, who was joined by her husband Stuart Martin, Mayor of Harrogate. The Chairman thanked them both for their support to colleagues at the Trust and explained that it was appreciated that they were able to join the Trust at the final NHS Clap for Carers.

**AGM/AMM/20/2 Minutes of Previous Meeting**

- 2.1 The minutes of the previous AMM meeting held on 24 July 2019 had been approved by the Council of Governors and were provided for information on the Trust's website.

**AGM/AMM/20/3 Annual Report/Accounts 2019/20 and Future Plans**

- 3.1 Steve Russell, Chief Executive formally presented the Trust's Annual Report for 2019/20 and informed attendees that copies were available on the Trust's website, along with the summarised version that provided a highlight of the Trust's achievements.
- 3.1.2 Steve spoke of the many achievements during 2019/20 and highlighted the latter part of the year, which seen the onset of the COVID-19 pandemic. He reported on how proud he was to work with such dedicated colleagues who had put patients and colleagues' health and wellbeing first and foremost. In March 2020 all colleagues stepped up in a variety of ways to ensure that community and hospital services continued to be provided. He thanked all staff for their dedication, professionalism and selflessness.
- 3.1.3 Changes to the Board during the financial year ending 31 March 2020 and to date were noted as: Mr Chris Thompson and Lesley Webster, Non-executive Directors left the Trust, with Jeremy Cross, Andy Papworth and Wallace Sampson OBE joining as new Non-executive Directors.
- 3.1.4 David Scullion stepped down as Medical Director at the end of May 2020 and Jackie Andrews joined as Executive Medical Director in June 2020. Most recently Rob Harrison left the Trust on 31 August 2020 with Tim Gold joining on a secondment arrangement from Bradford Teaching Hospitals NHS Foundation Trust as the Trust's Interim Chief Operating Officer.
- 3.2 Jonathan Coulter, Director of Finance/Deputy Chief Executive delivered a presentation, which detailed the financial report and Annual Accounts for 2019/20. Jonathan provided information in relation to the Trust as a Group for the end of year accounts, which included detail on income, expenditure and capital expenditure.

- 3.2.1 Jonathan explained that despite 2019/20 being another challenging year for the NHS, the Trust had continued to perform well meeting key financial targets, with the Trust exceeding its control total at the year-end. As a result, the Trust received all core Provider Sustainability Funding (PSF) and became eligible to receive incentive and bonus PSF funding.
- 3.2.2 Jonathan highlighted the significant impact of the additional expenditure required to respond to the pandemic. To date NHS England and Improvement (NHSE/I) had supported NHS providers to meet those costs.
- 3.3.3 The Trust's financial position was a retained financial surplus of £405,000. As part of the Control Total set by NHSE/I an additional generated surplus was gained as a result of the Trust meeting its performance targets.

#### **AGM/AMM/20/4 Independent Auditors Opinion**

- 4.1 Maureen Taylor, Deputy Chair provided an overview of the role of the Audit Committee.
- 4.2 She referred to the independent auditors opinion provided by the Trust's External Auditors, which confirmed that an audit had been completed on the Annual Accounts and Annual Report for the year ended 31 March 2020. These were found to be a true and fair account of the Trust's financial position and performance.

#### **AGM/AMM/20/5 Lead Governor Report**

- 5.1 The Chairman thanked all Governors for their continuing support for the Trust. She was most grateful to Emma Edgar who had been the Lead Governor until the end of 2019. She introduced Clare Cressey who had been elected Lead Governor from January 2020
- 5.2 Clare Cressey, Lead Governor, reported on the changes to the Council of Governors during 2019/20, which included the results of the two Governor Elections.
- 5.3 Clare highlighted the number of statutory duties that the Governors are required to carry out; one of those duties included their responsibility to appoint the Chairman and Non-executive Directors. During 2019/20 Governors were active in their role with the appointment of three new Non-executive Directors, Jeremy Cross, Wallace Sampson and Andy Papworth.

#### **AGM/AMM/20/6 Insights from the COVID-19 Pandemic**

- 6.1 Videos were played throughout the meeting which presented the experiences and insights of patients and colleagues in relation to the COVID-19 pandemic.



- 6.2 The Mayoress of Harrogate, Mrs April Martin, shared her experience of suffering from COVID-19, which included her journey to Harrogate District Hospital, supported by very caring paramedics with Yorkshire Ambulance Service. She had been extremely ill and all staff at the hospital had worked tirelessly and nothing was too much trouble. She expressed her sincere gratitude to all the Trust's staff.
- 6.3 Dr Vicky Holloway, Consultant in the Emergency Department and members of her team shared their experiences of working during the first wave of the COVID-19 pandemic, during February and early March 2020 with the challenges of caring for patients suffering from a new disease whilst wearing PPE. They found the relationship with patients had changed due to the communication drawbacks of wearing PPE and patients not being permitted to have visitors.
- 6.4 Health Visitors in Middlesbrough shared their experiences of supporting children and families to ensure children's safety during the COVID-19 pandemic to date. Working conditions had been challenging for colleagues particularly during the lockdown period. Colleagues within the team were most supportive of one another with regular team meetings using video conferencing to support the management of caseloads.
- 6.5 Harrogate District Hospital colleagues shared their experiences on the use of PPE equipment and highlighted how fortunate staff had been with no shortages of PPE to date. The Trust also supported PPE requirements to rural and community teams to ensure that all staff had the appropriate PPE.
- 6.6 Community Care Team staff members shared their experiences of how staff had been all pulling together to support the needs of patients during COVID-19. One member of staff had been re-deployed to support the physiotherapy team and worked with the rehabilitation of patients, which she had found challenging but most enjoyable.

#### **AGM/AMM/20/7 Questions and Answers**

- 7.1 Angela Schofield, the Chairman invited questions from members of the public prior and during the meeting.
1. A member of public queried the arrangements in place for members of the public to obtain COVID tests and if the Trust planned to provide testing in addition to the national Track and Trace system. It was noted that the Trust was following government/regulatory guidance and would continue to change its arrangements as required.
  2. A member of the public queried how the Trust would manage its new referrals and backlog of patients on waiting lists during the pandemic. It was noted that the Chief Operating Officer and Executive Medical Director were leading this area of work, which was overseen by the Senior Leadership Team, Resource Committee and the Board. The

Trust was able to access facilities at the private Duchy Hospital to support orthopaedic patients and was and would continue to work in accordance with regulatory and government guidelines.

3. A member of public queried how the Trust was preparing for a possible second wave of COVID during the winter months, which is noted to be a known busy time for all NHS providers. It was noted that the Trust was actively planning for a range of scenarios. There were regular reports to the Board of Directors for their scrutiny. The health and safety of patients was the Trust's main priority.
4. A member of public queried how the NHS Nightingale Hospital was being used by the Trust. It was noted that Steve Russell was also the Chief Executive for the Nightingale Hospital Yorkshire and Humber. Steve confirmed that the Nightingale hospitals was not being used at that time and remained on standby for critical care.
5. A member of the public queried if the government were planning to continue to meet the costs of PPE. It was noted that NHS providers had been informed that they can claim COVID costs for 2020/21.

**AGM/AMM/20/8**

**Closing Remarks**

- 8.1 Angela Schofield, the Chairman formally thanked the attendees for attending the meeting.
- 8.2 There being no further business, the meeting was formally closed by a video to thank the generosity of those that supported the work of the Hospital Charity, including local business and many volunteers.

## Paper 4.0

**HDFT Council of Governors' Meeting Action Log – September 2021**

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	Subject	Action Description	Director/Manager Responsible	Date due at CoG meeting or date when completion/ progress update is required	Comments	Status - completed is defined as confirmation that the action is completed as described
<b>COG/06/2021/7.0</b>	8 June 2021	Major quality priority for 2021/11	Update on quality priority based work to be provided at the next Council of Governors meeting	Chief Executive	6 September 2021		Open
<b>COG/06/2021/8.0</b>	8 June 2021	Acute stroke services	Trust level outcome data was yet to be published	Medical Director	When available		Open
<b>COG/06/2021/8.0</b>	8 June 2021	Update on Deloitte Report	Further update would be provided after People and Culture Committee had received a full update (next meeting – 12 July 2021)	Chief Executive	6 September 2021		Open

**HDFT Council of Governor Meeting Closed Action Log**

COG/09/2020/4.1.2	29-09-2020	Ophthalmology Services	Agreed the Interim Chief Operating Officer would investigate provision of an Ophthalmology mobile testing facility and provide an update to the next meeting	Chief Operating Officer	14 December 2020 3 March 2021 8 June 2021	Update provided	Closed
COG/03/2021/5.7	03-03-2021	External Audit Process	Governors to confirm to Angie Colvin if they are interested in participating in the external auditor process	Interim Company Secretary / Corporate Affairs and Membership Manager	8 June 2021	Update provided	Closed

## Council of Governors Meeting (Public)

### 6<sup>th</sup> August 2021

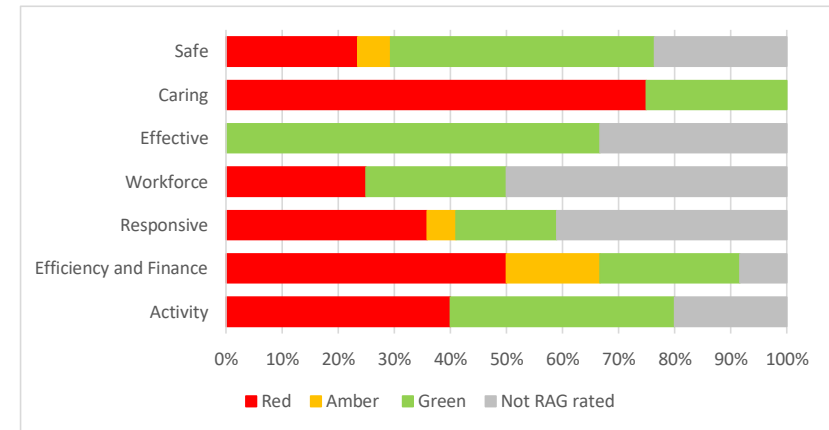
Title:	<b><i>Integrated Board Report</i></b>
Responsible Director:	Executive Directors
Author:	Head of Performance & Analysis

Purpose of the report and summary of key issues:	<p>The Council of Governors is asked to note the items contained within this report.</p> <p>This month's report presents data for the set of indicators proposed for the new style Integrated Board Report. This month's report includes charts and narrative for each indicator as previously agreed with Trust Board.</p>	
BAF Risk:	<b>AIM 1: To be an outstanding place to work</b>	
	BAF1.1 to be an outstanding place to work	Y
	BAF1.2 To be an inclusive employer where diversity is celebrated and valued	Y
	<b>AIM 2: To work with partners to deliver integrated care</b>	
	BAF2.1 To improve population health and wellbeing, provide integrated care and to support primary care	Y
	BAF2.2 To be an active partner in population health and the transformation of health inequalities	Y
	<b>AIM 3: To deliver high quality care</b>	
	BAF3.1 and 3.4 To provide outstanding care and outstanding patient experience	Y
	BAF3.2 To provide a high quality service	Y
	BAF3.3 To provide high quality care to children and young people in adults community services	Y
	BAF3.5 To provide high quality public health 0-19 services	Y
	<b>AIM 4: To ensure clinical and financial sustainability</b>	
	BAF4.1 To continually improve services we provide to our population in a way that are more efficient	Y
	BAF4.2 and 4.3 To provide high quality care and to be a financially sustainable organisation	Y
	BAF4.4 To be financially stable to provide outstanding quality of care	Y
Corporate Risks	None	
Report History:	A draft version of this report was presented to Senior Management Team, and the final report was presented to the Trust Board in August.	
Recommendation:	The Council of Governors is asked to note the items contained within this report.	

### Integrated Board Report - Summary of indicators - July 2021

1. This report presents data for the set of indicators proposed for the new style Integrated Board Report.
2. As with the previous report, the indicators have been grouped into sections based largely around the domains defined by CQC.
3. Some indicators are still in the development phase and so data is not available at this stage.
4. The list of indicators will continue to be refined, in discussion with Executive Team members, in the coming weeks including agreeing RAG rating thresholds.
5. The report includes charts and narrative sections for all indicators as previously agreed.

Domain	Total indicators	RAG ratings			
		Red	Amber	Green	Not RAG rated
Safe	17	4	1	8	4
Caring	4	3	0	1	0
Effective	6	0	0	4	2
Workforce	8	2	0	2	4
Responsive	39	14	2	7	16
Efficiency and Finance	12	6	2	3	1
Activity	10	4	0	4	2
<b>Total</b>	<b>96</b>	<b>33</b>	<b>5</b>	<b>29</b>	<b>29</b>



## NHS System Oversight Framework (SOF) 2021/22

1. NHS England and NHS Improvement recently published their approach to oversight for 2021/22.
2. The NHS System Oversight Framework (SOF) provides clarity to Integrated Care Systems (ICSs), Trusts and Commissioners on how NHS England and NHS Improvement will monitor performance; sets expectations on working together to maintain and improve the quality of care; and describes how identified support needs to improve standards and outcomes will be co-ordinated and delivered.
3. It will be used by NHS England and NHS Improvement's regional teams to guide oversight of ICSs at system, place-based and organisation level as well as decisions about the level and nature of delivery support they may require.
4. It describes how NHS England and NHS Improvement will work with the Care Quality Commission (CQC) and other partners at national, regional and local level to ensure our activities are aligned.
5. It introduces a new integrated and system focused Recovery Support Programme (RSP) that replaces the previously separate quality and finance 'special measures' regimes for provider trusts.
6. In total, there are 81 metrics in this year's framework, 47 of which are applicable to Trusts. The technical guidance documents that provide the detail around these metrics have not yet been published but are expected in August.
7. A significant number of the metrics are already included in this report.
8. Going forward, we will provide an overview of the Trust's performance on all applicable metrics within the framework.

## Integrated Board Report - Summary of Jul-21 performance

Domain	Indicator number	Indicator name	Latest position	Domain	Indicator number	Indicator name	Latest position
Safe	1.1	Pressure ulcers - hospital acquired - cat 3 or above - per 1,000 bed days	0.90	Caring	2.1.1	Friends & Family Test (FFT) - Patients	93.7%
Safe	1.2	Pressure ulcers - community acquired - cat 3 or above - per 1,000 patient contacts	0.72	Caring	2.1.2	Friends & Family Test (FFT) - Adult Community Services	96.1%
Safe	1.3	Inpatient falls per 1,000 bed days	5.9	Caring	2.2.1	Complaints - numbers received	21
Safe	1.4	Infection control - C.diff hospital acquired cases due to a lapse in care	0	Caring	2.2.2	Complaints - % responded to within time	56%
Safe	1.5	Infection control - MRSA hospital acquired cases due to a lapse in care	0	Effective	3.1	Mortality - HSMR	95.13
Safe	1.6	Incidents - ratio of low harm incidents	19.32	Effective	3.2	Mortality - SHMI	0.92
Safe	1.7.1	Incidents - comprehensive serious incidents (SI)	1	Effective	3.3.1	Readmissions to the same specialty within 30 days - following elective admission	44
Safe	1.7.2	Incidents - Never events	0	Effective	3.3.2	Readmissions to the same specialty within 30 days - following non-elective admission	144
Safe	1.8.1	Safer staffing levels - fill rate	92.6%	Effective	3.4	Returns to theatre	
Safe	1.8.2	Safer staffing levels - CHPPD	8.0	Effective	3.5	Delayed Transfer of Care	
Safe	1.9	Maternity - % women seen by a midwife (or healthcare professional) by 12w 6d	100.0%	Workforce	4.1	Staff appraisal rate	56.0%
Safe	1.10	Maternity - % women with Continuity of Care pathway		Workforce	4.2	Mandatory training rate	92.0%
Safe	1.11	Infant health - % women smoking at time of delivery	5.2%	Workforce	4.3	Staff sickness rate	4.8%
Safe	1.12	Infant health - % women initiating breastfeeding	83.8%	Workforce	4.4	Staff turnover rate	13.5%
Safe	1.13	VTE risk assessment - inpatients	96.3%	Workforce	4.5.1	Children's Services - 0-5 Service - vacancies	
Safe	1.14.1	Sepsis screening - inpatient wards	93.5%	Workforce	4.5.2	Children's Services - 5-19 Service - vacancies	
Safe	1.14.2	Sepsis screening - Emergency department	86.6%	Workforce	4.6.1	Workforce Race Equality Standard (WRES) - Relative likelihood of staff being shortlisted across all posts	
				Workforce	4.6.2	Workforce Race Equality Standard (WRES) - Relative likelihood of staff being appointed from shortlisting	



Domain	Indicator number	Indicator name	Latest position	Domain	Indicator number	Indicator name	Latest position
Responsive	5.1.1	RTT Incomplete pathways performance - median	9	Responsive	5.13.1	Children's Services - 0-12 months caseload	
Responsive	5.1.2	RTT Incomplete pathways performance - 92nd centile	40	Responsive	5.13.2	Children's Services - 2-3 years caseload	
Responsive	5.1.3	RTT Incomplete pathways - total	21785	Responsive	5.14.1	Children's Services - Safeguarding caseload - number of strategy meetings	
Responsive	5.1.4	RTT Incomplete pathways - 52-<104 weeks	968	Responsive	5.14.2	Children's Services - Safeguarding caseload - number of initial Child Protection case conferences	
Responsive	5.1.5	RTT Incomplete pathways - 104+ weeks	20	Responsive	5.14.3	Children's Services - Safeguarding caseload - number of court reports	
Responsive	5.2.1	RTT waiting times - by ethnicity		Responsive	5.14.4	Children's Services - Safeguarding caseload - number of Looked After Children	
Responsive	5.2.2	RTT waiting times - by level of deprivation		Responsive	5.15	Children's Services - Ante-natal visits	88.3%
Responsive	5.2.3	RTT waiting times - learning disabilities		Responsive	5.16	Children's Services - 10-14 day new birth visit	96.4%
Responsive	5.3	Diagnostic waiting times - 6-week standard	75.1%	Responsive	5.17	Children's Services - 6-8 week visit	93.3%
Responsive	5.4	Outpatients lost to follow-up - number of follow up patients past due date	10393	Responsive	5.18	Children's Services - 12 month review	94.0%
Responsive	5.5	Data quality on ethnic group - inpatients	95.5%	Responsive	5.19	Children's Services - 2.5 year review	93.0%
Responsive	5.6	A&E 4 hour standard	79.4%	Responsive	5.20	Children's Services - % children with all 5 mandated contacts	
Responsive	5.7	Ambulance handovers - % within 15 mins	89.7%	Responsive	5.21	Children's Services - Delivery of Immunisation trajectory	
Responsive	5.8	A&E - number of 12 hour trolley waits	0	Responsive	5.22	Children's Services - OPEL level	
Responsive	5.9.1	Cancer - 62 day wait for first treatment from urgent GP referral to treatment	83.3%	Responsive	5.23	Community Care Adult Teams - performance against new timeliness standards	
Responsive	5.9.2	Cancer - 62 day wait for first treatment from urgent GP referral to treatment - number of 104 days waiters	5	Responsive	5.24	Community Care Adult Teams - Number of virtual beds delivered in Supported Discharge Service	
Responsive	5.10	Cancer - 14 days maximum wait from urgent GP referral for all urgent suspect cancer referrals	83.4%	Responsive	5.25	Community Care Adult Teams - Number of cancelled routine visits	
Responsive	5.11	Cancer - 28 days faster diagnosis standard (suspected cancer referrals)	81.9%	Responsive	5.26	Community Care Adult Teams - OPEL level	
Responsive	5.12	Cancer - 31 days maximum wait from diagnosis to treatment for all cancers	100.0%	Responsive	5.27	Out of hours - telephone clinical assessment for URGENT cases within 20 minutes of call prioritisation	38.6%
				Responsive	5.28	Home visit: Face to face consultations started for URGENT cases within 2 hrs	79.2%

Domain	Indicator number	Indicator name	Latest position
Efficiency and Finance	6.1	Agency spend	£ 517
Efficiency and Finance	6.2	Surplus / deficit and variance to plan	-
Efficiency and Finance	6.3	Capital spend	£ 2,300
Efficiency and Finance	6.4	Cash balance	£ 32,386
Efficiency and Finance	6.5.1	Long stay patients - stranded (>7 days LOS)	119
Efficiency and Finance	6.5.2	Long stay patients - superstranded (>21 days LOS)	42
Efficiency and Finance	6.6	Occupied bed days per 1,000 population	
Efficiency and Finance	6.7.1	Length of stay - elective	2.66
Efficiency and Finance	6.7.2	Length of stay - non-elective	3.99
Efficiency and Finance	6.8	Avoidable admissions	234
Efficiency and Finance	6.9	Theatre utilisation (elective sessions)	82.0%
Efficiency and Finance	6.10	Day case conversion rate	1.6%

Domain	Indicator number	Indicator name	Latest position
Activity	7.1.1	GP Referrals against plan	
Activity	7.1.2	GP Referrals against 2019/20 baseline	
Activity	7.2.1	Outpatient activity (consultant led) against plan (new and follow up)	84.2%
Activity	7.2.2	Outpatient activity (consultant led) against 2019/20 baseline (new and follow up)	85.3%
Activity	7.3.1	Elective activity against plan	77.4%
Activity	7.3.2	Elective activity against 2019/20 baseline	73.9%
Activity	7.4.1	Non-elective activity against plan	104.2%
Activity	7.4.2	Non-elective activity against 2019/20 baseline	98.2%
Activity	7.5.1	Emergency Department attendances against plan	103.4%
Activity	7.5.2	Emergency Department attendances against plan, 2019/20 baseline	103.7%

**Integrated Board Report - List of indicators**

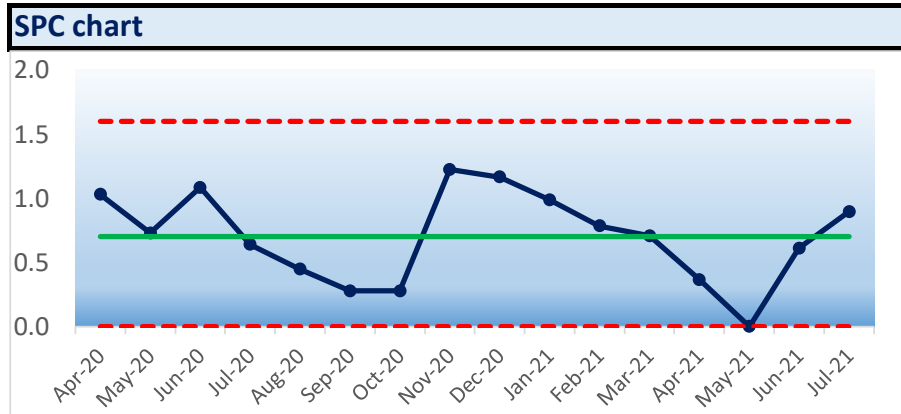
Monthly RAG thresholds:																							
Domain	Indicator number	Indicator name	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Exec Lead	Committee reported to:	Red	Amber	Green
Safe	1.1	Pressure ulcers - hospital acquired - cat 3 or above - per 1,000 bed days	1.03	0.73	1.08	0.64	0.45	0.28	0.28	1.22	1.17	0.99	0.78	0.71	0.37	0.00	0.61	0.90	EN	Quality	tbc		
Safe	1.2	Pressure ulcers - community acquired - cat 3 or above - per 1,000 patient contacts	1.04	1.44	1.16	1.26	1.10	1.06	1.15	0.62	1.48	0.95	1.28	1.29	1.31	1.36	0.68	0.72	EN	Quality	tbc		
Safe	1.3	Inpatient falls per 1,000 bed days	12.5	9.7	8.7	5.4	6.2	5.0	6.0	6.4	6.5	7.4	11.0	7.3	5.1	6.1	4.9	5.9	EN	Quality	above HDT average for 2020/21	0-20% below HDT average for 2020/21	>20% below HDT average for 2020/21
Safe	1.4	Infection control - C.diff hospital acquired cases due to a lapse in care	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	EN	Quality	>19 YTD		<=19 YTD
Safe	1.5	Infection control - MRSA hospital acquired cases due to a lapse in care	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	EN	Quality	>0 YTD		0 YTD
Safe	1.6	Incidents - ratio of low harm incidents	10.02	10.38	13.52	14.34	14.66	18.71	19.92	14.72	10.10	14.13	10.11	16.38	17.60	21.29	19.98	19.32	EN	Quality	HDT in bottom 25% of Acute Trusts	HDT in middle 50% of Acute Trusts	HDT in top 25% of Acute Trusts
Safe	1.7.1	Incidents - comprehensive serious incidents (SI)	0	0	1	0	0	2	1	2	0	0	1	1	3	1	4	1	EN	Quality	>0		0
Safe	1.7.2	Incidents - Never events	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	EN	Quality			
Safe	1.8.1	Safer staffing levels - fill rate	NA	NA	NA	NA	NA	NA	95.4%	93.3%	95.3%	95.3%	95.3%	93.9%	93.8%	93.1%	92.5%	92.6%	EN	Quality	<80%	80% - 95%	>=95%
Safe	1.8.2	Safer staffing levels - CHPPD	NA	NA	NA	NA	NA	NA	10.1	9.9	9.7	9.4	9.0	8.7	8.6	8.4	8.6	8.0	EN	Quality	tbc		
Safe	1.9	Maternity - % women seen by a midwife (or healthcare professional) by 12w 6d	97.2%	100.0%	99.3%	100.0%	100.0%	99.3%	100.0%	100.0%	100.0%	100.0%	100.0%	99.5%	99.4%	100.0%	100.0%	100.0%	EN	Quality	<90%		>=90%
Safe	1.10	Maternity - % women with Continuity of Care pathway																	EN	Quality			
Safe	1.11	Infant health - % women smoking at time of delivery	5.7%	7.6%	5.3%	3.0%	2.8%	6.4%	6.7%	3.7%	6.3%	4.6%	8.1%	4.5%	6.6%	2.9%	7.4%	5.2%	EN	Quality	>15%		<=15%
Safe	1.12	Infant health - % women initiating breastfeeding	85.1%	84.5%	90.2%	83.8%	84.4%	85.4%	89.9%	84.6%	87.1%	88.7%	91.5%	86.5%	83.6%	82.6%	84.8%	83.8%	EN	Quality	<75%		>=75%
Safe	1.13	VTE risk assessment - inpatients	95.0%	93.9%	92.3%	93.6%	95.0%	92.6%	95.1%	95.4%	94.2%	96.9%	96.8%	96.7%	96.7%	97.1%	96.9%	96.3%	EN	Quality	<95%		>=95%
Safe	1.14.1	Sepsis screening - inpatient wards	92.8%	88.9%	95.0%	94.7%	91.4%	94.0%	94.8%	94.6%	94.8%	95.3%	94.2%	94.2%	91.8%	96.1%	93.2%	93.5%	EN	Quality	<90%		>=90%
Safe	1.14.2	Sepsis screening - Emergency department	89.2%	88.9%	92.8%	93.1%	93.1%	88.6%	88.8%	91.7%	91.3%	91.3%	88.0%	89.4%	85.9%	89.2%	88.9%	86.6%	EN	Quality	<90%		>=90%
Caring	2.1.1	Friends & Family Test (FFT) - Patients	96.6%	95.6%	95.8%	95.6%	95.8%	94.9%	94.2%	95.0%	95.0%	94.5%	95.2%	93.9%	94.2%	92.7%	93.7%	93.7%	EN	Quality	<national average		>=national average
Caring	2.1.2	Friends & Family Test (FFT) - Adult Community Services	94.2%	98.2%	92.1%	95.3%	95.0%	93.9%	93.1%	98.1%	93.2%	93.4%	95.1%	87.5%	94.7%	95.5%	96.5%	96.1%	EN	Quality	<national average		>=national average
Caring	2.2.1	Complaints - numbers received	5	10	9	18	11	21	12	16	19	17	16	38	15	24	20	21	EN	Quality	above HDT average for 2020/21		On or below HDT average for 2020/21
Caring	2.2.2	Complaints - % responded to within time														50%	35%	56%	EN	Quality	<95%		>=95%
Effective	3.1	Mortality - HSMR	107.42	106.86	108.69	109.26	107.36	106.73	106.02	102.2	97.21	97.22	98.00	96.60	94.93	95.13			JA	Quality	Higher than expected		Within expected range or below expected
Effective	3.2	Mortality - SHMI	0.957	0.947	0.955	0.946	0.942	0.937	0.940	0.941	0.929	0.932	0.942	0.935	0.918				JA	Quality	Higher than expected		Within expected range or below expected
Effective	3.3.1	Readmissions to the same specialty within 30 days - following elective admission	13	16	22	29	31	30	39	43	29	27	23	32	43	42	44		RN	Resources	>60	50-60	<=50
Effective	3.3.2	Readmissions to the same specialty within 30 days - following non-elective admission	92	109	106	128	120	129	144	141	134	119	120	132	166	159	144		RN	Resources	>170	160-170	<=160
Effective	3.4	Returns to theatre																	RN	Resources	tbc		
Effective	3.5	Delayed Transfer of Care																	RN	Resources	tbc		
Workforce	4.1	Staff appraisal rate	74.6%	69.3%	64.1%	57.0%	49.3%	47.0%	48.7%	50.2%	50.4%	53.1%	54.8%	54.9%	56.3%	58.3%	56.9%	56.0%	AW	People and Cult	<70%	70% - 90%	>=90%
Workforce	4.2	Mandatory training rate	90.0%	85.0%	87.0%	89.0%	91.2%	91.4%	91.6%	91.8%	92.1%	91.9%	91.3%	91.2%	91.7%	92.1%	92.0%	92.0%	AW	People and Cult	<50%	50% - 75%	>=75%
Workforce	4.3	Staff sickness rate	4.54%	4.15%	4.36%	4.10%	4.10%	4.27%	4.67%	5.11%	4.67%	5.36%	4.93%	4.33%	3.90%	3.91%	3.90%	4.84%	AW	People and Cult	>3.9%		<=3.9%
Workforce	4.4	Staff turnover rate	12.7%	13.0%	12.3%	12.3%	12.2%	12.4%	12.2%	13.0%	13.2%	13.4%	13.0%	12.7%	12.9%	12.0%	13.3%	13.5%	AW	People and Cult	>15%		<=15%
Workforce	4.5.1	Children's Services - 0-5 Service - vacancies																	AW	People and Culture			
Workforce	4.5.2	Children's Services - 5-19 Service - vacancies																	AW	People and Culture			
Workforce	4.6.1	Workforce Race Equality Standard (WRES) - Relative likelihood of staff being shortlisted across all posts																	AW	People and Cult	tbc		
Workforce	4.6.2	Workforce Race Equality Standard (WRES) - Relative likelihood of staff being appointed from shortlisting																	AW	People and Cult	tbc		
Responsive	5.1.1	RTT Incomplete pathways performance - median	13	16	15	7	8	9	8	8	9	10	9	7	8	8	8	9	RN	Resources	>10	08 - 10	<=8
Responsive	5.1.2	RTT Incomplete pathways performance - 92nd centile	32	35	37	39	41	43	45	45	48	50	51	48	44	43	41	40	RN	Resources	>24	18 - 24	<=18
Responsive	5.1.3	RTT Incomplete pathways - total	9754	9593	11659	14039	15345	16379	16730	16733	16197	15397	15878	17323	18156	19476	20631	21785	RN	Resources	>15,000	14,000 - 15,000	<=14,000
Responsive	5.1.4	RTT Incomplete pathways - 52-<104 weeks	18	53	139	293	421	524	639	789	974	1062	1268	1345	1196	1082	993	968	RN	Resources	>0		0

Domain	Indicator number	Indicator name	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Monthly RAG thresholds:				Exec Lead	Committee reported to:	Red	Amber	Green
															Apr-21	May-21	Jun-21	Jul-21					
Responsive	5.1.5	RTT Incomplete pathways - 104+ weeks													3	5	13	20	RN	Resources	>0		0
Responsive	5.2.1	RTT waiting times - by ethnicity																	RN	Resources			
Responsive	5.2.2	RTT waiting times - by level of deprivation																	RN	Resources			
Responsive	5.2.3	RTT waiting times - learning disabilities																	RN	Resources			
Responsive	5.3	Diagnostic waiting times - 6-week standard	44.7%	49.2%	65.7%	77.5%	75.6%	70.6%	79.2%	78.4%	73.7%	73.6%	80.5%	81.7%	79.7%	85.4%	79.2%	75.1%	RN	Resources	<99%		>=99%
Responsive	5.4	Outpatients lost to follow-up - number of follow up patients past due date									11812	11345	10694	9850	9792	9877	9754	10393	RN	Resources	>500	1 - 500	0
Responsive	5.5	Data quality on ethnic group - inpatients	96.7%	96.2%	96.7%	96.0%	95.9%	95.9%	95.9%	95.9%	95.3%	95.2%	94.3%	95.2%	94.9%	96.5%	95.8%	95.5%	RN	Resources	<97%		>=97%
Responsive	5.6	A&E 4 hour standard	92.6%	93.4%	95.1%	91.3%	87.2%	89.5%	90.9%	90.1%	85.4%	85.8%	80.2%	83.7%	86.3%	82.7%	82.6%	79.4%	RN	Resources	<90%	90-95%	>=95%
Responsive	5.7	Ambulance handovers - % within 15 mins	91.2%	96.0%	92.5%	95.0%	86.5%	87.8%	93.5%	96.5%	95.2%	93.8%	94.4%	93.7%	93.8%	93.6%	88.4%	89.7%	RN	Resources	<90%	90-95%	>=95%
Responsive	5.8	A&E - number of 12 hour trolley waits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	RN	Resources	>0		0
Responsive	5.9.1	Cancer - 62 day wait for first treatment from urgent GP referral to treatment	89.8%	79.4%	81.5%	92.6%	89.6%	87.2%	87.0%	88.7%	84.7%	84.8%	77.7%	85.4%	85.5%	87.1%	92.3%	83.3%	RN	Resources	<85%		>=85%
Responsive	5.9.2	Cancer - 62 day wait for first treatment from urgent GP referral to treatment - number of 104 days waiters	0	0	2	3	0	2	2	5	3	5	2	5	3	2	2	5	RN	Resources	>0		0
Responsive	5.10	Cancer - 14 days maximum wait from urgent GP referral for all urgent suspect cancer referrals	93.0%	97.3%	98.4%	94.9%	97.9%	97.7%	98.4%	83.7%	88.0%	91.8%	90.2%	89.0%	81.7%	85.7%	88.2%	83.4%	RN	Resources	<93%		>=93%
Responsive	5.11	Cancer - 28 days faster diagnosis standard (suspected cancer referrals)							74.1%	74.0%	81.3%	71.8%	79.0%	85.2%	80.3%	81.1%	79.5%	81.9%	RN	Resources	<70%	70-75%	>= 75%
Responsive	5.12	Cancer - 31 days maximum wait from diagnosis to treatment for all cancers	100.0%	95.2%	92.9%	100.0%	100.0%	98.8%	98.9%	97.1%	100.0%	100.0%	98.8%	97.1%	97.0%	96.6%	100.0%	100.0%	RN	Resources	<94%		>=94%
Responsive	5.13.1	Children's Services - 0-12 months caseload																	RN	Resources			
Responsive	5.13.2	Children's Services - 2-3 years caseload																	RN	Resources			
Responsive	5.14.1	Children's Services - Safeguarding caseload - number of strategy meetings																	RN	Resources			
Responsive	5.14.2	Children's Services - Safeguarding caseload - number of initial Child Protection case conferences																	RN	Resources			
Responsive	5.14.3	Children's Services - Safeguarding caseload - number of court reports																	RN	Resources			
Responsive	5.14.4	Children's Services - Safeguarding caseload - number of Looked After Children																	RN	Resources			
Responsive	5.15	Children's Services - Ante-natal visits	92.3%	95.1%	95.5%	94.6%	94.9%	93.7%	93.4%	93.9%	93.0%	88.8%	93.2%	89.1%	85.9%	86.7%	89.8%	88.3%	RN	Resources	<75%	75% - 90%	>=90%
Responsive	5.16	Children's Services - 10-14 day new birth visit	95.0%	95.9%	96.6%	95.0%	96.4%	94.7%	94.7%	95.7%	92.1%	89.2%	93.6%	97.0%	95.4%	95.4%	95.4%	96.4%	RN	Resources	<75%	75% - 90%	>=90%
Responsive	5.17	Children's Services - 6-8 week visit	94.1%	93.3%	94.3%	94.6%	93.7%	95.8%	95.2%	94.8%	91.2%	88.0%	90.0%	95.1%	91.9%	92.4%	93.3%	93.3%	RN	Resources	<75%	75% - 90%	>=90%
Responsive	5.18	Children's Services - 12 month review	98.9%	99.0%	97.7%	97.4%	97.1%	98.4%	97.9%	94.9%	92.9%	92.4%	92.5%	93.8%	93.1%	91.2%	92.6%	94.0%	RN	Resources	<75%	75% - 90%	>=90%
Responsive	5.19	Children's Services - 2.5 year review	94.0%	96.4%	95.3%	95.0%	94.8%	95.5%	94.5%	95.3%	93.4%	92.8%	93.2%	91.9%	91.5%	91.7%	93.4%	93.0%	RN	Resources	<75%	75% - 90%	>=90%
Responsive	5.20	Children's Services - % children with all 5 mandated contacts																	RN	Resources	<75%	75% - 90%	>=90%
Responsive	5.21	Children's Services - Delivery of Immunisation trajectory																	RN	Resources			
Responsive	5.22	Children's Services - OPEL level																	RN	Resources	tbc		
Responsive	5.23	Community Care Adult Teams - performance against new timeliness standards																	RN	Resources	tbc		
Responsive	5.24	Community Care Adult Teams - Number of virtual beds delivered in Supported Discharge Service																	RN	Resources			
Responsive	5.25	Community Care Adult Teams - Number of cancelled routine visits																	RN	Resources			
Responsive	5.26	Community Care Adult Teams - OPEL level																	RN	Resources			
Responsive	5.27	Out of hours - telephone clinical assessment for URGENT cases within 20 minutes of call prioritisation	40.4%	36.4%	42.2%	46.2%	45.3%	41.2%	43.7%	46.2%	40.0%	42.0%	44.1%	40.1%	36.7%	35.5%	39.9%	38.6%	RN	Resources	<95%		>=95%
Responsive	5.28	Home visit: Face to face consultations started for URGENT cases within 2 hrs	100.0%	100.0%	90.9%	100.0%	91.3%	85.7%	78.9%	93.8%	81.3%	100.0%	81.3%	89.3%	78.6%	86.2%	75.9%	79.2%	RN	Resources	<95%		>=95%
Efficiency and Finance	6.1	Agency spend	£ 367	£ 402	£ 411	£ 370	£ 288	£ 254	£ 310	£ 387	£ 424	£ 308	£ 336	£ 380	£ 419	£ 307	£ 414	£ 517	JC	Resources	>3% of pay bill	1% - 3%	<= 1%
Efficiency and Finance	6.2	Surplus / deficit and variance to plan	£ -	£ -	£ -	£ -	£ -	£ -	-£ 340	-£ 693	-£ 491	-£ 402	£ 3,100	-£ 745	£ -	£ -	£ -	£ -	JC	Resources	>1% behind plan	0 - 1% behind plan	On plan
Efficiency and Finance	6.3	Capital spend	-	£ 2,069	£ 3,154	£ 4,084	£ 4,187	£ 5,100	£ 7,093	£ 8,129	£ 10,223	£ 10,797	£ 11,300	£ 16,356	£ 518	£ 634	£ 1,856	£ 2,300	JC	Resources	>25% behind plan	10% - 25% behind plan	On plan or <10% behind plan
Efficiency and Finance	6.4	Cash balance													£ 39,900	£ 34,587	£ 32,007	£ 32,386	JC	Resources	>10% behind plan	0 - 10% behind plan	On plan
Efficiency and Finance	6.5.1	Long stay patients - stranded (>7 days LOS)	64	63	65	75	78	96	80	89	92	111	127	122	119	114	103	119	RN	Resources	>90	70-90	<=70

Domain	Indicator number	Indicator name	Monthly RAG thresholds:																Exec Lead	Committee reported to:	Red	Amber	Green
			Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21					
Efficiency and Finance	6.5.2	Long stay patients - superstranded (>21 days LOS)	23	19	22	27	26	40	28	22	27	38	48	48	48	44	40	42	RN	Resources	>40	30-40	<=30
Efficiency and Finance	6.6	Occupied bed days per 1,000 population																	RN	Resources	tbc		
Efficiency and Finance	6.7.1	Length of stay - elective	2.80	1.59	1.53	2.61	2.72	2.46	2.15	2.51	2.53	3.25	3.12	2.37	2.26	2.60	2.57	2.66	RN	Resources	>2.75	2.5-2.75	<=2.5
Efficiency and Finance	6.7.2	Length of stay - non-elective	4.12	3.42	3.27	3.43	3.33	3.96	3.70	3.59	3.78	4.19	4.40	4.35	4.28	3.93	4.02	3.99	RN	Resources	>4.5	4-4.5	<=4.0
Efficiency and Finance	6.8	Avoidable admissions	104	138	151	148	166	173	177	202	199	145	162	178	187	208	234		RN	Resources	>130	100-130	<=100
Efficiency and Finance	6.9	Theatre utilisation (elective sessions)	56.2%	58.7%	53.0%	63.1%	64.3%	71.8%	76.8%	80.3%	78.3%	78.6%	88.7%	80.5%	81.2%	83.9%	83.4%	82.0%	RN	Resources	<85%	85%-90%	>=90%
Efficiency and Finance	6.10	Day case conversion rate	0.9%	1.4%	2.4%	2.2%	2.0%	1.7%	2.2%	2.0%	2.5%	1.5%	1.4%	1.4%	2.2%	1.7%	1.9%	1.6%	RN	Resources	>2%	1.5%-2%	<=1.5%
Activity	7.1.1	GP Referrals against plan																	RN	Resources			
Activity	7.1.2	GP Referrals against 2019/20 baseline																	RN	Resources			
Activity	7.2.1	Outpatient activity (consultant led) against plan (new and follow up)													113.7%	106.9%	123.2%	84.2%	RN	Resources			
Activity	7.2.2	Outpatient activity (consultant led) against 2019/20 baseline (new and follow up)													90.8%	86.5%	98.7%	85.3%	RN	Resources	<95% (from Jul-21)		>=95% (from Jul-21)
Activity	7.3.1	Elective activity against plan													102.5%	97.3%	109.3%	77.4%	RN	Resources			
Activity	7.3.2	Elective activity against 2019/20 baseline													74.8%	80.6%	90.4%	73.9%	RN	Resources	<95% (from Jul-21)		>=95% (from Jul-21)
Activity	7.4.1	Non-elective activity against plan													96.5%	97.4%	105.2%	104.2%	RN	Resources			
Activity	7.4.2	Non-elective activity against 2019/20 baseline													89.9%	98.6%	104.8%	98.2%	RN	Resources			
Activity	7.5.1	Emergency Department attendances against plan													98.9%	106.6%	111.2%	103.4%	RN	Resources			
Activity	7.5.2	Emergency Department attendances against plan, 2019/20 baseline													98.9%	106.6%	110.8%	103.7%	RN	Resources			

<b>Indicator</b>	<b>1.1 - Pressure ulcers - hospital acquired - cat 3 or above - per 1,000 bed days</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	0.90	

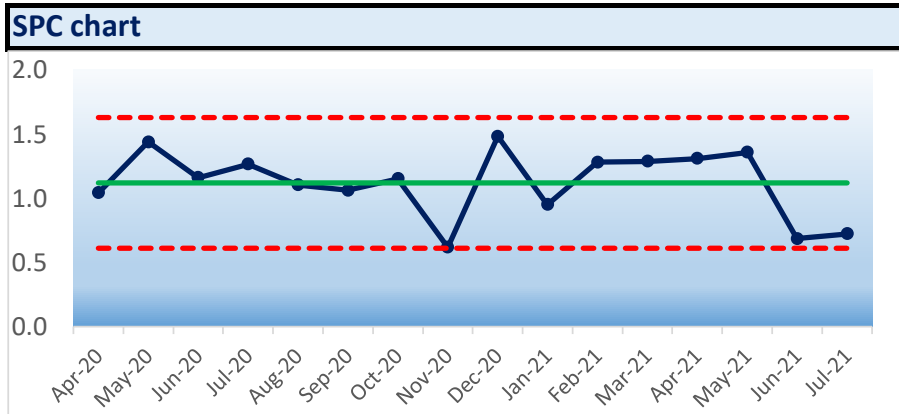
<b>Indicator description</b>
The number of hospital acquired category 3 and above pressure ulcers reported (including device related and device related mucosal) expressed as a rate per 1,000 bed days.



<b>Narrative</b>
The Trust has seen an increase in hospital acquired pressure ulcers in June and July 2021. Pressure ulcers on patient's heels make up 85% of these incidents and work is ongoing with pods to look at themes & additional training requirements. The majority of incidents are reported from LTUC Directorate which cares for the majority of our elderly and frail population, however there is no evidence of this being concentrated on a particular ward. The Improvement Plan includes working with orthotics to consider a central store for wards to access repose wedges for easy access, individualised/personalised harm review - in line with other Trusts, increased visibility of Tissue Viability Nurse (TVN) within the Trust as new team members start, bite sized drop ins/training, increasing link nurses, reinstating the Pressure Ulcer Steering Group with falls and nutrition (Quality Steering Group). The revised Trust quality panel (bi-monthly) chaired by the DDoN is in place and a strong focus is being given to thematic reviews, pro-active action management and input from CCG colleagues is in place.

<b>Indicator</b>	<b>1.2 - Pressure ulcers - community acquired - cat 3 or above - per 1,000 patient contacts</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	0.72	

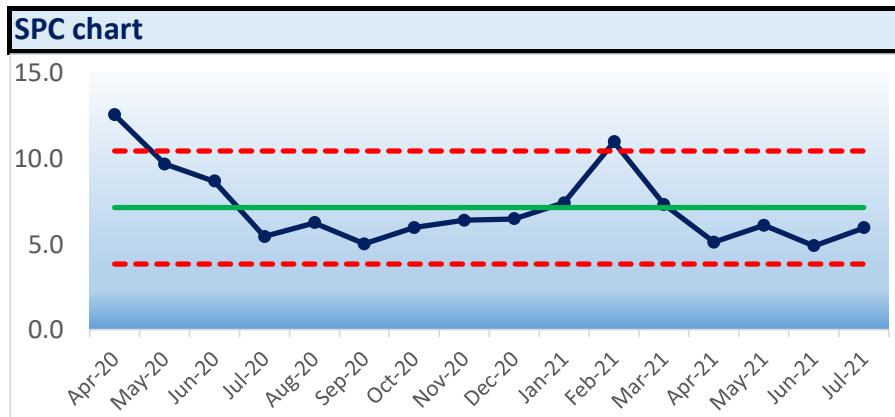
<b>Indicator description</b>
The number of community acquired category 3 and above pressure ulcers reported (including device related and device related mucosal) expressed as a rate per 1,000 community patient contacts.



<b>Narrative</b>
The Trust saw a 19% reduction in community reporting of pressure ulcers (cat 3 and above) in June. A slight increase was seen in July 2021, however numbers are below those seen between December and May and remain within control limits. A focussed piece of work on aligning the reporting definition in line with the current best reporting practice has impacted on this. The revised Trust quality panel (bi-monthly) chaired by the DDoN is in place and a strong focus is being given to thematic reviews, pro-active action management and input from CCG colleagues is in place.

<b>Indicator</b>	<b>1.3 - Inpatient falls per 1,000 bed days</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	5.94	

<b>Indicator description</b>
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.

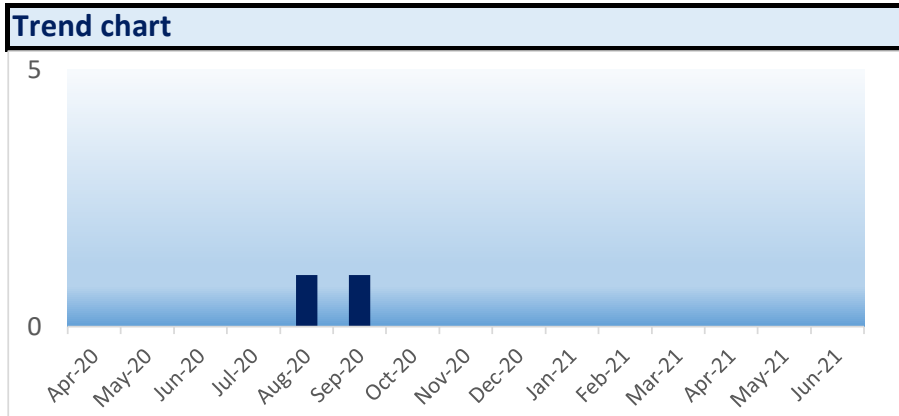


<b>Narrative</b>
The Trust saw a spike in Falls in February 2021 above the control limits. Following analysis work by the falls co-ordinator, it is suggested that acuity of patients has contributed to this increase. The Falls improvement plan has been developed and is currently being reviewed and agreed. In addition, the triangulation of quality metrics with staffing levels will be an important indicator in further understanding changes in acuity and dependency of our population. Since February 2021 a decrease has been seen from 11 falls per 1,000 (Feb 21) to approx. 6 falls in July 2021.



<b>Indicator</b>	<b>1.4 - Infection control - C.diff hospital acquired cases due to a lapse in care</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	0	

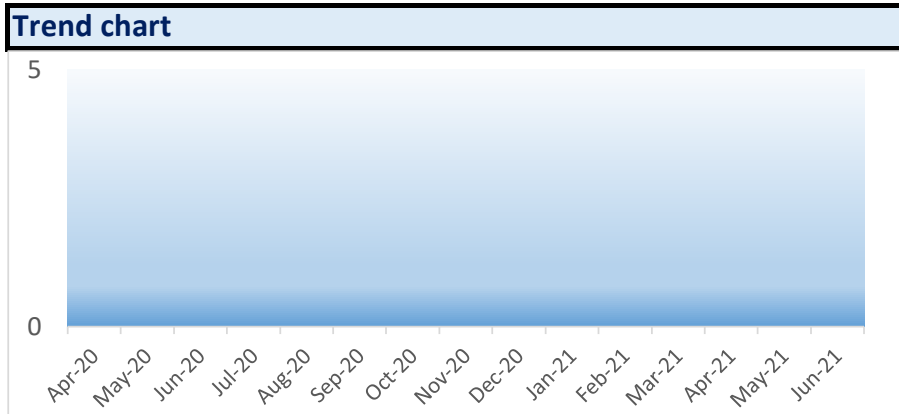
<b>Indicator description</b>
The number of hospital acquired C.difficile cases where root cause analysis has identified a lapse in care. HDFT's C. difficile trajectory for 2021/22 is 19 cases. Cases where a lapse in care has been deemed to have occurred would count towards this.



<b>Narrative</b>
The Trust has reported 0 cases of hospital acquired Clostridium Difficile due to a lapse in care since September 2020.

<b>Indicator</b>	<b>1.4 - Infection control - MRSA hospital acquired cases due to a lapse in care</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	0	

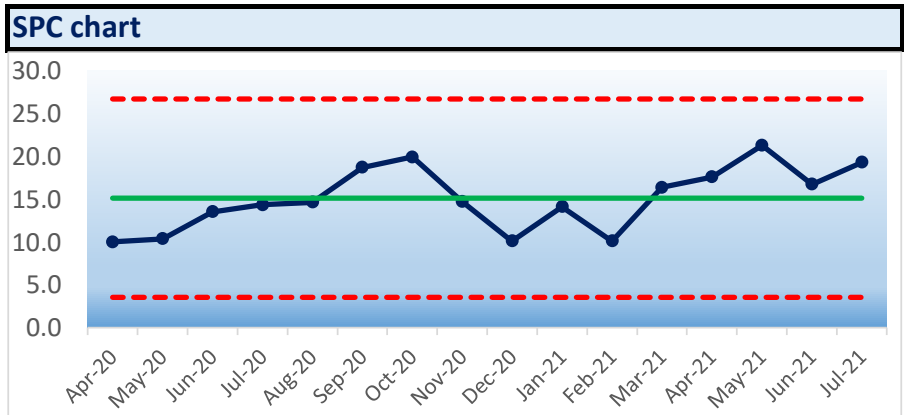
<b>Indicator description</b>
The number of hospital acquired MRSA cases where root cause analysis has identified a lapse in care. HDFT's MRSA trajectory for 2021/22 is 0 cases. Cases where a lapse in care has been deemed to have occurred would count towards this.



<b>Narrative</b>
The Trust have had 0 cases of hospital acquired MRSA, which is positive.

<b>Indicator</b>	<b>1.6 - Incidents - ratio of low harm incidents</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	19.3	

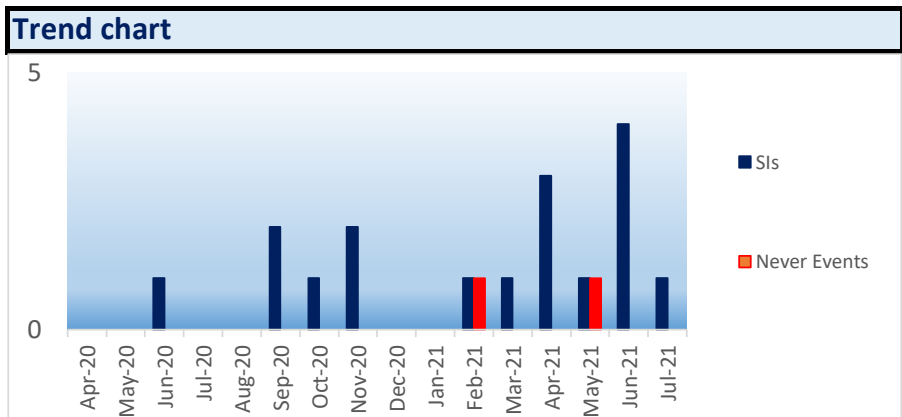
Indicator description
The number of incidents reported within the Trust each month. A large number of reported incidents but with a low proportion classified as causing significant harm is indicative of a good incident reporting culture.



Narrative
Work is ongoing in relation to this indicator. It is important that the Trust has an open culture in relation to Incident Reporting, this is mainly measured by the number of incidents reported that are low level harm and near misses which provide an early opportunity for learning. There is ongoing work nationally regarding the changes to incident reporting frameworks which we are aligning within the Trust via our Patient Safety Specialists. Numbers in July 2021 remain within control limits.

<b>Indicator</b>	<b>1.7 - Incidents - comprehensive serious incidents (SI) and Never Events</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	1 (SI), 0 (Never Events)	

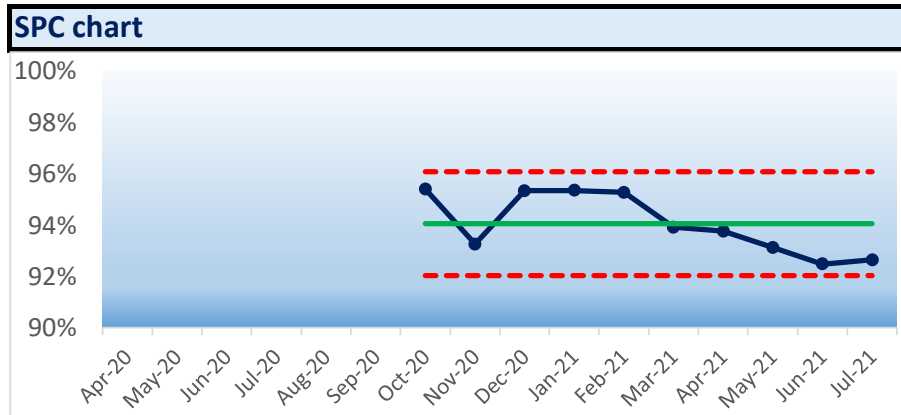
Indicator description
The number of Serious Incidents (SI) and Never Events reported. The data includes hospital and community services. Only comprehensive SIRIs are included in this indicator, as concise SIRIs are reported within the pressure ulcer / falls indicators above.



Narrative
The Trust have seen a gradual increase in Serious Incident Reporting since the beginning of the year. This is in part due to increased awareness of the criteria of Serious Incidents and therefore recognition and reporting. The Medical Examiner process has also provided another opportunity to identify where incidents may have occurred and where these meet serious incident criteria, these have been reported as such. Reporting of Serious Incidents should not be viewed negatively as this provides an opportunity for in-depth learning and also family engagement in a process that identifies where care and/or treatment fell short of expected standards and aims to provide clarity of why that happened and how we can learn for improvement. No Never Events were reported in July 2021. 1 SI was reported in relation to delayed diagnosis.

<b>Indicator</b>	<b>1.8 - Safer staffing - fill rate and care hours per patient per day (CHPPPD)</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	92.6%	

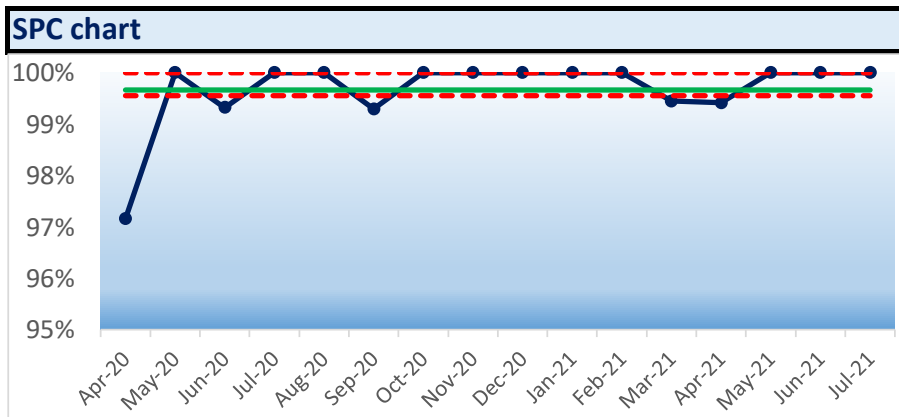
Indicator description
The chart shows the overall fill rate at HDFT for registered nurses/midwives (RN) and care support workers (CSW) for day and night shifts on inpatient wards. The fill rate is calculated by comparing planned staffing with actual levels achieved.



Narrative
Further work is ongoing in relation to this indicator and completion of the Safe Staffing review in September 2021 will reset the baseline on which fill rates and CHPPPD are reported. Acuity and dependency of patients, vacancies and staff absence require continual review of the staffing position on each ward and area of the Trust to maintain appropriate staffing levels.

<b>Indicator</b>	<b>1.9 - Maternity - % women seen by a midwife (or healthcare professional) by 12w 6d</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	100%	

<b>Indicator description</b>
The % of pregnant women seen by a midwife (or healthcare professional) by 12 weeks 6 days gestation.



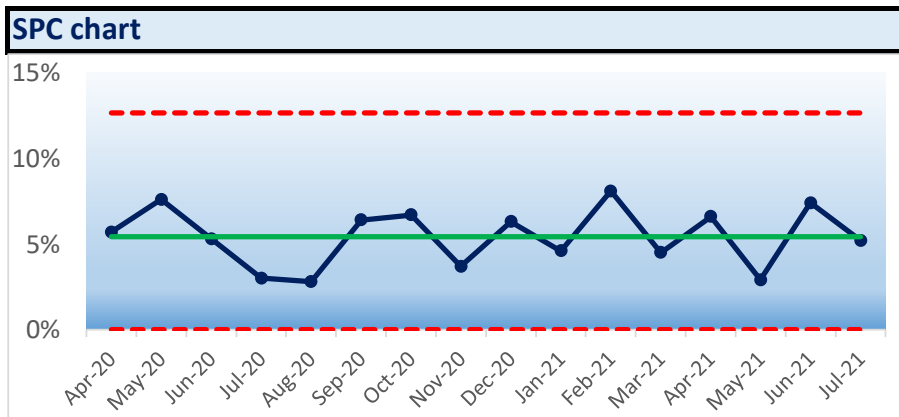
<b>Narrative</b>
The Trust remains in a positive position in relation to this indicator.

<b>Indicator</b>	<b>1.10 - Maternity - % women with Continuity of Care pathway</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>		
<b>Value / RAG rating</b>		

<b>Indicator description</b>	<b>Narrative</b>
<i>This indicator is under development.</i>	
<b>SPC chart</b>	

<b>Indicator</b>	<b>1.11 - Maternity - % women smoking at time of delivery</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	5.2%	

Indicator description
The % of pregnant women smoking at the time of delivery.

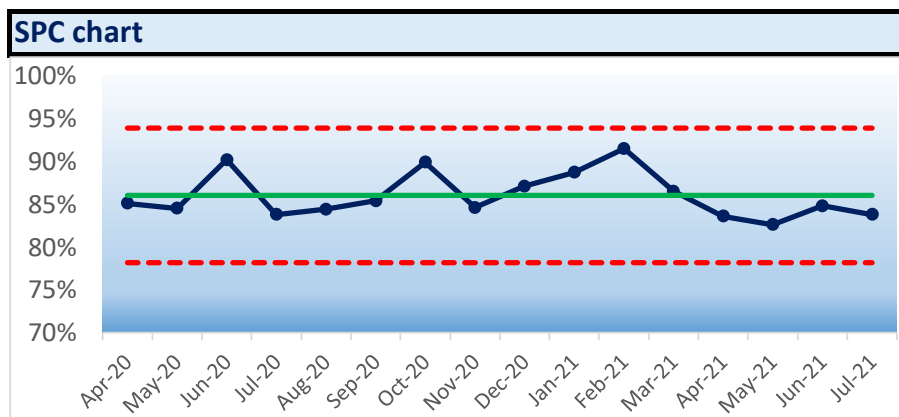


Narrative
The Trust have a relatively low rate of women smoking at the time of delivery in comparison to other Trusts across the local maternity system and region. Our most recent quarterly data shows 5.6% rate against a 12.7% average across Yorkshire and the Humber.



<b>Indicator</b>	<b>1.12 - Maternity - % women initiating breastfeeding</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	83.8%	

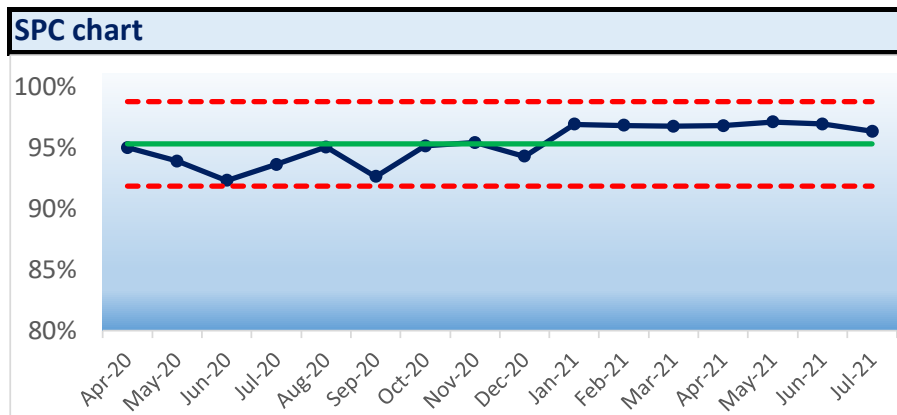
<b>Indicator description</b>
The % of women initiating breastfeeding



<b>Narrative</b>
Breastfeeding initiation rates for the Trust are positive. The average across Yorkshire and Humber Trusts is 68.7%. The Trust position is reflective of focussed areas of improvement and accreditation across the Trust e.g. UNICEF Baby Friendly accreditation. The percentage of woman initiating breastfeeding for the Trust has remained above 80% and for July in was 84%.

<b>Indicator</b>	<b>1.13 - VTE risk assessment - inpatients</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	96.3%	

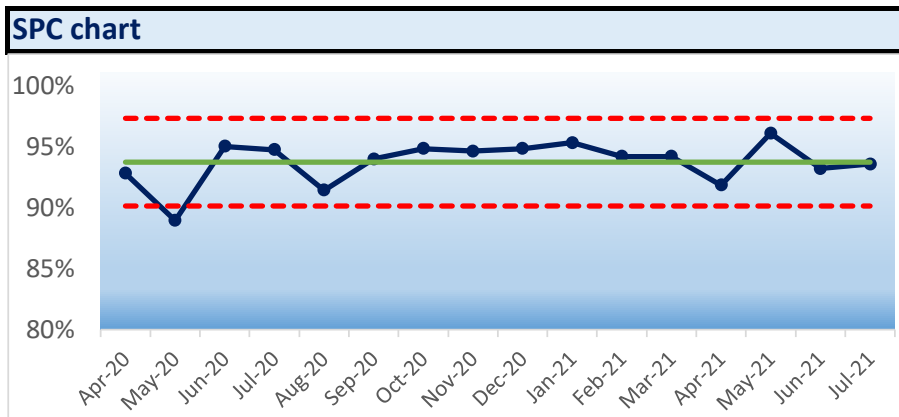
<b>Indicator description</b>
The percentage of eligible adult inpatients who received a VTE risk assessment.



<b>Narrative</b>
The Trust has performed well in relation to compliance with this standard over the last 6 months. Work is underway to encompass reporting of this standard into our quality monitoring arrangements from August 2021. The Trust standard is 95% compliance and this has been consistently achieved in this calendar year. In July 2021, compliance was just over 96%.

<b>Indicator</b>	<b>1.14 - Sepsis screening - inpatient wards</b>	
<b>Executive lead</b>		
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	93.5%	

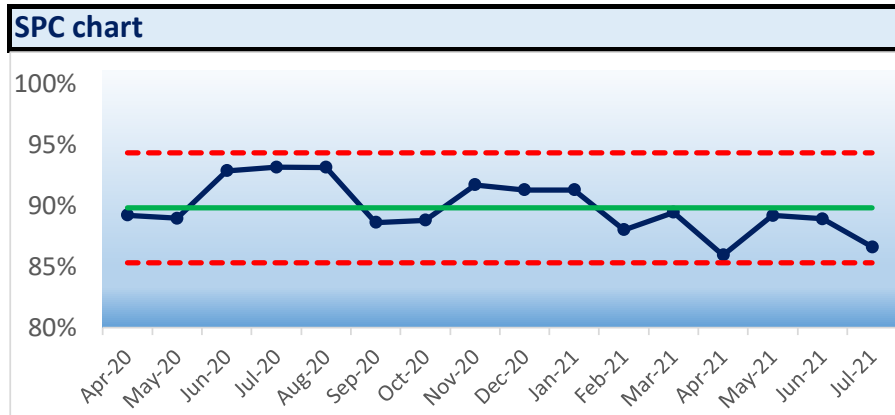
<b>Indicator description</b>
The percentage of eligible inpatients who were screened for sepsis.



<b>Narrative</b>
The Trust has performed well in relation to compliance with this standard, however there has been variation in this over the year. Work is underway to encompass reporting of this standard into our quality monitoring arrangements. Compliance in July 2021 is just under 94%.

<b>Indicator</b>	<b>1.15 - Sepsis screening - Emergency department</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	86.6%	

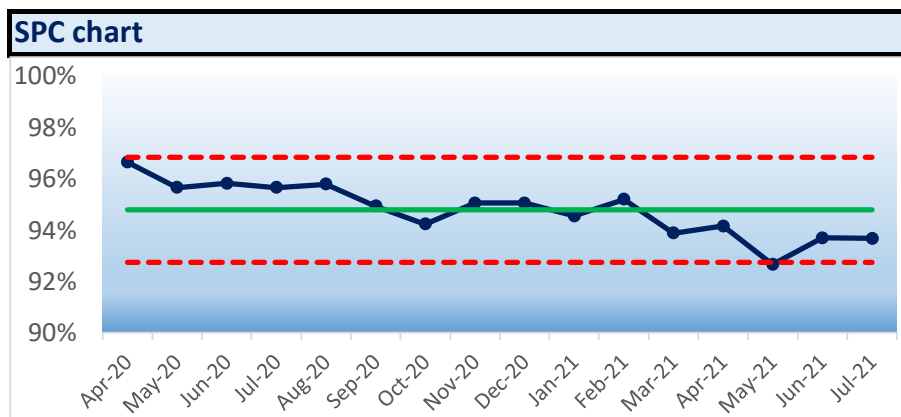
<b>Indicator description</b>
The percentage of eligible Emergency Department attendances who were screened for sepsis.



<b>Narrative</b>
Further work is underway in relation to this indicator. The Trust has performed variably in relation to compliance with this standard and in particular over more recent months, which coincides with increased attendances in the Emergency Department. Further work is required to understand the reporting and monitoring against this standard to identify unwarranted variation before developing an improvement plan linked to ongoing quality monitoring. Current perform is below the target of 90% with July 2021 compliance at just under 87%.

<b>Indicator</b>	<b>2.1.1 - Friends &amp; Family Test (FFT) - Patients</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	93.7%	

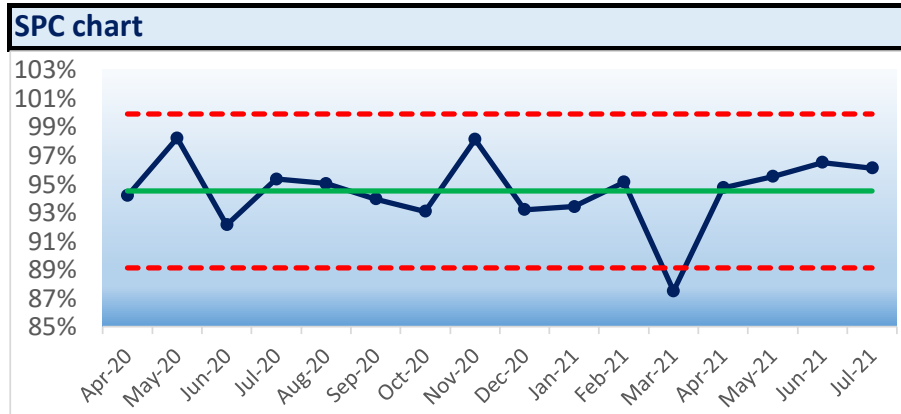
<b>Indicator description</b>
The Patient Friends and Family Test (FFT) gives patients and service users the opportunity to give feedback. They are asked whether they would recommend the service to friends and family if they required similar care or treatment.



<b>Narrative</b>
The Trust performs generally well with the Friends and Family Test. This links to the Trust priorities of Caring at Our Best and Making Experience Count and further plans are in development on these areas. In June and July 2021 compliance levels remained at 94%.

<b>Indicator</b>	<b>2.1.2 - Friends &amp; Family Test (FFT) - Adult Community Services</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	96.1%	

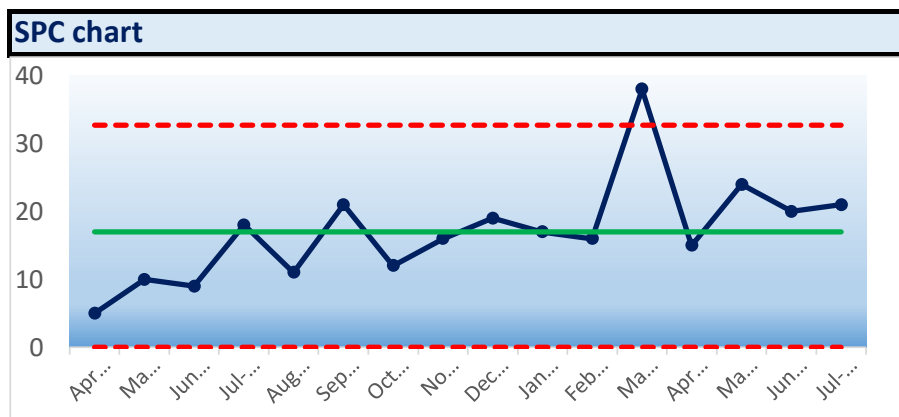
<b>Indicator description</b>
The Patient Friends and Family Test (FFT) gives patients and service users the opportunity to give feedback. They are asked whether they would recommend the service to friends and family if they required similar care or treatment.



<b>Narrative</b>
The Trust performs generally well with the Friends and Family Test for Adult Community Services. This links to the Trust priorities of Caring at Our Best and Making Experience Count and further plans are in development on these areas. The Trust saw a deterioration in March 2021 compliance falling below the control limits. However, an increase to mean levels was since from April 2021 onwards, with July 2021 data indicating 96% compliance.

<b>Indicator</b>	<b>2.2.1 Complaints - numbers received</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	21	

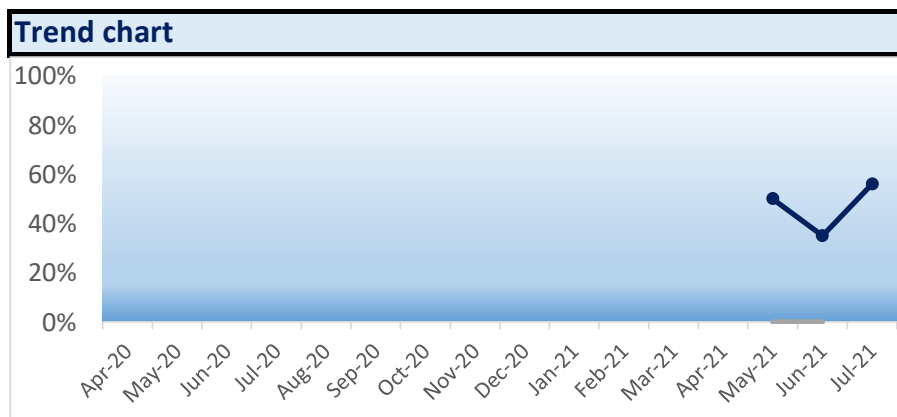
<b>Indicator description</b>
The number of complaints received by the Trust, shown by month of receipt of complaint. The data includes complaints relating to both hospital and community services.



<b>Narrative</b>
The Trust had a spike in complaints during March above the control limits. This reduced from April 2021 onwards. The number of complaints received in July 2021 stands at 21. A Complaints Improvement Plan is in place and further work is planned in relation to real time patient feedback.

<b>Indicator</b>	<b>2.2.2 Complaints - % responded to within time</b>	
<b>Executive lead</b>	Emma Nunez, Executive Director of Nursing, Midwifery & Allied Health Professionals	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	56%	

<b>Indicator description</b>
The number of complaints responded to within 20 days. The Trust's improvement trajectory for 2021/22 is to respond to 95% of complaints on time by December 2021.



<b>Narrative</b>
The Trust has an improvement trajectory in place for the management of the backlog of complaints across the organisation. The improvement trajectory was set on 12th May 2021 (22 outstanding complaints) with a plan to be at 0 by the end of July 2021. As of end of July, we currently have 3 outstanding complaints from the backlog . Work continues to improve our performance against the 25 working day timeline which is 57% organisationally as at end of July which is slightly above the July trajectory. Plans remain in place to improve the position to 95% by December 2021.

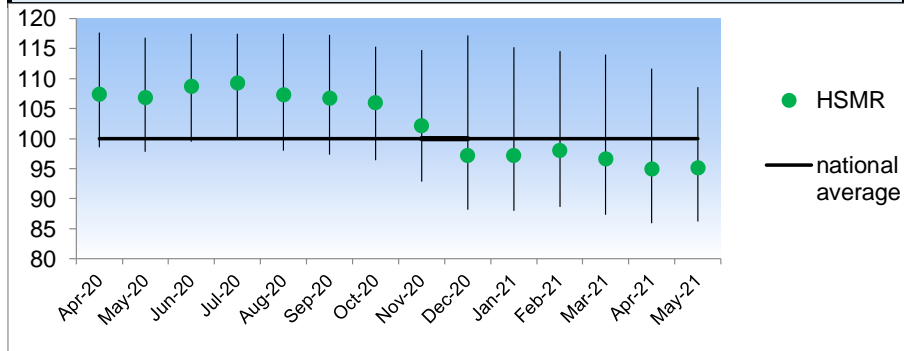


<b>Indicator</b>	<b>3.1 - Hospital Standardised Mortality Ratio (HSMR)</b>	
<b>Executive lead</b>	Jacqueline Andrews, Medical Director	
<b>Board Committee</b>	Quality Committee	
<b>Reporting month</b>	May-21	
<b>Value / RAG rating</b>	95.13	

### Indicator description

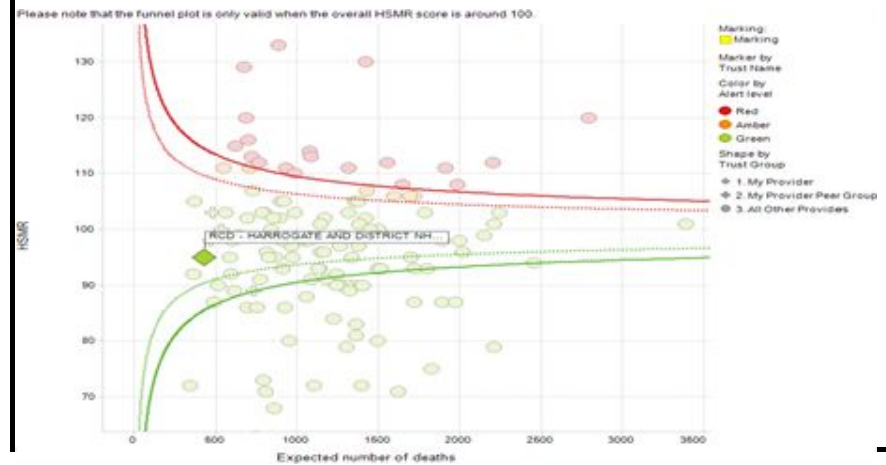
The HSMR looks at the mortality rates for 56 common diagnosis groups that account for around 80% of in-hospital deaths and standardises against various criteria including age, sex and comorbidities. The measure also makes an adjustment for palliative care.

### Trend chart



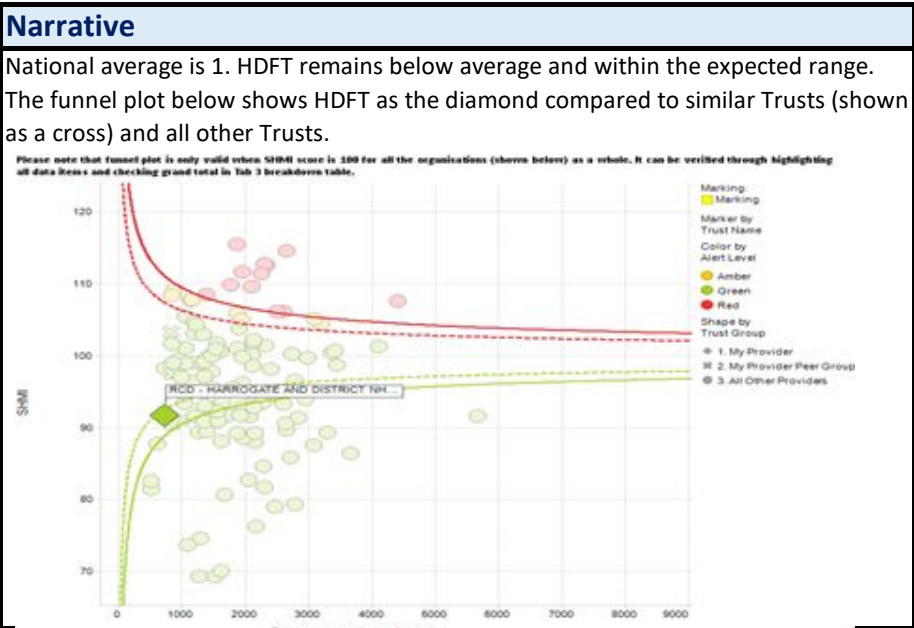
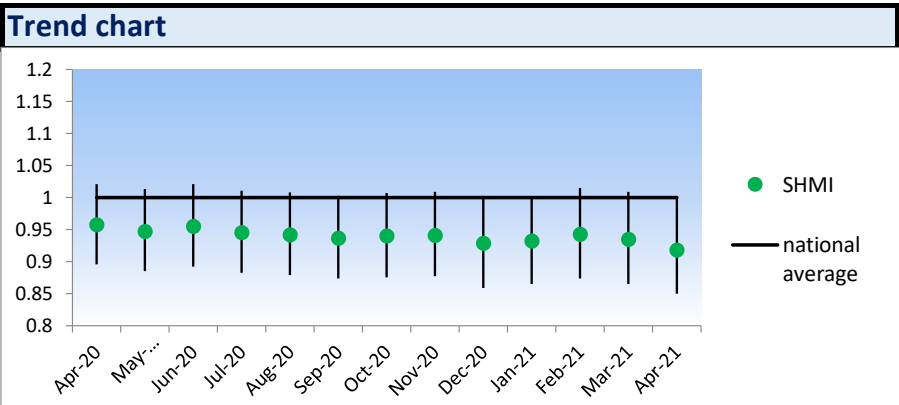
### Narrative

National average is 100. HDFT remains slightly below average and within the expected range. The funnel plot below shows HDFT as the diamond compared to similar Trusts (shown as a cross) and all other Trusts.



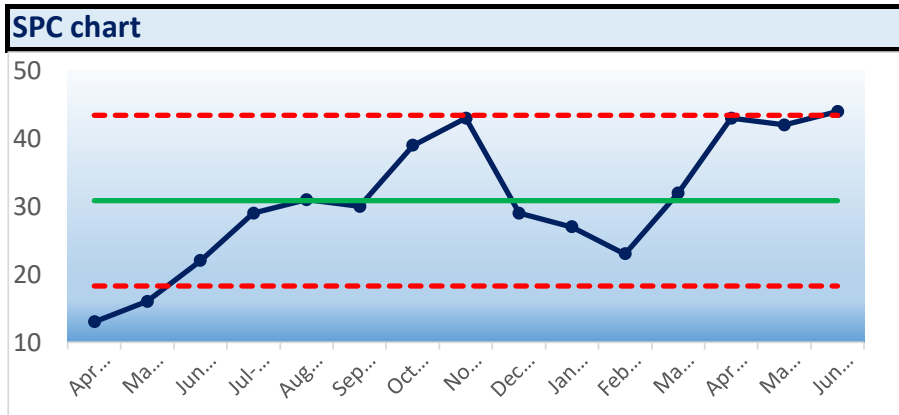
Indicator	3.2 - Summary Hospital Mortality Index (SHMI)	
Executive lead	Jacqueline Andrews, Medical Director	
Board Committee	Quality Committee	
Reporting month	Apr-21	
Value / RAG rating	0.92	

Indicator description
The 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.



<b>Indicator</b>	<b>3.3.1 - Readmissions to the same specialty within 30 days - following elective admission</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jun-21	
<b>Value / RAG rating</b>	44	

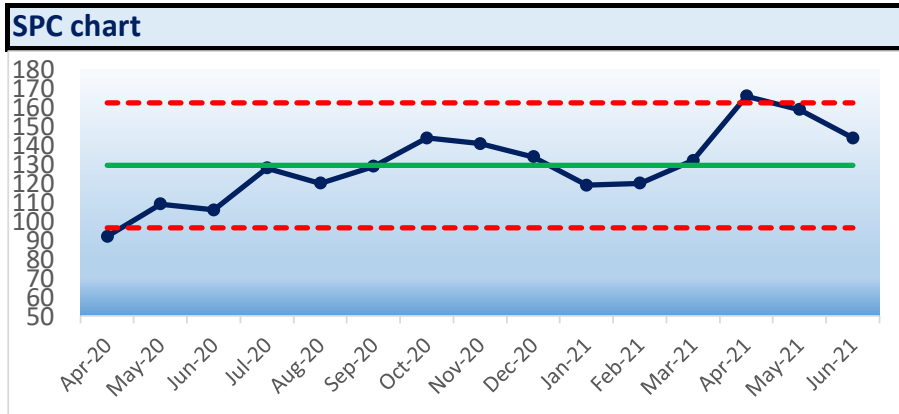
<b>Indicator description</b>
The number patients readmitted to the same specialty as an emergency within 30 days of discharge of an elective admission. This data is reported a month behind so that any recent readmissions are captured in the data.



<b>Narrative</b>
Emergency readmissions (to the same specialty) following an elective admission have increased. However this is reflective of an increase in elective admissions overall in the same period. In percentage terms, the number of elective admissions readmitted within 30 days is remaining static at around 1.6%.

<b>Indicator</b>	<b>3.3.2 Readmissions to the same specialty within 30 days - following non-elective admission</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jun-21	
<b>Value / RAG rating</b>	144	

<b>Indicator description</b>
The number patients readmitted to the same specialty as an emergency within 30 days of discharge of an emergency admission. This data is reported a month behind so that any recent readmissions are captured in the data.



<b>Narrative</b>
Following a spike in April, emergency readmissions (to the same specialty following an initial emergency admission) have decreased this month. In percentage terms, the number of emergency admissions readmitted within 30 days is now back in line with the historical average level.

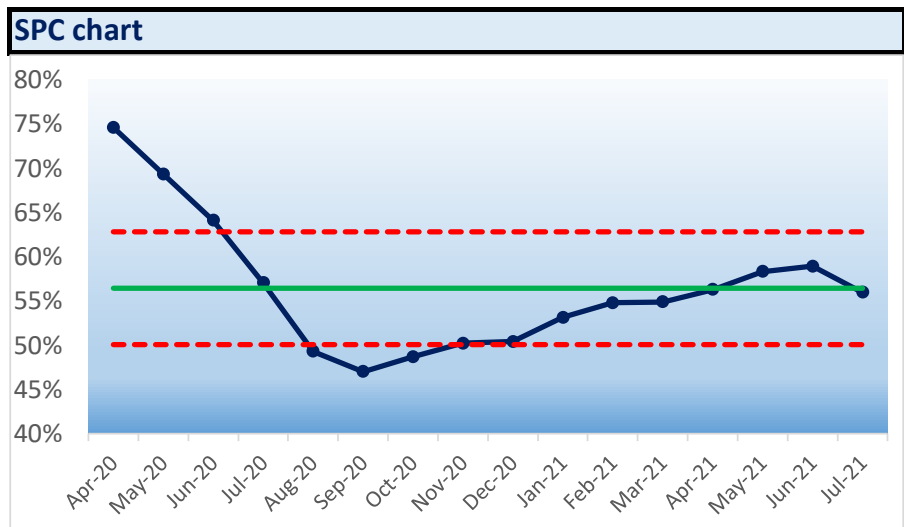
<b>Indicator</b>	<b>3.4 - Returns to theatre</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>		
<b>Value / RAG rating</b>		

<b>Indicator description</b>	<b>Narrative</b>
<i>This indicator is under development.</i>	
<b>SPC chart</b>	

Indicator	3.5 - Delayed transfers of care		
Executive lead	Russell Nightingale, Chief Operating Officer		
Board Committee	Resources Committee		
Reporting month			
Value / RAG rating			
Indicator description		Narrative	
<i>This indicator is under development.</i>			
SPC chart			

<b>Indicator</b>	<b>4.1 - Staff appraisal rate</b>	
<b>Executive lead</b>	Angela Wilkinson	
<b>Board Committee</b>	People and Culture Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	56.0%	

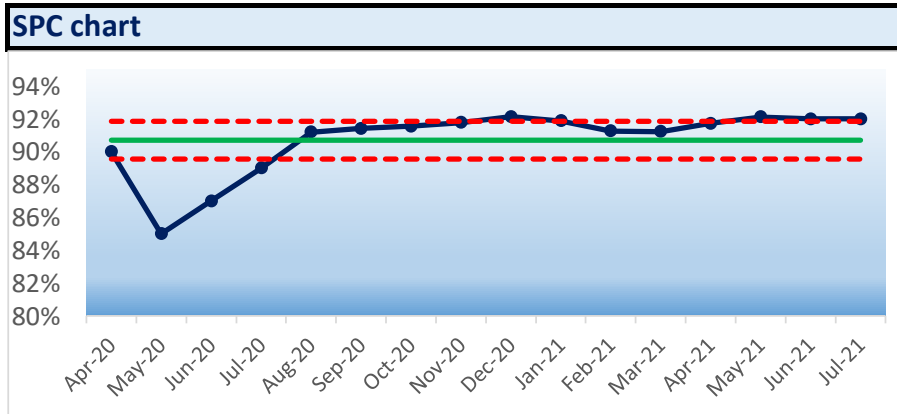
Indicator description
The number of staff who had an appraisal within the last 12 months. The Trust aims to have 90% of staff appraised.



Narrative
<p>Appraisal rates have reduced from 58% in the previous month to 56%. Whilst appraisal rates are reported as an overall percentage, medical and non-medical staff appraisals are recorded separately. The overall rate for medical appraisal (62%) has significantly increased however non-medical appraisal (53%) has decreased.</p> <p>Despite the reduction in compliance, the new 4S appraisal methodology is receiving positive feedback in terms of simplicity and effectiveness. Line Manager workshops are available, along with eLearning and Guides to support line managers in conducting appraisal, along with the alignment of existing programmes. An Appraisal Special Line Manager webinar is to be scheduled for early Autumn. Appraisal data is featured in each monthly Directorate Performance Pack and HR Business Partners will provide Directorate level support with increasing appraisal compliance by supporting areas with low appraisal rates. There is a correlation across a number of indicators, i.e. Sickness absence levels increasing, high levels of annual leave to coincide with school holiday dates and an increased demand on services. The consequence of these factors is that line managers will have diminishing opportunity to create time and space to conduct appraisals with their team members.</p>

<b>Indicator</b>	<b>4.2 - Mandatory training rate</b>	
<b>Executive lead</b>	Angela Wilkinson	
<b>Board Committee</b>	People and Culture Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	92.0%	

Indicator description
Latest position on the % of substantive staff trained for each mandatory training requirement

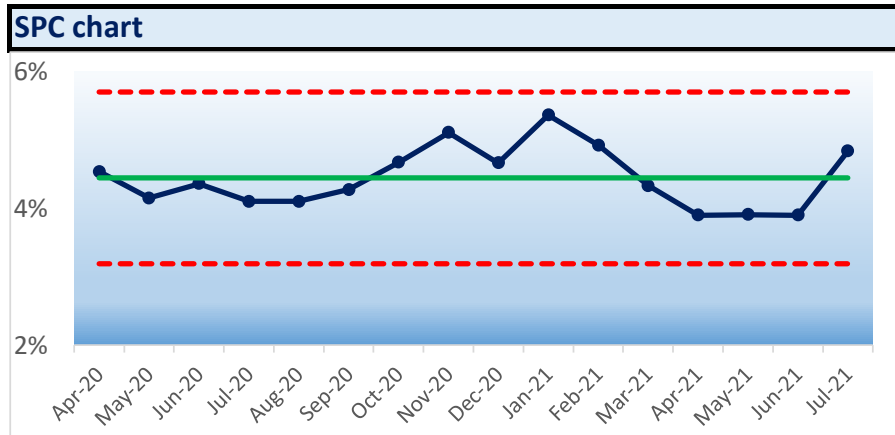


Narrative
Mandatory training rates are positive at 92%, and reporting monthly continues to enable line managers to track compliance. The new Virtual Learning Environment, which is called the Learning Lab, will provide line managers with real-time data once launched, which should further support compliance. Face to face training is fully restored, although numbers permitted per course are limited due to social distancing requirements.



<b>Indicator</b>	<b>4.3 - Staff sickness rate</b>	
<b>Executive lead</b>	Angela Wilkinson	
<b>Board Committee</b>	People and Culture Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	4.8%	

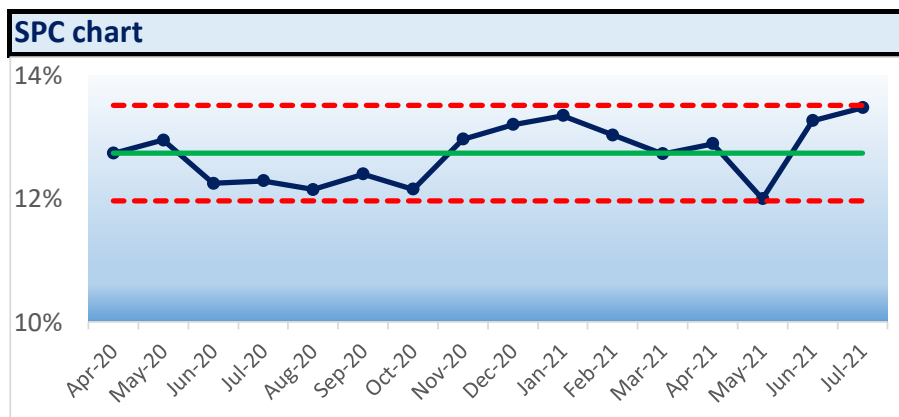
Indicator description
Staff sickness rate - includes short and long term sickness. The Trust has set a threshold of 3.9%.



Narrative
<p>The Trust has seen an increase in sickness in July in comparison to the recent previous months. Excluding Covid sickness, the Trust sickness rate for July has increased from 3.73% to 4.45%. Covid related sickness for July has increased from 0.17% to 0.39%. The top 2 Reasons for sickness are Anxiety/stress/depression/other psychiatric illnesses and Chest &amp; respiratory problems. The majority of Covid sickness cases are within the community Children's Services.</p> <p>The main reason for the increase in July is due to a rise in short term sickness, with Chest &amp; respiratory problems one of the main factors to this increase. In contrast, long term sickness has seen a slight decrease to 2.89%.</p> <p>Nursing and Midwifery Registered staff groups saw the greatest increase in sickness rates this month to 5.6% from 4.5%, with increases across all 3 Clinical Directorates. The key areas which saw the most notable increase to sickness were Maternity Services, Adult Community Services and Day Surgery. This staff group has seen an increasing trend in sickness since April 2021.</p>

<b>Indicator</b>	<b>4.4 Staff turnover rate</b>	
<b>Executive lead</b>	Angela Wilkinson	
<b>Board Committee</b>	People and Culture Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	13.5%	

Indicator description
The staff turnover rate excluding trainee doctors, bank staff and staff on fixed term contracts. The turnover figures include both voluntary and involuntary turnover. Data from the Times Top 100 Employers indicated a turnover rate norm of 15%.



Narrative
<p>Turnover has seen a further increase this month. Voluntary terminations were at 9.6% and involuntary terminations at 3.9%.</p> <p>The highest area of turnover was Community and Children's Directorate with a rate of 15.6%, with the North Yorkshire locality having the highest level of 22.5%, with 43 leavers in the last 12 months.</p> <p>The Staff Group with overall highest turnover is the Nursing and Midwifery staff group, with the level of turnover in July being 16.1%. 66% of leavers are voluntary resignations and the top reason for voluntary resignation is 'Other/Not Known' and promotion. 17% of the leavers are due to retirements.</p> <p>The staff group with the greatest increase in turnover in comparison to the previous month is within the Allied Health Professionals staff group. 79% of terminations within this staff group are voluntary resignations, with the top reasons being relocation or promotion.</p>

<b>Indicator</b>	<b>4.5 - Children's Services - 0-5 Service - vacancies</b>	
<b>Executive lead</b>	Angela Wilkinson	
<b>Board Committee</b>	People and Culture Committee	
<b>Reporting month</b>		
<b>Value / RAG rating</b>		

<b>Indicator description</b>	<b>Narrative</b>
<i>This indicator is under development.</i>	
<b>SPC chart</b>	

Indicator	4.6 - Workforce Race Equality Standard (WRES) - Relative likelihood of staff being shortlisted across all posts	
Executive lead	Angela Wilkinson	
Board Committee	People and Culture Committee	
Reporting month		
Value / RAG rating		

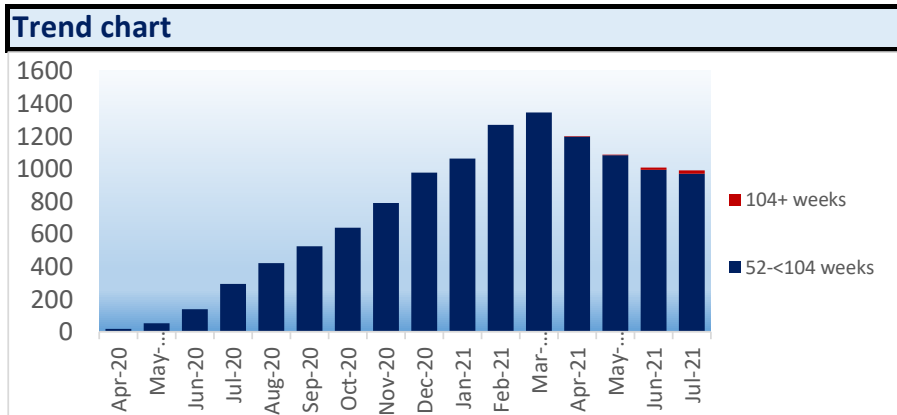
Indicator description	Narrative
<i>This indicator is under development.</i>	
SPC chart	

Indicator	4.7 - Workforce Race Equality Standard (WRES) - Relative likelihood of staff being appointed across all posts	
Executive lead	Angela Wilkinson	
Board Committee	People and Culture Committee	
Reporting month		
Value / RAG rating		

Indicator description	Narrative
<i>This indicator is under development.</i>	
SPC chart	

<b>Indicator</b>	<b>5.1 - RTT Incomplete pathways - 52+ weeks</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	988	

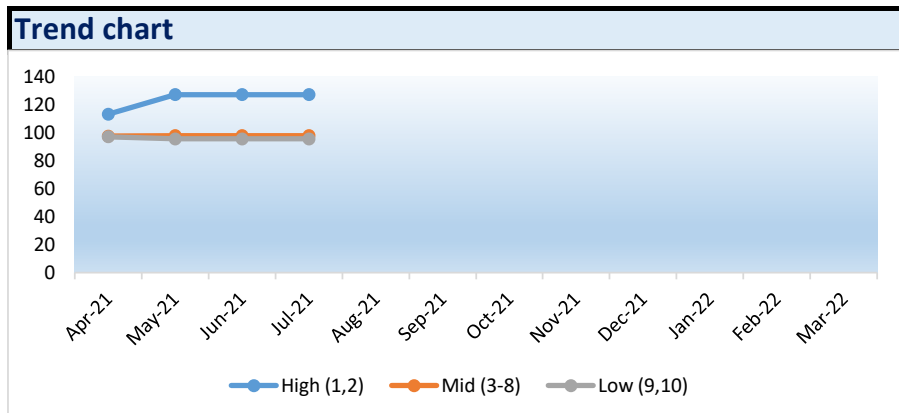
<b>Indicator description</b>
The number of incomplete pathways waiting over 52 weeks.



<b>Narrative</b>
<p>Due to the Covid-19 pandemic and the ceasing of elective work, waiting times have risen significantly. The over 52 weeks waiters peaked in March 2021 at 1,345. There has been a decline to 988 in July 2021 with a combination of grip around the booking process and theatre efficiency, as well as the increase of elective work now underway. Risks remain in two main specialties of T&amp;O and Community Dental (which together account for 78% of the over 52 week waiters). Current end of financial year target is to reduce this figure to below 800 patients.</p>

<b>Indicator</b>	<b>5.2 - RTT waiting times - by level of deprivation</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>		

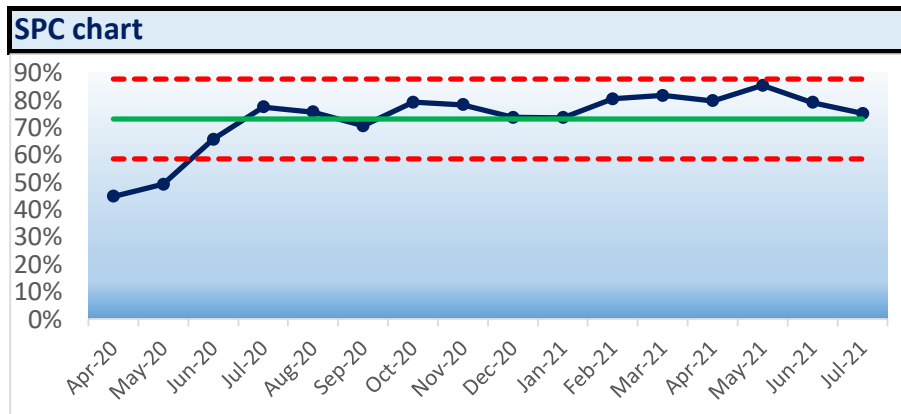
<b>Indicator description</b>
The average RTT waiting time by level of deprivation.



<b>Narrative</b>
<p>The Trust has carried out an analysis of waiting times by ethnicity, by deprivation and for patients with learning disabilities. There does not appear to be any inequity in waiting times by ethnicity or for patients with learning disabilities but these will continue to be tracked on a monthly basis. There does appear to be a difference in waiting times by deprivation with patients from the most deprived postcodes waiting longer. A further analysis of this is being carried out looking at the data by clinical priority and by specialty.</p>

<b>Indicator</b>	<b>5.3 - Diagnostic waiting times - 6-week standard</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	75.1%	

<b>Indicator description</b>
Percentage of patients waiting 6 weeks or less for a diagnostic test. The operational standard is 99%.

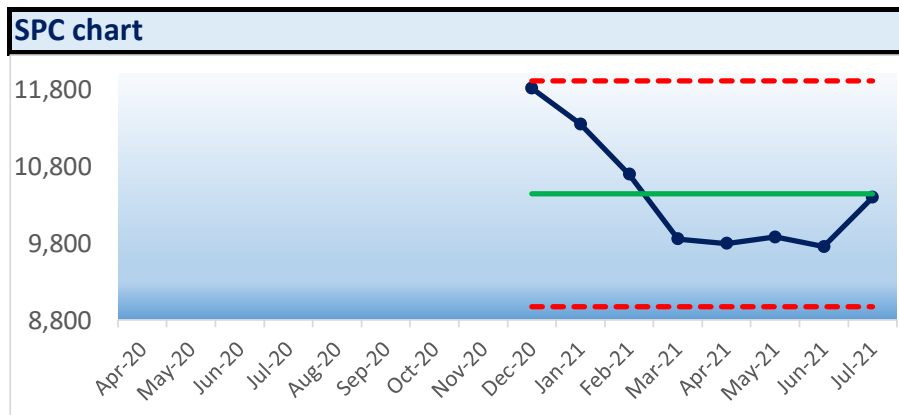


<b>Narrative</b>
75% of patients were waiting less than 6 weeks for a diagnostic test at end June against a 99% target. The main areas of concern are DEXA scans, non-obstetric ultrasound and MRI. DEXA machine now ordered and DM01 compliance is expected in October 2021. MRI capacity is being increased with weekend workings and increase in Independent Sector usage.



<b>Indicator</b>	<b>5.4 - Outpatients lost to follow-up - number of follow up patients past due date</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	10393	

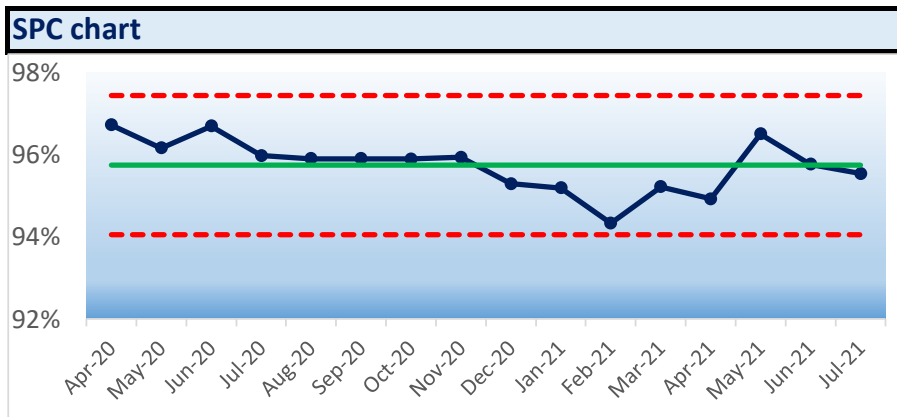
Indicator description



Narrative
<p>The number of overdue outpatient follow up appointments increased in July. Over half of these patients are waiting for either an ophthalmology or gastroenterology follow up appointment. A data quality exercise is underway to understand the full scope of this problem and determine how many patients still require a follow up appointment. It is likely that we will refine the metric for reporting in this report as part of this work.</p>

<b>Indicator</b>	<b>5.5 - Data quality on ethnic group - inpatients</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	95.5%	

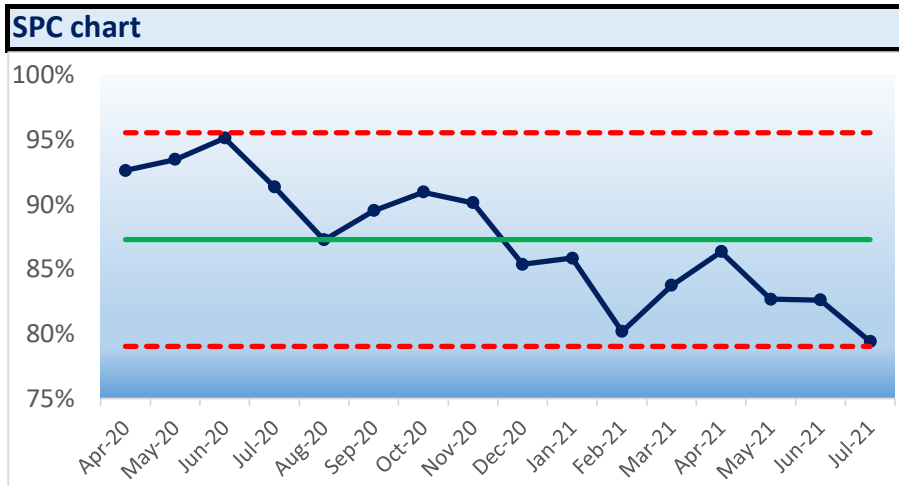
<b>Indicator description</b>
The number of inpatients with a valid ethnic group recorded on the Trust's PAS system.



<b>Narrative</b>
The Trust remains below the required standard of 97%. A revised focus on ethnicity data collection is underway, this measure is monitored at Trust weekly access meeting. Forecast for achievement by October 2021.

<b>Indicator</b>	<b>5.6 - A&amp;E 4 hour standard</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	79.4%	

<b>Indicator description</b>
Percentage of patients spending less than 4 hours in Accident & Emergency (A&E). The data includes all A&E Departments, including Minor Injury Units (MIUs). The operational standard is 95%.



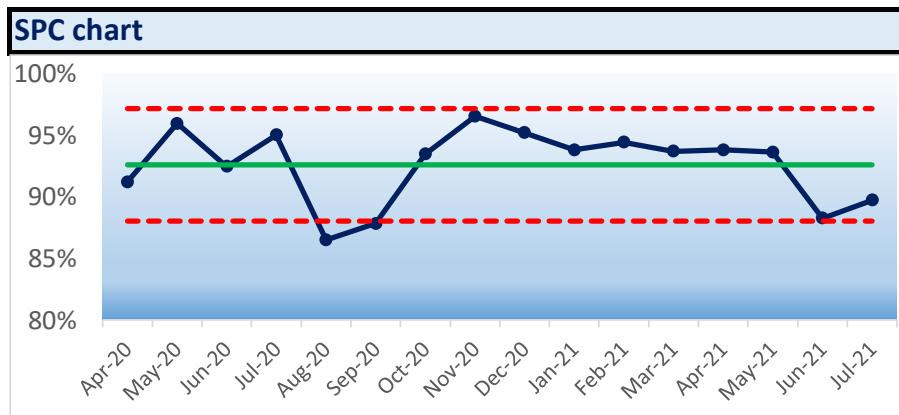
Narrative

Performance against the A&E 4-hour standard remained below the 95% standard in July 2021 at 79.4%.

Challenge	Solution	Timescale / next step
High attendance figures in ED – specifically minors attendances impacting on capacity within the department.	Development of a streaming service to divert none Emergency activity away from main ED	Pilot to be in place from weekend of 16 <sup>th</sup> July to test full streaming model
Inability to admit direct to wards due to requirement for covid testing – all admissions diverted through ED or SDEC rather than direct to ward for 'barn door' admissions	Point of Care testing solution for patients who could be admitted directly	Meeting planned with IPC and microbiology to consider solutions  <b>DONE &amp; INPLACE</b>
Specialty acceptance/timeliness issues (ED & SDEC)  <b>Launched June 2021 v.6 of agreement</b>	Quality Priority work Whole Trust Buy-in Define 'ED' purpose Ready to proceed data & agreed professional standards	QP Inpatient Care Group leading on delivery of 'Right Care, Right Time' approach. Work streams allocated and being progressed  Escalation SOPs in place within directorates to provide senior response to flow blockages.
SDEC limitations impacting on capacity available	YAS to convey directly to SDEC - <b>w/c 9<sup>th</sup> Aug 2021</b>  Frailty model SDEC – March 2022	Aim for end of July – slippage due to YAS capacity to plan pilot Awaiting capital works to increase space available.
Bed capacity impacting heavily on admitted breaches and absorbing staff resource in ED	Improvements to flow through discharge processes Continued work with ARCHS to deliver home based care and 2 hour crisis response	Bed capacity escalation plan to go to OMG for consideration and agreement  <b>DONE</b>

<b>Indicator</b>	<b>5.7 - Ambulance handovers - % within 15 mins</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	89.7%	

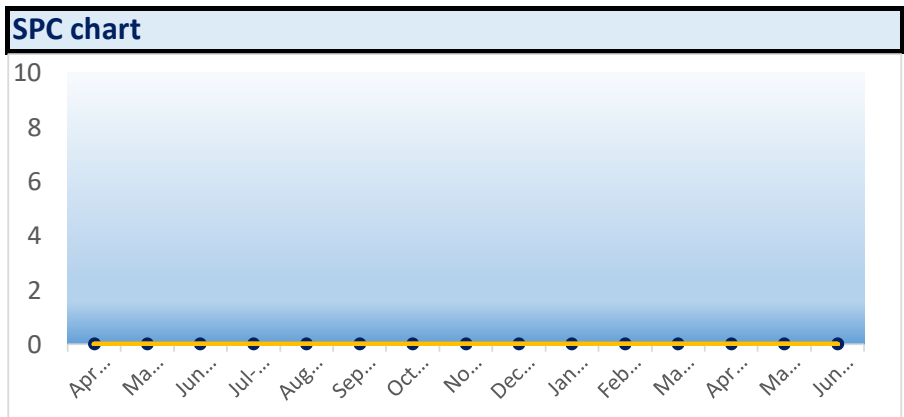
<b>Indicator description</b>
The percentage of ambulance patients who were not handed over to Emergency Department staff within 15 mins.



<b>Narrative</b>
Ambulance handover performance was at 89.7% in July. There were 38 over 30-minute handover breaches including 7 over 60-minute breaches in July. This deterioration is due to an increase in ambulance attendances and a busy department resulting in ambulances not handing over in time. 81% of these breaches are taking place between 4pm-9pm. The trial model has indicated an improvement on the days when the new model is operating.

<b>Indicator</b>	<b>5.8 A&amp;E - number of 12 hour trolley waits</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	0	

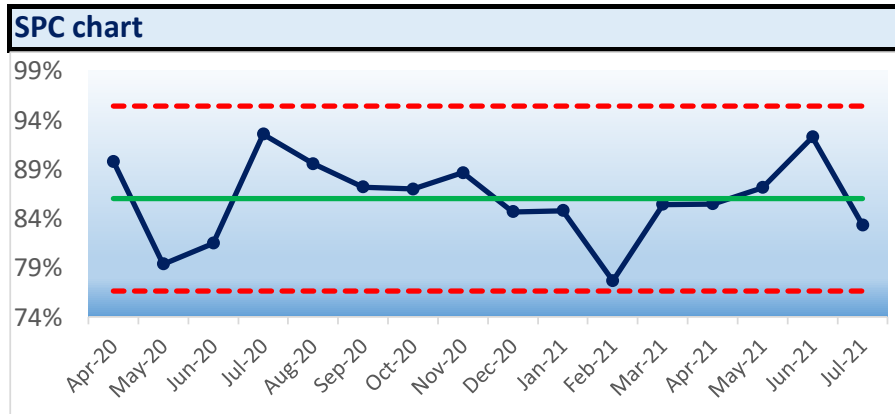
<b>Indicator description</b>
The number of patients spending more than 12 hours in the Emergency Department between a decision to admit and being admitted.



<b>Narrative</b>
There have been no over 12 hour trolley waits reported in 2021/22 to date.

<b>Indicator</b>	<b>5.9.1 - Cancer - 62 day wait for first treatment from urgent GP referral to treatment</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	83.3%	

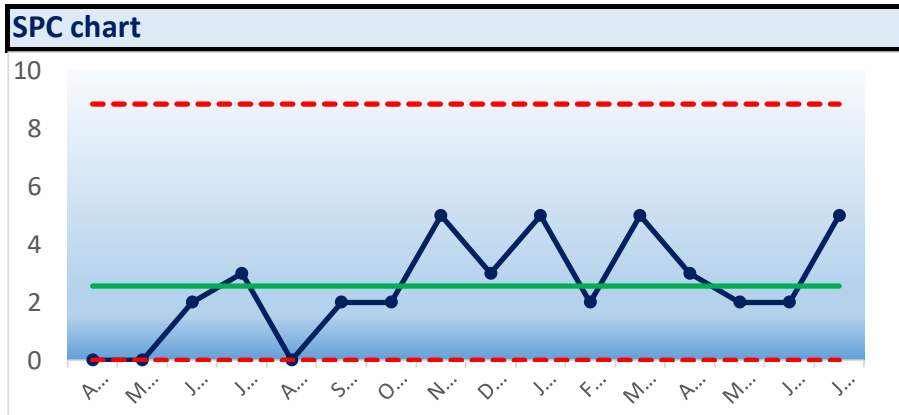
Indicator description
Percentage of cancer patients starting first treatment within 62 days of urgent GP referral. The operational standard is 85%.



Narrative
Provisional data indicates that the 62 day standard was not delivered in July (83.3%). There were 84.0 accountable treatments (93 patients) in July with 14.0 treated outside 62 days. 62 day treatment activity in June and July represents a 30.1% increase compared to the number of treatments delivered in April and May, and in 2021/22 there is an average of 20 more treatments per month than in the previous two financial years.
Of the 9 tumour sites treated in July, performance was below 85% for 4 (Colorectal, Gynaecology, Haematology, Head and Neck). All pathway delays will be reviewed by the breach panel at the end of August. Provisional data indicates that 35% (7/20) of patients treated at tertiary centres in July were transferred for treatment by day 38, which is a deterioration on than last month (61.9%).

<b>Indicator</b>	<b>5.9.2 - Cancer - 62 day standard - number of 104 days waiters</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	5	

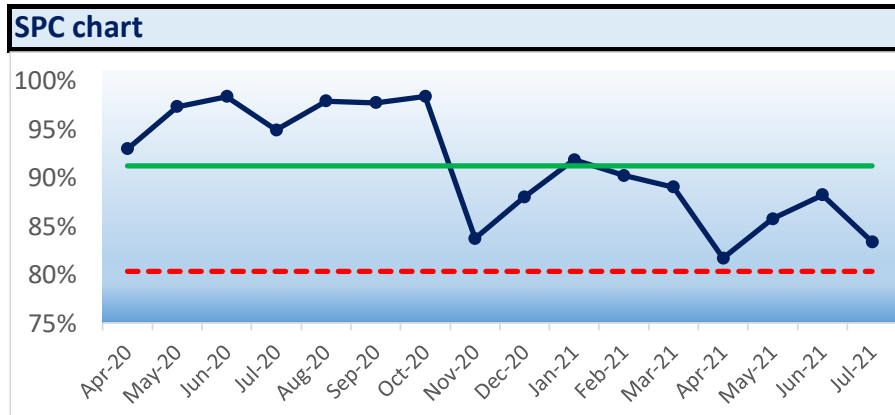
<b>Indicator description</b>
The number of cancer patients waiting 104 days or more since urgent GP referral.



<b>Narrative</b>
5 patients waited 104+ days for treatment in July (1 x York: Head and Neck; 4 x Leeds: Colorectal, Gynaecology, Head and Neck) – all of these patients were transferred for treatment after day 38. All delays were predominately due to diagnostic complexity and patients requiring multiple investigations. These patients have now all received treatment with one Gynaecology patient at Leeds awaiting final definitive histology from surgery. The Cancer red 2 green process is launching in September, led by the Operational Director for LTUC Directorate.

<b>Indicator</b>	<b>5.10 - Cancer - 14 days maximum wait from urgent GP referral for all urgent suspect cancer referrals</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	83.4%	

<b>Indicator description</b>
Percentage of urgent GP referrals for suspected cancer seen within 14 days. The operational standard is 93%.

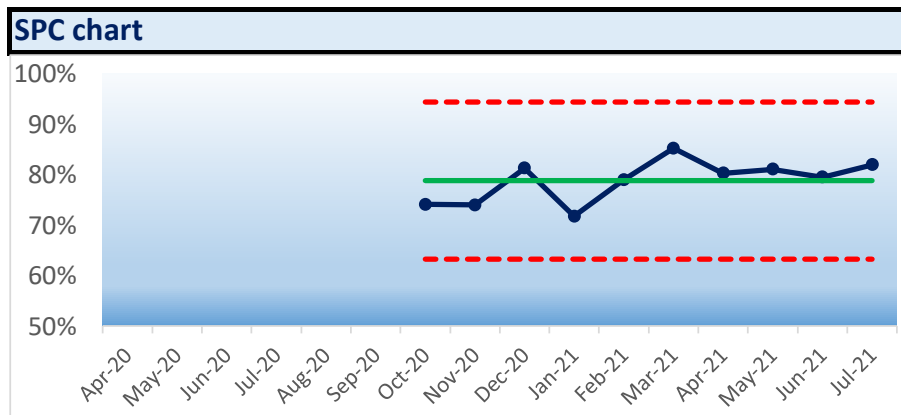


<b>Narrative</b>
895 patients attended their first appointment for suspected cancer in July, which is a 5.7% decrease on last month (949). 149 patients were seen after day 14 and of these, 108 were breast referrals. The average wait for a 2WW breast appointment in July (including Breast Symptomatic) was 19.2 days, which is slightly higher than last month (18.1 days). Additional clinic capacity is being provided and it is estimated that the backlog should begin to clear during August, which should then lead to a recovery in performance by September 2021.



<b>Indicator</b>	<b>5.11 - Cancer - 28 days faster diagnosis standard (suspected cancer referrals)</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	81.9%	

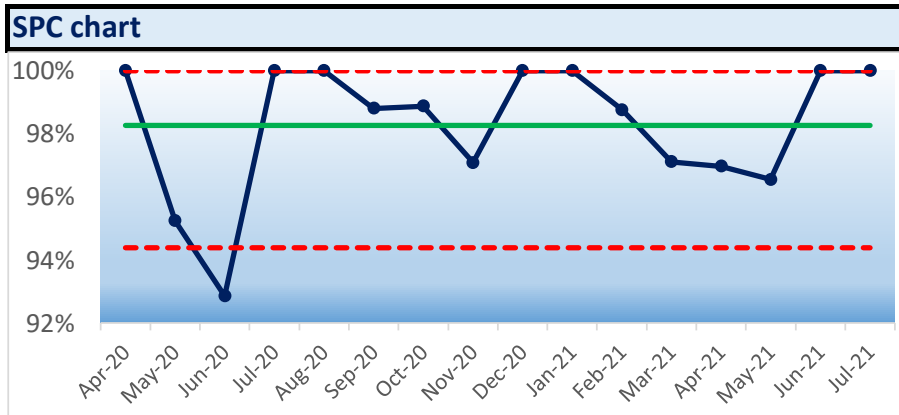
<b>Indicator description</b>
From January 2022, Trusts are required to deliver the new 28 days faster diagnosis standard for all suspected cancer referrals. The proposed operational standard is 75%.



<b>Narrative</b>
Provisional data indicates that there has been a slight improvement in performance compared to recent months (81.9%), remaining above the proposed operational standard of 75%. Under-performing sites in July (based on suspected cancer type) were Gynaecology, Haematology, Colorectal and Urology. Over Q1, under-performing sites were Gynaecology, Haematology, and Upper GI, although Upper GI performance improved considerably in July (90%). There was a further slight deterioration in colorectal performance in July compared to last month (72.6% vs 75.8%) - from mid-July, patients are once again being triaged for straight-to-test endoscopy will lead to an increased number of patients receiving a diagnosis by day 28.

<b>Indicator</b>	<b>5.12 - Cancer - 31 days maximum wait from diagnosis to treatment for all cancers</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	100.0%	

<b>Indicator description</b>
Percentage of cancer patients starting first treatment within 31 days of diagnosis. The operational standard is 96%.



<b>Narrative</b>
Provisional data indicate that 130 patients received First Definitive Treatment for cancer in July, with all treated within 31 days of decision to treat.

<b>Indicator</b>	<b>5.13 - Children's Services - 0-12 months and 2-3 years caseload</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>		
<b>Value / RAG rating</b>		

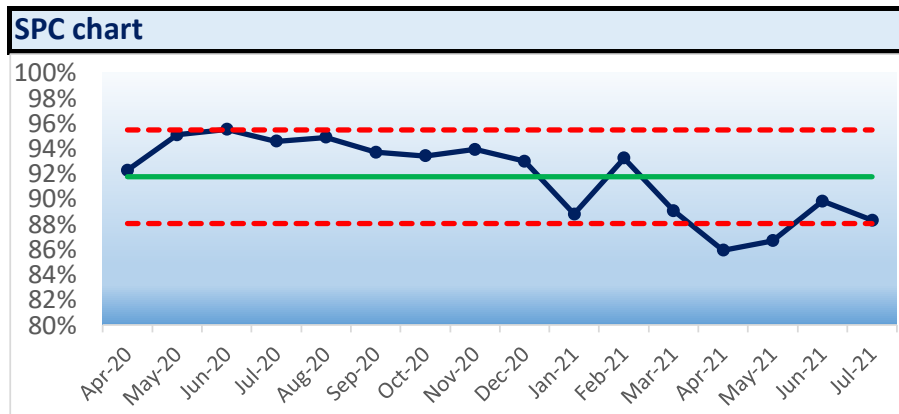
<b>Indicator description</b>	<b>Narrative</b>
<i>This indicator is under development.</i>	
<b>SPC chart</b>	

Indicator	5.13 - Children's Services - Safeguarding caseload	
Executive lead	Russell Nightingale, Chief Operating Officer	
Board Committee	Resources Committee	
Reporting month		
Value / RAG rating		

Indicator description	Narrative
<i>This indicator is under development.</i>	
SPC chart	

<b>Indicator</b>	<b>5.15 - Children's Services - Ante-natal visits</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	88.3%	

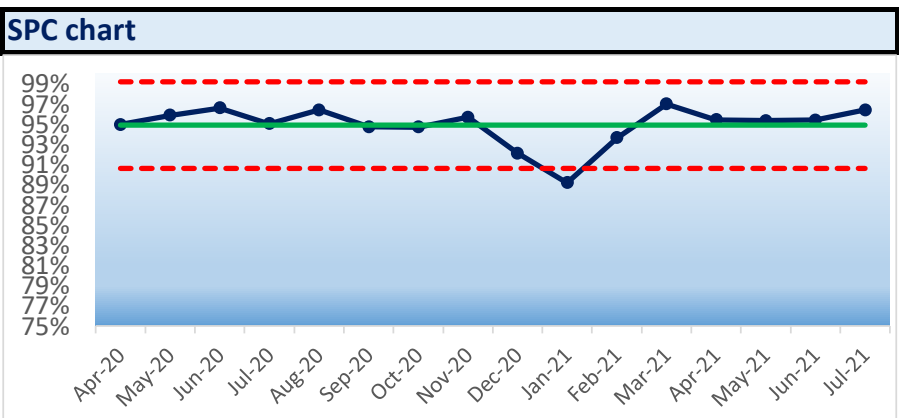
Indicator description
The number of mothers receiving a first face to face antenatal contact at 28 weeks or above before birth.



Narrative
88% of eligible pregnant women received an initial antenatal visit in July.

<b>Indicator</b>	<b>5.16 - Children's Services - 10-14 day new birth visit</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	96.4%	

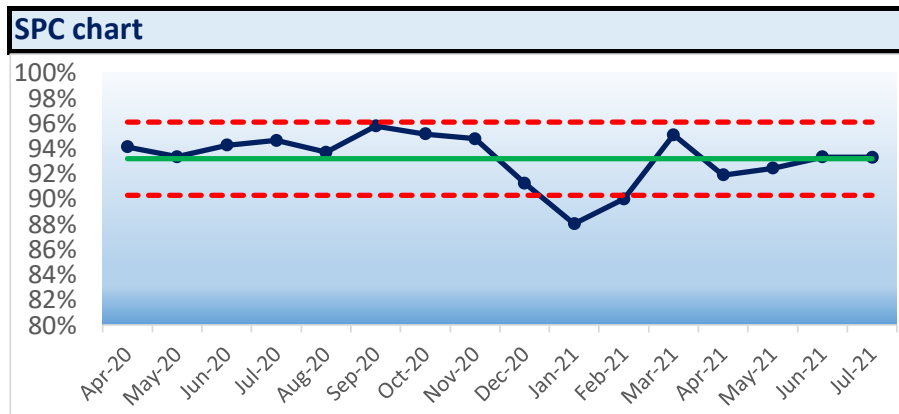
Indicator description
The number of eligible infants who received a face-to-face Health Visitor new birth visit undertaken within 14 days from birth.



Narrative
96% of infants received a new birth visit within 10-14 days of birth during July.

<b>Indicator</b>	<b>5.17 - Children's Services - 6-8 week visit</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	93.3%	

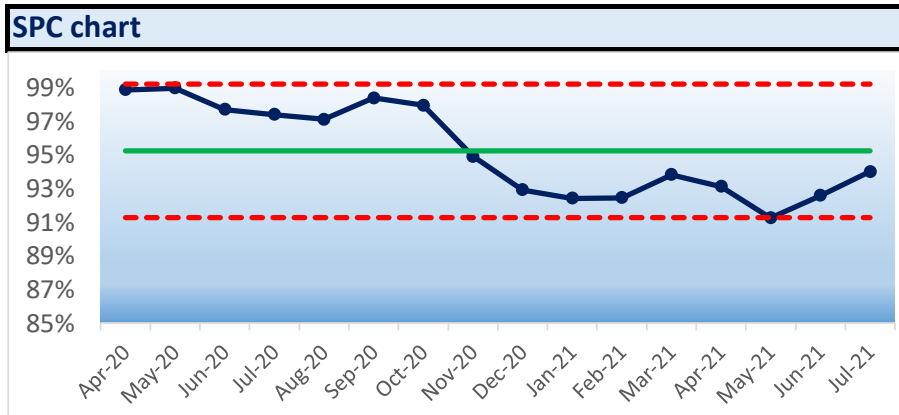
<b>Indicator description</b>
The number eligible infants who received 6-8 week review by 8 weeks of age.



<b>Narrative</b>
93% of infants received a 6-8 week visit by 8 weeks of age during July.

<b>Indicator</b>	<b>5.18 - Children's Services - 12 month review</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	94.0%	

<b>Indicator description</b>
The number of children that received a 12 month review by 15 months of age.

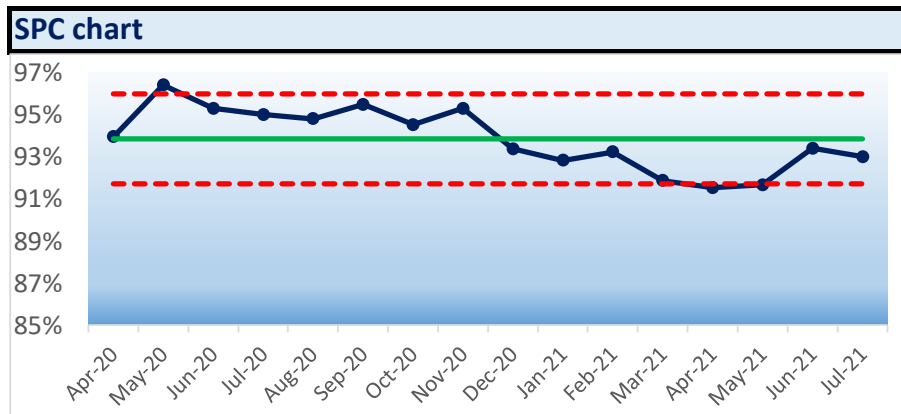


<b>Narrative</b>
94% of eligible children received a 12 month review by 15 months of age during July.



<b>Indicator</b>	<b>5.19 - Children's Services - 2.5 year review</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	93.0%	

<b>Indicator description</b>
The number of eligible children receiving a 2-2.5 year review by the time they were 2.5 years.



<b>Narrative</b>
93% of eligible children received a 2-2.5 year review by 2.5 years of age during July.

Indicator	5.20 - Children's Services - % children with all 5 mandated contacts	
Executive lead	Russell Nightingale, Chief Operating Officer	
Board Committee	Resources Committee	
Reporting month		
Value / RAG rating		

Indicator description	Narrative
<i>This indicator is under development.</i>	
SPC chart	

<b>Indicator</b>	<b>5.21 - Children's Services - Delivery of Immunisation trajectory</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>		
<b>Value / RAG rating</b>		

<b>Indicator description</b>	<b>Narrative</b>
<i>This indicator is under development.</i>	
<b>SPC chart</b>	

Indicator	5.22 - Children's Services - OPEL level	
Executive lead	Russell Nightingale, Chief Operating Officer	
Board Committee	Resources Committee	
Reporting month		
Value / RAG rating		

Indicator description	Narrative
<i>This indicator is under development.</i>	
SPC chart	

<b>Indicator</b>	<b>5.23 - Community Care Adult Teams - performance against new timeliness standards</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>		
<b>Value / RAG rating</b>		

<b>Indicator description</b>	<b>Narrative</b>
<i>This indicator is under development.</i>	
<b>SPC chart</b>	

Indicator	5.20 - Community Care Adult Teams - Number of virtual beds delivered in Supported Discharge Service	
Executive lead	Russell Nightingale, Chief Operating Officer	
Board Committee	Resources Committee	
Reporting month		
Value / RAG rating		

Indicator description	Narrative
<i>This indicator is under development.</i>	
SPC chart	

<b>Indicator</b>	<b>5.25 - Community Care Adult Teams - Number of cancelled routine visits</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>		
<b>Value / RAG rating</b>		

<b>Indicator description</b>	<b>Narrative</b>
<i>This indicator is under development.</i>	
<b>SPC chart</b>	

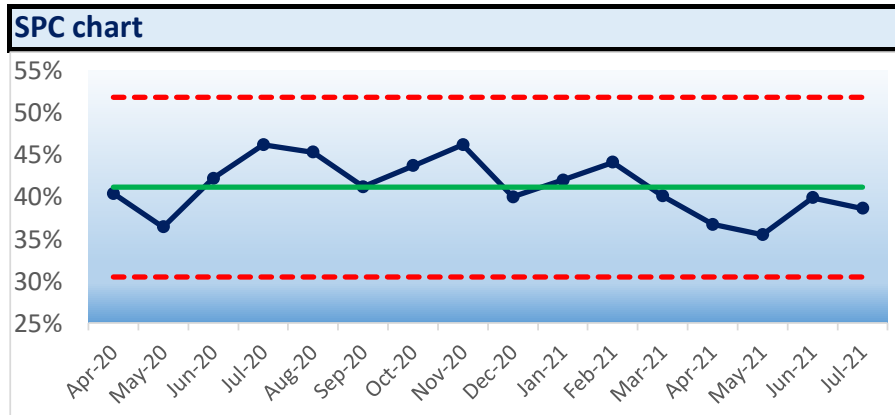
Indicator	5.26 - Community Care Adult Teams - OPEL level	
Executive lead	Russell Nightingale, Chief Operating Officer	
Board Committee	Resources Committee	
Reporting month		
Value / RAG rating		

Indicator description	Narrative
<i>This indicator is under development.</i>	
SPC chart	



<b>Indicator</b>	<b>5.27 - GPOOH - telephone clinical assessment for URGENT cases within 20 minutes of call prioritisation</b>
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer
<b>Board Committee</b>	Resources Committee
<b>Reporting month</b>	Jul-21
<b>Value / RAG rating</b>	38.6%

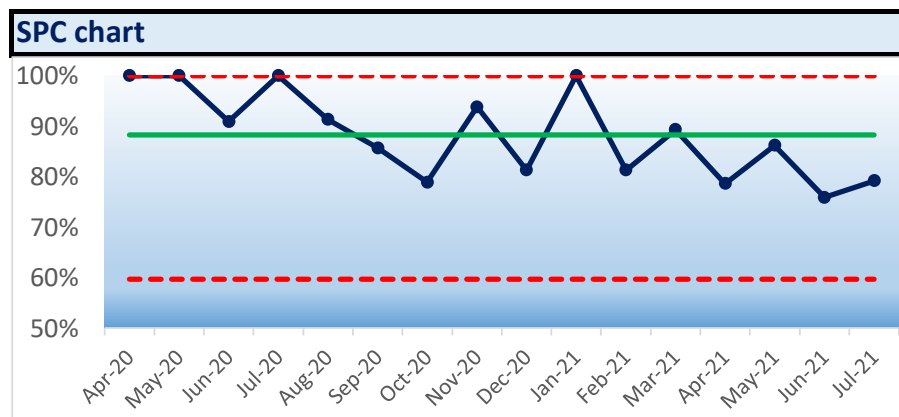
<b>Indicator description</b>
The percentage of telephone clinical assessment for URGENT cases carried out within 20 minutes of call prioritisation.



<b>Narrative</b>
<p>In July, 38.6% of urgent GPOOH cases received a telephone clinical assessment within 20 minutes of call prioritisation. This remains well below the standard of 95%.</p> <p>GPOOH have been supporting the wider ED during the evenings and overnight, this combined with an increase in GPOOH presentations has resulted in a reduction of urgent cases being called with 20 minutes. Work is underway with the primary care stream within HDFT to ensure these patients are being called in a timely fashion. This is forecast to be resolved by September 2021.</p>

<b>Indicator</b>	<b>5.28 - GPOOH - Home visit: Face to face consultations started for URGENT cases within 2 hrs</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	79.2%	

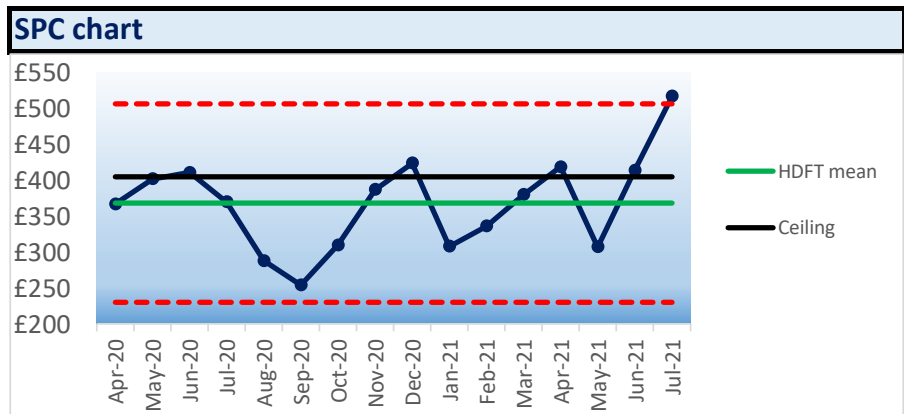
Indicator description
The percentage of home visit face to face consultations started for URGENT cases within 2 hrs.



Narrative
<p>In July, 79.2% of urgent GPOOH cases received a home visit face to face consultation within 2 hours. This remains well below the standard of 95%.</p> <p>GPOOH have been supporting the wider ED during the evenings and overnight, this combined with an increase in GPOOH presentations has resulted in a reduction of urgent cases being seen face to face. Work is underway with the primary care stream withing HDFT to ensure these patients are being seen in a timely fashion. This is forecast to be resolved by September 2021.</p>

<b>Indicator</b>	<b>6.1 - Agency spend</b>	
<b>Executive lead</b>	Jonathan Coulter, Finance Director	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	£517	

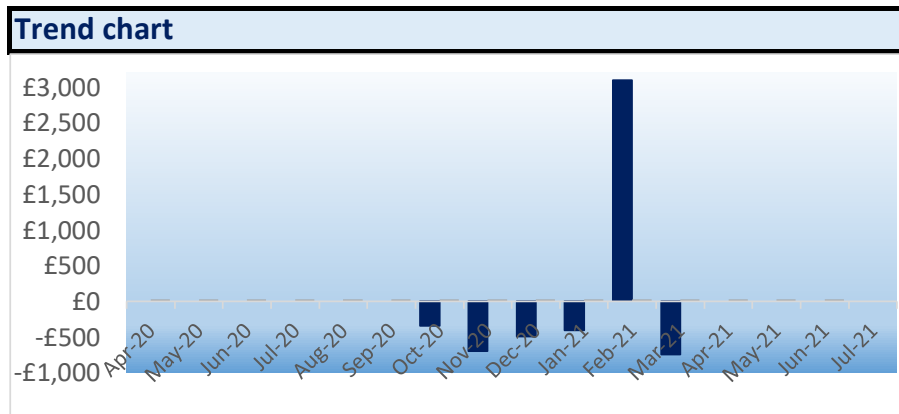
<b>Indicator description</b>
Expenditure in relation to Agency staff (£'000s). The Trust aims to have less than 3% of the total pay bill on agency staff.



<b>Narrative</b>
Agency spend has exceeded the agency ceiling in July. There are significant consultant vacancies in LTUC Directorate, and there is ward agency spend in relation to filling the rosters and managing the demand for enhanced care. Work is being undertaken to review and revise our enhanced care assessment process, and also as part of the acuity review assess whether a more robust and pro-active model can be implemented. There is ongoing work on the pipeline to reduce the need for temporary staff to cover vacancies. In respect of medical staff, specialty specific approaches are required for, e.g. Respiratory Medicine, where recruitment has been challenging. Consideration of use of other agencies to find permanent recruits is being explored.

<b>Indicator</b>	<b>6.2 - Surplus / deficit and variance to plan</b>	
<b>Executive lead</b>	Jonathan Coulter, Finance Director	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	£0	

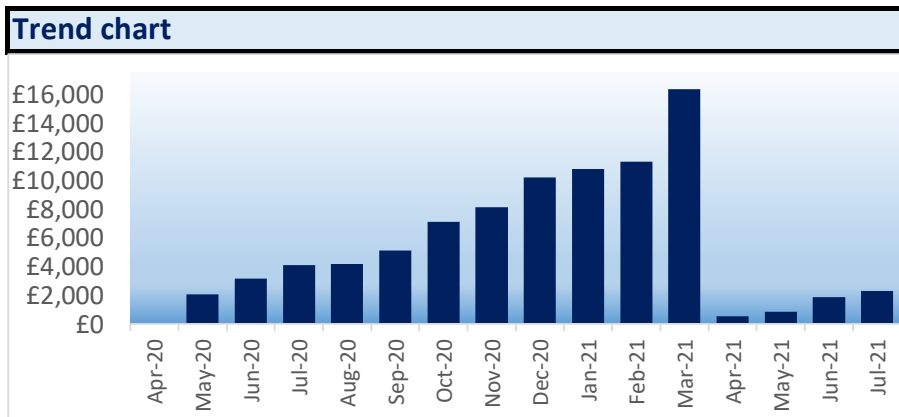
<b>Indicator description</b>
Monthly Surplus/Deficit (£'000s). In some months, a deficit is planned for. This indicator reports positive or adverse variance against the planned position for the month.



<b>Narrative</b>
<p>The Trust continues to report a balanced financial position in line with the H1 plan. This position is consistent across the system. ERF funding is being prudently matched against costs of delivery. Work is underway in relation to H2 planning, with an expected reduction in income of approximately £4m.</p>

<b>Indicator</b>	<b>6.3 - Capital spend</b>	
<b>Executive lead</b>	Jonathan Coulter, Finance Director	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	£2,300	

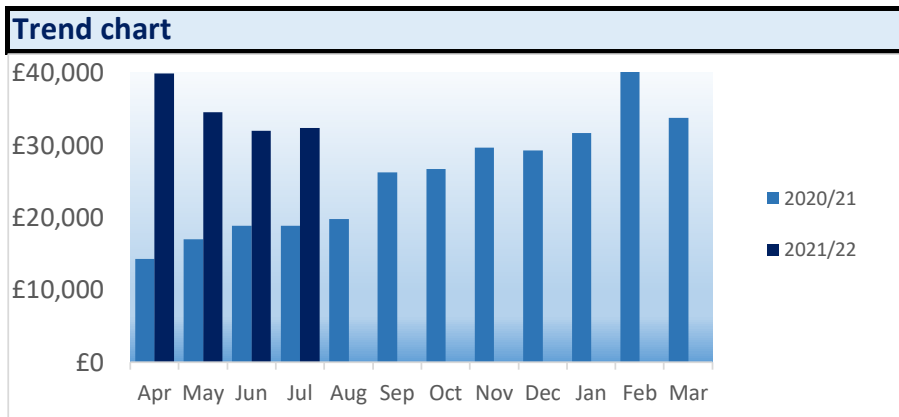
Indicator description
Cumulative Capital Expenditure by month (£'000s)



Narrative
<p>The delivery of the capital programme in full remains a risk as we are currently behind plan. Significant schemes are being reviewed and an Executive lead has been identified for each area. The aim is to deliver the schemes in the plan as agreed at the start of the year, although a contingency list is also being drawn up. There is significant ICS slippage at the moment with the risk that the ICS CDEL isn't reached putting pressure on the CDEL allocation next year. This is a key area of executive oversight and focus currently and we aim to deliver our significant capital investments in a timely way.</p>

<b>Indicator</b>	<b>6.4 Cash balance</b>	
<b>Executive lead</b>	Jonathan Coulter, Finance Director	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	£32,386	

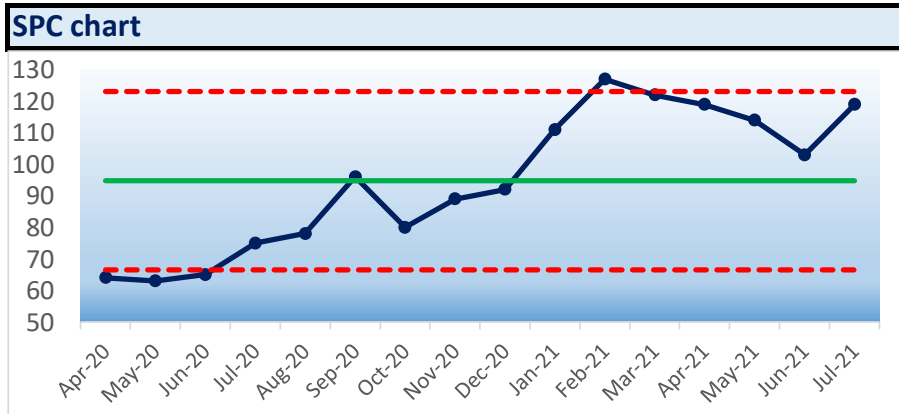
<b>Indicator description</b>
The Trust's cash balance by month (£'000s)



<b>Narrative</b>
The cash balance continues to be healthy. Slippage in the capital programme has resulted in a higher cash balance than anticipated, but we continue to manage our payments well and quickly.

<b>Indicator</b>	<b>6.5.1 - Long stay patients - stranded (&gt;7 days LOS)</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	119	

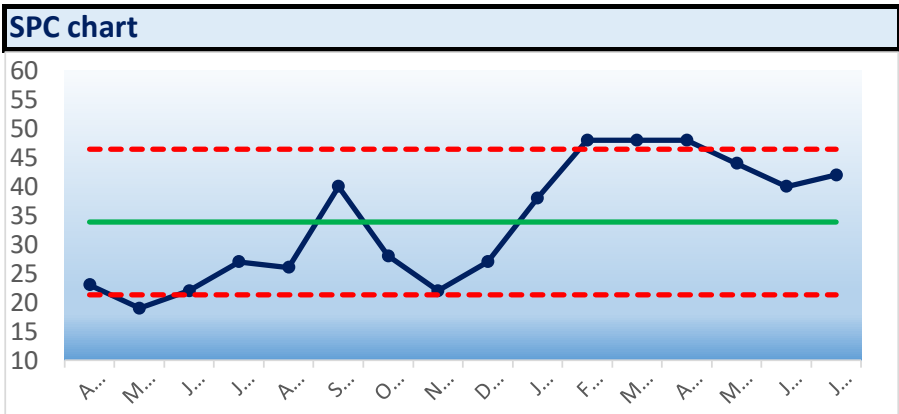
Indicator description
The average number of patients that were in the hospital with a length of stay of over 7 days (previously defined as stranded patients by NHS Improvement). The data excludes children, as per the NHS Improvement definition.



Narrative
The number of long stay patients (> 7 days) increased in July but remains below the long term historical levels.

<b>Indicator</b>	<b>6.5.2 - Long stay patients - superstranded (&gt;21 days LOS)</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	42	

<b>Indicator description</b>
The average number of patients that were in the hospital with a length of stay of over 21 days (previously defined as super-stranded patients by NHS Improvement). The data excludes children, as per the NHS Improvement definition.



<b>Narrative</b>
The number of long stay patients (> 21 days) increased in July but remains below the long term historical levels.

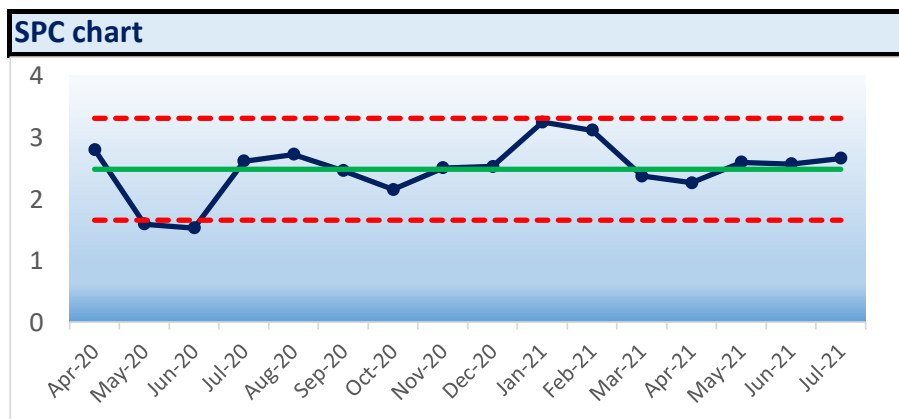


<b>Indicator</b>	<b>6.6 - Occupied bed days per 1,000 population</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>		
<b>Value / RAG rating</b>		

<b>Indicator description</b>	<b>Narrative</b>
<i>This indicator is under development.</i>	
<b>SPC chart</b>	

<b>Indicator</b>	<b>6.7.1 Length of stay - elective</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	2.7	

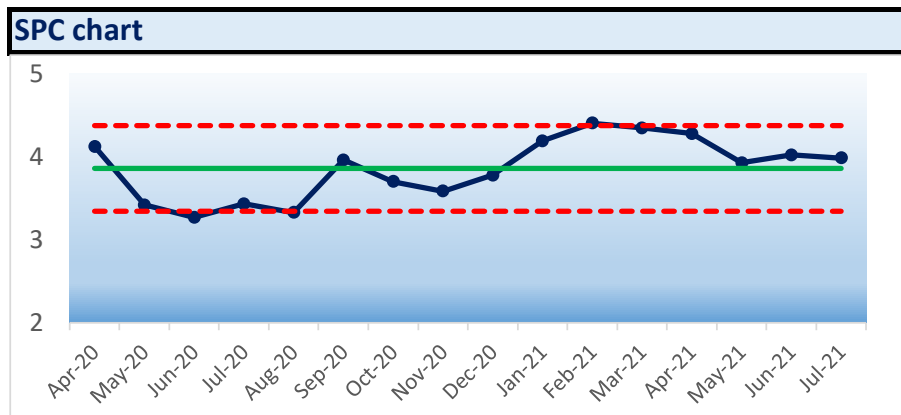
Indicator description
Average length of stay in days for elective (waiting list) patients. The data excludes day case patients.



Narrative
Elective length of stay has remained static but above our local stretch target of 2.5 days. This is broadly in line with the trend seen over the last year. The current elective programme is prioritising longer wait, more critically ill patients, so there will inevitably be an increase in LoS for these more complex patients.

<b>Indicator</b>	<b>6.7.2 Length of stay - non-elective</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	4.0	

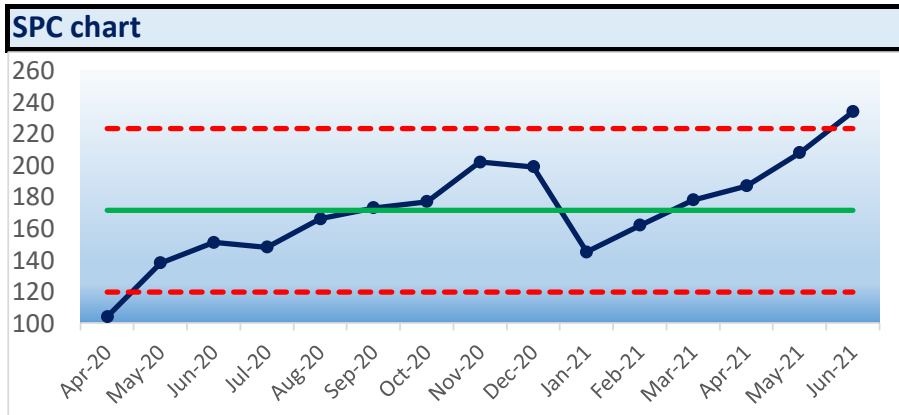
Indicator description
Average length of stay in days for non-elective (emergency) patients.



Narrative
Non-Elective length of stay has remained static at 4.0 days, in line with our local stretch target of 4.0 days.

<b>Indicator</b>	<b>6.8 - Avoidable admissions</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jun-21	
<b>Value / RAG rating</b>	234	

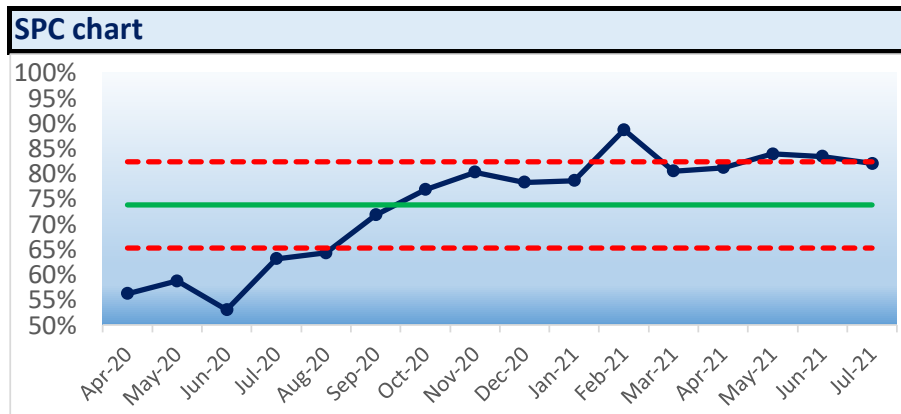
Indicator description
The number of avoidable emergency admissions as per the national definition. The admissions included are those where the primary diagnosis of the patient does not normally require a hospital admission.



Narrative
There were 234 avoidable admissions in June. The most common diagnoses were pneumonia, urinary tract infections and upper respiratory tract infections in children. This equates to 12% of all emergency admissions. Excluding children and admissions via CAT, the figure was 125.
Although the trend is currently increasing, it remains below pre-Covid levels - the average per month in 2018/19 was 270.

<b>Indicator</b>	<b>6.9 - Theatre utilisation (elective sessions)</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	82.0%	

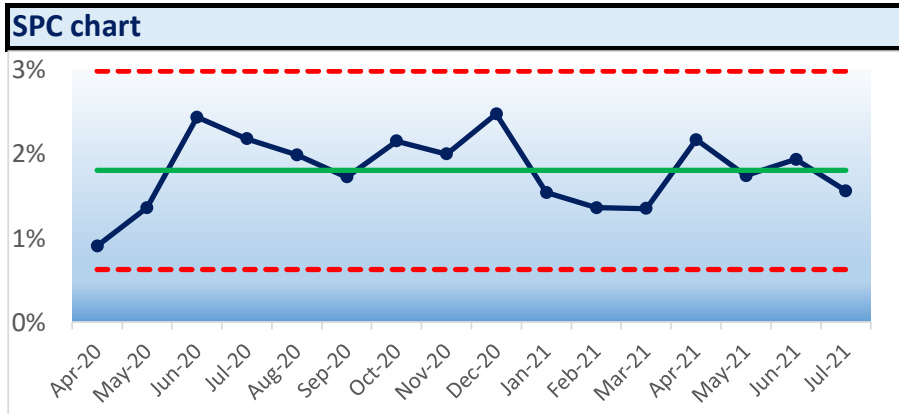
<b>Indicator description</b>
The percentage of time utilised during elective theatre sessions (i.e. those planned in advance for waiting list patients). The utilisation calculation excludes cancelled sessions.



<b>Narrative</b>
Theatre utilisation is below the local intermediate target of 90%. Work continues to increase theatre workforce and solve the cultural issues in theatres. A deep-dive is underway (w/c 09/08/2021) by LTHT to get to the root of the problems in theatres and stop the staff attrition.

<b>Indicator</b>	<b>6.10 - Day case conversion rate</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	1.6%	

<b>Indicator description</b>
The percentage of intended elective day case admissions that ended up staying overnight or longer.



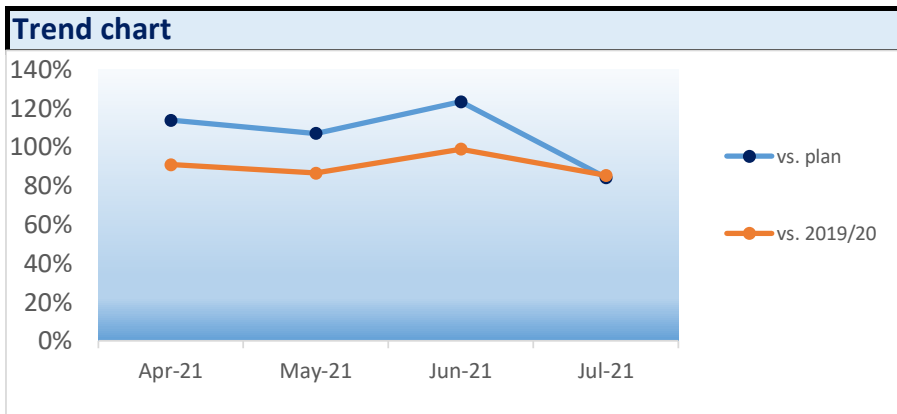
<b>Narrative</b>
1.6% (37 patients) of intended day cases stayed overnight or longer in July, a reduction on last month.

<b>Indicator</b>	<b>7.1 - GP referrals against plan and 2019/20 baseline</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>		
<b>Value / RAG rating</b>		

<b>Indicator description</b>	<b>Narrative</b>
<i>This indicator is under development.</i>	
<b>SPC chart</b>	

<b>Indicator</b>	<b>7.2 - Outpatient activity (consultant led) against plan and 2019/20 baseline</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	84.2% / 85.3%	

<b>Indicator description</b>
Outpatient activity (consultant led) against plan and 2019/20 baseline. The data includes new and follow up attendances.

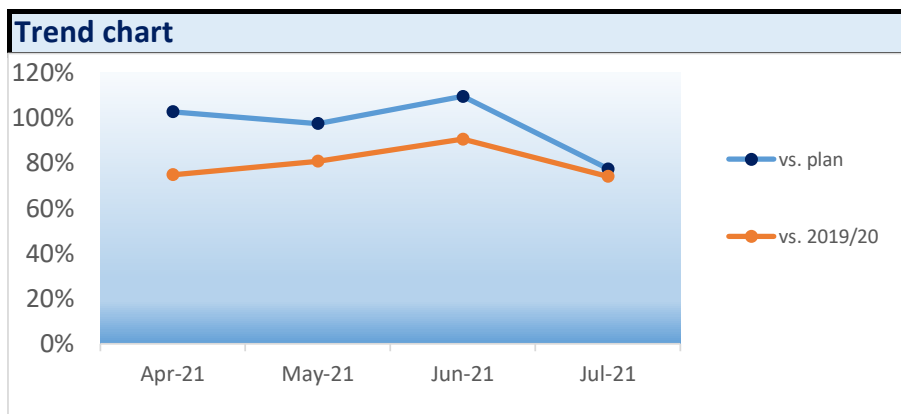


<b>Narrative</b>
Outpatient activity was 16% below plan in July with both new and follow up attendances at a similar level below plan, meaning the Trust has not delivered the Elective Recovery Fund (ERF) requirements. This was due to clinicians taking annual leave in July and the re-purposing of OP DCCS into Theatre sessions.



<b>Indicator</b>	<b>7.3 - Elective activity against plan and 2019/20 baseline</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	77.4% / 73.9%	

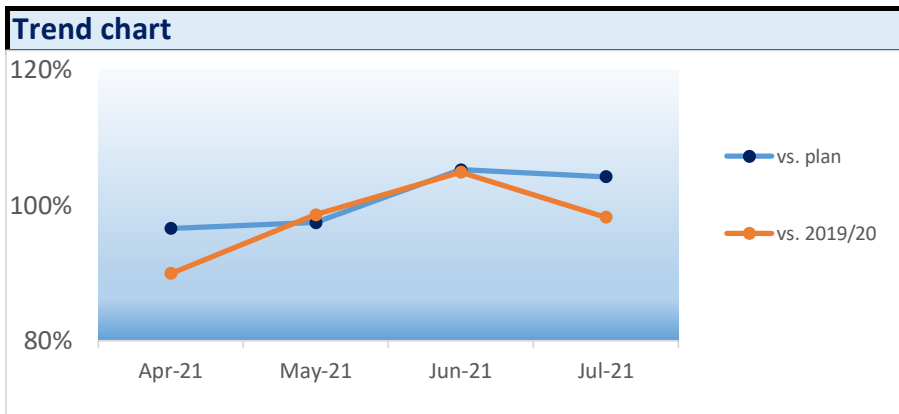
<b>Indicator description</b>
Elective activity against plan and 2019/20 baseline. The data includes both elective inpatient and elective day case admissions.



<b>Narrative</b>
Despite elective admissions increasing in July, they are 22% below plan, with inpatient admissions significantly below plan. As a result, the Trust has not delivered the Elective Recovery Fund (ERF) requirements. 42 lists were lost in July 2021 due to staffing issues within theatres.

<b>Indicator</b>	<b>7.4 - Non-elective activity against plan and 2019/20 baseline</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	104.2% / 98.2%	

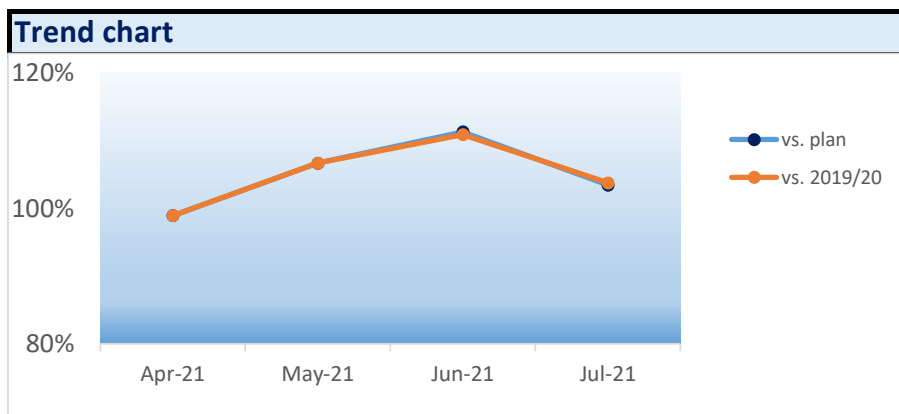
<b>Indicator description</b>
Non-elective activity against plan and 2019/20 baseline.



<b>Narrative</b>
Non-elective activity was 4% above plan in July.

<b>Indicator</b>	<b>7.5 - Emergency Department attendances against plan and 2019/20 baseline</b>	
<b>Executive lead</b>	Russell Nightingale, Chief Operating Officer	
<b>Board Committee</b>	Resources Committee	
<b>Reporting month</b>	Jul-21	
<b>Value / RAG rating</b>	103.4% / 103.7%	

<b>Indicator description</b>
Emergency Department attendances against plan and 2019/20 baseline.



<b>Narrative</b>
Emergency Department attendances were 3% above plan in July.

**Council of Governors**

**6 September 2021**

**Annual Report and Accounts 2020/21**

<b>Agenda item number:</b>	8.0
<b>Presented for:</b>	Information
<b>Report of:</b>	Chief Executive and Deputy Chief Executive/Finance Director
<b>Author (s):</b>	Chief Executive and Deputy Director of Finance
<b>Report History:</b>	KPMG (External Auditors) Audit Committee Board of Directors NHS England/Improvement Parliament
<b>Publication Under Freedom of Information Act:</b>	This paper can be made available under the Freedom of Information Act 2000
<b>Links to Trust's Objectives</b>	
<b>To deliver high quality care</b>	√
<b>To work with partners to deliver integrated care</b>	√
<b>To ensure clinical and financial sustainability</b>	√

**Recommendation:**

The Council of Governors is asked note the Annual Report and Annual Accounts (2020/21) which was reviewed and approved by the Audit Committee and Board of Directors before submission to NHS England/Improvement and Parliament.

**HARROGATE AND DISTRICT NHS FOUNDATION TRUST**  
**ANNUAL REPORT AND ACCOUNTS**

**1 April 2020 to 31 March 2021**

**8**



**Harrogate and District NHS Foundation Trust  
Annual Report and Summary Accounts - 1 April 2020 to 31st March 2021**

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

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### Quality Report

Please note that this year's Annual Report does not contain the Quality Report. In response to the coronavirus pandemic, NHS Improvement has advised NHS Foundation Trusts that they do not need to provide a Quality Report for 2020/21.

## 1.0 CHAIRMAN'S WELCOME

It is a pleasure and a privilege to introduce the Annual Report and Accounts for Harrogate and District NHS Foundation Trust (HDFT) for the financial year 1 April 2020 to 31 March 2021. As you know this has been an extraordinary year for the National Health Service as all patients, service users and colleagues have been affected by the COVID-19 pandemic. The Board of Directors and Council of Governors are most grateful and full of admiration for the way in which teams throughout HDFT have responded and adapted. Many have had to change their roles from supporting planned care to working in urgent care, others have moved to roles in community services to enable patients to stay at home rather than being admitted to hospital. Very many colleagues have worked at home to support social distancing in offices and bases. Health Visiting and School Nursing teams had to make decisions about which families they needed to visit and who could be contacted by phone or email. All of these changes happened very quickly which is a tribute to the great commitment and flexibility of our colleagues.

Our clinical teams were faced with unprecedented circumstances regarding infection control, care for severely ill patients with different symptoms, supporting patients who could not have visitors and communicating with families who could not visit their loved ones. A Clinical Advisory Group was rapidly formed which reviewed all the information and advice about treating patients with COVID-19 and made decisions about the practicalities of organising services. Our planning and estates teams designed and commissioned large scale increases in oxygen supplies and converted a ward into additional intensive care beds. In addition they completely upgraded the existing ICU with a £1m scheme.

In parallel with all of this colleagues were concerned about their families and contracting the virus themselves. 2020/21 was on one hand extremely difficult and on the other very uplifting as the response of members of the public was wonderful. The Trust received thousands of gifts, offers of help, hundreds of hours of the time of volunteers and all those claps for carers at the front door of the hospitals.

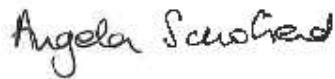
Every single person who works for HDFT whether in the 0-19 Services, Community Services across North Yorkshire, Harrogate District and Ripon Hospitals, the Minor Injuries Unit at the New Selby War Memorial Hospital or Harrogate Integrated Facilities have made a huge difference in the last year and The Board of Directors and Council of Governors are proud to have been part of their team.

Our Annual Report and Accounts is our opportunity to present the details of HDFT's performance in 2020/21. You will see that, along with all NHS organisations, we broke even financially as funding was provided as needed in this unusual year. Unfortunately, waiting lists and waiting times have grown as it was not possible to sustain planned admissions. It is a major priority to return these services to pre-pandemic levels in order that we provide the treatments needed as soon as possible.

I hope that you will find this Annual Report interesting and informative. It is an important part of our accountability to our Members and to the wider public we serve. We will be arranging our Annual Members Meeting to take place in September 2021 when we will welcome questions and comments.

I would like to thank the Board of Directors for their leadership of the Trust. We are all most grateful to the Council of Governors for their oversight of the work of the Board and their fantastic support for the work of the Trust. They provide a vital link with our Foundation Trust Members who are very generous with their comments, suggestions and feedback.

I cannot commend enough the individuals and teams who work, volunteer and raise funds for the Trust – they are magnificent in their support for HDFT, the NHS and our communities.



**Angela Schofield**  
**Chairman**  
**Harrogate and District NHS Foundation Trust**  
**9 June 2021**

## 2.0 CHIEF EXECUTIVE'S INTRODUCTION

The year from 1 April 2020 to 31 March 2021 has been like no other year in the history of the NHS, which has been dominated by the response to COVID-19.

It has been a year of terrible sadness for many communities who have suffered the health and economic impact of COVID-19. And it has been one of the hardest years for colleagues here at HDFT and those in the wider health and social care sector.

On 15 March 2020 the first patient with COVID-19 was admitted to Harrogate District Hospital, at a time of significant uncertainty for everyone. A year later, as we drew towards the end of the financial year over 800 patients had been treated in hospital, 100 of whom were treated in critical care. Whilst nearly 600 patients recovered and had been discharged home during that time, over 180 patients lost their lives.

The year saw teams undergo significant changes on multiple occasions. Nearly 150 colleagues were redeployed in the initial preparations to alternative roles to support people in the community, to expand critical care capacity and to use their skills, compassion and kindness to support patients and families who needed help. Over 118,000 visits were conducted to people's homes, and our enhanced community teams supported over 4,500 patients to be discharged earlier and by February were caring for the equivalent of 38 beds of patients, but in their own homes instead. Our laboratory colleagues processed over 38,000 COVID-19 swabs, and our PPE team have supplied over £29 million items of PPE to keep our colleagues and our patients safe.

Our 0-19 services saw dramatic changes to their way of working with children's centres and community facilities closed during lockdown. They had to adapt to home working and undertaking virtual assessments, whilst still providing face to face assessments and support for those children and families who needed it. They supported over 102,000 families across North Yorkshire and the North East.

Sadly, we have seen significant surges in safeguarding – as whilst lockdown has helped suppress the spread of the virus, it has also created conditions in which abuse and neglect of children has risen, as well as posing challenges for the normal development of children in the early years of their lives. Our school nurses, health visitors and early year's practitioners and all those who work as part of our 0-19 services have shown extraordinary strength, compassion and determination in supporting some of the most vulnerable families in society. No team has been untouched by the pandemic. Every single colleague at HDFT has made an enormous contribution in so many different ways, and it would have been impossible to respond in the way that teams did without the support everyone gave to each other.

Many of our teams have faced great personal pressures from their work, at the same time as lockdown has affected their families and friends. Our Human Resources (HR) colleagues have sought to provide as much support as possible and this will continue to be important as we move out of the pandemic as many colleagues will not quickly forget some of the very challenging experiences that they have had this year.

The development of vaccines to combat COVID-19 was a hugely poignant moment for the world as a whole, and again our fantastic team stepped up and over 65 colleagues supported the hospital hub which in 25 days vaccinated over 3,000 HDFT colleagues and over 3,000 wider health and social care colleagues with their first dose of vaccine. At the

end of the programme, a total of over 8,000 jobs had been given, and 87% of HDFT colleagues had been fully vaccinated.

Inequalities have existed in the experience of staff, patients and in health outcomes for different groups of people for many years, and are not new. The COVID-19 pandemic has brought these inequalities very much into the visibility of the NHS and society. It is sad that it has taken such an event to shine a light on this. And as lockdown measures ease, and the prevalence of COVID-19 reduces, we must remember that the inequalities we have seen continue, and in some cases worsen with the wider economic impact of COVID-19. These inequalities are not treated by a vaccine, but by much broader measures, and are underpinned by our mind-set. No single organisation can address inequalities on their own, but playing our part will be a significant priority as we emerge from the pandemic.

Although the year was dominated by COVID-19 in many ways – we continued to treat patients who had other conditions, and indeed the majority of patients we cared for had conditions other than COVID-19. We continued to run urgent and emergency services, and adapted many of our outpatient services to operate virtually. Many of these changes have been beneficial for both colleagues and patients and many of the adaptations we have made will stay in place – we now undertake around 25% of our outpatient contacts virtually.

It is also important for us to thank not just our colleagues at HDFT, but all those in primary care and social care. They too have had to adapt very significantly and have faced significant challenges whilst working incredibly hard to support people to stay well and safe at home. The contribution often goes more unnoticed than that of hospital services, but without each other we are able to achieve little. So, on behalf of everyone at HDFT we'd like to highlight their remarkable efforts and to say thank you.

In the latter part of the year, recovering services which were paused became a major focus as unfortunately waiting lists had grown significantly whilst we managed the impact of COVID-19. This is true of both hospital care and primary care and our priority is to work closely together and to support each other to do the best we can for patients who are waiting. Although the levels of COVID-19 are low, measures to reduce transmission remain in place because we have to learn to live with COVID-19 for the foreseeable future. These measures which help keep our colleagues and patients safe mean that it is more complicated to treat our patients and can take us longer, and we ask for everyone's patience as we try to catch up.

During the year, as we were able, we continued to focus on developing HDFT to become an outstanding place to work, and an outstanding place in which to receive care. This has started with a major refresh of our values and behaviours which we value which have been developed by our colleagues and with the input of patients. They focus on the behaviours that make for a good day at work for colleagues and a positive experience for patients and embedding this in everything we do will be a major focus in 2021/22. During the year there have been significant pieces of work taking place building on the cultural review that we undertook in 2019.

As we look ahead into 2021/22 our priorities will remain firmly focused on trying to do the very best we can to support our colleagues at HDFT, those in the wider health and care system and to ensure that we maximise every opportunity to keep people well, and to care for them when they need us.

We have five major priorities – (i) recovering our planned care services in an inclusive way which does not exacerbate health inequalities, (ii) supporting our 0-19 services to recover and manage the surge in safeguarding, (iii) a focus on the health and wellbeing of our colleagues, (iv) focusing on the fundamentals of care in all our services and (v) our culture programme – 'at our best'.

I have personally never felt prouder to be part of the NHS, and I am very privileged to be part of a great team of 4,800 colleagues at HDFT and Harrogate Integrated Facilities. Writing an introduction to the annual report can never do justice to the incredible contribution that everyone has made, and likewise eight letters can never convey the sentiment I feel about my colleagues. But with those limitations in mind, **thank you** #teamHDFT.

A handwritten signature in blue ink, appearing to read 'Steve Russell', with a horizontal line underneath.

**Steve Russell**  
**Chief Executive**  
**Harrogate and District NHS Foundation Trust**  
**9 June 2021**

## 3.0 PERFORMANCE REPORT

### 3.1 Overview of Performance

#### 3.1.1 Introduction

The Performance Report provides information about Harrogate and District NHS Foundation Trust (the Trust), the Trust's objectives, strategies and the principle risks that the organisation faces. This overview section aims to help readers to understand the Trust, its purpose, key risks to achievement of objectives and details about how the organisation performed during 2020/21.

During 2020/21, the Trust's control environment quickly adapted to respond to the significant change in circumstances that COVID-19 created. The Trust focused its response by providing safe care for its patients, redeploying and re-training our colleagues to support patients that required respiratory support and maximising the availability of colleagues. An operational command structure was introduced, the operational risk register system was used to identify and report on COVID-19 risks and their management and business continuity arrangements were enacted upon. Urgent decision-making arrangements were required to revise our governance arrangements and the use of schemes of reservation and delegation were revised in response to that. The Board agreed revised governance, meeting, reporting and assurance arrangements for 2020/21 in line with NHS England and NHS Improvement's guidance dated 28 March 2020 to reduce the burden and releasing capacity to manage during the COVID-19 pandemic.

Despite the COVID-19 pandemic, and the necessary changes made to the control environment, the Trust maintained a process of risk management and strong governance processes internally. Focus on the Trust's long term strategy to address the clinical, operational and financial challenges continued throughout the year.

#### 3.1.2 Brief History of Harrogate and District NHS Foundation Trust and its Statutory Background

Harrogate and District NHS Foundation Trust (the Trust) was founded under the Health and Social Care (Community Health and Standards) Act 2003 and authorised as an NHS Foundation Trust from 1 January 2005.

The Trust is the principal provider of hospital services to the population of Harrogate and surrounding district, and also provides services to north and west Leeds - representing a catchment population for the acute hospital of approximately 720,000. In addition, the Trust provides some community services across North Yorkshire (with a population of 400,000) and provides Children's Services between birth and up to 19 years of age in North Yorkshire, County Durham, Darlington, Middlesbrough, Stockton-on-Tees, Sunderland and Gateshead, covering a total population of around 1.75m.

Harrogate District Hospital has an Emergency Department, extensive outpatient facilities, an Intensive Therapy Unit and a High Dependency Unit, a Coronary Care Unit, plus five main theatres and a Day Surgery Unit with three further theatres. The Sir Robert Ogden Macmillan Centre (SROMC) provides assessment and treatment, for the diagnosis and treatment of patients with cancer. Dedicated purpose built facilities are also provided on site for Cardiology, Endoscopy, Pathology, Pharmacy, Radiology and Therapy Services, as well as a Child Development Centre, Stroke Unit and Women's

Unit. The Trust provides Maternity Services with an Antenatal Unit, central Delivery Suite, Special Care Baby Unit (SCBU) and Post Natal ward, together with an Early Pregnancy Assessment Unit. The Lascelles Neurological Rehabilitation Unit provides care for inpatients with a range of neurological conditions and brain injuries.

Ripon Community Hospital has an inpatient ward and Minor Injuries Unit, and offers a range of outpatient services to the communities of Ripon and the surrounding area.

The Trust also acts as the first contact for access to more specialist services through alliance-based working with neighbouring hospitals. These extended services are provided by visiting consultants, or alternatively by the patient travelling to hospitals in York or Leeds. The range of hospital services that are provided in partnership with York Teaching Hospital NHS Foundation Trust (YTHFT) include Breast and Cervical Screening, Dermatology, Ear Nose and Throat (ENT), Neurophysiology, Non-Surgical Oncology, Ophthalmology, Oral and Maxillofacial Surgery, Orthodontics, Renal Medicine, Rheumatology, Urology, Vascular and Renal Services. The renal unit is provided at a facility on the Harrogate District Hospital site but managed by YTHFT.

In addition, the Trust has a number of established clinical links with the Leeds Teaching Hospitals NHS Trust (LTH). These include Coronary Heart Disease, Neurology, Plastic Surgery, Specialist Paediatrics and access to specialist Cancer Services. Links have also been strengthened with commissioners in Leeds, providing further services in Orthopaedics and General Surgery and an outpatient clinic for ENT services at Chapeltown Health Centre.

Additional outpatient outreach clinics are held at Wetherby Primary Care Centre and Yeadon Health Centre for the specialities of Dermatology, Gastroenterology, General Surgery, Gynaecology, Maternity, Neurology, Paediatrics, Respiratory, Rheumatology, Urology, and Vascular clinics. Endoscopy and Gastroenterology services are provided at Wharfedale General Hospital. An outreach clinic facility also operates at Alwoodley Medical Centre and includes clinics for the specialties of Audiology, ENT, General Surgery, Gynaecology, Orthopaedics, Rheumatology and Urology. There is also a dedicated Radiology service providing plain film x-ray and ultrasound services to support the clinics listed above, as well as providing GP Direct Access for the surrounding practices.

Patient choice is an important part of the NHS Constitution and patients from surrounding areas frequently choose Harrogate for their care. The Trust will continue working in partnership with Clinical Commissioning Groups to expand secondary care services and meet this demand.

The Trust also provides a range of community services in Harrogate and the local area as well as across North Yorkshire and Leeds. Our dedicated and experienced staff, who are based in the communities they serve, offer expertise across a variety of disciplines and work closely with GPs, hospital-based staff and other healthcare professionals to provide high quality care. Services include:

- Community Podiatry Services;
- District and Community Nursing;
- Health Visitors;
- GP Out of Hours Services;
- Infection Prevention and Control/Tuberculosis Liaison Services;
- Minor Injury Units;



- Older People and Vulnerable Adults Services;
- Safeguarding Children Services;
- Salaried Dental Services and
- Specialist Community Services.

The Trust provides Children's Services in County Durham, Darlington, Middlesbrough, Stockton-On-Tees, Gateshead and Sunderland, making it the largest provider by geographical area of such services in the country. These are universal services where the needs and voice of children, young people and families are at the core of the service designed to identify and address their needs at the earliest opportunity, and to recognise and build on the strengths that are within individuals. This enables them to be part of the solution to overcome challenges and identify and develop resources within communities so that children, young people and families have access to support when and where they need it.

### 3.1.3 Purpose and activities of the Trust

The Trust's Vision is to achieve 'Excellence Every Time' for patients and service users, with the organisation's mission statement to be an exceptional provider of healthcare for the benefit of our communities, our staff and our partners.

In order to achieve our Vision and Mission the Trust has set out four key strategic objectives:

- To deliver high quality care
- To work with our partners to deliver integrated care
- To ensure clinical and financial sustainability
- To be an outstanding place to work

The Trust recognises that to deliver our Vision we will continue to work with partner organisations across the footprint through alliances and networks to achieve these key strategic objectives. The Trust's primary partners include:

- West Yorkshire and Harrogate Health and Care Partnership (HCP);
- West Yorkshire Association of Acute Trusts (WYAAT);
- Humber Coast and Vale NHS Partnership;
- Clinical Alliances with York Teaching Hospitals NHS Foundation Trust (YTHFT) and Leeds Teaching Hospitals NHS Trust (LTHT);
- Commissioners of Children's Services across North Yorkshire, County Durham, Darlington, Middlesbrough, Stockton-On-Tees, Sunderland and Gateshead;
- Local Provider collaboration with other providers including Tees Esk and Wear Valley NHS Foundation Trust (TEWV) North Yorkshire County Council (NYCC), and the local GP Federation; and,
- Harrogate Healthcare Facilities Management Limited (the Trust's wholly owned subsidiary company providing estates and facilities services).

Whilst working in co-operation with other Trusts and organisations as part of the West Yorkshire and Harrogate health 'system', the Humber Coast and Vale health 'system', and being a member of WYAAT, the Trust retains full control and governance and has not delegated any decision-making powers to any other organisation. The Trust is though a member of the WYAAT Committee in Common, which provides oversight and assurance of delivery of WYAAT plans and objectives.

### 3.1.4 Strategic Risks

The Trust records strategic risks to the organisation in the Board Assurance Framework (BAF) and operational risks to the organisation on the Corporate Risk Register, both of which are reviewed by the Board in detail.

During 2020-21 the strategic risks identified on the BAF included risk of:

- Risk that individual staff engagement and high performing team cultures are compromised because there is an insufficient focus on the culture of the Trust and the health and wellbeing of staff which will impact on the Trust's ambition to be an outstanding place to work and in turn will impact on the quality of patient experience.
- Risk that individual staff engagement and high performing team cultures are compromised because there is lack of diversity of thinking due to recruitment and promotion practices that make it more difficult for colleagues with protected characteristics to flourish in the organisation.
- Risk that the Trust does not maximise its contribution to improving population health and reducing health inequalities because of a lack of strategic relationships with primary care and local authorities and an internal focus which will impact on our strategic ambition to improve population health and wellbeing, provide integrated care and to support primary care.
- Risk that the Trust's population is not able to fully benefit from being part of an integrated care system because our secondary care patient flows are to West Yorkshire and our place based population health activities sit within North Yorkshire which are in two different ICSs and there is insufficient management bandwidth to participate in both. This will impact on our ambition to be an active partner in population health and the transformation of health inequalities.
- Risk to achieving outstanding service quality and patient experience because there is insufficient focus on an systematic organisation-wide approach to and culture of quality improvement which will impact on the Trust's ambition to continuously address the underlying barriers to excellence every time and to provide outstanding care.
- Risk that some of our secondary care based services are not clinically and financially sustainable because of the size of population we serve and our ability to respond to subspecialisation and to recruit and retain staff which will impact on our ambition to provide high quality services.
- Risk that due to a prolonged recovery from COVID-19 the Trust's strategic ambitions are compromised, which will impact upon service transformation and underlying financial improvement.
- Risk to long term financial sustainability and ability to invest in capital due to the difficulty of generating sufficient internal funds through inward investment or additional cash releasing savings, which will impact upon the quality of care that can be provided.
- Risk that the Trust places insufficient focus on early year's services and adult community based services because of the historic dominance of hospital services which will impact on the transformation opportunities and miss opportunities for long term outcomes and integrated care.

- Risk that standards of care are compromised due to the allocation formula not providing sufficient resources to meet the needs of the unique demography of the local area, which will impact on the Trust's ambition to provide outstanding care and its reputation for quality.

The risks on the Corporate Risk Register at the end of 2020-21 relate to the:

- Risk to quality of care and meeting NICE guidance due to failing to complete autism assessments within 3 months of referral
- Risk to patient safety, performance, financial performance and reputation due to increasing waiting times across a number of specialties
- Risk to patients and ED service when ED X-ray room fails due to the age of x-ray equipment
- Risk to patient safety, quality of care and psychological impact of delays in diagnostics, treatment plans and surveillance on patients and families due to pressure on service for CT scans at Leeds
- Risk to staff wellbeing and morale due to the COVID-19 pandemic
- Risk to patient safety, quality of care and staff welfare due to increased levels of domestic abuse and children's safeguarding
- Risk to patient safety due to lack of an automated system for tracking risk to patient safety
- Risk to the quality of service delivery in Medicine due to unfilled and vacant rota gaps across grades
- Risk to the quality of service delivery and patient care due to failure to fill registered nurse and health visitor vacancies as a result of the national labour market shortage and impact of COVID-19
- Risk to patient experience due to the failing to meet the 4 hour ED standard
- Risk to quality of care and patient safety for Special School nursing patients due to increased demand on the provision
- Risk to patient/staff safety, patient experience, reputation and the Trust's property due to violence and aggression from patient, relatives and others in the Emergency Department
- Risk of increased financial costs due to the an increase in absence and sickness levels, and increased staff turnover which could result in higher agency/recruitment costs
- Risk to patient safety due to the lack of end-end maternity electronic record system
- Risk of harm to staff and patients if the aseptic unit fails to meet environmental monitoring standards COVID-19 service provided by (added March 2021)
- Risk to the Microbiology service due to age of analyser(added March 2021)

The BAF is reviewed by the Board of Directors, Audit Committee and the Trust's Corporate Risk Review Group to ensure appropriate triangulation of issues across the organisation. The Board's Committees carry out 'deep dives' into individual areas of responsibility to ensure that the strategic risks are mitigated as far as possible, and that gaps in assurance and control are identified.

During the first phase of the COVID-19 pandemic, to enable greater focus on operational risk management, the Board agreed to focus more on operational issues. The principal risks to the Trust's strategic objectives were subsequently redeveloped from the summer 2020 with a number of Board Workshops resulting in an updated BAF being approved

by the Board at its 26 May 2021 meeting. The Assurance Framework clearly reflects the impact of COVID-19 on the organisation.

### **3.1.5 Going Concern Disclosure**

After making enquiries, the Board has a reasonable expectation that Harrogate and District NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

## **3.2 Performance Summary of 2020/21**

In March 2020, and in line with national guidance relating to the COVID-19 pandemic, we suspended the elective and outpatient department programme in order to focus resources on the response to the pandemic and to support national guidelines relating to self-isolation and shielding of patients. This had a detrimental effect on planned care performance in March 2020 continuing into the year, which increased the number of patients waiting over 52 weeks. Safety has remained a priority throughout, with all patients clinically triaged and assessed for clinical harm where long waits have occurred and the Trust like other organisations across the NHS continues to face a number of challenging issues and wider organisational factors particularly with regards to recovering from the COVID-19 pandemic.

Whilst the Trust is focused on delivering timely access to services for our patients, our performance has been reflective of the national and regional performance with the Constitutional access standards underachieved in the year. Our focus is maintaining patient safety. There has been good performance for timely ambulance handover in our Emergency Department.

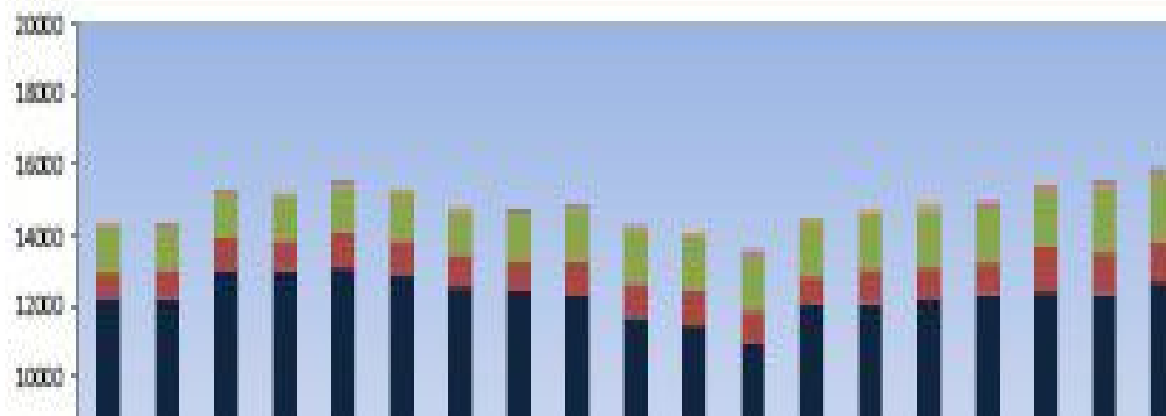
### **3.2.1 Operational Performance**

#### **3.2.1.1 Waiting Times**

During 2020/21 the Trust continued to treat the most clinically urgent patients on the elective waiting list, routine operations were impacted by the reduced capacity in response to COVID-19. Routine referrals also reduced during the first quarter of the year, increasing from quarter-2 onwards, resulting in the total number of patients waiting at the end of the year being at a similar level to the start of the year.

Waiting times increased over the year as a result of the reduced elective capacity available, longer waiting times are actively being reduced as we move forward into 2021/22.

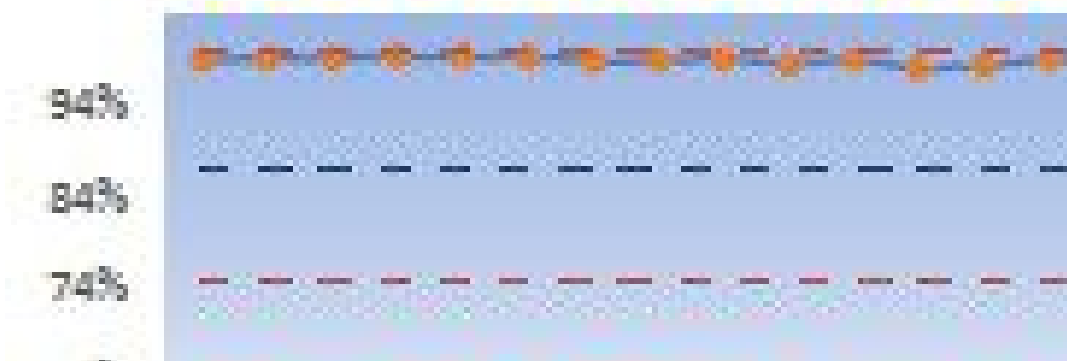
### Referral to Treatment Waiting List



#### 3.2.1.2 Diagnostic Tests

During 2020/21 elective services were stepped down in response to COVID-19, resulting in a reduction in the number of patients whose waiting time was less than 6-weeks. The position recovered in quarter 2 of the year with three quarters of patients waiting less than 6-weeks for their diagnostic test. Longer waiting times are actively being reduced in 2021/22.

#### Percentage of Diagnostic Patients seen in 6-weeks



#### 3.2.1.3 Cancer

Cancer patients continued to be treated throughout the year, despite reduced capacity in response to COVID-19. Waiting times did increase however the standard for patients receiving their treatment within 62-days of urgent referral was delivered in quarter-2 and quarter-3 of the year, along with the year overall.

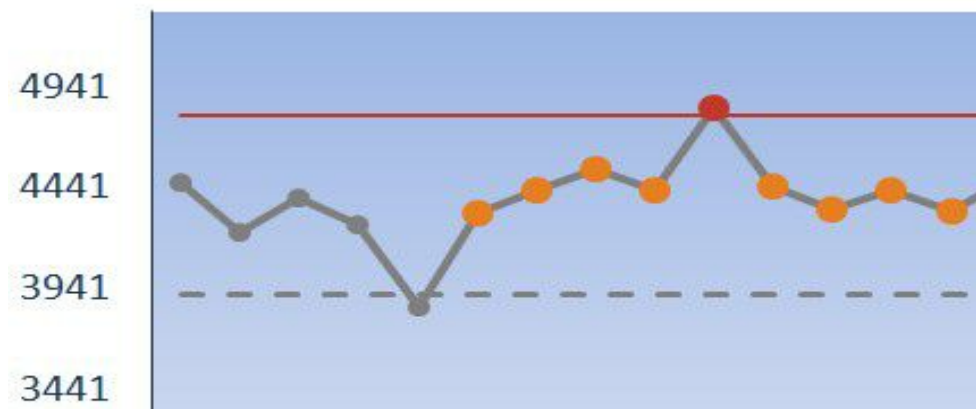
#### Cancer - 62 day wait for first treatment from urgent GP referral to treatment



#### 3.2.1.4 Accident & Emergency Activity

A&E attendances reduced in the first quarter of the year, increasing to circa 80% of pre-COVID-19 levels over the Summer period. Attendance increased back to 2019/20 levels at the end of the year and this level of attendance has continued into 2021/22.

##### Total A&E Attendances Type1

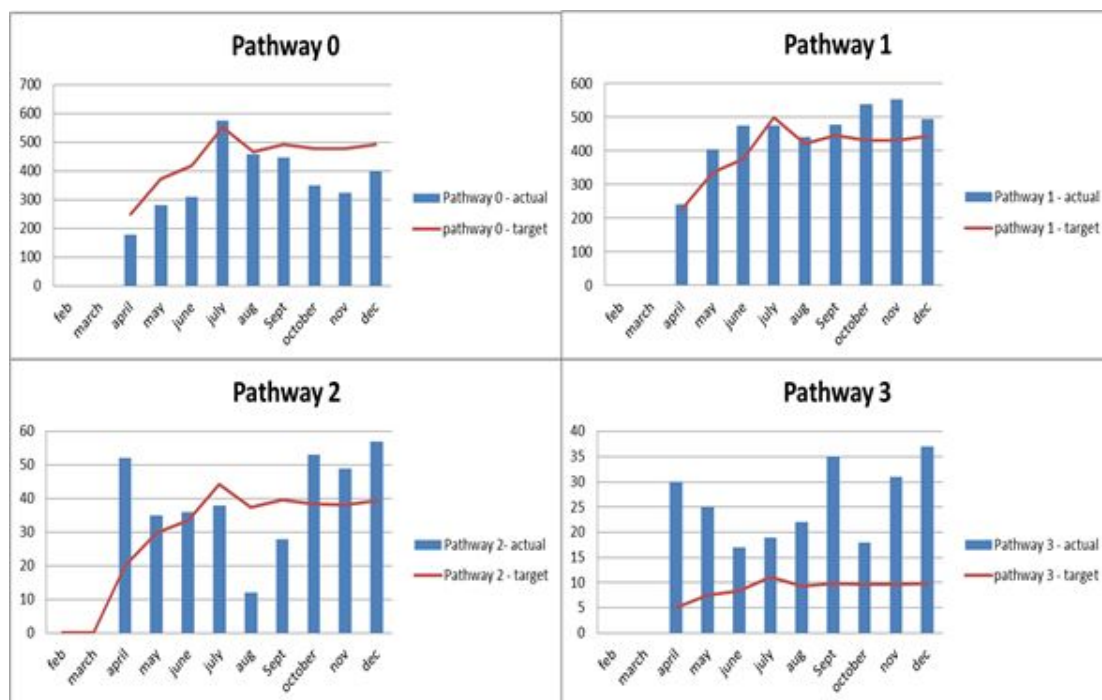
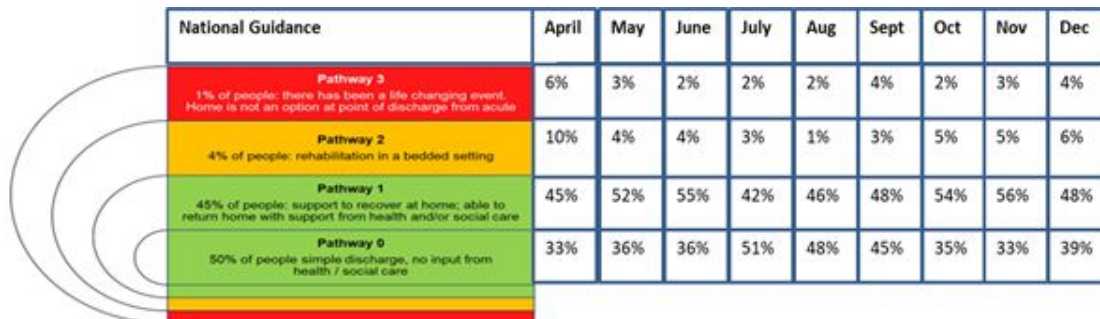


#### 3.2.1.5 Delayed Transfer of Care

The Discharge Programme reduces the time patients wait unnecessarily in the wrong care setting by reducing lengths of stay, delayed transfers of care (DTOC) and the number of long stay patients.

The COVID-19 pandemic initially introduced a large discharge acceleration. There are now some additional delays with patients from care homes that are required to stay in hospital irrespective of their medical need. However, the ARCH's service, which is the amalgamation of supported discharge service, acute and frailty inpatient therapy services, community therapy and bed based rehabilitation expands the cohort of patients who can be identified to leave the hospital sooner to their home environment. The

ARCH service was piloted from August 2020 and has consistently supported the management of an additional 20 beds worth of inpatient activity away from the hospital. There are weekly meetings in place that focus on ways to unblock pathways for patients with an extended length of stay. All these plans in place have seen an improvement for patients that are discharged to a destination other than their own home. We plan to complete further work on the admission avoidance and to further increase the reduction of patients being discharged away from their own home.



### 3.2.2 Infection Control

Infection Prevention and Control (IPC) remains a high priority for the Trust and there is a strong commitment to reducing avoidable harm due to HCAI (Healthcare Acquired Infections). HCAI rates are closely monitored by the IPC committee, chaired by the Director of IPC (DIPC) and reported to the Quality Committee. Actions and recommendations to ensure the Trust health care acquired infection rates remain below the Trust's trajectory level are overseen by the Lead Doctor and Lead Nurse for IPC, reporting directly to the DIPC and the Quality Committee.

During the COVID-19 pandemic additional IPC governance has been in place through the Trust's incident command governance structure, including a COVID-19 related Clinical Advisory Group (CAG).

### **3.2.3 Regulatory Ratings**

The Trust's regulatory performance against NHS Improvement's (NHSI) Single Oversight Framework were green in all quarters for one of the seven standards, green in three of the four quarters for three standards, green in two of the four quarters for one standard and red in all four quarters for one of the standards. The Trust achieved a Use of Resources rating of two (range one to four with one being best).

No formal regulatory action has been taken or is planned. The Trust continues to have robust measures in place to monitor performance and quickly address areas of concern.



### 3.2.4 Trust News and Awards

➤ **£1m refurbishment for the Intensive Care Unit, creating a much-improved environment for patients**

Almost £1 million has been invested in a complete refurbishment of the Intensive Care Unit at Harrogate District Hospital, increasing capacity and creating a much-improved environment for patients and staff.

The whole unit was stripped down to its structural shell and rebuilt. This increased the side rooms to five, with six beds across two open bays. The environment for our patients has been significantly improved with new flooring, ceilings, doors and wall cladding, dimmable lights, engaging wall murals and LED ceiling panels featuring blue skies, clouds and trees in two of the side rooms. There are two newly-refurbished relatives' waiting rooms each having televisions.

➤ **£14 million grant to reduce hospital's carbon footprint by 25 per cent – includes new heating source and solar panels**

Harrogate District Hospital has been awarded a significant sum of £14 million for works to reduce the carbon footprint of the site by 1,100 tonnes per year. The grant was approved in 2020/21 with income to be received during 2021/22 in line with expenditure.

The works will be carried out by the hospital's estates and facilities subsidiary company, Harrogate Integrated Facilities (HIF) in partnership with Imtech and its specialist energy performance business, Breathe.

The funding is being used to purchase an air source heat pump, which extracts heat from the air. The air can then be used to provide heating and hot water across the site, reducing the consumption of natural gas.

This funding will go towards addressing some of the long-standing backlog maintenance relating to the hospital building including repairing and replacing flat roofs that leak and old windows, which will help to improve both patient and staff experience.

As part of the roofing replacement works photovoltaic solar panels will be installed to provide a sustainable green source for electricity and reduce the reliance on grid electricity.

➤ **Pioneering Harrogate-based exercise and activity scheme for NHS cancer patients wins Parliamentary Award**

A Harrogate-based pioneering exercise and activity service for patients with cancer has won the Excellence in Healthcare category of the NHS Parliamentary Awards 2020 for the North East and Yorkshire.

Active Against Cancer (AAC) is part of Harrogate and District NHS Foundation Trust, and was nominated for the innovative support it provides by incorporating exercise, health and wellbeing into the standard treatment plans offered to cancer patients. The service is adding to the growing body of scientific evidence of the health benefits of leading an active lifestyle.

Supporting service users from the start of their journey, the AAC team offers one-to-one assessment at the time of diagnosis, personalised rehabilitation programmes, maintenance programmes for those undergoing chemotherapy and radiotherapy, and personalised rehabilitation programmes when treatment has finished.

Based at Harrogate Sports and Fitness Centre, the service has intentionally cultivated an inviting, social space to encourage peer support and offer a diverse range of classes such as circuits, pilates, yoga, dance and walking. During the initial wave of COVID-19, the service continued to support patients remotely with video consultations and online classes. Since August 2020, it restarted face-to-face classes and these continue to grow, supporting patients both with face-to-face classes in a COVID-19-safe environment and also remotely.

➤ **New, enhanced 0-25 Family Health Service (health visitors and school nurses) launches in County Durham**

From 1 September 2020, a new, enhanced 0-25 Family Health Service (including health visitors and school nurses) is available for families and young people in County Durham.

The service is operated by Harrogate and District NHS Foundation Trust in conjunction with Durham County Council, who have successfully delivered the 0-19 service in the county since 2016. The team are incredibly proud of the work they have achieved since then, providing essential support to children, young people and families in the community.

Using their excellent knowledge, skills and relationships, the Growing Healthy County Durham Team is now looking forward to delivering on the new contract.

The Team includes family health visitors, family health specialist public health nurses, emotional resilience nurses and support staff, who will be delivering on the Healthy Child Programme. This programme provides universal and targeted prevention and early intervention support during pregnancy, childhood and adolescence.

### **3.2.5 Quality**

The Trust is fully committed to high quality care. Due to the COVID-19 pandemic there is no requirement for Foundation Trusts to prepare a quality report and include it in its Annual Report for 2020/21. The Trust is, however, preparing a quality account, which is a requirement of the Health Act 2009 and the quality account regulations. The Quality Account will be produced in addition to the Annual Report and Accounts.

Details on progress made on quality priorities during 2020-21 will be outlined in the Quality Account together with the agreed quality priorities for the coming year. The

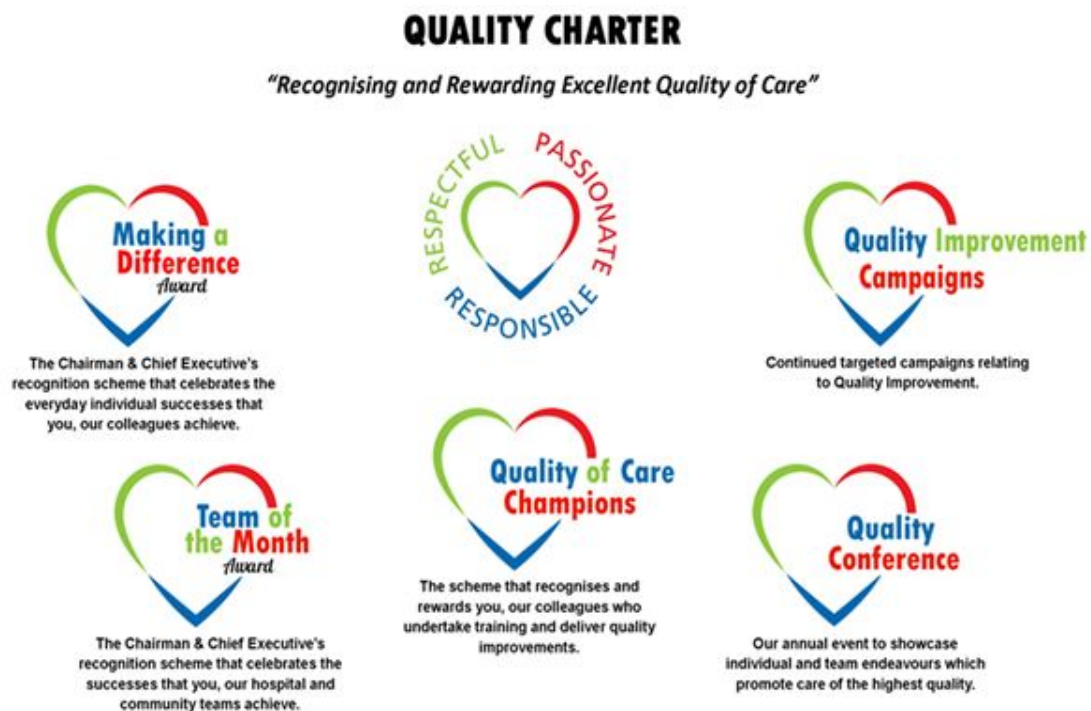
priorities for quality improvement are agreed with staff and stakeholders and will have clear and measurable targets, with performance against these monitored regularly through the Trust's Quality Committee.

There are governance and reporting frameworks in place to ensure that the Trust continues to deliver its operational plans and targets, which include other quality initiatives and indicators.

### 3.2.5.1 Quality Charter

The Trust recognises that valuing and celebrating the achievements of the workforce is essential to enable the future growth and development of the organisation and the individuals who are part of it.

Since our Quality Charter was introduced in 2016, we continue to witness the organisation's appetite to engage with quality improvement as a discipline. The Charter brings together six themes that focus upon encouraging, empowering, recognising and rewarding quality improvement.



In the context of this update, the most relevant components are the Team of the Month and Making a Difference Nominations. These have been running for several years and allow anyone, including the public, to nominate individuals or teams in recognition of their efforts.

With members of our Board presenting certificates, badges and letters of commendation we aim to celebrate going above and beyond, living the Trust values, making the difference and using our resources with care.

Please note that vetting and presenting of nominations were temporarily suspended from March 2020 but recommenced during 2020/21.



### 3.2.6 Harrogate Hospital & Community Charity (HHCC) and Volunteer Team

The HHCC and Volunteer Team work together to fund specialist equipment, training and services, to go above and beyond the provision of the NHS. Working with a wide range of supporters across our communities fundraising and holding a wide range of exciting events across the year including our Summer BBQ, Christmas Market and physical challenges including the Three Peaks, Total Warrior and Stepping up.

#### 3.2.6.1 Transformation of the Volunteer Service

The integration of the Volunteer Team with HHCC and the impact of the COVID-19 pandemic increased the volunteer offer across the Trust. A robust governance framework was developed, which included a refresh of the volunteer recruitment process, an updated volunteer policy, and mandatory volunteer ELearning training. A new volunteer database was developed to facilitate good communication pathways and accurate reporting, moving from a paper based offer to fully electronic. All volunteer roles were updated and adapted to ensure compliance with COVID-19 guidance and every active volunteer received a quality individual COVID-19 risk assessment.

During 2020/21, as COVID-19 restrictions were lifted, a small number of volunteers were welcomed back into the hospital to undertake new roles, which were developed in response to changes in practice across the hospital and community due to the impact of the pandemic:

- The mask station at the hospital reception
- Driving for the Discharge Service and the wider Trust
- The Staff Pop Up Shop
- Supporting relatives to put their PPE on when visiting the hospital
- Supporting the flu campaign
- Harrogate Hospital Radio

HHCC were fortunate to host three volunteer 'Thank You' Events during August and September 2020, to say a huge thank you to all the volunteers who supported the Trust during the height of the Pandemic. The volunteers were delighted to be welcomed by the Chairman, Angela Schofield and presented with Afternoon Tea vouchers for their sterling work.

There are a total of 432 enthusiastic and committed volunteers of varying ages providing invaluable assistance to staff, patients and visitors across the Organisation. The majority of volunteers are based at Harrogate District Hospital; however, there are community volunteers who are based at various sites such as Ripon Community Hospital, County Durham, Darlington, Middlesbrough and Scarborough. The support our Volunteers offer is invaluable to the Trust's colleagues and patients, improving quality and enhancing their overall experience.

### **3.2.6.2HHCC Support**

A top priority for the HHCC and Volunteer Team over during the year is supporting the health and wellbeing of staff, patients, service users and their families across HDFT. A number of initiatives were established, all of which would not have succeeded without the support of the amazing volunteer community groups, which include 3000 Scrubs and uniform bags being provided for our clinical and volunteer teams. A pop-up shop was established during the pandemic, which gives staff on the Harrogate hospital site access to essential items, treats and goodies. Care packages were introduced to our community teams and for staff who had been shielding or working from home to provide them with a little bit of sparkle to make their working day a little easier.

Our patients have benefitted from having tablet devices to keep in touch with their loved ones whilst receiving treatment in our wards and departments. This has been gratefully received by families and staff, enabling them to video call when visiting was not allowed due to the COVID-19 restrictions.

### **3.2.6.3HHCC, thank you!**

Thanks to our wonderful supporters, donors and fundraisers who help to make a positive impact and change patients, staff and families lives at Harrogate and District NHS Foundation Trust. Below is a small snapshot of the impact made to staff, patients and their families following donations received through the HHCC and Volunteer Team throughout 2020/2021:





### 3.2.7 Operating and Financial Review of the Trust

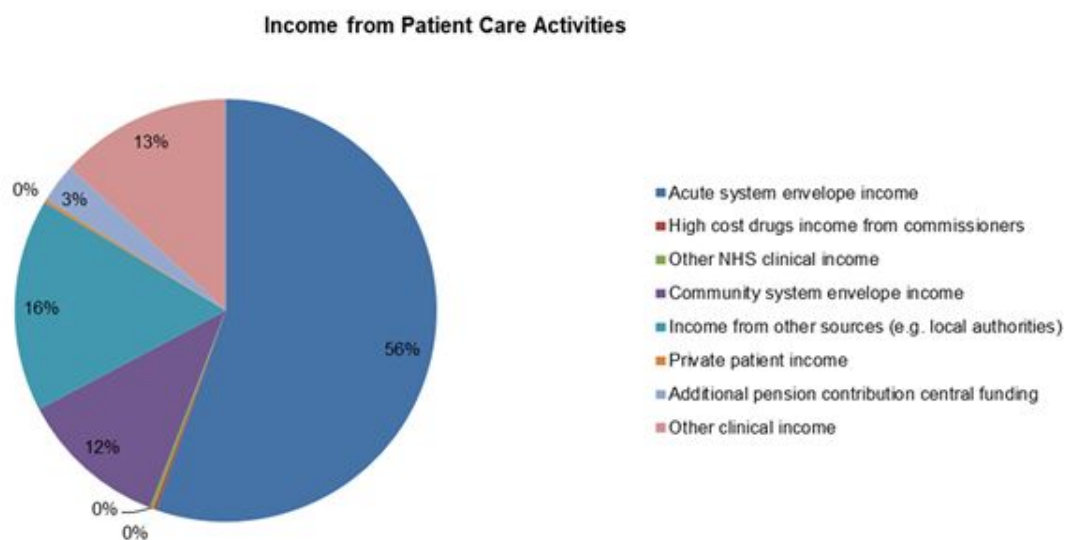
The income and expenditure position for the Trust for 2020/21 is described below. The consolidated position for the group was a surplus of £1,124,000.

	2019-20 actual £000s	2020-21 actual £000s
Income	275,171	297,379
Expenditure	(274,766)	(296,255)
Surplus	405	1,124

For the purposes of reporting to NHS England and NHS Improvement, adjustments are made relating to donated assets and impairments, resulting in a position of £41k surplus against a breakeven expectation.

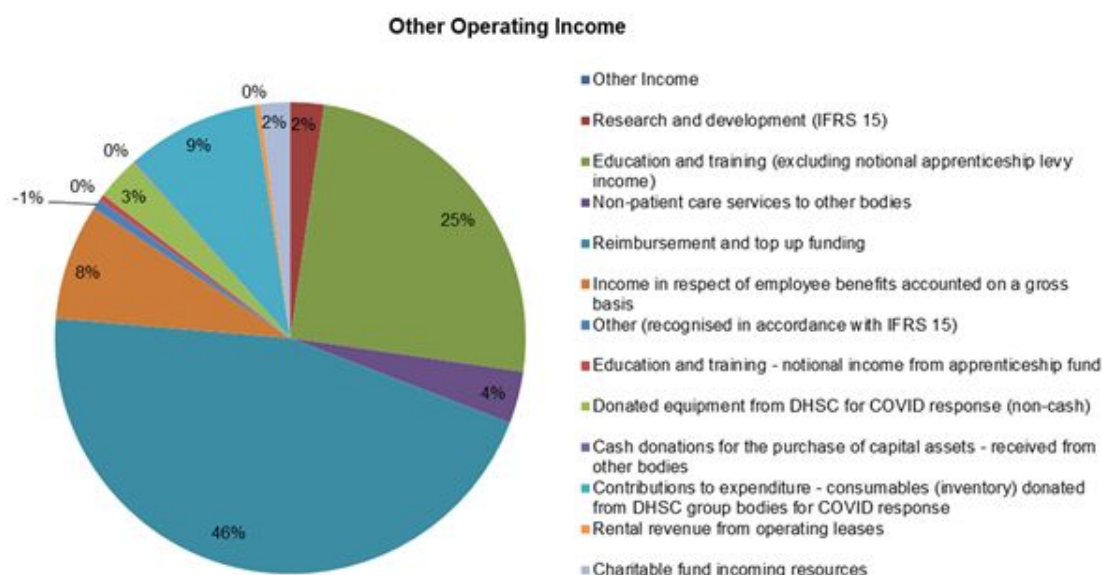
#### 3.2.7.1 Income Generated from Patient Care Activities

Total income from continuing activities for the year 2020/21 was £253,001,000. This represented 85.1% of total income for the year. An analysis of this income is shown below:



#### 3.2.7.2 Other Operating Income

Other operating income totalled £44,378,000 during 2020/21. This represented 14.9% of total income for the year and an analysis of this income is shown below:



### 3.2.7.3 Cash

The Trust has a cash balance of £34,198,000 at the close of the financial year.

### 3.2.7.4 NHS Improvement Use of Resource Metric

This metric was not reported on during 2020/21 as a result of the pandemic.

### 3.2.7.5 Financial Outlook 2021/22

The new financial year begins with a continuation of the 2020/21 financial framework, with a focus nationally on month one to six and Integrated Care Systems having a balanced position. An overall financial framework and plan have been agreed for the full financial year, with costs to support the response to COVID-19 agreed for month one to six. Whilst this is positive, there will be a focus on ensuring this foundation is used to maximise activity levels.

The Trust will continue to prepare for the need to make savings, with value for money activities described below.

### 3.2.7.6 Capital Investment Activity

2021/22 represents a challenging but exciting year for capital investment, with a programme agreed for £32m. This is more significant than any previous year, with the Trust receiving a £14m Salix grant to improve the energy efficiency of the Harrogate District Hospital site. This will reduce carbon emissions and provide a foundation for our future work on sustainability.

Added to this scheme, there are works planned to improve the environment across the hospital, recognising a need that will improve the experience of patients and staff working across HDFT. In addition to this, following feedback from colleague's significant investment is being made to our IT infrastructure to ensure time is used effectively.



There continues to be general work on the replacement of equipment and backlog maintenance, which continues from previous years.

### **3.2.7.7 Land Interests**

During the financial year ending 31 March 2021, the Trust's land and buildings were re-valued by the Valuation Office Agency (Royal Institute of Chartered Surveyors qualified) which is an Executive Agency of HM Revenue and Customs (HMRC). This valuation, in line with the Trust's accounting policies and using the best practice Modern Equivalent Asset valuation methodology, resulted in a valuation of the Trust's land and buildings of £80,246,000, which has been incorporated into the accounts.

### **3.2.7.8 Details of Activities Designed to Improve Value for Money**

During 2020/21, saving requirements have not been as great as in previous years. However, the Trust has continued to ensure it is providing value for money whilst responding to the pandemic. Controls were adapted to continue good governance during this period, and a streamlined expenditure approval process enabled quick, proactive responses to the significant operational pressures seen through the year.

Directorate colleagues have continued to implement efficiencies where appropriate, maintaining a positive impact during the financial year. Where schemes were disrupted, the reestablishment of services is providing an opportunity to take forward productivity schemes, particular within Elective Surgery and as part of Outpatient Transformation.

Added to this, the Trust continued working with partners to drive value and economies of scale. An example of this is within the Procurement function where the Trust is working with Leeds Teaching Hospitals NHS Trust to develop the service and benefit from greater purchasing power.

### **3.2.8 Environmental Matters**

The Trust recognises the huge challenges that climate change, air pollution and waste present globally, nationally and in our district. As a major healthcare provider, it is essential that we continue to reduce our contribution to climate change and embed sustainability throughout each aspect of our organisations to mitigate the risks to the health of our population in response to the National objective "Delivering a 'Net Zero' NHS

Delivering a 'Net Zero' the NHS has set two targets:

- NHS Carbon Footprint, 80% reduction in carbon emissions by 2028 – 2032  
Net zero by 2040.
- NHS Carbon Footprint Plus, 80% reduction in carbon emissions by 2036 – 2039  
Net zero by 2045.

To respond to these challenges, we have developed an outline Green Plan which builds upon the successes of our previous Carbon Management Plan. The new Plan will stand as an organisation-wide strategy which will guide the implementation of a collection of actions to improve our sustainability credentials and meet NHS targets. The Green Plan

will act as the core document pertaining to sustainable development at the Trust over the next five years and will act as a framework against which we will use to reduce our environmental impact and improve the health of our community.

### **3.2.9 Procurement**

This year has been a transitional one for procurement in the NHS, as the national reorganisation of the NHS Supply Chain Logistics & Contracting service has been phased in towards a fully operational live date of 1 April 2019. One of the consequences of this is the contract for the NHS logistics/transport service, which was awarded to Unipart, who took over the provision of the service from DHL in February 2019. It is likely that the new contractor will be required to meet sustainability commitments around carbon waste, ethics and responsibility to that previously pledged. Similarly the national contracting function has been split into various “category towers” each of whom will be required to comply with Government sustainability requirements/commitments.

Rationalisation and the reduction of choice via the nationally Contracted Products Programme has continued, including the change to a recycled copy paper using best environmental practices.

Locally, capital build developments in areas such as Endoscopy and the ED, have facilitated the improvement of storage facilities and order processes which should help in reducing waste, whilst there have been upgrades to hand-held ordering devices enabling Wi-Fi download, thus enhancing efficiency. A work plan has been developed across the WYAAT Trusts, focused on rationalising medical and surgical consumable products, whilst planning has started locally for the implementation of the Scan for Safety programme across WYAAT, which should improve efficiency and reduce waste whilst also improving patient safety.

### **3.2.10 Food Waste**

The Trust has maintained its established contractor for the recycling of its food waste from the Hospital site and all food waste is recycled in an environmentally friendly way by diverting waste from landfill.

**3.2.10.1 Energy**

RESOURCE		2017-2018	2018-2019	2019-2020	2020-2021
GAS	Use (kWh)	27,072,959	27,086,243	<b>27,264,123</b>	<b>24,788,158</b>
	tCO <sub>2</sub> e	4982	4984	<b>5016</b>	<b>4558</b>
OIL	Use (kWh)	144876	163950	<b>87440</b>	<b>58728</b>
	tCO <sub>2</sub> e	39.3	44.56	<b>23.8</b>	15.8
COAL	Use (kWh)	0	0	<b>0</b>	<b>0</b>
	tCO <sub>2</sub> e	0	0	<b>0</b>	<b>0</b>
ELECTRICITY	Use (kWh)	3,699,906.5	3,277,675	<b>3,228,684</b>	<b>4,674,882</b>
	tCO <sub>2</sub> e	380.7	337.3	<b>337.4</b>	<b>0</b>
<b>TOTAL ENERGY</b>	<b>tCO<sub>2</sub>e</b>	5402	5366	<b>5377</b>	4574
<b>TOTAL COST</b>	<b>£</b>	£ 1,014,696	£979,887	<b>£ 1,094,968.18</b>	<b>£1,033,019</b>

*CO<sub>2</sub>e calculations for energy have been taken from the Defra conversion factor for 2020, latest calculated industry standard carbon emission figures.*

In 2019, GHG Conversion Factors there was a 10% decrease in the UK electricity CO<sub>2</sub>e factor compared to the previous year because there was a decrease in coal generation and an increase in renewable generation in 2017 (the inventory year for which the 2019 GHG Conversion Factor was derived). During 2020/21, the CO<sub>2</sub>e factor has decreased (compared with 2019) by 9%, this is due to a decrease in coal generation and an increase in renewable generation. It is important to note that, the UK electricity factor is prone to fluctuate from year to year as the fuel mix consumed in UK power stations (and auto-generators) and the proportion of net imported electricity changes. These annual changes can be large as the factor depends very heavily on the relative prices of coal and natural gas as well as fluctuations in peak demand and renewables.

### **3.2.11 Overseas Operations**

The Trust does not have any overseas operations.

### **3.2.12 Social, community, anti-bribery and human rights issues**

The Trust has a significant profile in the local areas it serves and sees its community role as important both as a health care provider and potential local employer.

Complementing the education liaison programme the Trust had a highly successful work experience programme for students, many of whom are hoping to pursue careers in medicine, support staff with a range of activities both in clinical and non-clinical areas. During 2020-21, work experience placements for students from local schools and colleges was paused due to the COVID-19 pandemic. The Trust's Youth Forum composed of young people had met monthly until it was put on hold during the COVID-19 pandemic.

We have a number of policies in place which cover social, community and human rights matters. A process is in place to ensure that none of our policies have an adverse or discriminatory effect on patients or staff. We continue to provide positive support to people with a disability who wish to secure employment with the Trust through the guaranteed interview scheme and comply with the two ticks requirements. There are policies in place which support staff who may become disabled during their employment.

The Trust's anti bribery and counter fraud arrangements are in compliance with the NHS Counter Fraud Authority's Counter Fraud Standards for Providers. These arrangements are underpinned by the appointment of accredited Local Counter Fraud Specialists and the introduction of a Trust-wide Anti-Fraud, Bribery and Corruption Policy.

The Trust's Audit Committee reviews and approves an annual counter fraud plan identifying the actions to be undertaken to create an anti-fraud culture, deter prevent, detect and, where not prevented, investigate suspicions of fraud. The counter fraud team also produces an annual report and regular progress reports for the review and consideration of the Director of Finance and Audit Committee.

The Counter Fraud Team also facilitates an annual self-assessment of compliance against the Counter Fraud Standards for Providers, which is reviewed and approved by the Director of Finance prior to submission to NHS Counter Fraud Authority. The 2020-21 assessment was completed and submitted in May 2021 with an overall assessment of green, confirming the Trust was compliant against the majority of standards.

### **3.2.13 Further Details of the Trust's Strategic Plans**

As a result of the impacts across all of our services of the COVID-19 pandemic, as well the changes within the current NHS framework in relation to Integrated Care Systems, the strategic forward view of the Trust is being reviewed. The Trust is finalising an Operational Plan for 2021/22 which will be accessible on the Trust website ([www.hdft.nhs.uk](http://www.hdft.nhs.uk)) once agreed.

### **3.2.14 Events since the end of the financial year**

There have been no significant events since the end of the financial year on 31 March 2021.

### **3.2.15 Publication of Annual Report and Accounts**

Publication of the 2020/21 Annual Report and Accounts will take place in September 2021 following it being laid before Parliament.

### **Approval by the Board of Directors of the Performance Report**

This Performance Report has been approved by the Board of Directors of Harrogate and District NHS Foundation Trust.

A handwritten signature in blue ink, appearing to read 'Steve Russell', with a horizontal line underneath.

**Steve Russell**  
**Chief Executive**  
**Date: 9 June 2021**

## 4.0 ACCOUNTABILITY REPORT

### 4.1 Director's Report

#### 4.1.1 Directors 2020-21

The Directors of the Trust during the year 2020-21 were:

##### Non-executive Directors

Angela Schofield	Chairman (Non-Executive Director)
Sarah Armstrong	Non-Executive Director
Jeremy Cross	Non-executive Director
Andrew Papworth	Non-executive Director
Laura Robson	Non-Executive Director/Senior Independent Director
Wallace Sampson OBE	Non-executive Director
Richard Stiff	Non-Executive Director
Maureen Taylor	Non-Executive Director and Vice Chair

##### Executive Directors

Steve Russell	Chief Executive
Jonathan Coulter	Director of Finance and Deputy Chief Executive
Jill Foster	Chief Nurse
David Scullion	Medical Director to 14 June 2020
Jacqueline Andrews	Medical Director (from 15 June 2020)
Robert Harrison	Chief Operating Officer to August 2020
Tim Gold	Interim Chief Operating Officer from 1 September 2020 to 28 February 2021
Matt Shepherd	Acting Chief Operating Officer from 1 March 2021 until 31 March 2021
Angela Wilkinson	Director of Workforce and Organisational Development

#### 4.1.2 Company Directorships held by Directors or Governors

There are no company directorships or other significant interests held by Directors or Governors that are considered to conflict with their responsibilities. Jonathan Coulter, Jill Foster and Sarah Armstrong were appointed by the Trust as Non-Executive Board members of the wholly-owned subsidiary, Harrogate Healthcare Facilities Management Limited (t/a Harrogate Integrated Facilities (HIF)). This is declared at the start of all meetings which they attend (in both the Trust and HIF).

Registers of Interests for all members of the Board of Directors and the Council of Governors are held within the Trust and continually updated. The Board of Directors' register is received at every public Board of Directors' meeting. The Council of Governors' register is received at every Council of Governor meeting on a quarterly basis. Both registers are available on the Trust website and available on request from the Company Secretary's Office.

#### 4.1.3 Accounting Policies

The Trust prepares its financial statements under direction from NHSI, in exercising the statutory functions conferred on Monitor, in accordance with the Department of Health Group Accounting Manual 2020/21, which is agreed with HM Treasury. The accounting policies follow International Financial Reporting Standards (IFRS) to the extent they are meaningful and appropriate to NHS Foundation Trusts.

#### 4.1.4 Charitable and Political Donations

During 2020/21 no charitable or political donations were made by the Trust.

#### 4.1.5 Better Payment Code of Practice

The Better Payment Code of Practice requires the Trust to aim to pay all valid non-NHS invoices within 30 days of receipt, or the due date, whichever is the later. The information below provides an update on the Trust's compliance to this:

Year to 31 March 2020	Numbers	Year to 31 March 2021
46,860	No of invoices Paid to Date	37,784
5,621	No of invoices Paid in 30 Days	29,308
12.0%	% of invoices Paid in 30 Days	77.6%

Year to 31 March 2020	Values	Year to 31 March 2021
74,740	£K Value of invoices Paid to Date	84,171
14,474	£K Value of invoices Paid in 30 Days	61,528
19.4%	% of invoices Paid in 30 Days	73.1%

The Board of Directors recognises that compliance with this code has significantly improved during the year.

#### 4.1.6 NHS Improvement Well Led Framework

The Trust has arrangements in place to ensure that services are well led in accordance with the Care Quality Commission and NHS England/Improvement's framework. During 2020/21 internal audit carried out a well-led assessment against the Key Lines of Enquiry criteria and provided significant assurance. Further details about these arrangements are included within this Annual Report within the Annual Governance Statement.

#### **4.1.7 Statement as to Disclosure to Auditors and Accounts Prepared under Direction from NHSI**

So far as the Directors are aware, there is no relevant audit information of which the External Auditors are unaware, and the Directors have taken all of the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information. The Trust's accounts have been prepared under direction from NHSI, in exercising the statutory functions conferred on Monitor, in accordance with the Department of Health Group Accounting Manual.

#### **4.1.8 Income Disclosures required by Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012)**

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than the Trust's income from the provision of goods and services for any other purposes. The Trust confirms that it has met this requirement during 2020/21.

#### **4.1.9 Patient Care Activities**

##### **4.1.9.1 Improvements in patient/carer information**

The Trust website delivers clear information and reflects the Trust's Vision and values. There is a clear focus given to the key information that people want the most – how to find us, contact details, car parking, and visiting hours, service pages and an area about our consultants which features a short biography and photograph of all the consultants working at the Trust.

The Trust continues to provide a more consistent approach to the Accessible Information Standard (AIS) which aims to improve the lives of people who need information to be communicated in a specific way. The AIS is based on the following requirements:

1. Identification of needs;
2. Recording needs as part of patient / service user records and PAS systems;
3. Flagging of needs using e-flags or alerts to indicate that an individual has a recorded information and/or communication need and to prompt staff to take appropriate action;
4. Sharing of needs as part of existing data-sharing processes and as routine part of referral, discharge and handover; and,
5. Meeting of needs.

We have made further progress in relation to people with learning difficulties, and are progressing systems and processes to enable us to support all patients with information and communication needs.

The Trust has continued to develop its social media presence through several channels of dialogue with patients, members of the public, and other stakeholders. The Trust's main corporate Facebook and Twitter accounts have shown strong growth in follower numbers/likes over the year, as well as overall levels of engagement. These channels



have been particularly useful for sharing information at times when urgent communication is required, such as when the Trust has faced winter pressures.

Over the year, significant support and guidance has been provided to teams across the Trust who wish to have their own service page. There are approximately 30 Trust social media accounts in place, with more due to come online. This process has been supported by the development of a Trust-wide Social Media Policy and a clear process for the approval of accounts based around need and objectives.

Patient information leaflets continue to be developed with the assistance of volunteer readers who evaluate the content and presentation. This enhances the readability of the leaflets which in turn helps ensure patients are better informed regarding appointments, procedures, treatment and self-care. Internal processes to ensure high standards are maintained with regular review of leaflets have been reviewed and updated during the year.

#### **4.1.9.2 Complaints Handling**

The Trust's aim is to 'get it right first time, every time'. The Trust recognises that managing patient feedback well can both improve services and enhance the public perception of the Trust.

The Trust promotes pro-active, on the spot resolution of problems at a local level, thus reducing the need for patients/carers to raise issues in a more formal way. It is recognised that lessons must be captured from this type of feedback locally to promote sharing of learning and good practice. Quality of Care Teams, which are department based teams of frontline staff, are encouraged to facilitate the resolution of issues in their own areas and promote learning.

In order to publicise the service, leaflets and posters are available in all departments across the Trust and in community locations. Patient Experience Volunteers (PEV), based at the front of Harrogate hospital in the Main Reception during normal working hours, work to publicise the Making Experiences Count Policy and the process by which the public can share feedback regarding the Trust services.

The Patient Experience Team (PET) is made up of Patient Experience Officers who receive and make an assessment of all new feedback within three working days. To assist this assessment the issue is graded to identify the severity of the concern being raised and the level of investigation that is necessary as well as the internal and external reporting requirements.

For those cases graded as a complaint, an Investigating Officer is appointed by the Directorate with the most involvement and a formal written acknowledgement is sent from the Chief Executive. An individual resolution plan will be developed with the complainant, via the Investigating Officer, which identifies the nature of the issue and how this will be dealt with.

Local resolution may, for example, be achieved by means of a written investigation, a meeting with staff or a telephone call. The resolution plan is agreed between the complainant and Trust from the outset and must be proportionate to the issue raised.

Where a complaint is graded as amber or red (the most serious levels of concern) or where there are serious risk management implications, the Patient Experience Officer

will refer to the Head of Risk Management to ensure appropriate action is taken in relation to any ongoing patient care or incident investigation. For serious complaints, a root cause analysis of the case will be carried out by the Investigating Officer.

Failure by the Trust to satisfy the complainant entitles the complainant to request a further investigation by the Health Service Ombudsman. This request must be made within 12 months of the initial concern, unless there are extenuating circumstances.

If the person is not a patient, but is raising issues on behalf of a patient, the PET checks that the patient knows about this and has given consent. In exceptional cases, where the complaint is graded yellow, amber or red, the Trust will determine what investigation can proceed without consent and what, if anything is disclosed.

There is no time limit for giving feedback to the Trust for those issues which fall outside the Complaints Regulations. All feedback will be received and acted upon wherever possible to ensure learning and improvement for the organisation. Where the issue is coded as a complaint, the regulations set a time limit of 12 months from the event or awareness of the event, for making the complaint. The Trust, however, adopts a flexible attitude to complaints about incidents occurring outside this timescale.

Action plans are considered by the Directorates for each complaint which is raised. Action plans are required for all issues that have been upheld following investigation and quality assurance by the Directorate. Complaint trends and action plans, including those developed in response to Health Service Ombudsman reviews are reported to the Learning from Patient Experience Group (LPEG) and the Quality Committee on a quarterly basis and in turn to the Board of Directors.

Despite the approaches set out above the Trust is not satisfied with the efficiency and effectiveness of the complaints handling processes. The Trust recognises the improvement work required to ensure responses are appropriate and timely and have an agreed plan to deliver the improvements.

#### **4.1.10 Stakeholder Relations**

##### **4.1.10.1 Partnerships and Alliances/Relationship Management**

The Trust has a strong history of alliance-based working through well-established clinical alliances with a number of neighbouring Providers, in particular through the WYAAT partnership. We have also consolidated our work within our Pathology joint venture with Airedale and Bradford trusts.

As a result of the pandemic, a number of collaborative work programmes have been deferred, but as a result of our partnerships we have responded across the system to the COVID-19 pandemic, including in particular the joint work to establish the Nightingale Hospital for Yorkshire and the Humber in Harrogate, and also delivering the COVID-19 vaccine programme.

During 2019/20, the Trust along with the local CCG and West Yorkshire and Harrogate ICS engaged an independent review into the sustainability of the Harrogate Place. This review identified areas for improvement, in particular in relation to how services to local people are provided locally and the development of stronger clinical alliances with Leeds Teaching Hospitals NHS Trust for secondary care services. This review and its

recommendations is still highly relevant at the end of 2020/21, and we will continue to focus on this work as we move into the new year.

#### **4.1.10.2 Harrogate and Rural Alliance (HARA)**

During the year the Trust consolidated the partnership working with Tees, Esk and Wear Valley Foundation Trust, North Yorkshire County Council and the Harrogate GP Federation Yorkshire Health Network, to develop a new collaborative model for care outside of hospital.

#### **4.1.10.3 Humber Coast and Vale ICS**

The Trust is part of the Humber Coast and Vale ICS which is built up from the work of the local places across North Yorkshire, East Yorkshire, Hull and North & East Lincolnshire. As part of the partnership the vision is for everyone to have the best possible outcomes for their health and wellbeing.

#### **4.1.10.4 West Yorkshire Association of Acute Trusts (WYAAT)**

The Trust continues to be a full and active member of the West Yorkshire Association of Acute Trusts (WYAAT), which is a provider collaboration bringing together the NHS Trusts who deliver acute hospital services across West Yorkshire and Harrogate. Whilst the work programme for 2020/21 has been impacted by the COVID-19 pandemic response, the WYAAT has a joint work programme focussed around four clear work streams:

- Specialist services – a review of the way some of the specialist services are delivered and whether these could be provided in a better way
- Clinical standardisation and networks – looking to standardise the way organisations work across Trusts to reduce variation and duplication
- Clinical support – reviewing pathology, radiology and pharmacy systems and processes to identify benefits of working together and in the same ways
- Corporate services – looking at back office functions to share learning and identify any benefits of bringing together ways of working, teams and services.

#### **Approval by the Directors of the Accountability Report**

This Accountability Report has been approved by the Board of Directors of Harrogate and District NHS Foundation Trust.



**Steve Russell**  
**Chief Executive**  
**Date: 9 June 2021**

## 4.2 Remuneration Report

### 4.2.1 Annual Statement on Remuneration

The Trust recognises that the remuneration policy is important to ensure that the organisation can attract and retain skilled and experienced leaders. At the same time it is important to recognise the broader economic environment and the need to ensure we deliver value for money.

The Board of Directors has established a Remuneration Committee with responsibilities which include consideration of matters in relation to the remuneration and associated terms of service for Executive Directors including the Chief Executive. The report outlines the approach adopted by the Remuneration Committee when setting the remuneration of the executive directors who have authority or responsibility for directing or controlling the major activities of the organisation. The following posts have been designated as fitting the criteria by the committee and are collectively referred to as the executives within this report:

- Chief Executive
- Deputy Chief Executive/Director of Finance
- Executive Medical Director
- Chief Nurse
- Chief Operating Officer
- Director of Workforce and Organisational Development

The Committee is Chaired by the Chairman of the Trust and all of the Non-executive Directors are members of the Committee. The Chief Executive, Director of Workforce and Organisational Development and Company Secretary support the working of the Committee by providing discussions about the Board composition, succession planning, remuneration and performance of Executive Directors. The Chief Executive and Director of Workforce and Organisational Development are not present when discussions take place in relation to their own performance, remuneration or terms of service are discussed.

#### 4.2.1.1 The Remuneration Committee

The Remuneration Committee for Executive Directors meets as and when required. In 2020/2021 the Committee met on two occasions:

**Remuneration Committee Meetings 2020/21**

Board Member's Name	8 July 2020	30 September 2020
A Schofield (Chair)	√	√
S Armstrong	√	√
J Cross	√	√
A Papworth	√	√
L Robson	√	√
R Stiff	√	√
M Taylor	√	√
W Sampson OBE	√	√

The Committee undertakes periodic reviews of the salary levels of the Executive Directors including the Chief Executive whilst taking into account the overall performance of the Trust as well as individual performance of directors and published benchmark information.

The Remuneration Committee is a Committee of the Board of Directors and the key outcomes from this Committee are shared with the full Board of Directors.

The Trust's Remuneration Committee has agreed Terms of Reference, which includes specific aims and objectives. The role of the Remuneration Committee is to make such recommendations to the Board of Directors on remuneration, allowances and terms of service to ensure that Directors are fairly rewarded for their individual contribution to the Trust, having proper regard to the Trust's circumstances and performance and to the provisions of any national agreements or regulatory requirements where appropriate.

The Committee monitors and evaluates the performance and development of the Chief Executive and all Executive Directors and advises on and oversees appropriate contractual arrangements for the Chief Executive and all Executive Directors. This includes the proper calculation and scrutiny of termination payments, as appropriate in the light of available guidance, all aspects of salary and the provisions for other benefits, including pensions.

**4.2.2 Remuneration Policy**

The Trust's remuneration policy applies equally to Non-Executive Director and Executive Director posts and is based upon open, transparent and proportionate pay decisions. All pay decisions are based on market intelligence and are designed to be capable of responding flexibly to recruitment imperatives to secure high calibre people.

When setting levels of remuneration, the Remuneration Committee takes into account the remuneration policies and practices applicable to other employees, along with any guidance received from the sector regulator and the Department of Health. The Committees also receive professional independent reports based on objective evidence of pay benchmarking across a range of industry comparators. The conclusion reached in

professional independent reports is that 'weightings accredited to the various posts in relation to market comparisons had resulted in remuneration that is in line with current pay practice.'

The Trust has well established performance management arrangements. Each year the Chief Executive undertakes an appraisal for each of the Executive Directors and the Chief Executive is appraised by the Chairman.

The Trust does not have a system of performance-related pay and therefore in any discussion on remuneration an individual's performance is considered alongside the performance of the Executive Directors and the organisation as a whole.

The Executive Directors are employed on permanent contracts with up to six-month's notice period. In any event where a contract is terminated without the Executive Director receiving full notice, compensation would be limited to the payment of the salary for the contractual notice period. There would be no provision for any additional benefit over and above standard pension arrangements in the event of early retirement. Non-Executive Directors are requested to provide six months' notice should they wish to resign before the end of their term of office. They are not entitled to any compensation for early termination. The Trust has no additional service contract obligations.

In accordance with NHS Improvement guidance the Trust sought the opinion concerning remuneration for directors with proposed pay of more than £150,000 during 2019/20 and 2020/21. The ratio of total salary for highest paid director for the median of all staff has changed from 8.47 in 2019/20 to 6.33 in 2020/21, this is because the highest paid director in 2019/20 was the Medical Director and following a change to the Board the highest paid director is the Chief Executive.

Information on the salary and pensions contributions of all Executive and Non-Executive Directors are provided in the tables on the following pages. The information in these tables has been subject to audit by the external auditors, KPMG LLP.

#### 4.2.3 Annual Report on Remuneration (Senior Manager Remuneration)

Name and Title	2020/21							
	Salary	Taxable benefits	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	Total Salary and taxable benefits in year	Pension related benefits	Total	Ratio of Total Salary to Median for All Staff (1)
	(bands of £5,000) £'000s	Rounded to the nearest £100	(bands of £5,000) £'000s	(bands of £5,000) £'000s	(bands of £5,000) £'000s	(bands of £2,500) £'000s	(bands of £5,000) £'000s	
Mr. S Russell - Chief Executive (3)	190-195	-	-	-	190-195	-	190-195	6.33
Mr. J Coulter - Deputy Chief Executive / Finance Director	165-170	-	-	-	165-170	102.5-105	270-275	5.47
Dr. J Andrews - Medical Director (4)	145-150	-	-	-	145-150	-	145-150	4.82
Dr D Scullion - Medical Director (5)	45-50	-	-	-	45-50	-	45-50	1.63
Mrs. J Foster - Chief Nurse (6)	120-125	-	-	-	120-125	12.5-15	135-140	4.04
Mr. R Harrison - Chief Operating Officer (7)	60-65	-	-	-	60-65	-	60-65	2.02
Ms A Wilkinson - Director of Workforce and Organisational Development	100-105	-	-	-	100-105	247.5-250	345-350	3.27
Mrs. A Schofield - Chairman	45-50	-	-	-	45-50	-	45-50	-
Mr M Chamberlain - Subsidiary Chairman (10)	10-15	-	-	-	10-15	-	10-15	-
Mr R Stiff - Non-Executive Director / Audit Committee Chair (11)	15-20	-	-	-	15-20	-	15-20	-
Mrs L Hind - Subsidiary Non-Executive Director	0-5	-	-	-	0-5	-	0-5	-
Mr. R Taylor - Subsidiary Non-Executive Director (12)	0-5	-	-	-	0-5	-	0-5	-
Ms S Armstrong - Non-Executive Director	15-20	-	-	-	15-20	-	15-20	-
Mrs. M Taylor - Non-Executive Director	15-20	-	-	-	15-20	-	15-20	-
Ms. L Robson - Non-Executive Director	15-20	-	-	-	15-20	-	15-20	-
Mr. J Cross - Non-Executive Director (14)	15-20	-	-	-	15-20	-	15-20	-
Mr. W Sampson - Non-Executive Director (15)	10-15	-	-	-	10-15	-	10-15	-
Mr. A Papworth - Non-Executive Director (16)	10-15	-	-	-	10-15	-	10-15	-
Mr. C Thompson - Non-Executive Director / Subsidiary Chair (17)	0	-	-	-	0	-	0	-

Name and Title	2019/20							
	Salary	Taxable benefits	Annual Performance Related Bonuses	Long Term Performance Related Bonuses	Total Salary and taxable benefits in year	Pension related benefits	Total	Ratio of Total Salary to Median for All Staff (1)
	(bands of £5,000) £'000s	Rounded to the nearest £100	(bands of £5,000) £'000s	(bands of £5,000) £'000s	(bands of £5,000) £'000s	(bands of £2,500) £'000s	(bands of £5,000) £'000s	
Mr. S Russell - Chief Executive (3)	180-185	-	-	-	180-185	52.5-55	230-235	6.11
Mr. J Coulter - Deputy Chief Executive / Finance Director	145-150	-	-	-	145-150	20-22.5	170-175	4.84
Dr D Scullion - Medical Director (5)	255-260	-	-	-	255-260	-	255-260	8.47
Mrs. J Foster - Chief Nurse (6)	125-130	-	-	-	125-130	7.5-10	130-135	4.21
Mr. R Harrison - Chief Operating Officer (7)	130-135	-	-	-	130-135	27.5-30	155-160	4.38
Ms A Wilkinson - Director of Workforce and Organisational Development	100-105	-	-	-	100-105	155-157.5	255-260	3.40
Mrs. A Schofield - Chairman	45-50	-	-	-	45-50	-	45-50	-
Mr P Severs - Subsidiary Chairman (9)	5-10	-	-	-	5-10	-	5-10	-
Mr R Stiff - Non-Executive Director	10-15	-	-	-	10-15	-	10-15	-
Mrs L Hind - Subsidiary Non-Executive Director	5-10	-	-	-	5-10	-	5-10	-
Mr. R Taylor - Subsidiary Non-Executive Director (12)	0-5	-	-	-	0-5	-	0-5	-
Ms S Armstrong - Non-Executive Director	10-15	-	-	-	10-15	-	10-15	-
Mrs. M Taylor - Non-Executive Director	15-20	-	-	-	15-20	-	15-20	-
Mrs. L Webster - Senior Independent Director of the Board of Directors (13)	10-15	-	-	-	10-15	-	10-15	-
Ms. L Robson - Non-Executive Director	15-20	-	-	-	15-20	-	15-20	-
Mr. J Cross - Non-Executive Director (14)	0-5	-	-	-	0-5	-	0-5	-
Mr. W Sampson - Non-Executive Director (15)	0-5	-	-	-	0-5	-	0-5	-
Mr. A Papworth - Non-Executive Director (16)	0-5	-	-	-	0-5	-	0-5	-
Mr. C Thompson - Non-Executive Director / Subsidiary Chair (17)	20-25	-	-	-	20-25	-	20-25	-

(1) The median salary for all staff in 2020/21 was £30,615. The median salary for all staff in 2019/20 was £30,112. The median calculation is the annualised full time remuneration of all staff in the Trust as at 31 March 2021 (excluding agency staff), excluding the highest paid Director. The ratio is based on the total salary and benefits in year.

(2) For individuals employed by the Trust who are reaching or exceeding their pension Lifetime Allowance, the Trust previously offered a Pensions Restructuring Payment. This payment was typically equal to the employer's contribution to the NHS Pension Scheme, paid net of employer's National Insurance contribution.



- (3) S Russell commenced as Chief Executive on 1st April 2019
- (4) J Andrews commenced as Medical Director on 15th June 2020. No prior year information has been provided to calculate Dr Andrews Pension Benefit.
- (5) The Medical Director remuneration for Dr Scullion includes both this role and his clinical post as Consultant Radiologist. The Medical Director proportion of his salary equated to 25% of the salary outlined above. D Scullion ceased his role as Medical Director on 14th June 2021
- (6) J. Foster went on secondment from 1 April 2021
- (7) R Harrison left the position of Chief Operating Officer on 31 August 2020
- (8) T Gold joined the Trust as interim Chief Operating Officer from 1 September 2020 to 31 March 2021. His position was on a secondment basis and has therefore not been included within the above.
- (9) P Severs commenced as Chairman of the Trust's Subsidiary on 1 April 2018, and subsequently left this position in December 2019
- (10) M Chamberlain commenced as Chairman of the Trust's Subsidiary on 1 July 2020
- (11) R Stiff commenced as Audit Committee Chair on March 2020.
- (12) R Taylor commenced as Independent Director for the Trust's Subsidiary in April 2019
- (13) L Webster commenced as Senior Independent Director of the Board on 1 October 2018, and ceased this position in November 2019
- (14) J Cross commenced as Non-Executive Director in January 2020
- (15) W Sampson commenced as Non-Executive Director in March 2020
- (16) A Papworth commenced as Non-Executive Director in March 2020
- (17) C Thompson commenced as acting Chair of the Trust's Subsidiary in January 2020. Mr Thompson subsequently left the role 30th June 2020
- (18) L Hind commenced as an Independent Director for the Trust's Subsidiary on 1 January 2019

The Trust does not pay any performance related bonuses or payments.

## Pension Benefits

Name and title	Real increase in pension at age 60  (bands of £2,500) £000	Real increase in pension lump sum at age 60  (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2021  (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2021  (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2021  £000	Cash Equivalent Transfer Value at 31 March 2020  £000	Real Change in Cash Equivalent Transfer Value  £000	Employer's contribution to stakeholder pension  to nearest £100
Mr. Jonathan Coulter - Deputy Chief Executive / Finance Director	5-7.5	7.5-10	60-65	125-130	1,127	989	121	£Nil
Mr. S Russell - Chief Executive *	N/A	N/A	N/A	N/A	N/A	1127	N/A	N/A
Mrs. Jill Foster - Chief Nurse	0-2.5	2.5-5	55-60	165-170	1,282	1,202	59	£Nil
Mr. Robert Harrison - Chief Operating Officer	2.5-5	2.5-5	35-40	65-70	510	446	57	£Nil
Ms Angela Wilkinson - Director of Workforce and Organisational Development	12.5-15	0-2.5	40-45	0-5	647	431	208	£Nil

### Notes

Dr Scullion did not have any contributions made to their pensions during 2020/21.

No comparator information was available for Dr Andrews, hence the N/A status above.

Mr Russell chose not to be covered by the NHS pension arrangements during the reporting year

#### 4.2.3.2 Exit Packages

NHS Improvement requires NHS Foundation Trusts to disclose summary information regarding redundancy and other departures in staff costs agreed in the financial year.

Exit cost band	Foundation Trust & Group		Foundation Trust & Group	
	2020/21 Number of compulsory redundancies	2020/21 Number of other departures agreed	2019/20 Number of compulsory redundancies	2019/20 Number of other departures agreed
<£10,000	-	-	-	-
£10,001 - £25,000	-	-	1	-
£25,001 - £50,000	-	-	-	-
£50,001 - £100,000	-	1	-	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
>£200,000	-	-	-	-
Total number of exits by type	-	-	-	-
Total resource cost	-	£62,000	£24,000	-

#### Analysis of termination benefits

	Foundation Trust & Group		Foundation Trust & Group	
	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Compulsory redundancies	-	-	1	24
Contractual payments in lieu of notice	1	62	-	-
	<u>1</u>	<u>62</u>	<u>1</u>	<u>24</u>

### 4.2.3.3 Expenses

#### Governors' Expenses

In accordance with the Trust's Constitution Governors are eligible to claim expenses for such things as travel at rates determined by the Trust. Out of the total Council of Governor membership, there were no Governors that claimed expenses between 1 April 2020 and 31 March 2021.

#### Directors' Expenses

Out of the 14 Board members (eight Non-executive Directors including the Chairman and six Executive Directors including the Chief Executive) there was a total of 5 Directors that claimed expenses in 2020/21 at a total amount of £924.20. Details of remuneration and benefits in kind are included within the Remuneration table.

All Non-Executive Directors have a contract for service and are not eligible to receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive Directors.

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

Real change in CETV - This reflects the change in CETV effectively funded by the employer. It takes account of the change in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

#### **4.2.3. Fair Pay Multiple**

The median salary for all staff in 2020-21 was £30,615. The ratio between this and the mid-point of the banded remuneration of the highest paid director was 6.33.

#### **4.2.4 Approval**

As Chief Executive, I confirm that the information in this Remuneration Report is accurate to the best of my knowledge.

A handwritten signature in blue ink, appearing to read 'Steve Russell', with a horizontal line underneath.

**Steve Russell**  
**Chief Executive**  
**Date: 9 June 2021**

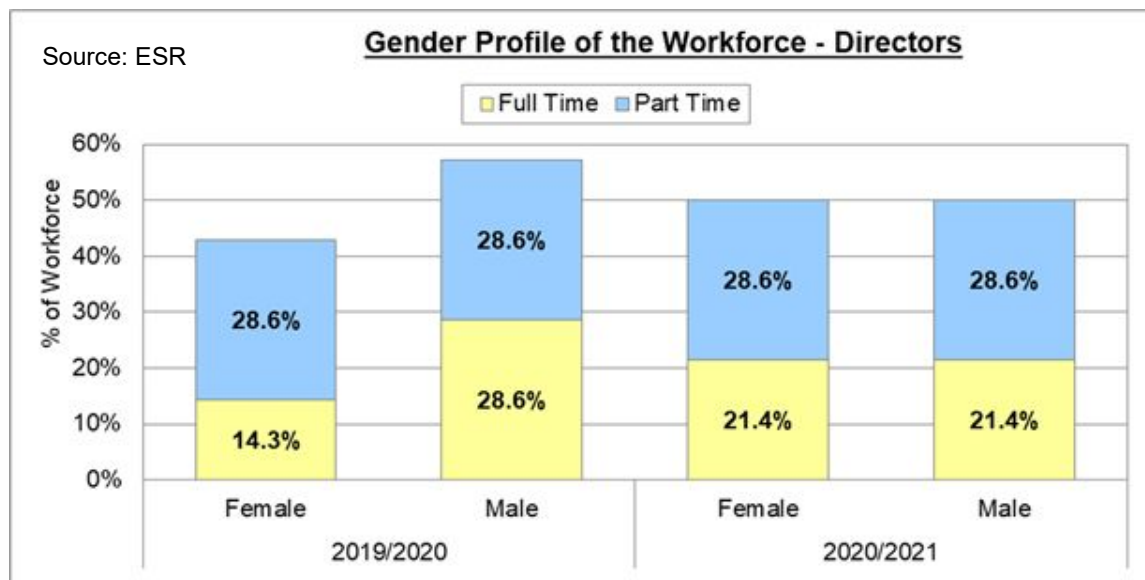
### 4.3 Staff Report

All of the data profiles of the Trust's staff in the charts below have been collated from the Trust's Electronic Staff Record (ESR) system and provides a comparison between 2019-20 and 2020-21. All figures are taken for the end of the financial year and include all staff employed by the Trust, with the exception of bank only contracts.

#### 4.3.1 Analysis of staff numbers as at 31 March 2021

Staff Group	2019/2020		2020/2021	
	Headcount	WTE	Headcount	WTE
Administrative and Clerical	700	596.76	714	605.23
<i>of which Senior Management</i>	78	76.16	75	73.15
Allied Health Professionals	341	277.92	374	308.15
Estates and Ancillary	28	19.96	27	19.57
Medical and Dental	435	355.17	473	401.33
Nursing and Midwifery Registered	1,700	1,429.70	1,630	1,371.37
Scientific and Technical	169	143.60	118	98.96
Support Workers	863	693.08	899	729.75
<b>TOTAL</b>	<b>4,314</b>	<b>3,592.34</b>	<b>4,310</b>	<b>3,607.51</b>

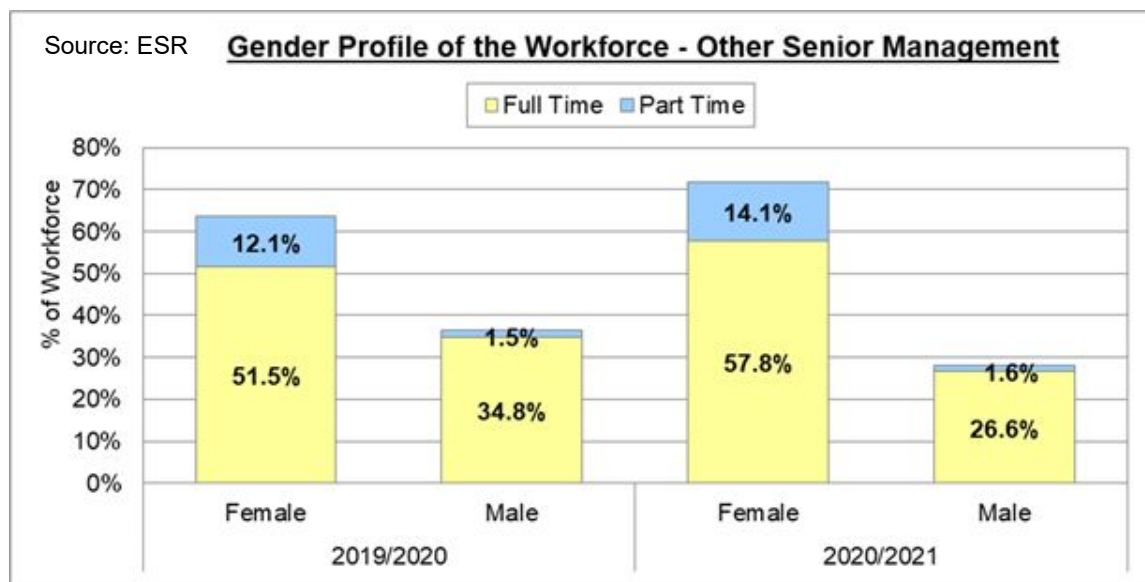
#### 4.3.2 Analysis of the Male and Female Directors as at 31 March 2021



The table below gives a breakdown of the number of Directors, including Non-Executive Directors, by gender, as at 31 March 2021.

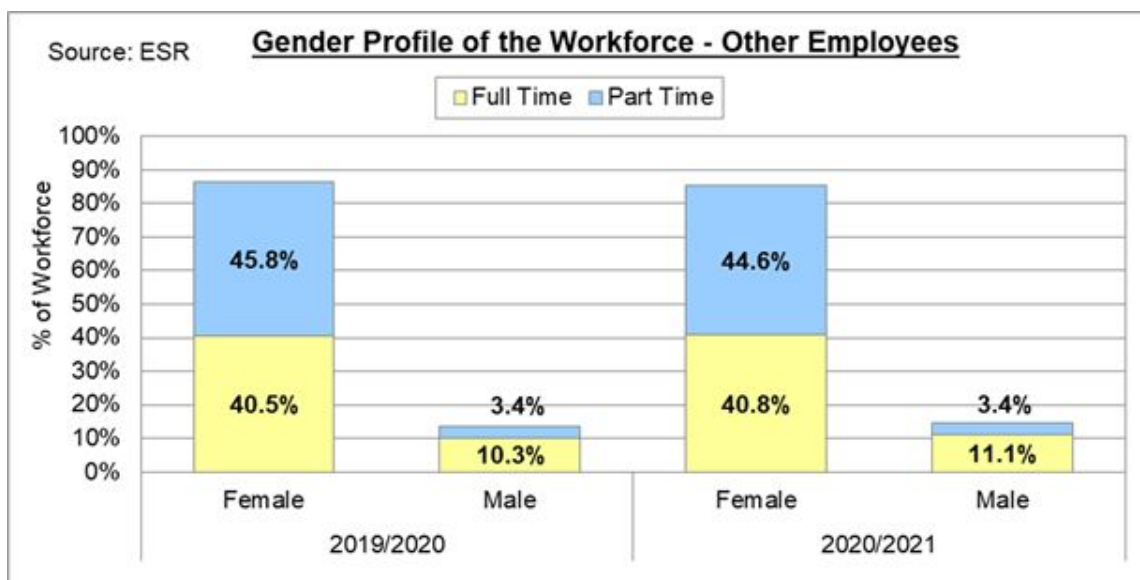
Gender	Category	2019/2020	2020/2021
<b>DIRECTORS</b>		<b>Headcount</b>	<b>Headcount</b>
Female	Full Time	2	3
	Part Time	4	4
Male	Full Time	4	3
	Part Time	4	4
<b>TOTAL</b>		<b>14</b>	<b>14</b>

\*For the purpose of the above data, Tim Gold, Interim Chief Operating Officer has been included in the Directors headcount, however he was not employed via the Trust's ESR system



The table below gives a breakdown of the number of other senior management, by gender, as at 31 March 2020.

Gender	Category	2019/2020	2020/2021
<b>OTHER SNR MANAGEMENT</b>		<b>Headcount</b>	<b>Headcount</b>
Female	Full Time	34	37
	Part Time	8	9
Male	Full Time	23	17
	Part Time	1	1
<b>TOTAL</b>		<b>66</b>	<b>64</b>



The table below gives a breakdown of the number of other employees, by gender, as at 31 March 2021.

Gender	Category	2019/2020	2020/2021
Other Employees		Headcount	Headcount
Female	Full Time	1,716	1,726
	Part Time	1,941	1,890
Male	Full Time	434	471
	Part Time	143	146
<b>TOTAL</b>		<b>4,234</b>	<b>4,233</b>

#### 4.3.3 Sickness absence data

The table below shows the Trust's sickness absence data for each quarter during the 2020-21 financial year.

Directorate	20/21 Q1 % Absence Rate (FTE)	20/21 Q2 % Absence Rate (FTE)	20/21 Q3 % Absence Rate (FTE)	20/21 Q4 % Absence Rate (FTE)	Cumulative % Abs Rate
Children's and County Wide Community Care	4.16%	4.88%	5.20%	5.12%	<b>4.83%</b>
Corporate Services	2.44%	2.91%	2.87%	2.54%	<b>2.69%</b>
Long Term and Unscheduled Care	4.46%	3.58%	4.96%	5.10%	<b>4.53%</b>
Planned and Surgical Care	5.26%	4.47%	4.96%	5.17%	<b>4.96%</b>
<b>TOTAL</b>	<b>4.35%</b>	<b>4.16%</b>	<b>4.82%</b>	<b>4.85%</b>	<b>4.54%</b>

**Key**

Q1 – April 2020 to June 2020

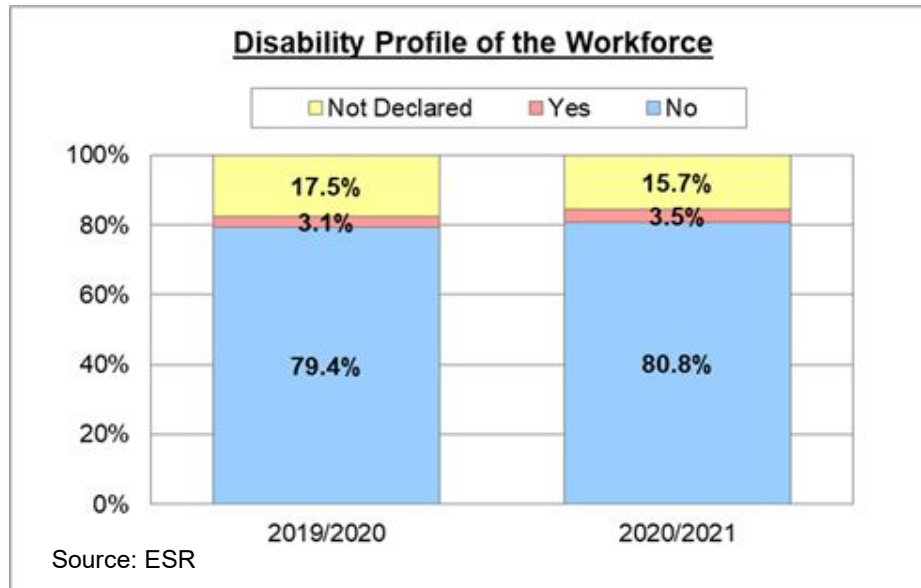
Q2 – July 2020 to September 2020

Q3– October 2020 to December 2020

Q4 – January 2021 to March 2021



#### 4.3.4 Analysis of the Disability Profile of the Workforce as at 31 March 2021



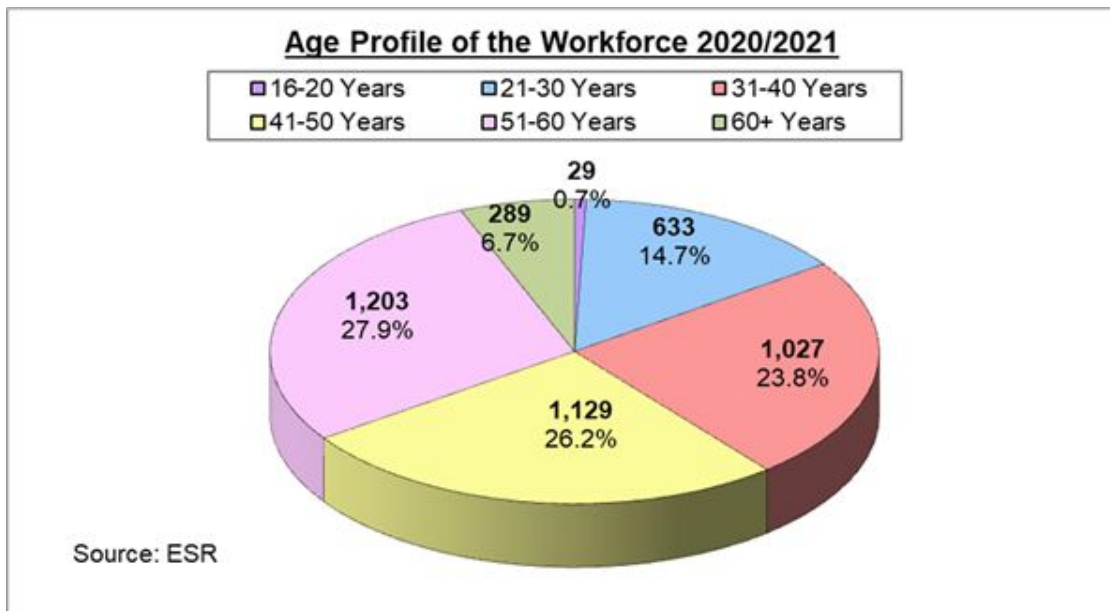
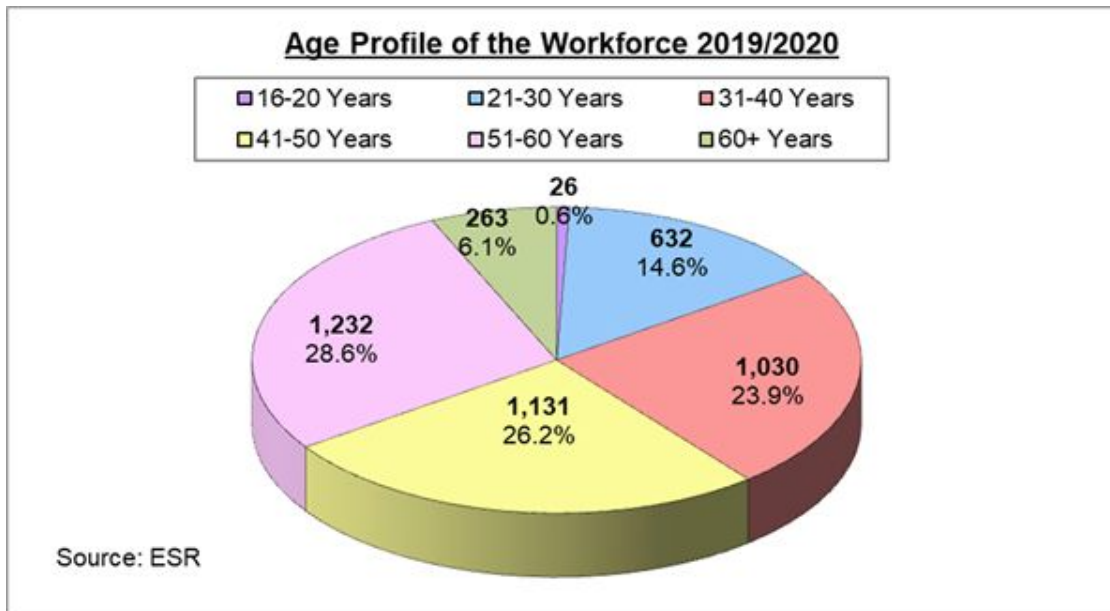
The table below gives a breakdown of the number of employees registered as having a disability as at 31 March 2021.

Disabled	2019/2020	2020/2021
	Headcount	Headcount
No	3,425	3,483
Yes	135	152
Not Declared	754	675
<b>TOTAL</b>	<b>4,314</b>	<b>4,310</b>

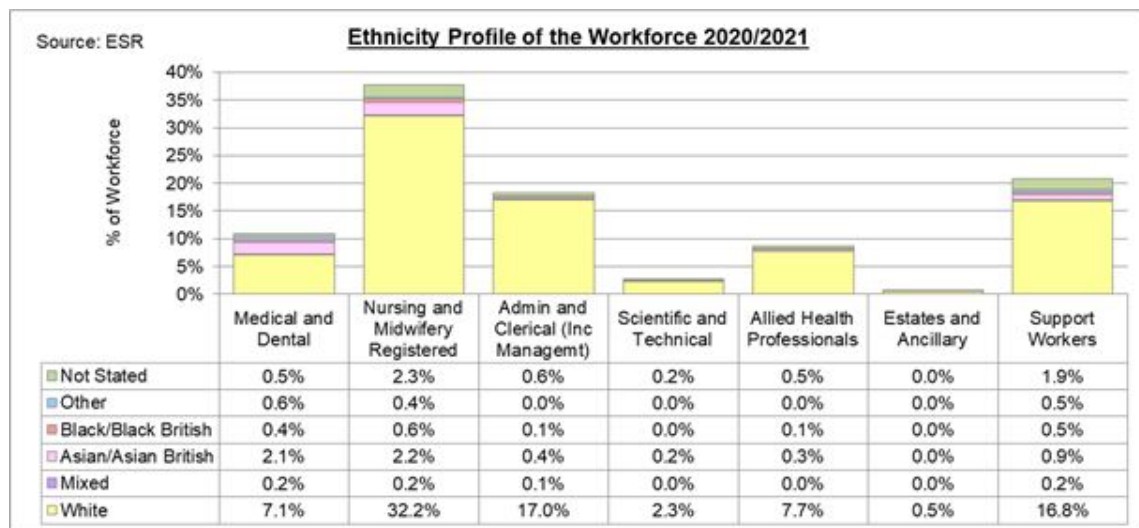
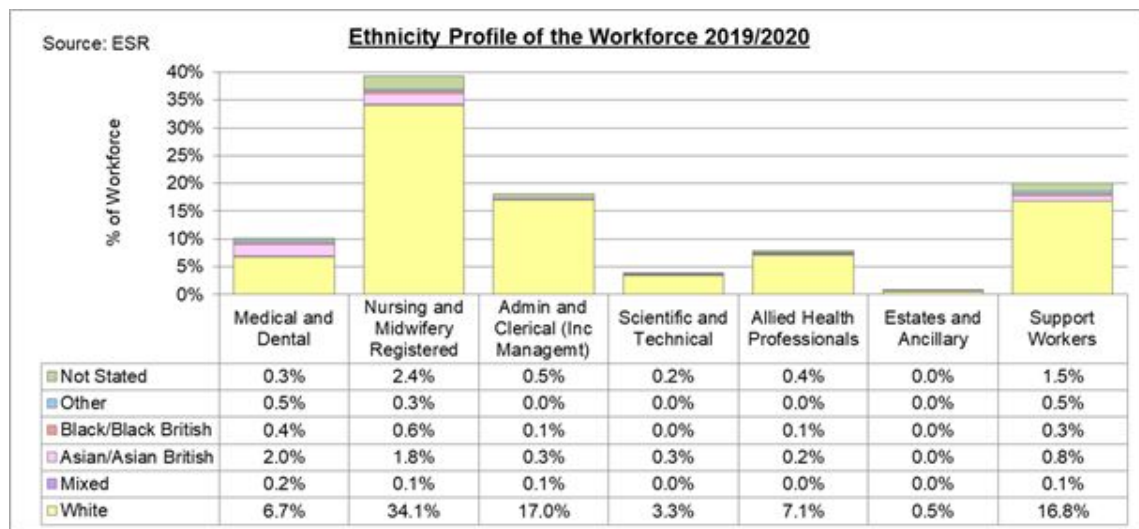
#### 4.3.5 Analysis of the Age Profile of the Workforce as at 31 March 2021

The table below gives a breakdown of the number of employees, by age, as at 31 March 2021.

Age Band	2019/2020		2020/2021	
	Headcount	% of Workforce	Headcount	% of Workforce
16-20 Years	26	0.6%	29	0.7%
21-30 Years	632	14.6%	633	14.7%
31-40 Years	1,030	23.9%	1,027	23.8%
41-50 Years	1,131	26.2%	1,129	26.2%
51-60 Years	1,232	28.6%	1,203	27.9%
60+ Years	263	6.1%	289	6.7%
<b>TOTAL</b>	<b>4,314</b>		<b>4,310</b>	



#### 4.3.6 Analysis of the Ethnicity Profile of the Workforce as at 31 March 2021



HEADCOUNT 2019/20	Medical and Dental	Nursing and Midwifery Registered	Admin and Clerical (incl Manage- ment)	Scientific and Technical	Allied Health Profession- als	Estates and Ancillary	Support Workers	Total
White	291	1,472	732	144	308	23	725	3,695
Mixed	10	6	6	1	2	1	4	30
Asian/Asian British	86	79	13	11	10	1	35	235
Black/Black British	16	24	4	2	3	2	14	65
Other	20	14	1	1	1	0	21	58
Not Stated	12	105	22	10	17	1	64	231
<b>TOTAL</b>	<b>435</b>	<b>1,700</b>	<b>778</b>	<b>169</b>	<b>341</b>	<b>28</b>	<b>863</b>	<b>4,314</b>

<b>HEADCOUNT 2020/2021</b>	<b>Medical and Dental</b>	<b>Nursing and Midwifery Registered</b>	<b>Admin and Clerical (Inc Manage ment)</b>	<b>Scientific and Technical</b>	<b>Allied Health Professi- onals</b>	<b>Estates and Ancillary</b>	<b>Support Workers</b>	<b>Total</b>
White	304	1,386	731	97	331	22	724	<b>3,595</b>
Mixed	9	7	5	1	2	1	9	<b>34</b>
Asian/Asian British	92	95	18	9	12	1	39	<b>266</b>
Black/Black British	18	26	5	1	6	2	21	<b>79</b>
Other	28	16	2	0	1	0	22	<b>69</b>
Not Stated	22	100	28	10	22	1	84	<b>267</b>
<b>TOTAL</b>	<b>473</b>	<b>1,630</b>	<b>789</b>	<b>118</b>	<b>374</b>	<b>27</b>	<b>899</b>	<b>4,310</b>

### Starters and Leavers during 2020-21

	<b>Headcount</b>	<b>FTE</b>
Starters	365	324.86
Leavers	449	354.11

Exclusions applied:

- Retire and Returns
- Locum Medical and Dental staff
- Bank Staff
- Doctors in training
- Fixed Term Contracts
- TUPE Transfers in/out

### 4.3.7 Gender Pay Gap Data

Due to legislation enacted in 2017, the Trust has a duty to report on its gender pay gap.

The gender pay gap is different to equal pay. Equal pay means that men and women in the same employment who are performing equal work must receive equal pay, as set out in the Equality Act 2010. It is unlawful to pay people unequally because they are a man or a woman.

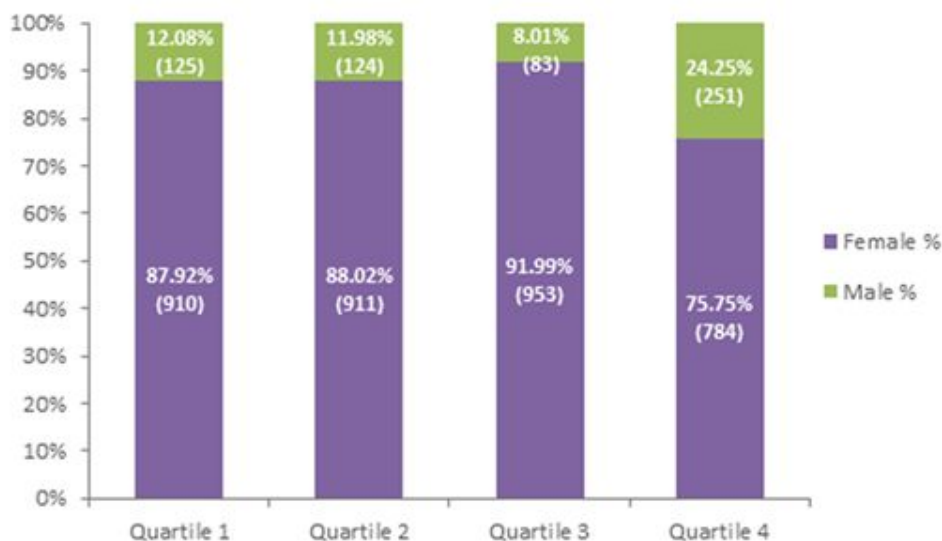
The Equality and Human Rights Commission announced that public sector organisations should where possible, submit their Gender Pay Gap report for 2020/21 by the deadline of 4 April, however, if they are unable to do so they have until the beginning of October 2021 to submit this. The Trust has considered the Gender Pay Gap Report for 2020/21 but at the time of writing the Annual Report it has not yet been finalised.

The information provided below includes the Trust's 2019/20 Gender Pay Gap report, which outlined that the Trust continued to have a gender pay gap. The main reasons for the gap was a high proportion of the males employed by the Trust are very senior managers and medical and dental staff. These individuals earn higher wages and bonuses than many other staff, resulting in males being, on average, paid more than females. Below are our key metrics for the gender pay gap:

Gender	Mean Hourly Rate 2020	Median Hourly Rate 2020	Mean Hourly Rate 2019	Median Hourly Rate 2019
Male (£)	24.37	18.40	23.54	17.35
Female (£)	17.14	15.55	16.62	15.14
Difference (£)	7.23	2.86*	6.92	2.21
Pay Gap %	29.67	15.53	29.40	12.72

\* rounded up

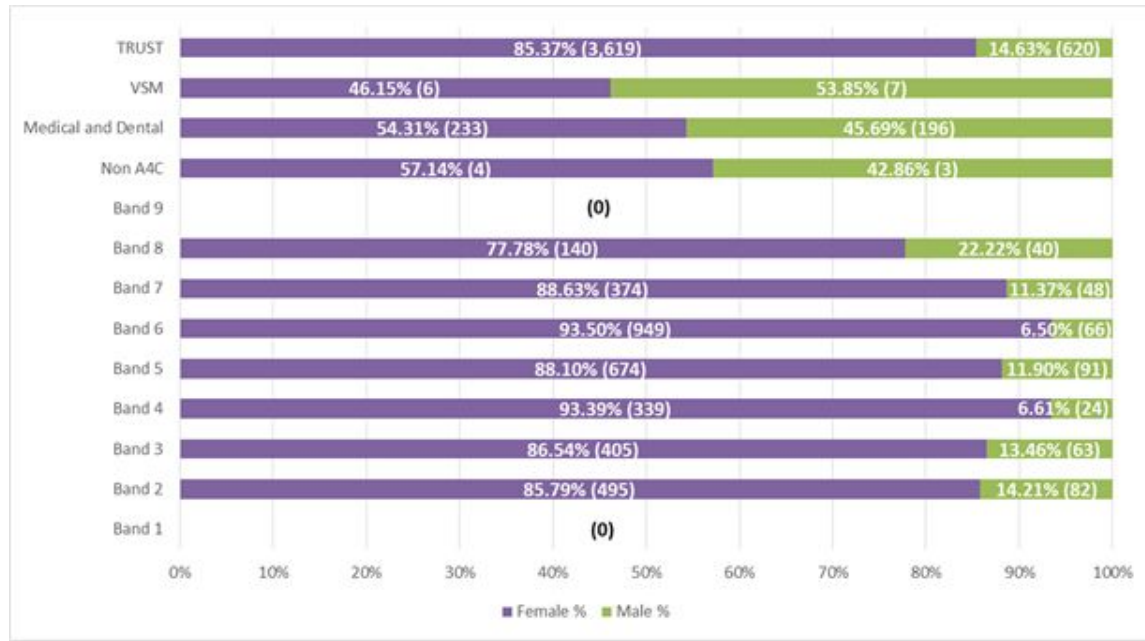
Proportion of males and females in each pay quartile (1 is low, 4 is high):



- The proportion of female to male staff is much higher in lower bands, which explains why there is a gender pay gap.

- As shown the Trust is reporting a 29.67% gender pay gap, meaning that based on an average hourly rate men are paid 29.67% more than women.
- The figures also demonstrate that the Trust has a 15.53% median gender pay gap, which was an increase of 2019's figure of 12.72%.

Gender distribution is provided below:



#### The mean and median bonus gender pay gap:

Gender	Mean Bonus 2020 (£)	Median Bonus 2020 (£)	Mean Bonus 2019 (£)	Median Bonus 2019 (£)
Male	11,267.32	7,540.00	11,551.85	6,032.00
Female	10,069.83	6,032.00	10,219.91	6,032.00
Difference	1,197.49	1,508.00	1,331.94	0.00
Pay Gap %	10.63	20.00	11.53	0.00

- This shows a positive reduction in the mean gender bonus gap differential by 0.9%, however a 20% increase in the median gender bonus gap difference from 2019 to 2020.
- Male consultants receive a higher level of payment despite there being fewer male consultants.
- The continuing gap in the bonus pay is linked to the fact that the medical workforce has traditionally been male dominated however this gap continues to reduce reflecting the number of female employees who are eligible to apply for higher levels of reward.
- In 2020 a part-time representative was on the CEA Panel.
- Following a change of CEA payment rules in 2019, part-time consultants (mostly female) who were awarded a CEA received the full award payment rather than a pro-rata payment based on their working hours.

#### 4.3.7.1 The Influence of Medical and Dental Staff

Medical and Dental staff have a substantial impact on the Trust's gender pay gap, as individuals in this staff group tend to be paid higher wages than other Trust employees. Although the Trust currently had 71 male consultants and 74 female consultants, because the Trust employed fewer men overall, the number of male consultants as a proportion of the overall male workforce at 11.45% is higher than that of female consultants 2.04% of the female workforce.

To evidence the influence of medical and dental staff driving the percentage gap, the table below shows that taking out the medical and dental staff from the calculations, the pay gap percentage for the average mean hourly rate in 2020 was reduced from 29.67% to 3.05%. The median hourly rate pay gap percentage was more favourable to females when you take out the medical and dental staff.

Gender	Mean Hourly Rate 2020	Median Hourly Rate 2020	Mean Hourly Rate 2019	Median Hourly Rate 2019
Male (£)	16.12	14.95	15.48	14.34
Female (£)	15.63	15.40	15.26	15.14
Difference (£)	0.49	-0.45	0.23	-0.80
Pay Gap %	3.05	-2.98	1.46	-5.55

#### 4.3.7.2 Overall Analysis of Gender Pay Gap

Based on the data at 31 March 2020, women working in HDFT earned 84p for every £1 that men earn when comparing median hourly wages. Their median hourly wage is 15.6% lower than men's.

When comparing mean hourly wages, women's mean hourly wage is 29.7% lower than men's.

Women occupied 74.43% of the highest paid jobs and 87.25% of the lowest paid jobs – women accounted for 85.37% of the total workforce.

In both categories 'Very Senior Managers' (VSM) and 'Medical and Dental', the percentage of males increased from 2019.

When comparing mean and median bonus pay, women's bonus pay was 10.63% and 20% lower than men's respectively.

The influence of medical and dental staff is driving the percentage gap. Removing medical and dental staff from the calculations, the pay gap percentage for the average mean hourly rate in 2020 was reduced from 29.67% to 3.05%. The median hourly rate pay gap percentage was more favourable to females when you take out the medical and dental staff meaning men earn 97p for every £1 that women earn when comparing median hourly wages.

#### 4.3.7.3 Reducing the Gender Pay Gap

The Trust will continue its efforts in reducing the gender pay gap and identifying patterns and trends within service areas, departments, and occupations. This will be monitored by the Equality Diversity and Inclusion Steering Group to include:



- Disaggregate the data in different ways to better understand the drivers of the gender pay gap, considering the differences in terms of age, disability and race to provide better insights.
- Promote awareness of opportunities and policies including flexible and agile working arrangements that encourages women to return to careers following maternity and other life events.
- Encourage the take up of shared parental leave, job-share and part-time working and promote flexible working arrangements in vacancies including part-time, job share, compressed hours, home working etc.
- Promote unconscious bias training as part of the First Line Leaders programme and Pathway to Management.
- Develop a Women's Development Network and discuss across each Staff Network.
- Progress Working Carers Passport initiative and welfare discussions for all colleagues.
- Develop talent pipeline and encourage conversations with staff to discuss progression/promotion and goal setting through annual review processes.
- Continue work in relation to encouraging more applications for CEA from women and providing support for individuals who have submitted unsuccessful applications in the past.

The Trust's full Gender Pay Gap Report can be found on the Government website at: <https://gender-pay-gap.service.gov.uk> and on the Trust's website at: <https://www.hdft.nhs.uk/about/trust/statutory-info/>

#### **4.3.8 Staff policies and actions during the year**

The Trust has a suite of policies and procedures in relation to the workforce in order to support staff in their roles.

During the response to the Pandemic, a number of people process and policies were temporarily adjusted to ensure our workforce was able to respond effectively to the challenges. The Trust kept abreast of national guidance both directly from government as well as NHS employers. The Trusts stance throughout the pandemic has been to ensure nobody is disadvantaged through being absent due to COVID-19. This approach has been integral whilst making any temporary policy changes.

Many changes were made to support colleagues who needed to be temporarily redeployed, shield, work more flexibly, etc. Key policies that have been temporarily adapted include Special Leave and Absence management. The Special Leave policy was revised to enable colleagues to work flexibly to support childcare arrangements and family responsibilities.

National guidance paused the management of any COVID-19 related sickness, therefore any absence due to COVID-19 was re-termed isolation and days lost were not counted towards a colleague's sickness percentage.

All guidance updates were communicated in a frequently asked questions page on the Trust intranet page.



#### 4.3.8.1 Disability Confident Charter

Trust policy in respect of disabled applicants who indicate that they wish to be considered for a post under the 'Positive about Disability Scheme' includes a requirement for those applicants to be shortlisted and invited for interview where they meet the requirements for the post.

All staff have access to the local workforce development programme and the training courses provided through the programme. Staff are able to discuss their training needs with their line manager during their appraisal or at other times, as arranged locally.

The Trust continues to strive for continuous improvement and continues to give priority to engaging with staff, setting high standards, learning from staff experience, and strengthening partnership working. Ensuring active staff involvement in the management and direction of services at all levels is achieved through valuing staff, listening and responding to their views and monitoring quality workforce indicators. Equally, the Trust acknowledges that staff should have confidence that their input is valued and that the Trust is responsive to their views in the decisions it takes, building on that positive relationship.

The Trust is a Disability Confident Committed Employer and was awarded this status on 19 November 2018.

As a Disability Confident Committed Employer we have committed to:

- ensure our recruitment process is inclusive and accessible
- communication and promoting vacancies
- offering an interview to disabled people who meet the minimum criteria for the job
- anticipating and providing reasonable adjustments as required
- supporting any existing employee who acquires a disability or long term
- supporting their health condition, enabling them to stay in work
- at least one activity that will make a difference for disabled people

The Trust has a number of mechanisms through which it communicates information to its employees. These include a weekly all user e-mail, weekly Team Talk, departmental meetings, *ad hoc* briefings, Twitter and Facebook accounts and personal letters. The method(s) used will be the most appropriate for the particular information to be conveyed but one or more methods will be used for all matters of importance. The Trust runs an Intranet providing information regarding the latest changes and developments as well as routine information. The Trust understands that not all clinical and support staff use electronic communication methods and managers are asked to make all staff aware of information communicated by electronic means. In the last year Listening events have also taken place with the Chief Executive encouraging Staff to come and feedback their views.

The weekly all user e-mail, the intranet and Team Talk are all used as a means of conveying official information, as appropriate, which is of benefit to staff in a social, personal and developmental way. Examples include reporting on staff achievements, benefits and services available, activities and events taking place, health related information and offers. There are separate pages on the Trust website for staff health, benefits and wellbeing offering an extensive range of discounts and contacts enabling staff to access at all times as well as sources for support, development and training on the intranet.

The Trust works to engage with staff and obtain their feedback on matters being communicated. This occurs through the 'Team Talk' process and through the regular meetings of the Partnership Forum and Local Negotiating Committee where Trade Unions and professional association representatives meet with senior managers to discuss issues affecting staff and local conditions of service. There are two sub-groups of the Partnership Forum; the Policy Advisory Group and the Pay, Terms and Conditions Group. The Policy Advisory Group agrees and updates HR policies in line with current employment law and ensures they have broad agreement within the organisation. The Pay, Terms and Conditions Group negotiates on local issues affecting staff pay, terms and conditions. The Local Negotiating Committee is the forum for medical and dental staff.

The Trust also has a Disability and Long-Term Illness Staff Network and held its first meeting on 6 August 2020. The purpose of the Disability and long-term illness Staff Network is to give Trust and Harrogate Integrated Facilities colleagues a safe and supportive space to promote an inclusive and diverse working environment that encourages everyone to bring their 'whole self' to work. The Trust consults with the Staff Network on a regular basis so that their views can be taken into account in decisions which affect their interests.

All Trust policies are available on the intranet for staff information, including the extensive range of HR policies, many of which are about services available directly in support of staff. Examples include: Special Leave Policy, Lifetime Allowance – Pensions Restructuring Payment Policy, Employment Break Policy, Flexible Working Policy, Managing Attendance and Promoting Health and Wellbeing Policy, Speaking Up Policy (also known as the Whistleblowing policy) and Shared Parental Leave Policy.

#### **4.3.8.2 Occupational Health Safety and Wellbeing**

The Occupational Health (OH) Department provides a quality driven service to enable a safe and healthy workforce in the Trust; one that it is fit for purpose and which is protected against workplace hazards. The focus this year has been to continue to support staff through the coronavirus pandemic providing early access to occupational health advice and enabling access to third party services to promote recovery and rehabilitation.

The work of the OH Department includes:

- Pre-work health assessment and communicable disease screening to support timely recruitment of new employees and ascertain fitness for work.
- Provision of immunisations for employees to protect from infection risk in the workplace. The OH department was heavily involved in the COVID-19 Vaccination campaign 2021.
- Promoting health, safety and wellbeing initiatives
- Provision of staff counselling and psychology services (see service report below).
- Supporting managers and employees to maintain satisfactory attendance and work performance and to facilitate return to work of staff on long-term sickness absence.

Pre-pandemic between January to March 2019 the OHS carried out on average 68 case management consultations per month. For the same period in 2020 and 2021 the average number of consultations per month (HDFT/HIF colleagues only) was 153 and 101 respectively.

This increase in referral numbers reflects managers need for advice on supporting clinically extremely vulnerable staff within the workplace or in returning to work after

shielding and also the increase in numbers of staff absent from work due to reactive stress, depression and anxiety.

The 2020 coronavirus (COVID-19) pandemic progressed into 2021 with continued demand upon the OH Service. Whilst there has been a decrease in calls to the COVID-19 helpline related to staff testing or contact tracing enquiries, with the onset of a second wave of rising infection transmission and hospitalisation rates the helpline has been in demand for advice about shielding, vaccination and returning to work for staff, many with symptoms of Long COVID-19.

As the risk (new COVID-19 virus variants and transmission rates) to our staff and patients fluctuates there continues to be a need for a responsive and timely OH service to take account of emerging research and evidence, applying this to the recommendations we make in support of staff health protection.

The COVID-19 individual risk assessment tool developed by OH in partnership with key stakeholders in the Trust has been reviewed and adapted to meet changing Government recommendations. Although a significant cohort of our staff are vaccinated and/or may have developed antibodies, therefore having a degree of immunity, the risk assessment will continue to underpin health protection measures. OH are well placed to review and advise upon the variable health needs of staff in relation to risk from hazards at work, including that arising from coronavirus exposure.

The OH department has risen to the challenges of social distancing during the pandemic and the need for remote working practices. The IT infrastructure within the department has been matched to need allowing improved interaction with our clients and colleagues when working either from office or home.

#### **4.3.8.3 Workforce**

The alliance between Airedale Hospital and the Trust which provided shared leadership for both OH departments, which ended in June 2020. The Band 7 Occupational Health Lead Nurse subsequently stepped into the acting Band 8 OH Manager role and remains in this post currently.

The increased demands on the OH service arising as a result of the pandemic were met with additional resource (one day per week) provided from OH Physician time and a 0.4 wte Specialist OH Nurse. This allowed the department to offer strategic advice during the pandemic to the senior leadership team whilst supporting Managers and HR with employee health and wellbeing priorities.

The recruitment of a fixed 18-month Staff Clinical Psychologist 0.5 wte in February 2021 has enabled the provision of a rapid response to staff experiencing acute psychological distress associated with the pandemic. Recruiting to the remaining available funded 0.5wte post has been challenging given a nationwide demand for psychologists.

Longer term the needs of Harrogate and District NHS Foundation Trust and Harrogate Integrated Facilities staff are being considered in terms of development of the OH service. A business case is being prepared to include a proposal to recruit to key staff posts e.g. a Vaccine Campaign Programme Manager, a Band 7 Clinical Lead Nurse and permanent additional Psychologist and Occupational Health Physician resource.

#### 4.3.8.4 The Employee Assistance Programme

Harrogate and District NHS Foundation Trust (HDFT) launched their fully funded Employee Assistance Programme (EAP) in 2020. This online and telephone based service provides support to employees and their spouse or partner across HDFT and HIF. It offers a range of assistance and access to resources to help colleagues cope with work and personal issues, but also provides advice on areas such as how to achieve a better work life balance, financial planning and career development.

The EAP offers access to trained counsellors 24 hours a day as well as “in-person access” if necessary.

During the period 01 April 2020 to 31 March 2021, the Trust’s overall usage of services was 217 cases. The projected annual utilisation for the Trust is 4.82% which is less than the Book of Business’s (BOB) benchmark of 6.10%, and is greater than the Industrial BOB benchmark of 0.01%. There were 204 EAP counselling cases, and 13 work-life cases. Year to date the number of cases broken out by gender are: 12.90% male and 87.10% female.

Top concerns raised during sessions included the following:

##### Personal Concerns

	Q1	Q2	Q3	Q4	TOTAL	%
Stress	9	41	45	36	131	28.17
Anxiety/Panic	13	43	34	29	119	25.59
Low Mood	12	44	45	17	118	25.38
Difficulty Concentrating	5	7	8	8	28	6.02

##### Workplace Concerns

	Q1	Q2	Q3	Q4	TOTAL	%
Workplace Stress	4	35	35	27	101	59.76
Work Performance Issues	1	10	5	8	24	14.20
Conflict at Work	3	6	1	6	16	9.47
Workplace Bullying/Harassment	3	6	5	1	15	8.88
Career Change/Transition		6	4		10	5.92

WEB USAGE	Q1	Q2	Q3	Q4	TOTAL
Web Logins	518	141	374	218	1251
Web Usage % (Based on Logins)	11.51	3.13	8.31	4.84	27.8

#### 4.3.8.5 Musculo Skeletal Services

The Musculo-Skeletal (MSK) rapid access service provided by Physio med demonstrated a return on investment ratio (ROI) of 11.5:1 during 1 April 2020 to 31 March 2021 (based upon 93 employees discharged from the service).

76% of appropriate employees reported themselves at work with pain with an average productivity of 66%, highlighting the hidden cost of Presenteeism and 42% of appropriate employees entering the service had had their condition for over 12 weeks.

A reduction in the length of time for access to the service may further reduce the potential costs of Presenteeism and absence due to musculo skeletal conditions.

Physio Med provide quality, clinically robust and tailored treatment programmes:

- Preventing people going off work – Assessments (Desk Screen Equipment), job analysis, MSK screening
- Keeping people fit and well – Well-being classes, Exercises, Articles/videos, advice/guidance
- Getting people back to work – Initial assessment, triage, hands-on/remote treatment and rehabilitation

This service is delivered by 2,500 Chartered Physiotherapists via 780+ physiotherapy practices across the UK and provides equal access for all Trust staff regardless of location to physiotherapy interventions.

The total number of referrals received between 1 April 2020 to 31 March 2021 was 118 down 7 from the previous year. (Last year figures % in brackets)

- Average time to access NHS physiotherapy (via GP) = 14.6 weeks = 73 working days (National survey 2020)
- Average time to access OH physiotherapy = 2.4 working days

Employees were referred from five Directorates with referral rates of:

1. LTUC (Long Term & Unscheduled Care) 45% (52%)
2. CCWC (Children & County Wide Community Care) 29.2% (21%)
3. PSC (Planned & Surgical Care) 15% (16%)
4. Harrogate Integrated Facilities (HIF) 10%\*
5. Corporate 2.7%\*

Employees were referred from the 8 staff groups. The top referring staff groups were:

1. Nursing & Midwifery Registered 37% (41%)
2. Allied Health Professionals 27.4% (25 %)
3. Admin & Clerical 11.5% (12 %)
4. Additional Clinical Services 11.5%\*

**\*no data available for 2019/20**

Domestic conditions were responsible for 44.25% (53%) of referrals. Work aggravated conditions were responsible for 44.25% (41%) of referrals. Recorded accidents on duty were responsible for 6% (6%) of referrals. Long COVID-19 was responsible for 5.5% of referrals.

#### **4.3.8.6 Results (Of the 93 employees discharged from the service)**

The average reported increase in productivity and function was an actual figure of 34% (31%) (from 52% to 86%) equating to 1.7 (1.55) days per week per person working a 5-day week pattern, an overall increase of 65.4% (54.4%).

#### **4.3.8.7 Quality improvement**

The department is committed to meeting the National Accreditation Standards for Occupational Health Services. Work in partnership with NHS Plus will continue and as part of this commitment, we aim to monitor and evaluate our customer service. We will do this by:

- Assessing Occupational Health service provision against the needs of the workforce, for example monitoring the rate of management and self-referral, physiotherapy and psychological services uptake and customer feedback on the effectiveness of the service provision.
- Delivering Occupational Health services in alignment with the Trust Health and Wellbeing strategy.
- Strengthening communication links with Human Resources by involvement in process mapping health and wellbeing service provision and uptake.
- Promoting and evaluating health promotion activities linked to the National Institute of Clinical Excellence Public Health Guidance (Workplace) and national guidance, for example national initiatives such as Change for Life, Healthier Food Mark and smoking cessation.

The Occupational Health staff record system Cohort Version 10 upgrade has been completed offering greater functionality for service users. It will allow us to roll out the facility for managers to submit electronic case management referrals this year.

#### **4.3.8.8 Partnership work**

Occupational Health representation is made within working groups across HDFT/HIF, primarily health and safety, infection prevention and control and workforce and organisation. We established links during 2021 with the Specialist Respiratory (Long COVID-19) multi-disciplinary team with a view to offering support to staff experiencing symptoms of long COVID-19 and making use of shared resources.

Occupational Health staff contributed to the successful 2020/21 Trust seasonal influenza vaccination campaign where uptake was well in excess of 80% of staff. The impending availability of a vaccine for COVID-19 saw delivery of flu vaccinations to staff in record timescales and in January 2021 the COVID-19 vaccination campaign launched within the Trust.

The Occupational Health service played a major part in the planning and organisation of the campaign providing both volunteer vaccinators, administrative support and management during the ongoing COVID-19 vaccination campaign.

During the pandemic contracts for Occupational Health service provision to non-NHS organisations in the local community were not renewed. The focus of OH service provision was brought in house to look after the health and wellbeing of HDFT and HIF staff in the workplace. We continue to work to mutual benefit with other regional NHS occupational health services to ensure Trust staff working in the Yorkshire and North East regions are able to access occupational health services locally or remotely when required.

The Department has maintained membership of the NHS Health at Work Network, a national network of NHS occupational health providers, enabling benchmarking against other providers and involvement in both national and regional initiatives for development of the specialism and collaborative working.

#### **4.3.9 Staff Counselling Report**

##### **4.3.9.1 Staffing**

Our service is comprised of two counsellors: one working 24hrs per week with duties including: student supervision, management, staff counselling, Schwartz rounds, mental health first aid training, mental health champion lead and staff consultative support. The second counsellor works 15 hours per week, seeing eight clients per week. The service is part-time and runs Tuesday to Thursday. We also have two students in advanced training who can see up to four people per week.

##### **4.3.9.2 Counselling referrals**

During the pandemic we adjusted our service to run alongside the EAP and we took referrals from staff who were severely impacted during the pandemic due to: trauma, severe anxiety, long-term depression and traumatic loss. We extended the number of allocated sessions per client from assessment plus six to assessment plus twelve to manage complexity of presentation. The staff counselling service has seen 70 clients for twelve sessions from April 2020 to March 2021. In addition to this, we have staffed a COVID-19 staff support line enabling staff members to contact us for a one-off telephone session.

##### **4.3.9.3 Staff Wellbeing Initiatives**

During COVID-19 Point of Care Foundation, have been innovative in training all Schwartz facilitators to migrate to virtual Schwartz Rounds (Team Talk). These are closed invite only sessions for up to 30 members of a team. These Team Talk sessions have been well received and welcomed by staff groups ranging from community services, 0-19 services and hospital-based staff groups. Demand has increased and we are currently looking for funding to increase our Team Talk/Schwartz Round facilitation pool by a further five facilitators.

In response to staff stress during the pandemic our service wrote and delivered six workshops to give managers tools to support their staff teams; COVID-19 stress de-escalation workshops ran six times and were well evaluated by managers who attended.

In terms of long-term culture change we have recruited and trained eighteen mental health champions who will work on both an individual, and event level, to raise awareness of and destigmatise mental health issues within the Trust.

##### **4.3.9.4 Staff Psychological Services**

The Clinical Staff Psychologist 0.5 wte has been in post since February 2021. A key priority has been to raise awareness of the offer of psychological support (staff drop-ins) to staff working in high stress areas within HDFT i.e. Emergency Department and ITU and COVID-19 wards during the pandemic. There has been good uptake by nurses, HCAs

and higher grade doctors but low use by porters/domestics, Allied Health Professionals and junior doctors.

#### Initiatives/actions:

- Development of new website page <https://www.hdft.nhs.uk/livingatourbest/>
- Work in partnership with the regional Resilience Hubs who provide free confidential evidence-based mental health services for staff in health, social care, community services & voluntary organisations
- [www.hcvresiliencehub.nhs.uk](http://www.hcvresiliencehub.nhs.uk) and <https://workforce.wyhppartnership.co.uk/>
- Promotion of a 'wellbeing curriculum' around moral injury, sleep, self-care, stress, compassion via webinars and direct contact with Staff Managers and HR.
- Development of Personal Resilience Online Training
- Reflective Practice Support
- Team scaffolding/support programme
- Development of post incident debriefing and support (i.e. Med TRiM)

#### 4.3.10 Health & Wellbeing Activity

The emergent priority of colleague Health and Wellbeing will continue to have a strong focus. The Trust has employed a Clinical Psychologist to support mental health and wellbeing and development of support and services is on-going. A Health and Wellbeing Guardian has been appointed and will provide Board oversight of the Health and Wellbeing of all our colleagues. Individual Thrive Wellbeing Discussions are being launched in June 2021 to ensure that all colleagues have the opportunity to discuss their wellbeing and how the Trust can further support this.

##### 4.3.10.1 Health & Wellbeing Plan

A robust Health & Wellbeing Plan has been developed to support colleagues working through COVID-19 and beyond. The key principles of the plan are shown below:

- Visible leadership
- A clear communication strategy
- Consistent access to physical safety needs
- Civility, human connection and methods of peer support
- Normalisation of psychological responses - important not to over-medicalise
- Delivery of psychological care in stepped ways –graduated approach to our plan
- The team is everything
- The importance of the role of the first line leader
- Meets the needs of working environments, acute, community, WFH
- Expert led and evidence based - our plan is led by experts with skills in wellbeing, OD, counselling, and psychology, working with an evidence-based approach

##### 4.3.10.2 Health and Wellbeing initiatives delivered

The initiatives below were delivered during Wave 1 of the COVID-19 pandemic:

Physiological wellbeing needs	Psychological wellbeing needs
<ul style="list-style-type: none"> <li>• Free access to food and drink</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-disciplinary faculty providing mental health support including counselling and psychology offering face to face and phone support</li> </ul>



• Free car parking	• Commissioned an Employee Assistance Programme
• Individual risk assessments for higher risk colleagues	• Wellbeing rooms set up across multiple sites
• Ease and equity of access to appropriate level of PPE	• Implemented Leadership Support Circles
• Welfare boxes with food, hand creams, small cosmetic items for COVID-19 wards	• Chaplaincy Team support to colleagues
• Pop up Shop providing free groceries, food, drink and toiletries, handling donations from commercial providers supported by the Harrogate Hospital & Community Charity	• Wellbeing intranet pages that include psychological wellbeing guides and training with links to national mental health organisations – Every Mind Matters, REACT
• Accommodation option including hotels	• Free access to Wellbeing apps; Headspace, Sleepio
• Increased resourcing and capacity within Occupational Health Department, medical and OH nursing	• Dedicated HR Advice line and email inbox supporting absence, health concerns and general queries
• Extensive access to training in donning and doffing and mask fit testing	• Schwartz Rounds/Team Time
• Rapid treatment via Physiomed for MSK conditions	

#### 4.3.11 Countering Fraud and Corruption

The Trust has robust arrangements to counter fraud and corruption. These arrangements include the appointment of accredited Local Counter Fraud Specialists and an Anti-Fraud, Bribery and Corruption Policy which is promoted to all staff and available via the Trust's Intranet.

#### 4.3.12 Trade Union Facility Time Disclosure

The Trade Union (Facility Time Publications Requirements) Regulations 2017 implement the requirement introduced by the Trade Union Act 2017 for specified public-sector employers, including NHS Trust's to report annually a range of data in relation to their usage and spend on trade union facility time.

Facility time generates benefits for employees, managers and the wider community from effective joint working between union representatives and employers. Whether in providing support to individual members of Trust staff at a departmental level, or by playing a valuable role in contributing to Trust-wide agendas for example (Partnership Forum, Local negotiating Committee, Health and Safety Committee) the Trust recognises that the participation of trade union representatives supports the partnership process and contributes to delivering improved services to patients and users.

At a time when the whole public sector needs to ensure it delivers value for money, the Trust will continue to monitor and evaluate the amount of money spent on facility time, in the interests of transparency and accountability.

The Trust's data for the first reporting period 1 April 2020 to 31 March 2021 is listed below:

**Table 1: Relevant union officials**

Total number of Trust employees who were relevant union officials during the relevant period:

Number of employees who were relevant union officials during the reporting period 1 April 2020 to 31 March 2021	Full-time equivalent employee number
3,530	3,530

**Table 2: Percentage of time spent on facility time**

Employees who were relevant union officials employed during the relevant period spent the following percentage of time of their working hours:

Percentage of Time	Number of Employees
0%	21
1-50%	7
51-99%	0
100%	0

**Table 3: Percentage of pay bill spent on facility time**

The percentage of the Trust's total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period:

First Column	Figures
Provide the total cost of facility time	4360.76
Provide the total pay bill	169264225.47
Provide the percentage of the total pay bill spend on facility time, calculated as: (total cost of facility time divided by total pay bill) x 100	0.00

**Table 4: Paid trade union activities**

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

First Column	Figures
Total spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spend on paid trade union activities by relevant union officials during the relevant period divided by total paid facility time hours) x 100	16.08

The figures have been calculated using the standard methodologies used in the Trade Union (Facility Time Publication Requirements) Regulations 2017.

#### 4.3.12.1 Trade Union Continuing Professional Development (CPD)

The Trust is committed to creating and maintaining a positive employee relations climate. Partnership working of management and staff representatives underpins and facilitates the development of sound and effective employee relations throughout the NHS. The Trust recognises that the participation of trade union representatives in the partnership process can contribute to delivering improved services to patients and service users. During COVID-19, the staff side convenor was embedded into the bronze command governance framework within the workforce Directorate. This helped to make decisions quickly with the input of the trade unions, which worked well.

#### 4.3.13 National Staff Survey Results

The NHS staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

In September 2020, all NHS trusts in England were required to participate in the National NHS Staff Survey. The survey was designed to collect the views of staff about their work and the healthcare organisation they work for.

The overall aim of the survey was to gather information that would help improve the working lives of NHS Staff and so provide better care for patients. Obtaining feedback from staff and taking account of their views and priorities is vital for driving real service improvements in the NHS.

It was recognised that 2020 has not been “business as usual” for the NHS workforce. The NHS has never experienced a year like this one. However, it remains vital to understand the unique impact on NHS staff experience during the COVID-19 pandemic.

The focus for the survey this year was very much on understanding the different experiences of staff and learning from those experiences, rather than on performance management or comparisons against other organisations.

##### 4.3.13.1 Respondents

The Trust surveyed all staff in 2020; survey invites were distributed to staff by email as well as through the post (using a mixed mode approach i.e. web and paper based). In a change to previous years, those receiving a paper invitation had the option to take part online instead of returning a completed paper questionnaire. All staff had the option to complete the survey questionnaire over the telephone.

A total of 1,283 staff completed the survey questionnaires. Based on the 4,159 staff invited to participate this provides a response rate of 31%.

In 2019 the Trust achieved a response rate of 41%.

Themes	HDFT 2017	Average 2017	HDFT 2018	Average 2018	HDFT 2019	Average 2019	HDFT 2020	Average 2020
Equality, Diversity and Inclusion	9.4	9.2	9.4	9.2	9.3	9.2	9.1	9.1
Health & Wellbeing	6.1	6.0	6.0	5.9	6.0	6.0	5.9	6.1

Immediate Managers	6.9	6.8	7.0	6.8	7.0	6.9	6.7	6.8
Morale	N/A	N/A	6.3	6.2	6.3	6.2	6.1	6.2
Quality of appraisals	5.6	5.3	5.7	5.4	5.6	5.5	N/A	N/A
Quality of care	7.4	7.5	7.4	7.4	7.4	7.5	7.3	7.5
Bullying & Harassment	8.5	8.1	8.3	8.1	8.2	8.2	8.1	8.1
Safe environment - Violence	9.6	9.5	9.6	9.5	9.6	9.5	9.7	9.5
Safety culture	6.7	6.7	6.9	6.7	6.8	6.8	6.7	6.8
Staff engagement	7.1	7.0	7.2	7.0	7.1	7.1	6.9	7.0
Team working	N/A	N/A	N/A	N/A	6.9	6.7	6.5	6.5

#### Maintained Themes

- Health and Wellbeing
- Quality of Care
- Safety Culture

#### Declined Themes

- Equality, Diversity and Inclusion
- Immediate Managers
- Morale
- Safe Environment – Bullying and Harassment
- Safe Environment - Violence
- Staff Engagement
- Team Working

*Note: Appraisals were paused during 2020 due to COVID-19*

Of the specific questions asked, the most improved and declined scores since 2019 are detailed in the tables below:

Top five most improved scores compared with the Trust's 2019 results	HDFT 2019	HDFT 2020
My organisation takes positive action on health and well-being	89%	90%
In the last 12 months I have never personally experienced physical violence at work from patients / service users, their relatives or other members of the public	89%	92%
In the last 12 months I have never personally experienced harassment, bullying or abuse at work from other colleagues	80%	51%
In the last 12 months I have never personally experienced harassment, bullying or abuse at work from patients / service users, their relatives or other members of the public	75%	76%
I do not have unrealistic time pressures	21%	23%

*\*Team working was a new theme in 2019*

Most declined scores compared with the Trust's 2019 results	HDFT 2019	HDFT 2020
The team I work in often meets to discuss the team's effectiveness	68%	59%
My immediate manager asks for my opinion before making decisions that affect my work	61%	54%

The 2020 staff survey included the following two questions requesting written responses:

Q21a Thinking about your experience of working through the COVID-19 pandemic, what lessons should be learned from this time?

Q21b What worked well during COVID-19 and should be continued?

Responses to Q21a include:

- 244 comments related to Health and Wellbeing of which 107 were negative, 85 positive and 52 neutral comments
- 183 comments related to working arrangements of which 90 were positive, 55 negative and 38 neutral comments

Responses to Q21b include:

- 209 comments related to working arrangements of which 104 were negative, 97 positive and 8 neutral comments.
- 198 comments related to communication methods of which 119 were neutral, 70 were positive and 8 were negative

#### 4.3.13.2 Summary Details of Any Local Surveys and Results

Trusts have been asked to temporarily suspend the Staff Family Friend Test during the COVID-19 pandemic. There will be no data submission or publication of results until further notice.

#### 4.3.14 Future Priorities and Targets

Our future priorities and targets include:

➤ **Quarterly Pulse Survey**

To enable the Trust to receive in-time feedback on colleague experience and engagement levels, a quarterly pulse survey is planned to be launched in the summer of 2021. Team level data will be captured and local and organisation-wide responses to the feedback will be developed to enhance employee experience and engagement.

➤ **Safe Environment – Bullying & Harassment; Safe Environment – Violence;**

A programme of work is underway to address patient behaviour towards colleagues. This will involve developing a patient compact, reviewing the reporting of incidents, training for colleagues and a communications programme for patients, service users and for colleagues.

➤ **Equality, Diversity & Inclusion**

The Trust aspires to be an anti-racist organisation and a programme across six key themes has been developed, with our top 20 priorities have been identified and approved by our Board of Directors. This work is a key priority for the Trust.

➤ **A Fair, Just and Safe Culture**

A major review of the Trust's culture has taken place, which has involved wide consultation with over 1500 colleagues to ask 'What makes a good day at work?' and 'What makes a bad day at work?' Through this consultation new Trust behaviours have been developed. This will be launched in June 2021 and associated changes to recruitment practices, appraisal and conflict resolution will support the further development of a fair, just and safe culture, where colleagues feel able to bring their whole selves to work.

➤ **Improving Workforce Systems**

The People Plan gives clear direction that a key theme for service development is 'making it easy to work'. Efficient and effective systems are a key part of this for many teams across the Trust. With effective technology enhanced system can help managers to co-ordinate and support colleagues locally in wards and departments, while giving assurance that quality outcomes are being achieved and resources used efficiently.

NHS England/Improvement set out five 'Levels of Attainment' in using e-rostering and e-job planning systems. This enables the Trust to benchmark its progress as it adopts new software. Each level of attainment is underpinned by 'meaningful use standards'. These standards describe the processes and systems that Trusts need to meet for each Level of Attainment. By adopting these standards, Trusts can be assured they have implemented the e-rostering and e-job planning systems and processes necessary to achieve productivity gains.

In order to reach our highest level of attainment, the Trust is currently implementing the Health Roster for all non-medical staff on complex rotas, the system is widely used across the region and is highly recommended to improve the user experience and efficiencies

realised early into the implementation period. All other staff will transfer across to Manager Self Service (MSS), which is a module of Employee Service Record (ESR). This will enable managers to have all relevant information relating to the staff they manage in one place including contractual and time/attendance data.

The Trust is also in the process of implementing e-Job Planning for all Consultants and SAS doctors in the Trust. The system aims to improve flexibility, transparency and productivity gains across the organisation. The system will facilitate capacity planning across rotas and departments to optimise staff and theatre utilisation as well as real-time management information.

#### **4.3.15 Expenditure on consultancy**

Consultancy costs for 2020/21 were £856,000; this compares with £440,000 in 2019-20.

#### **4.3.16 Off-payroll engagements**

The decision to appoint Board members or senior officials with significant financial responsibility through an off-payroll arrangement would be made, if required, at a very senior level and only for exceptional operational reasons. The Trust can confirm that there were no off-payroll engagements of Board members and/or senior officials with significant financial responsibility during 2020/21.

#### **4.3.17 Exit Packages**

During 2020/21 there were no compulsory redundancy payments and there were no Mutually Agreed Resignations (MARS) with contractual costs.

### **Approval by the Directors of the Accountability Report**

This Accountability Report has been approved by the Board of Directors of Harrogate and District NHS Foundation Trust.



**Steve Russell**  
**Chief Executive**  
**9 June 2019**

## 4.4 NHS Foundation Trust Code of Governance

### 4.4.1 Audit Committee

#### 4.4.1.1 Introduction

The Audit Committee met formally on six occasions during 2020/21. Audit Committee members attendance is set out in the table below. In addition, all Audit Committee members attended an informal meeting in late April 2020 to undertake a detailed review of the draft accounts (relating to the 2019/20 financial year). Members of the Committee also attended relevant Audit Committee training events during the course of the year.

Audit Committee Members' Attendance:

	5 May 2020	19 June 2020	1 September 2020	2 December 2020	29 January 2021	9 March 2021
Richard Stiff	✓	✓	✓	✓	✓	✓
Jeremy Cross	✓	✓	✓	✓	✓	✓
Maureen Taylor	✓	✓	✓	✓	✓	✓
Wallace Sampson	✓	✓	✓	✓	✓	✓

The Audit Committee had a membership of four Non-Executive Directors and during the 2020/21 financial year this comprised of:

- Richard Stiff, Chair of the Audit Committee
- Jeremy Cross
- Maureen Taylor
- Wallace Sampson, OBE

The Committee is supported, at all of its meetings by:

- The Deputy Chief Executive/Finance Director
- The Deputy Director of Finance
- The Head of Financial Accounts
- Deputy Director of Governance
- Company Secretary
- Internal Audit (Head of Internal Audit and Internal Audit Manager)
- External Audit (External Audit Director)

Other representatives (e.g. Chief Nurse, Local Counter Fraud Specialist and Local Security Management Specialist) attend the Audit Committee as and when required.

The Committee received secretarial and administrative support from Miss Kirstie Anderson who is employed by the Trust's internal audit providers but has no managerial responsibility for the HDFT Internal Audit Plan.



Audit Committee members meet in private prior to the start of each Committee meeting. Separate, private sessions are held with Internal Audit and External Audit prior to Audit Committee meetings as required, and no less than once a year. Both Internal and External Audit colleagues have access to the Chair of the Committee and other Committee meetings should they require it outside of the meetings cycle.

There is a documented Audit Committee timetable which schedules the key tasks to be undertaken by the Committee over the course of a year and which is reviewed at each meeting.

Detailed minutes are taken of all Audit Committee meetings and are reported to the Board of Directors both in the form of the Committee's approved minutes and a written report from the Committee Chair to the Board after each Committee meeting

Action lists are prepared after each meeting and details of cleared actions and those carried forward are presented at the following meeting.

#### 4.4.1.2 Duties of the Audit Committee

The key duties of the Audit Committee in accordance with the Terms of Reference are as follows:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Governance, Risk Management &amp; Internal Control</li> </ul> | <p>Review of the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives, primarily through the assurances provided by internal and external audit and other assurance functions.</p>  |
| <ul style="list-style-type: none"> <li>• Financial Management &amp; Reporting</li> </ul>               | <p>Review of the Foundation Trust's Financial Statements and Annual Report, including the Annual Governance Statement, before submission to the Board of Directors.</p> <p>Review of the Charitable Trust's Financial Statements and Annual Report before submission to the Board of Directors acting in its role as Corporate Trustee.</p> <p>Ensuring that systems for financial reporting are subject to review to ensure completeness and accuracy of information and compliance with relevant legislation and requirements.</p> <p>Review of the Trust's Treasury Management Policy, Standing Financial Instructions and systems in place to ensure robust financial management.</p> |
| <ul style="list-style-type: none"> <li>• Internal Audit &amp; Counter-Fraud Service</li> </ul>         | <p>Ensuring an effective internal audit and counter-fraud service that meets mandatory standards and provides appropriate, independent assurance to management and the Audit Committee.</p> <p>Review of the conclusion and key findings and recommendations from all Internal Audit reports and review of regular reports from the Local Counter Fraud Specialist.</p>   |

	Monitoring of the implementation of Internal Audit and Counter Fraud recommendations.
• Local Security Management Services (LSMS)	Ensuring an effective LSMS service that meets mandatory standards and provides appropriate assurance to management and the Audit Committee.
	Review the annual report and plan for the following year.
• External Audit	Ensuring that the organisation benefits from an effective external audit service.
	Review of the work and findings of external audit and monitoring the implementation of any action plans arising.
• Clinical & Other Assurance Functions	Review of the work of the Quality Committee within the organisation, whose work provides relevant assurance over clinical practice and processes.
	Review of the findings of other significant assurance functions, both internal and external to the organisation, and consideration of the implications for the governance of the organisation.

#### 4.4.1.3 Work Performed

The Committee has organised its work under five headings “Financial Management”, “Governance”, “Clinical Assurance”, “Internal Audit and Counter Fraud” and “External Audit”.

Items discussed in particular during 2020/21 were in relation to the impact of the new emergency finance regime and the Trust’s interaction with its wholly owned subsidiary company Harrogate Healthcare Facilities Management Limited (HHFM).

The Committee oversees and monitors the production of the Trust’s financial statements. During the 2020/21 financial year, this included:

- an informal but detailed review of the draft accounts prior to submission to Monitor and External Audit on 24 April 2020
- a formal Committee meeting to discuss the draft accounts and External Audit’s findings on 5 May 2020
- a formal Committee meeting on 19 June 2020 to review the final accounts and Annual Report for 2019/20 prior to submission to the Board of Directors and Monitor.

*[Note: similar meetings have occurred during April and May 2021 relating to the 2020/21 financial statements and Annual Report].*

In January 2021 the Committee formally reviewed and approved the Trust’s accounting policies (to be used in relation to the 2020/21 financial statements), considering consistency over time and compliance with the Foundation Trust Financial Reporting Manual. At the same meeting, the Audit Committee also considered the plan and timetable for the production of the Trust’s 2020/21 financial statements and annual report.

The Committee also oversees and monitors the production of the Charitable Trust’s financial statements. The final Charitable Funds Accounts and Annual Report for 2019/20 were reviewed by the Committee on 1 September 2020 prior to submission to the Corporate Trustee.

The Audit Committee also reviewed and approved:

- Single Tender Actions,
- the Trust's Losses & Special Payments register in June 2020,
- the Annual Procurement Savings Report in September 2020,
- revisions to the Trust's Treasury Management Policy in September 2020, and
- the recommendation to the Trust Board of the use of the going concern principle as the basis for the preparation of the 2019/20 accounts in March 2020.

The review of Post Project Evaluations (arising from capital schemes) is a standing item on the Audit Committee's agenda during the year.

#### **4.4.1.5 Governance, Risk Management and Internal Control**

The Audit Committee receives the minutes of the Corporate Risk Review Group. These minutes provide detail of the changes to the Corporate Risk Register and new risks considered. In addition the Audit Committee receives the minutes of the Quality Committee, which is a formal sub-committee of the Board of Directors.

The Board Assurance Framework, Corporate Risk Register and mechanisms for reporting strategic risks to the Board are reviewed on a periodic basis alongside the review of the Corporate Risk Review Group minutes.

Additionally the Staff Registers of Interests and Gifts and Hospitality were reported to the Audit Committee in June 2020.

The Annual Governance Statement and the Head of Internal Audit Opinion were reviewed by the Audit Committee prior to submission to the Board. The Chief Executive (or another designated Executive Director) attends the Audit Committee annually at year-end (usually held in May but for 2020/21 the meeting was held in June 2021) to discuss assurance around the Annual Governance Statement.

In relation to the governance of the Audit Committee itself, the Committee undertook the following tasks during 2020/21:

- Assessment of Audit Committee Effectiveness in December 2020, the findings of which were presented to the Board of Directors.
- Review and approval of Audit Committee Terms of Reference in January 2021 which were presented to the Board of Directors for approval.
- Ongoing review and revision of the Audit Committee's timetable.

#### **4.4.1.6 Clinical Assurance**

The revised Quality and Governance structure means that the Audit Committee receives assurance on the effectiveness of clinical processes through the meeting minutes and Annual Report of the Quality Committee.

#### **4.4.1.7 Internal Audit and Counter Fraud Service**

Internal Audit and Counter Fraud Services are provided by Audit Yorkshire. The Finance Director sits on the Audit Yorkshire Board which oversees Audit Yorkshire at a strategic level. The Board met on four occasions during 2020/21.

An Internal Audit Charter formally defines the purpose, authority and responsibility of internal audit activity. This document was updated, reviewed and approved by the Audit Committee in September 2020.

The Audit Committee approved the planning methodology to be used by Internal Audit to create the Internal Audit Plan for 2020/21, and gave formal approval of the Internal Audit Operational Plan in March 2020.

The conclusions (including the assurance level and the corporate importance and corporate risk ratings) as well as all findings and recommendations of finalised Internal Audit reports are shared with the Audit Committee. The Committee can, and does, challenge Internal Audit on assurances provided, and requests additional information, clarification or follow-up work if considered necessary. All Internal Audit reports are discussed individually with the Audit Committee. For all limited assurance reports, Internal Audit also meet with the Director of Finance, Chief Executive and Directorate Lead to discuss progress with recommendations.

A system whereby all internal audit recommendations are followed-up on a quarterly basis is in place. Progress towards the implementation of agreed recommendations is reported (including full details of all outstanding recommendations) to the Director Team and the Audit Committee on a quarterly basis. This has been an area of focus by the Committee during the year and Trust management have worked hard to ensure that the process for responding to internal audit recommendations has been improved. In 2020/21 an additional process was agreed whereby internal audit recommendations are discussed at the Corporate Risk Review Group.

The Counter Fraud Plan was reviewed and approved by the Audit Committee and the Local Counter-Fraud Specialist (LCFS) presented bi-annual reports detailing progress towards achievement of the plan, as well as summaries of investigations undertaken.

The effectiveness of Internal Audit was reviewed by HDFT staff and the Audit Committee in January 2021, resulting in a satisfactory evaluation.

#### **4.4.1.8 External Audit**

External Audit services are provided by KPMG.

During the 2020/21 financial year the Audit Committee reviewed External Audit's Annual Governance Report and Management Letter in relation to the 2019/20 financial statements. Work was undertaken to provide challenge and support on the accounting treatment to be adopted in respect of certain financial arrangements in place at 31 March 2020.

External Audit regularly updates the Committee on progress against their agreed plan, on any issues arising from their work and on any issues or publications of general interest to Audit Committee members.

The Audit Committee reviewed and approved the External Audit Plan in relation to the 2020/21 financial statements and the related audit fee in January 2021.

The effectiveness of External Audit was reviewed by HDFT staff and the Audit Committee in September 2020 resulting in a satisfactory evaluation which was reported to the Council Governors.

#### **4.4.1.9 Specific Significant Issues discussed by the Audit Committee during 2020/21**

The following additional significant issues have been discussed by the Audit Committee during 2020/21:

- Impact of the COVID-19 pandemic on Risk Management processes and governance arrangements at the Trust
- Impact of the above and availability of staff to support the delivery of the Internal Audit programme.
- Follow up of Limited Assurance Internal Audit reports. The timeliness of response by management to internal audit draft reports and the implementation of outstanding internal audit recommendations

#### **4.4.1.10 Audit Committee Effectiveness Survey**

It is recommended corporate governance best practice for Committees of the Board of Directors to undertake annual self-assessment of effectiveness. A survey of Audit Committee members and regular attendees at the Committee meetings was undertaken during 2020/21. The Annual Audit Committee Effectiveness Survey found that the Committee had conducted itself in accordance with its Terms of Reference and work plan during 2020/21; and that this summary report is consistent with the Annual Governance Statement and the Head of Internal Audit Opinion.

#### 4.4.2 The Board of Directors and Council of Governors

The Board of Directors (the Board) and Council of Governors (the Council) work closely in the best interests of the Trust. Detailed below is a summary of the key roles and responsibilities of both the Board of Directors and the Council of Governors.

The Board meets formally with the Council on a six-monthly basis to seek and consider the views of the Governors in agreeing, for example, strategic aims, potential changes in service provision, and public perception matters. These meetings are also used as an opportunity to update and inform the Board and Council of particular examples of good practice. The Trust's Chairman is the Chairman for the Board of Directors and the Council of Governors and she proactively ensures synergy between the Board and Council through regular meetings and written communications.

The Directors (Executive and Non-Executive) meet regularly with Governors during their day to day working through meetings, briefings, consultations, information sessions, directorate inspections and patient safety visits. Informal meetings are also held with the Council three times a year. The Chairman attends these meetings to support the Council and to ensure the Board have an opportunity to obtain the views of the Council and their members in the planning of services for the local community.

Informal meetings between the Non-Executive Directors and the Council have been introduced to further extend the Governors' knowledge of the role of the Non-Executive Directors in response to the Health and Social Care Act 2012 and the Governors' statutory responsibility to hold the Non-Executive Directors to account.

##### 4.4.2.1 The Board of Directors

The Board of Directors is a unitary Board with collective responsibility for all areas of performance of the Trust such as clinical and operational performance, financial performance, governance and management. The Board is legally accountable for the services it provides at the Trust and operates to the highest of corporate governance standards. It has the option to delegate these powers to senior management and other Committees. Its role is to provide active leadership within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board is responsible for the allocation of resources to support the achievement of organisational objectives, ensure clinical services are safe, of a high quality, patient focused and effective.

The Board had agreed to meet in public in Harrogate District Hospital eight times per year during 2019/20. In intervening months the Board of Directors held closed workshops at sites around the Trust's footprint. As part of this, the Board members had extended visits to services in the local area. These proved to be mutually beneficial to Directors and staff alike.

In March 2020 it was agreed meetings would be increased to take place monthly at the outset of the COVID-19 pandemic outbreak.

The Board ensures high standards of clinical and corporate governance and, along with the Council of Governors, engages members and stakeholders to ensure effective dialogue with the communities it serves.

The Board is accountable to stakeholders for the achievement of sustainable performance and the creation of stakeholder value through development and delivery of the Trust's long term Vision, Mission, and strategy. The Board ensures that adequate systems and processes are maintained to deliver the Trust's Annual Plan, deliver safe, high quality healthcare, measure and monitor the Trust's effectiveness and efficiency as well as seeking continuous improvement and innovation.

The Board delegates some of its powers to Board Committees or to an Executive Director and these matters are set out in the Trust's scheme of delegation which is available from the Company Secretary's Office on request. The Terms of Reference for the Board of Directors and its sub-committees are available on the Trust's website ([www.hdft.nhs.uk](http://www.hdft.nhs.uk)).

### **Balance, Completeness and Appropriateness of the Board of Directors**

The balance, completeness and appropriateness of the Board of Directors are reviewed as required and the Trust is confident that it has a balanced and appropriately skilled Board of Directors to enable it to discharge its duties effectively. This applies to both Executive and Non-Executive Directors.

Decision making and operational management of the Trust is led by the Executive Directors, reporting to the Chief Executive as Accountable Officer. The Standing Orders of the Board detail the decisions reserved for the Board and are available on request.

All of the Non-Executive Directors of the Trust are deemed to be independent. The information below describes the skills, expertise and experience of each Board member and demonstrates the independence of the Non-Executive Directors.

### **Executive Directors**

- ***Steve Russell, Chief Executive appointed 1 April 2019***

Steve Russell joined the Trust with a decade's worth of board level experience with NHS organisations. His previous post as Executive Regional Managing Director for NHS Improvement in London required him to work across the provider and commissioner sectors. Steve established personal credibility and has a strong reputation throughout the National Health Service.

Prior to his time with NHS Improvement, Steve had spent two years as Chief Operating Officer at South London Healthcare NHS Trust, a year as London Programme Director (A&E) and Improvement Director at the NHS Trust Development Authority, and two years as Deputy Chief Executive at Barking, Havering & Redbridge University Hospitals NHS Trust.

Before this, he was Executive Director of Medicine & Emergency Care at Northumbria Healthcare NHS Foundation Trust for seven years.

As Chief Executive, Steve is responsible for ensuring that our services are safe, effective, responsive, well led and provided with care and compassion at all times as well as ensuring the highest standards of financial management. Working closely with the Board of Directors, Governors, staff and partner organisations, Steve shapes the Trust's strategy, contributes to whole systems transformation and ensures the long-term sustainability of the Trust.

Steve was Chief Executive of NHS Nightingale Hospital Yorkshire and Humber; a Member of NHS England and Improvement North East and Yorkshire Regional People Board; and Lead Chief Executive for Workforce in Humber Coast and Vale ICS.

- ***Jonathan Coulter, Deputy Chief Executive and Finance Director – appointed 20 March 2006***

Jonathan Coulter is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA) having qualified as an accountant in 1993. Since qualifying, he has taken on a number of roles in the NHS, working in various hospital Trusts, where his work included the merger of Pontefract and Pinderfields Hospitals. During this time, he has also obtained a post graduate qualification in Health and Social Care Management.

Jonathan became Finance Director for North Bradford Primary Care Trust (PCT) in 2000, gaining valuable experience of leadership and management of community-based services. Following a successful period in North Bradford, during which time he undertook additional responsibility in the role of Finance Director for Airedale PCT. Jonathan was appointed as Finance Director at the Trust in March 2006.

Since arriving at Harrogate, he has contributed significantly to the success of the organisation over the past 15 years, both within his role as Finance Director, and more recently as Deputy Chief Executive.

Jonathan is a Director of Harrogate Integrated Facilities (HIF), the Trust's wholly owned subsidiary and currently covering the position of Interim Chief Executive within HIF.

- ***Jill Foster, Chief Nurse – appointed 1 July 2014***

Jill Foster was appointed as the Trust's Chief Nurse in 2014 having previously held positions as Director of Nursing in London and Deputy Chief Nurse at a large university hospital in Bristol. She qualified as a Registered Nurse in 1987 at Barnsley District General Hospital and specialised in critical care, coronary care, and acute medicine. She has held various clinical positions at ward level and as Matron.

Jill has a strong track record in professional nursing and operational management and is passionate about delivering high quality fundamental nursing and midwifery care. She was the Executive Lead for Nursing, Midwifery and Allied Health Professionals, Clinical Governance (with the Medical Director), Infection Prevention and Control, Adult and Children's Safeguarding, and Patient Experience, End of Life Care, Children's Services, Executive Champion for Maternity Services and Baby Friendly Initiative.

Jill was appointed a Director of Harrogate Integrated Facilities, the Trust's wholly owned subsidiary from 1 June 2020 and on 1 April 2021, Jill took up the opportunity of a secondment to North Cumbria Integrated Care NHS Foundation Trust as their Interim Executive Chief Nurse.

- ***Robert Harrison, Chief Operating Officer – appointed 4 July 2010 to 31 August 2020***

Throughout Rob Harrison's career, he has demonstrated a record of leading the sustainable delivery of services to meet or exceed national standards. Having originally trained as a Research Biochemist, Rob joined the NHS General Management Training Scheme in 2002. Following graduation from the scheme, and attainment of a post graduate qualification in



Health Services Management, he held a number of operational management posts in Medicine, Anaesthetics, and Surgery within a large teaching hospital.

During his operational management career he has led on a number of service developments and reorganisations, including improving emergency surgical care across two hospital sites, the implementation of a regional Upper Gastrointestinal Cancer Unit, the establishment of an interventional bronchoscopy service, and the expansion of Special Care Dentistry services across Central Lancashire.

In 2008, he was successful in gaining a place on the North West Leadership Academy's Aspiring Directors Programme. This focused on developing greater self-awareness and understanding the role of a Board member. Rob now uses these skills by offering mentoring to junior managers and by supporting the Management Training Scheme locally.

As Chief Operating Officer the responsibility includes the day to day operational management of the Trust's clinical services, the achievement of national, regional and Trust performance targets and translating Trust strategy, business, and policy development into operational reality. Rob's duties included responsibility for IT, Information, Estates and Facilities. He was the Chief Operating Officer lead for Elective services on behalf of the WYAAT and was a Director of ILS and IPS Pathology Joint Venture.

- ***Tim Gold, Interim Chief Operating Officer from 1 September 2020 to 28 February 2021 (seconded from Bradford Teaching Hospitals NHS Foundation Trust)***

During Tim Gold's time with the Trust he was also Director of ILS and IPS Pathology Joint Venture.

- ***Matt Shepherd, Acting Chief Operating Officer from 1 March 2021 until 30 April 2021***  
*Matt Shepherd is a Consultant in Emergency Medicine at the Trust, Clinical Informatics Lead, Clinical Director for Long Term Conditions and Unscheduled Care Directorate; and the Trust's Deputy Chief Operating Officer*

- ***David Scullion, Medical Director – from 1 September 2012 until 14 June 2020***

David Scullion trained in Medicine at St Mary's Hospital in London, qualifying in 1985. An initial career in General Medicine was followed by Radiology training in both London and North America. He was appointed Consultant Radiologist in Harrogate in 1997, and has been Clinical Lead for Radiology, Deputy Medical Director and, since September 2012, Medical Director. During his time as Medical Director he divided his week between Medical Director commitments and a clinical Radiology.

- ***Jackie Andrews, Medical Director – appointed 15 June 2020***

Jackie Andrews is a Consultant Rheumatologist. Prior to joining the Trust, she was an Associate Medical Director and Director of Research and Innovation at Leeds Teaching Hospital from 2008 and prior to that she worked in London, Auckland and Edinburgh.

Jackie is passionate about local NHS services and the wider children's services across North Yorkshire and the North East.

In addition to the traditional aspects of the Medical Director portfolio such as professional standards, clinical risk management and research and development, Jackie has a focus on helping to improve the safety culture of the organisation and the culture of innovation, to

ensure continuous improvement. She is passionate about speaking up to ensure learning can be achieved when things do not go as planned, in a blame free and transparent way.

The role of the Medical Director is many and varied but includes providing clinical advice to the Board of Directors, leading on clinical standards including the formation and implementation of policy, providing clinical leadership and acting as a bridge between the medical workforce and the Board, and dealing with disciplinary matters involving doctors.

- **Angela Wilkinson, Director of Workforce and Organisational Development**  
- **appointed 5 November 2018**

Angela Wilkinson became the Director of Workforce and Organisational Development following her previous appointment as Deputy Director of Workforce and Organisational Development at Mid-Yorkshire NHS Hospitals Trust, where she had latterly been the Interim Executive Director of Workforce and Organisational Development for a period of five months.

Prior to taking up that role in 2013, Angela had spent three years as Director of Organisational Development and Human Resources at Leeds City College, following almost two years as head of Human Resources and Organisational Development at City of York Council. She started her career as a graduate hotel manager in the hospitality industry before joining the NHS through her first role in the now defunct NHS Purchasing and Supplies Agency, based in Harrogate, and subsequently working in Bradford and Leeds.

Angela's role includes strategic and operational human resources leadership for the Trust and supporting the Board of Directors in decisions in respect of workforce policy, planning and organisational development.

Angela is also a Director of ILS and IPS Pathology Joint Venture.

## Non-Executive Directors

Non-Executive Directors are appointed initially for a term of three years. Non-Executive Directors can be re-appointed for up to three terms of office (i.e. a maximum of nine years) with any final term of three years subject to annual reappointment in line with the requirements of the NHS Foundation Trust Code of Governance. The Council of Governors carries the responsibility of terminating the contract for a Non-Executive Director where this is believed to be appropriate, in accordance with the Trust Constitution and Foundation Trust Code of Governance.

The table below sets out the names, appointment dates and tenure of the Chairman, Vice Chairman, Senior Independent Director, and Non-Executive Directors of the Trust.

Name and Designation	Appointment	End of first Term	End of second Term	End of third Term
A Schofield	1 November 2017	31 October 2020	31 October 2023	N/A
S Armstrong	1 October 2018	30 September 2021	N/A	N/A
L Robson	1 September 2017	31 August 2020	31 August 2023	N/A
R Stiff	14 May 2018	13 May 2021	13 May 2024	N/A
M Taylor	1 November 2014	31 October 2017	31 October 2020	31 October 2021
J Cross	1 January 2020	31 December 2022	N/A	N/A
W Sampson	1 March 2020	29 February 2023	N/A	N/A
A Papworth	1 March 2020	29 February 2023	N/A	N/A

- **Angela Schofield, Chairman – appointed 1 November 2017**

Angela Schofield has worked in the NHS and with the NHS for over 40 years. Initially she was a health service administrator in her home town of Sheffield and became a general manager in the mid 1980's. After working in the NHS in Sheffield, North Derbyshire and Manchester, she went to work for the University of Manchester undertaking development work in quality of care and integrated care. Angela Schofield was then appointed Chief Executive of the NHS Trust in Calderdale. Following a move to Dorset she was appointed Head of the Institute for Health and Community Services at Bournemouth University.

Angela became Chairman of Bournemouth and Poole Primary Care Trust in 2006 and Chairman of Poole Hospital NHS Foundation Trust in 2011. She moved to Harrogate in 2017.

Angela is a Member of WYAAT Committee in Common, Vice-Chair, West Yorkshire and Harrogate ICS Partnership, Volunteer with Supporting Older People charity, Chair of NHS England Northern Region Talent Board and a Member of Humber Coast and Vale ICS Partnership.

- **Sarah Armstrong, Non-Executive Director – appointed 1 October 2018**

Sarah Armstrong is an experienced leader in the charity sector, having also been a senior manager for a national charity leading in volunteering policy and practice and a regional lead for a charity raising aspirations for young people with a disability. In a previous role, she was Chief Executive of York CVS, an ambitious social action organisation. She is now the Chief Executive of a national charity concerned with children's health and is a Director of Harrogate Integrated Facilities, the Trust's wholly owned subsidiary company.

Sarah is passionate about the value of volunteering and the unique contribution volunteers can make, especially within a healthcare setting.

- ***Laura Robson, Non-Executive Director – appointed 1 September 2017***

Laura Robson had lived in Sunderland all her life before moving to Ripon in 2016 to enjoy the Yorkshire life. She trained as a nurse and midwife in Sunderland before going on to work in clinical and managerial roles for various hospitals in the North East. She is a qualified midwifery teacher and has Masters degrees in Management and Communication Studies. From 1996 until retiring in 2012, she was Executive Nurse on the Board of County Durham and Darlington Foundation Trust. Laura has worked as a Clinical advisor to the CQC and the Health Service Ombudsman. With special interest in the care of people with dementia in acute hospitals she has a passion for patient safety, midwifery and maternity services.

Laura was a Non-executive Director of North Cumbria University Hospitals from 2014 until 2017, working with the Board to help them come out of special measures by improving the quality and efficiency of their services to the people of Cumbria.

Laura became the Senior Independent Director in January 2020. She is also Chairman of the Quality Committee.

- ***Richard Stiff, Non-Executive Director – appointed 14 May 2018***

Richard Stiff joined the Trust following his retirement from the role of Chief Executive of Angus Council in Scotland in May 2017. Prior to Angus he enjoyed a long career in English local government, mainly in education and children's services departments, holding senior posts with North Lincolnshire, Leeds and Dudley Councils.

Born and raised near Bury St Edmunds in Suffolk, He is Chairman of NCER CIC; Director and Trustee of TCV (The Conservation Volunteers); Chairman of the Corporation of Selby College; Member of the Association of Directors of Children's Services; Member of Society of Local Authority Chief Executives; Local Government Information Unit Associate; Local Government Information Unit (Scotland) Associate and is a Fellow of the Royal Society of Arts.

- ***Maureen Taylor, Non-Executive Director – appointed 1 November 2014***

Maureen Taylor is a chartered accountant and until 31 March 2015 was the Chief Officer for Financial Management at Leeds City Council. She has spent over 31 years in Financial Services at Leeds City Council, qualifying as an accountant in 1987. She has extensive experience, working in a wide range of financial disciplines more recently leading the Council's capital programme and treasury management functions and overseeing aspects of the revenue budget.

As part of her council role Maureen held three directorship positions being public sector Director of Community Ventures Leeds Limited, Director at Norfolk Property Services (Leeds) Limited, and Alternate Director for the Leeds Local Education Partnership.

Maureen is a Vice-Chairman of Governors, Chairman of the Resources Committee and is a member of the Audit Committee. She is also a Resources Committee member at a local Church of England Primary School.

- **Jeremy Cross, Non-executive Director – appointed 1 January 2020**

Jeremy Cross is a fellow of Institute of Chartered Accountants. He joined the Trust from Airedale NHS Foundation Trust where he had been a Non-Executive Director for five years, and during his time there has been Chairman of the Audit Committee, and a member of the Finance and Performance Committee, and the Charity Committee. Jeremy was also Chair of the 100% owned subsidiary company AGH Solutions Limited.

Prior to taking up Non-executive Director positions Jeremy held senior positions at Lloyds Banking Group, Asda and Boots the Chemist.

Outside of the NHS, Jeremy is Chairman of Mansfield Building Society; Chairman of Headrow Money Line Ltd; Chairman of Forget Me Not Children's Hospice, Huddersfield; Governor of Grammar School at Leeds; Director of GSAL Transport Ltd; and a Member of Kirby Overblow Parish Council.

- **Wallace Sampson OBE, Non-executive Director – appointed 1 March 2020**

Wallace Sampson has been with Harrogate Borough Council since August 2008 and has worked in local government for over 35 years. He started at Doncaster Metropolitan Borough Council and has also worked at Chesterfield Borough Council, Kirklees MBC, and Bradford MDC where he was Strategic Director Customer Services and Assistant Chief Executive for Regeneration and the Environment.

Wallace is passionate about public service delivery and the need to work within partnerships to join up service delivery. He has devoted his career to public service and over the years he has worked extensively with partners to ensure a strong focus on customers, residents, businesses and visitors to the district. This is reflected in a number of external responsibilities to Harrogate Council. He chairs the Harrogate District Public Services Leadership Board and is a member of the North Yorkshire Children's Safeguarding Board.

Wallace is Chief Executive of Harrogate Borough Council; Director of Bracewell Homes, a wholly owned Harrogate Borough Council housing company; Chair of Harrogate Public Services Leadership Board; Member of North Yorkshire Safeguarding Children Partnership Executive; Member of Society of Local Authority Chief Executives; and a Director of Brimhams Active, a wholly owned Harrogate Borough Council leisure company.

- **Andrew Papworth, Non-executive Director – appointed 1 March 2020**

Andy Papworth is an accomplished leader with over 20 years' experience in financial services, including six years at executive level, working in regulated environments. He has a deep background in financial management, business leadership and transformation.

He is a member of the Chartered Management Institute, Global Chartered Management Accountants, and the Council of Strategic Workforce Planning and Human Capital Analytics.

He is Director of People Insight and Cost at Lloyds Banking Group and is known for being an innovative executive and brings thought-leadership on a range of subjects to the Trust.

## Performance Evaluation of the Board of Directors

Evaluation of the Board of Directors is delivered formally via a number of channels, which can include:

- Appraisal of Executive Director performance by the Chief Executive and Chairman on an annual basis;
- Appraisal of Non-Executive Director performance by the Chairman and Vice Chairman/Lead Governor of the Council of Governors on an annual basis;
- Appraisal of the Chairman by the Council of Governors, led by the Senior Independent Director of the Board of Directors and the Vice Chair of the Council of Governors, after seeking views and comments of the full Council of Governors and Board colleagues;
- Appraisal of the Chief Executive by the Chairman;
- An annual Board development programme; and
- An annual review of the effectiveness of each Board Committee.

During 2020/21 an internal audit was carried out on the Well-led framework against the CQC and NHS Improvement's framework, which provided significant assurance. This helps to provide the Board of Directors with assurance that systems and process are in place to ensure that the Board and Senior Leadership Team have good oversight of quality of care, operations and finances. The Care Quality Commission, at its last inspection carried out in 2018, assessed the Trust as 'Good' against its Well-Led standard.

The Board recognises the importance of good governance in delivery of the Trust's vision to provide 'Excellence Every Time', and a number of actions will be taken during 2020-21 to ensure that the small number of recommendations made in the Care Quality Commission report and the self-assessment, are taken forward.

The information below provides details on the Executive and Non-Executive Director attendance at Board of Directors meetings in 2020/21. The Board of Directors met 8 times in public during 2020/21. When the Board of Directors met in public there was also a private meeting. In addition to that Board workshops have been held throughout the year in private.

### Board of Directors Meeting Attendance (held in Public) 2020/21

Individual attendance	29/04/2020	27/05/2020	24/06/2020	29/07/2020	30/09/2020	25/11/2019	27/01/2021	31/03/2021
A Schofield	√	√	√	√	√	√	√	√
S Armstrong	√	√	√	√	√	√	√	√
L Robson	√	√	√	√	√	√	√	√
R Stiff	√	√	√	√	√	√	√	√
M Taylor	√	√	√	√	√	√	√	√
J Cross	√	√	√	0	√	√	√	√
A Papworth	√	√	√	√	0	√	√	√
W Sampson	√	√	√	√	√	√	√	√
S Russell	√	√	√	√	√	√	√	√
J Coulter	√	√	√	√	√	√	√	√
J Foster	√	√	√	√	√	√	√	0
R Harrison	√	√	√	√	√	√	√	√
D Scullion*	√	√	n/a	n/a	n/a	n/a	n/a	n/a
J Andrews**	n/a	n/a	√	√	√	√	√	√
A Wilkinson	√	√	√	√	√	√	√	√
T Gold***	n/a	n/a	n/a	n/a	√	√	√	√

\*David Scullion was Medical Director until 14 June 2020

\*\*Jackie Andrews commenced as Medical Director from 15 June 2020

\*\*\*Tim Gold was seconded from Bradford Teaching Hospitals NHS Foundation Trust covering the Interim Chief Operating Officer position from 1 September 2020 to 28 February 2021





#### **4.4.2.2 Council of Governors**

The Council of Governors (the Council) represent the interests of the Foundation Trust members and the general public. They have an important role to play in acting as the eyes and ears of the membership, keeping a watchful eye over how the Trust is managed and being assured about the way services are being delivered.

The Council act as a vital link between members, patients, the public and the Board of Directors; they have an ambassadorial role in representing and promoting the Trust and do not have any operational management responsibilities. The Council's primary statutory duty is to hold the Non-Executive Directors individually and collectively to account for the performance of the Board, and to represent the interests of the members of the Trust as a whole including the interests of the public. The Council is responsible for regularly reporting on information about the Trust's vision, strategy, and performance to their constituencies and the stakeholder organisations that appointed them.

Governors are elected by staff (Staff Governors) and the membership (Public Governors), or nominated by partner organisations, for example, North Yorkshire County Council (Stakeholder Governors). The Council of Governors consists of 18 elected and six nominated Governors.

There were no elections held between 1 April 2020 to 31 March 2021.

The Council of Governors statutory responsibilities include the following:

- Hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors.
- Represent the interests of the members of the Trust as a whole and the interests of the public.
- Appoint, or remove the Chairman and the other Non-Executive Directors.
- Decide the remuneration of the Chairman and Non-Executive Directors.
- Approve the appointment (by the Non-Executive Directors) of the Chief Executive.
- Appoint, reappoint or remove the Trust's external auditor.
- Consider the Trust's annual accounts, auditor's report and annual report.
- Bring their perspective in determining the strategic direction of the Trust.
- Be involved in the Trust's forward planning processes.
- Approve any merger, acquisition, separation or dissolution application and the entering into of any significant transactions.
- Approve any proposals to increase by 5% or more of the Trust's proportion of its total income in any financial year attributable to activities other than the provision of goods and services for the purposes of the health service in England.
- Approve any amendments to the Trust's Constitution

The following table highlights the composition of the Council of Governors and includes each Governor's term of office and attendance at the quarterly public Council of Governor meetings held during the year 1 April 2020 to 31 March 2021.

### Elected Public Governors

Constituency	Name	Term of office	June 2020	September 2020	December 2020	March 2021
Harrogate and surrounding villages	Martin Dennys	January 2019 to December 2021	✓	✓	✓	✓
	Tony Doveston	January 2016 to December 2018 January 2019 to December 2021	✓	✓	✓	✓
	Samantha James	July 2019 to June 2022	0	0	0	0
	Dave Stott	July 2019 to June 2022	✓	✓	✓	✓
	William Fish	January 2020 to December 2022	✓	✓	✓	✓
Knaresborough and East District	John Batt	January 2019 to December 2021	0	✓	✓	✓
	Robert Cowans	July 2018 to June 2021	0	0	0	0

**Elected Public Governors**

Constituency	Name	Term of office	June 2020	September 2020	December 2020	March 2021
Rest of North Yorkshire and York	Cath Clelland, MBE	January 2015 to December 2017  January 2018 to December 2020*	0	0	✓	✓
Ripon and West District	Sue Eddleston	January 2017 to December 2019  January 2020 to December 2022	✓	✓	✓	✓
	Christopher Mitchell	July 2018 to June 2021  <i>Resigned as Governor December 2020</i>	0	0		
Wetherby and Harewood including Otley and Yeadon, Adel and Wharfedale and Alwoodley Wards	Steve Treece	January 2017 to December 2019  January 2020 to December 2022	✓	✓	✓	✓
	Doug Masterton	July 2019 to June 2022	✓	✓	✓	✓
Rest of England	Ian Barlow	July 2018 to June 2021	0	0	✓	✓

*\*Due to the COVID-19 pandemic Elections were agreed to be deferred until the Summer of 2021. Cath Clelland attended meetings from January 2021 in a non-voting/observer capacity.*

**Elected Staff Governors**

<b>Staff Constituency</b>	<b>Name</b>	<b>Term of office</b>	<b>June 2020</b>	<b>September 2020</b>	<b>December 2020</b>	<b>March 2021</b>
Medical Practitioners Staff Class	Loveena Kunwar	July 2019 to June 2022	0	0	✓	✓
Non-Clinical Staff Class	Sam Marshall	December 2019 to November 2022	✓	✓	0	0
Nursing and Midwifery Staff Class	Kathy McClune	January 2020 to December 2022	✓	✓	✓	✓
	Heather Stuart	July 2019 to December 2021 (remainder of term)	0	✓	0	✓
Other Clinical Staff Class	Neil Lauber	July 2018 to June 2021	0	✓	0	0

**Nominated Governors**

<b>Nominating Organisation</b>	<b>Name</b>	<b>Term of office</b>	<b>June 2020</b>	<b>September 2020</b>	<b>December 2020</b>	<b>March 2021</b>
North Yorkshire County Council	Cllr. John Mann	Nominated from 1 January 2020 to 31 December 2022	0	0	0	✓
Harrogate Borough Council	Cllr Samantha Mearns	Nominated from 1 July 2018 to 31 May 2020 (remainder of term)  Nominated from 1 June 2020 to 31 May 2023	✓	✓	✓	0
University of Bradford	Pamela Bagley	Nominated from 1 January 2020 to 31 December 2022	0	✓	✓	0
Patient Experience	Carolyn Heaney	Nominated from 21 September 2017 to 20 September 2020 <i>Resigned Sept 20, position currently vacant</i>	✓	0		
Harrogate Healthcare Facilities Management (new Stakeholder organisation approved in Constitution August 2018)	Clare Illingworth (Cressey)	Nominated from 1 August 2018 to 31 July 2021	✓	✓	✓	✓
Voluntary sector	Position vacant					

A Register of Interests for all members of the Council of Governors is held by the Foundation Trust Office and is continually updated. This is available to view by contacting the Foundation Trust Office.

Council of Governor meetings are Chaired by the Trust's Chairman, and attended by the Chief Executive and at least two Executive Directors. In addition, there is also regular attendance by Non-Executive Directors.

The following table highlights the attendance of each Executive Director and Non-Executive Director at the quarterly public Council of Governor meetings held during the year from 1 April 2020 to 31 March 2021.

Non-executive Director individual attendance	Position	Council of Governor Meetings 2020/2021			
		June 2020	September 2020	December 2020	March 2021
Angela Schofield	Chairman	✓	✓	✓	✓
Sarah Armstrong	Non-Executive Director	✓	0	✓	✓
Laura Robson	Non-Executive Director	✓	✓	✓	✓
Richard Stiff	Non-Executive Director	✓	✓	✓	✓
Maureen Taylor	Non-Executive Director	✓	✓	✓	✓
Jeremy Cross	Non-Executive Director	✓	✓	✓	✓
Andy Papworth	Non-Executive Director	✓	0	✓	✓
Wallace Sampson	Non-Executive Director	✓	✓	0	0

Executive Director individual attendance	Position	Council of Governor Meetings 2020/2021			
		June 2020	September 2020	December 2020	March 2021
Steve Russell	Chief Executive	✓	✓	✓	✓
Jonathan Coulter	Deputy Chief Executive/ Finance Director	✓	✓	✓	✓
Jill Foster	Chief Nurse	0	✓	✓	0
Robert Harrison	Chief Operating Officer	✓			
Angela Wilkinson	Director of Workforce and Organisational Development	✓	✓	✓	0
Jackie Andrews	Medical Director	✓	✓	✓	✓
Tim Gold	Interim Chief Operating Officer		✓	✓	✓
Matt Shepherd	Acting Chief Operating Officer				✓



**Remuneration, Nominations and Conduct Committee**

The Remuneration, Nominations and Conduct Committee (the Committee) was formed following a review, and approval, of the Trust's Constitution on 1 August 2018. This Committee is Chaired by the Trust's Chairman, unless the Chairman is conflicted then the Vice Chairman would Chair such meetings. The Chairman carries out Non-executive Directors appraisals with the support of the Senior Independent Director and Lead Governor. The Senior Independent Director carries out the appraisal of the Chairman with the support by the Lead Governor and Company Secretary. The Lead Governor meets with the Governors separately to gain their views and consults and engages with them on such things as annual appraisals.

## Membership Development and Engagement

- **Our membership**

The Trust is accountable to the local population that it serves through the Council of Governors and encourages local ownership of health services through its membership. On 31 March 2021 the Trust had 16,993 members; these are people who have chosen to become a member, who are interested in the NHS and want the opportunity to get more involved in their local health services. Members can become involved in a variety of different ways; by receiving updates and newsletters, attending meetings and events, volunteering, and being consulted on with plans for future developments, to name just a few.

The Foundation Trust Office manages an in-house membership database containing members' areas of interest. As services are developed or reviewed, members can be contacted and encouraged to participate via consultations, surveys and discussion groups.

- **Eligibility to be a Member**

As of 1 March 2016, public membership by constituency applies to residents aged 16 or over across the whole of England. As the Trust is providing services further afield, and patients have the right to choose where to receive treatment, we hope to continue encouraging a membership which reflects the wider population.

Public constituencies are:

- Harrogate and surrounding villages.
- Ripon and west district.
- Knaresborough and east district.
- The electoral wards of Wetherby and Harewood including Otley and Yeadon, Adel and Wharfedale and Alwoodley wards.
- Rest of North Yorkshire and York.
- Rest of England.

The Rest of England constituency represents those people who access Trust services but do not live in the Trust's previous (local) catchment area (as displayed on the map below):



The Trust has no patient constituency.

Staff membership applies to any employee of the Trust holding a permanent contract of employment or a fixed term contract of at least 12 months.

The Staff Constituency includes the following Staff Classes:

- Medical Practitioners
- Nursing and Midwifery
- Other Clinical
- Non-Clinical

### **Membership by constituency and number**

Through the work of the Governor Working Group for Membership Development and Engagement, a sub-committee of the Council of Governors responsible for the delivery of the Membership Development Strategy, we continue to aim towards a representative and vibrant membership, offering innovative and active engagement across the organisation.

Whilst it is important to the Trust to continue to recruit a wide and diverse membership in a representative and inclusive manner, the Membership Development Strategy will continue to drive the focus on quality membership engagement activity.

The public membership profile		Rep. of public	
Harrogate	5,673	82,599	6.9%
Ripon and west district	1,762	37,571	4.7%
Knaresborough and east district	2,085	37,699	5.5%
Wetherby and Harewood including Otley and Yeadon, Adel and Wharfedale and Alwoodley wards	1,868	102,771	1.8%
Rest of North Yorkshire and York	442	638,559	0.07%
Rest of England	943	52.1m*	
<b>TOTAL</b>	<b>12,773</b>	<b>899,199**</b>	<b>1.42%**</b>

\* <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimatesfortheunitedkingdom/2011-03-21>

\*\* Figures based on Trust catchment area not including Rest of England.

The staff constituency membership profile		Rep. of total staff	
<b>TOTAL</b>	<b>4,160</b>	<b>4,310</b>	<b>96.6%</b>

Both the Board of Directors and Council of Governors agree that an active and engaged membership will continue to enhance the development of the Trust's strategic objectives to:

- Deliver high quality healthcare
- To work with partners to deliver integrated care
- To ensure clinical and financial sustainability

During the forthcoming year, the Trust will continue to actively recruit members across the catchment area, and where possible, encourage membership to those people residing in the rest of North Yorkshire and York where our membership representation is at its lowest. In terms of membership from people residing in the Rest of England constituency, the focus will be on areas where the Trust provides children's services in County Durham, Darlington and Teesside, Middlesbrough, Sunderland, Stockton-on-Tees, Gateshead and in North and West Leeds and this can be promoted through our established Youth Forum. These plans will be overseen by the Governor Working Group for Membership Development and Engagement and will form part of the Membership Development Strategy. Membership recruitment plans include promoting membership to local employers and schools, attendance at community events, communicating with GP practices, publicising membership at local community premises such as libraries and voluntary organisations, and through social media platforms. The focus will also be to promote membership and active inclusion to people from protected characteristics and disadvantaged groups alongside the Trust's Equality and Diversity work streams.

### Gender and ethnicity

The public membership is made up of 52.1% females and 47.7% males, with 0.1% unknown; these figures continue to demonstrate a similar balance to the female/male population in England (50.8% females and 49.2% males, Office for National Statistics, Census 2011).

Gender	Number of Members	*Eligible membership	Percentage
Male	5,636	*440,383	*1.3%
Female	6,122	*458,816	*1.3%
Not specified	15		
<b>Total</b>	<b>11,773</b>	<b>*899,199</b>	<b>*1.3%</b>

\* Figures based on Trust catchment area not including Rest of England.

### Ethnic origin of the public membership

Ethnicity	Number of Members	*Eligible membership
White	2,673	*863,226
Mixed	24	*9,110
Asian or Asian British	66	*19,196
Black or Black British	26	*4,599
Unknown	8,984	*3,068
<b>Total</b>	<b>11,773</b>	<b>*899,199</b>

\* Figures based on Trust catchment area not including Rest of England.

The ethnicity of all new members is captured from the membership application form. It would be challenging to update the ethnicity of the majority of members who joined prior to the development of this data capture.

### How we develop our Membership

Our Membership Development plan is to drive forward targeted recruitment in under-represented areas and innovative high quality membership engagement activity in line with the Trust's strategic objectives. During the year, membership events were paused due to COVID-19. However, a Committee of the Council of Governors has continued to meet to discuss arrangements to re-instate membership engagement activities to meet both COVID-19 and non-COVID-19 requirements.

Our plans for recruitment, communication and membership activities are in the following ways:

- On joining, a welcome pack is sent out which includes a welcome letter from the members' elected Governor(s), a questionnaire, and details about a discount card which can be used with local and national companies;
- 'Foundation News' membership newsletter;
- Notification of meetings and events on the Trust's website;
- Social media platforms;
- Media;
- Invitations to membership events;

- Invitations to community events in partnership with stakeholders;
- Council of Governor meetings;
- Board of Director meetings;
- Annual Members' Meeting;
- Elections to the Council of Governors;
- Access to Trust strategic documents, including the Annual Report and Accounts, and Annual Plan.
- Internal staff communications, for example, staff induction and Team Talk a weekly interactive briefing session for staff focusing on key topics;
- Invitations to be involved with consultations, to take part in surveys and to be involved on focus groups.

### **The Foundation Trust Office**

The Foundation Trust office continues to be a central point of contact for all members and the general public to make contact with the Trust, the Council of Governors and Board of Directors. The Foundation Trust Office is open during office hours, Monday to Friday on 01423 554489 or by email to [hdftmembership@nhs.net](mailto:hdftmembership@nhs.net)

#### **4.4.3 Statement of Compliance with the NHS Foundation Trust Code of Governance**

Harrogate and District NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The Trust has applied the principles of the NHS Foundation Trust Code of Governance (2006) which was updated in July 2014.

Information relating to quality governance systems and process is detailed throughout the Annual Report, but in particular in the Annual Governance Statement and Quality Account.

NHS Foundation Trusts are required to provide a specific set of disclosures in relation to the provisions within schedule A of the NHS Code of Governance. The Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply and explain basis and has complied with the Code during 2020/21. Evidence to support compliance is included below:

## Compliance with the NHS Foundation Trust Code of Governance

The Board of Directors and Council of Governors are committed to continuing to operate according to the highest corporate governance standards. Whilst doing this the Board:

- Meets formally at least bi-monthly in order to discharge its duties effectively. Systems and processes are maintained to measure and monitor the Trust's effectiveness, efficiency and economy as well as the quality, of its healthcare delivery.
- Reviews the performance of the Trust against regulatory and contractual obligations and approved plans and objectives. Metrics, measures and accountabilities have been developed to assess progress and delivery of performance.
- All Directors are responsible to constructively challenge the decisions of the Board. Non-Executive Directors scrutinise the performance of the Executive Directors in meeting agreed goals and objectives and monitor the reporting of performance. If a Board member disagrees with a course of action, it is minuted accordingly. The Chairman would then hold a meeting with the Non-Executive Directors. If the concerns cannot be resolved this should be noted in the Board minutes.
- Non-executive Directors are appointed for a term of three years by the Council of Governors. The Council of Governors has the authority to appoint or remove the Chairman or the Non-executive Directors at a general meeting. Removal of the Chairman or another Non-Executive Director requires the approval of three-quarters of the members of the Council of Governors.
- At least half of the Board, excluding the Chairman comprises Non-executive Directors determined by the Board to be independent.
- No individual on the Board of Directors or Council of Governors holds positions at the same time of Director and Governor of any NHS Foundation Trust.
- Operates a code of conduct that builds on the values of the Trust to reflect high standards of probity and responsibility.
- In discussion with the Council of Governors a Non-executive Director covers the role of Senior Independent Director.
- The Chairman ensures that the Board of Directors and the Council of Governors work together effectively and that Directors and Governors receive timely and clear information that is appropriate to carry out their duties.
- The Chairman holds regular meetings with Non-executive Directors without the Executive Directors present.
- No independent external adviser has been a member of or had a vote on the Remuneration Committee or the Nomination Committee.
- Independent professional advice is accessible to the Non-executive Directors and the Company Secretary via the appointed independent External Auditors.
- There is no full-time Executive Director that takes on more than one Non-executive Director role of another NHS Foundation Trust or another organisation of comparable size and complexity.
- All Board meetings and Board Committee meetings receive sufficient resources and support to undertake their duties.



### The Council of Governors:

- Represents the interests of the Trust's members and partner organisations in the local health economy.
- Has a code of conduct in place to ensure Governors adhere to the best interests and values of the Trust.
- Holds the Board of Directors to account for the performance of the Trust and receives appropriate assurance and risk reports on a regular basis.
- Governors are consulted on the development of forward plans for the Trust and arrangements are in place for them to be consulted on any significant changes to the delivery of the Trust's business plan if so required.
- The Council of Governors meet on a regular basis in order for them to discharge their duties.
- The Governors elected a Lead Governor, Clare Cressey. As a Lead Governor the main function is to act as a point of contact with NHSI the Trust's independent regulator.
- The Directors and Governors continually update their skills, knowledge and familiarity with the Trust and its obligations, to fulfil their role on various Boards and Committees.
- The Trust's Constitution is available at <https://www.hdft.nhs.uk> which outlines the clear policy and fair process for the removal from the Council of Governors of any Governor who consistently and unjustifiably fails to attend the meetings of the Council of Governors or has an actual or potential conflict of interest which prevents the proper exercise of their duties.
- The performance review process of the Chairman and Non-executive Directors involves the Governors. The Senior Independent Director and Lead Governor supports the Governors through the evaluation of the Chairman. Each Executive Director's performance is reviewed by the Chief Executive. The Chairman reviews the performance of the Chief Executive.
- The Chief Executive ensures that the Board of Directors and the Council of Governors act in accordance with the requirements of propriety or regularity. If the Board of Directors, Council of Governors or the Chairman contemplates a course of action involving a transaction which the Chief Executive considers infringes these requirements, he will follow the procedures set by NHSI for advising the Board and Council for recording and submitting objections to decisions. During 2020/21 there have been no occasions on which it has been necessary to apply the NHSI procedure.
- Trust staff are required to act in accordance with NHS standards and accepted standards of behaviour in public life. The Trust ensures compliance with the Fit and Proper Person (FPP) requirement for the Board of Directors. All existing Directors completed a self-declaration. All new appointments are also required to complete the self-declaration and the full requirements of the FPP test have been integrated into the pre-employment checking process.
- The Trust holds appropriate litigation insurance to cover the risk of legal action against its Directors in their roles as directors and as trustees of the Trust's Charity.
- Going Concern Report is undertaken annually.

In summary, the Trust has applied the principles of the NHS Foundation Trust Code of Governance and departed from this on one occasion due to it having alternative arrangements in place for: A.5.6: *'The Council should establish a policy for engagement with the Board of Directors for those circumstances when they have concerns'*. The alternative arrangement provides the Council of Governors to liaise with the Lead Governor, Senior Independent Director or Company Secretary to raise any concerns they may have in relation to the Board of Directors. The Council of Governors has worked very closely with the Lead Governor over the reporting period. The Lead Governor has regular one to one meetings with the Chairman and relays any areas of concerns with any meetings arranged with Non-executive and Executive Directors as necessary.

#### 4.5 NHS Improvement's Single Oversight Framework

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

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

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

The Trust is recognised as being in segment two as at 31 March 2021. This equates to a Targeted Support Offer. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

## 4.6 Statement of Accounting Officer's Responsibilities

### Statement of the Chief Executive's Responsibilities as the Accounting Officer of Harrogate and District NHS Foundation Trust

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

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

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

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

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

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

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

A handwritten signature in blue ink, appearing to read 'Steve Russell', with a horizontal line underneath.

**Steve Russell**  
**Chief Executive**  
**9 June 2021**

## 4.7 Annual Governance Statement

### 4.7.1 Scope of responsibility

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

### 4.7.2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Harrogate and District NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Harrogate and District NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the Annual Report and Accounts.

### 4.7.3 Capacity to handle risk

As Accounting Officer, and supported by fellow members of the Board of Directors, I have responsibility for the integration of governance systems. I delegate executive lead to the Chief Nurse and Medical Director for the implementation of integrated governance and risk management.

The Board of Directors recognises that risk management is an integral part of good management practice and to be most effective should be part of the Trust's culture. The Board is, therefore, committed to ensuring that risk management forms a central part of its philosophy, practices and business plans rather than being viewed or practised as a separate programme; responsibility for its implementation is accepted at all levels of the organisation.

The provision of appropriate training is central to the achievement of this aim. Our policy requires staff required to be trained and supported in incident reporting, carrying out risk assessments, mitigating risk and maintaining risk registers. The Board Directors, Directorate and departmental managers oversee staff (including those promoted or acting up, contractors, locum, agency and bank staff) corporate, and specific local, induction training appropriate to their area of work; this includes but is not limited to risk management, incident reporting and hazard recognition training. An ongoing training programme has been developed based on a training needs analysis of staff. The programme includes formal training for:

- Staff dealing with specific everyday risks, e.g. basic risk management information including an overview of patient safety, incident reporting and investigation, complaints investigation and development of measures to improve patient experience, fire safety, information governance, health and safety, moving and handling, infection control, and security; and
- Specific staff involved in the maintenance of risk registers at Directorate and department level, investigation and root cause analysis, the investigation of serious incidents (SIs) and risk assessment for health and safety.

The Trust's Workforce and Organisational Development department monitors all mandatory and essential training and reports to the Board of Directors. Completion of training is included in staff performance monitoring, appraisals and revalidation. This process was strengthened by linking pay progression to the completion of essential and mandatory training, and completion of subordinate staff appraisals for managers, however, this was paused during the COVID-19 pandemic

Employees, contractors and agency staff are required to report all incidents and concerns and this is closely monitored. The Trust supports an "open" culture; we are transparent with service users, carers and staff when things go wrong. A significant emphasis is placed upon ensuring that we comply with the requirements of the statutory Duty of Candour that came into force on 27 November 2014. This follows the introduction of a number of new standards with which NHS Boards need to comply; this includes the Duty of Candour, and the Fit and Proper Person's test. Assurance on these areas is through the Trust's governance framework.

The Datix system supports our incident reporting process. Guidance on reporting incidents on Datix, grading of incidents, risk assessment, risk registers, undertaking root cause analysis and statement writing, is available for staff on the Trust intranet.

The Trust's Freedom to Speak Up Guardians meet with the Chairman and Chief Executive. They report to the People and Culture Committee and to the Board on a biannual basis. This provides the Board with an opportunity to reflect on themes and learning identified by the Guardians. The Guardians have developed a role for Fairness Champions to support and listen to colleagues, promote fairness, and signpost to resources and options for speaking up.

Quality impact assessments assist the Trust in meeting obligations under the public sector equality duty introduced in April 2011 and in accordance with the National Quality Board guidance produced in 2012 on assessing cost improvement plans. However, due to the changed arrangements during the pandemic in 2020/21, these were not required to take place due to there being no material cost improvement plans implemented.

#### **4.7.4 The risk and control framework**

The key objectives regarding risk and control are to achieve:

- Compliance with external regulatory and other standards for quality, governance and risk including Care Quality Commission fundamental standards and regulations;
- A culture of effective risk management at all levels of the organisation;
- Delivery of the Trust's strategic aims and objectives; and A robust framework to ensure all controls and mitigation of risks are in place and operating, and can provide assurance to the Board of Directors on all areas of governance, including:

- Corporate governance
- Quality governance
- Clinical governance
- Financial governance
- Risk management
- Information governance including data security
- Research governance
- Clinical effectiveness and audit
- Performance governance

The Trust has a system of integrated governance described in the Risk Management Policy.

Risk identification and assessment is the process that enables the Trust to understand the range of existing risks, their likelihood of occurrence and their potential impact(s) and the ability of the Trust to mitigate those risks. Risk assessment is a continuous process with the Trust's policy requiring risks to be assessed at ward, team and departmental level in line with risk assessment guidance and carried out proactively as part of health and safety processes, as well as reactively when risks are identified from, for example, incidents, complaints, local reviews and patient feedback.

Risks are scored based on the likelihood of the risk materialising (score 1-5) multiplied by the impact or consequence of that risk (score 1-5). The risk scoring matrix evaluates the level of risk as low (1-5), medium (6-10) or high (12-25), and therefore the priority for action, and must be used for all risk scoring within the Trust in order to ensure a consistent and standardised approach. This allows the organisation to gain an appreciation of the magnitude of each risk, set targets for improvement based on its risk appetite, and track progress against an agreed, timed action plan. The Board of Directors decides what level of risk is reported to them. The threshold for 2020-21 was a risk score of 12.

Risks are recorded in the health and safety control books and in risk registers. A risk register is a specific tool for recording and managing risk in a standard format to allow comparison and aggregation. Taking each risk in turn, the risk register records the controls (the things we do to mitigate that risk) already in place, the original risk score and the current risk score based on those controls. Gaps in controls can then be identified and actions agreed to close these gaps. Targets based on an acceptable level of risk can be agreed, and progress towards achieving the target risk score can be tracked. Assurances (the evidence that controls are effective) are also recorded.

The identification and management of risk documented in risk registers aids decision-making and resource prioritisation. It produces information by which the Trust can reassure the public, patients and stakeholders that it is effective and efficient to deliver the objectives of the organisation.

Risk assessment and management is addressed using risk registers at four levels across the Trust:

#### a) **Departmental**

Risk assessments are carried out routinely as part of the health and safety process as well as from incidents, complaints, local reviews, patient feedback and information contained in relevant quality, safety, workforce and financial dashboards. The

departmental risk registers will reflect these risk assessments, including all residual medium and high risks from the health and safety control books.

It is the responsibility of Directorate leads for governance to review and where appropriate, challenge scores applied to risks on departmental registers at least quarterly. All risks that are scored 9 or above on departmental risk registers are escalated to Directorate risk registers.

#### **b) Directorate**

The Directorate risk registers and corporate functions risk registers are key management tools which are scrutinised monthly within management meetings to ensure effective oversight of risk management. Clinical Directors, Operational Directors, Corporate Directors and Deputy Directors are responsible for the risk registers.

The Directorate risk register will reflect departmental risk registers where relevant by including risks that are scored 9 or above or form a trend across more than one departmental register. At this level risk assessment is performed alongside objective setting and business planning.

All risks that are scored 12 or more are discussed at the Corporate Risk Review Group, together with any other risks that the risk register owner is concerned about.

#### **c) Corporate**

The Corporate Risk Register is a live document, reviewed and updated as circumstances change, new risks arise and established risks are mitigated or removed. Risks are escalated up to the Corporate Risk Register, or back down to clinical directorate or corporate functions risk registers, based on the agreed threshold of 12 for designating corporate risk.

The Corporate Risk Register therefore identifies key organisational risks and is reviewed at the monthly Corporate Risk Review Group meeting, with a focus on progress of actions to achieve the target risk score for existing risks. Risks from clinical Directorates and corporate functions risk registers are discussed and are included on the Corporate Risk Register if the agreed risk score is 12 or above.

The Senior Management Team, chaired by the Chief Executive Officer, reviews the updated Corporate Risk Register and a report from the Corporate Risk Review Group every month. The Audit Committee receives the minutes from the Corporate Risk Review Group at its meetings and the Board of Directors receives an update at every meeting.

#### **d) Board Assurance Framework**

The Board Assurance Framework (BAF) is an essential tool which brings together the key strategic objectives, the requirements of licensing and regulatory bodies and provides detail and assurance on the systems of control which underpin delivery of the strategic objectives. It offers visible assurance on the Board's overall governance responsibilities.

The BAF aims to bring together all of the essential elements for achieving the Trust's goals and ambitions, to maintain regulatory compliance and compliance with the Foundation Trust Licence. It systematically evaluates the risks to achieving these. It asks:



- What are the things we have agreed as strategic priorities?
- What are the essential prerequisites to confidently maintaining regulatory compliance?
- What are the essential prerequisites for compliance with the terms of our Foundation Trust Licence?
- What are the risks to these prerequisites?

Taking each risk in turn, the BAF records the controls and the assurances already in place. Gaps in controls and assurances can then be identified and actions agreed to close the gaps. By focusing on gaps in controls and assurances, the Board can be confident that all necessary steps are being taken to assure delivery of the Trust's overall objectives and obligations as above, and that resources can be allocated in the right place. The BAF is a live document which is reviewed by Executive Directors. The Audit Committee receives regular updates on the BAF and the Board of Directors receives a detailed reports. As a Foundation Trust, we also inform our Council of Governors of proposed changes including how any potential risks to patients will be minimised. The Chief Executive regularly reports to the Governors on the position against Trust risks scored at 12 and above.

An audit of the Governance Framework, operation of the assurance Framework and associated Risk Management processes was undertaken in 2020/21. The audit confirmed that the Trust has a clearly defined approach to the management of risk and well established risk reporting and monitoring procedures. The BAF was paused during the first phase of the COVID-19 pandemic in order for the Board to focus more on operational risks as identified in the Corporate Risk Register. The principal risks to the Trust's strategic objectives were subsequently redeveloped during summer 2020 and a revised draft BAF document was presented to the Board meeting in September and November 2020. The Board of Directors further discussed and agreed the proposed new strategic risks at a workshop in February 2021, leading to the development of the revised BAF by Lead Executive Directors presented to the Board in May 2021 for approval. Responsibility for each strategic objective has been assigned to one of the Board Committees and there is a named Lead Executive Director for each risk on the BAF. The Assurance Framework clearly reflects the impact of COVID-19 on the organisation. The audit confirmed that the Trust has appropriate and effective controls in place to ensure that risks are recorded, reviewed, updated and reported on, with escalation where appropriate and has established clear processes for reviewing risk registers and for tracking progress on addressing risks.

The Corporate Risk Register for the end of 2020/21 included the following risks:

- Risk to quality of care and meeting NICE guidance due to failing to complete autism assessments within 3 months of referral;
- Risk to patient safety, performance, financial performance and reputation due to increasing waiting times across a number of specialties;
- Risk to patients and ED service when ED X-ray room fails due to the age of x-ray equipment;
- Risk to patient safety, quality of care and psychological impact of delays in diagnostics, treatment plans and surveillance on patients and families due to pressure on service for CTC scans at Leeds ;
- Risk to staff wellbeing and morale due to the COVID-19 pandemic;

- Risk to patient safety, quality of care and staff welfare due to increased levels of domestic abuse and children's safeguarding;
- Risk to patient safety due to lack of an automated system for tracking risk to patient safety;
- Risk to the quality of service delivery in Medicine due to unfilled and vacant rota gaps across grades;
- Risk to the quality of service delivery and patient care due to failure to fill registered nurse and health visitor vacancies as a result of the national labour market shortage and impact of COVID-19;
- Risk to patient experience due to the failing to meet the 4 hour ED standard;
- Risk to quality of care and patient safety for Special School nursing patients due to increased demand on the provision;
- Risk to patient/staff safety, patient experience, reputation and the Trust's property due to violence and aggression from patient, relatives and others in the Emergency Department;
- Risk of increased financial costs due to the increase in absence and sickness levels, and increased staff turnover which could result in higher agency/recruitment costs;
- Risk to patient safety due to the lack of end-end maternity electronic record system;
- Risk of harm to staff and patients if the aseptic unit fails to meet environmental monitoring standards COVID-19 service provided by (added March 2021);
- Risk to the Microbiology service due to age of analyser (added March 2021).

During 2020-21 the strategic risks identified on the BAF included the following risks:

- Risk that individual staff engagement and high performing team cultures are compromised because there is an insufficient focus on the culture of the Trust and the health and wellbeing of staff which will impact on the Trust's ambition to be an outstanding place to work and in turn will impact on the quality of patient experience;
- Risk that individual staff engagement and high performing team cultures are compromised because there is lack of diversity of thinking due to recruitment and promotion practices that make it more difficult for colleagues with protected characteristics to flourish in the organisation;
- Risk that the Trust does not maximise its contribution to improving population health and reducing health inequalities because of a lack of strategic relationships with primary care and local authorities and an internal focus which will impact on our strategic ambition to improve population health and wellbeing, provide integrated care and to support primary care;
- Risk that the Trust's population is not able to fully benefit from being part of an integrated care system because our secondary care patient flows are to West Yorkshire and our place based population health activities sit within North Yorkshire which are in two different ICSs and there is insufficient management bandwidth to participate in both. This will impact on our ambition to be an active partner in population health and the transformation of health inequalities;
- Risk to achieving outstanding service quality and patient experience because there is insufficient focus on an systematic organisation-wide approach to and culture of quality improvement which will impact on the Trust's ambition to

continuously address the underlying barriers to excellence every time and to provide outstanding care;

- Risk that some of our secondary care based services are not clinically and financially sustainable because of the size of population we serve and our ability to respond to subspecialisation and to recruit and retain staff which will impact on our ambition to provide high quality services;
- Risk that due to a prolonged recovery from COVID-19 the Trust's strategic ambitions are compromised, which will impact upon service transformation and underlying financial improvement;
- Risk to long term financial sustainability and ability to invest in capital due to the difficulty of generating sufficient internal funds through inward investment or additional cash releasing savings, which will impact upon the quality of care that can be provided;
- Risk that the Trust places insufficient focus on early year's services and adult community based services because of the historic dominance of hospital services which will impact on the transformation opportunities and miss opportunities for long term outcomes and integrated care;
- Risk that standards of care are compromised due to the allocation formula not providing sufficient resources to meet the needs of the unique demography of the local area, which will impact on the Trust's ambition to provide outstanding care and its reputation for quality.

## Risks and challenges

During the COVID-19 National Emergency, the Trust adopted interim governance arrangements, which were in keeping with national policy and guidelines including NHS England/Improvement's (NHSE/I) *'Reducing burden and releasing capacity at NHS providers and commissioners to manage the COVID-19 pandemic'* (NHSI/E Chief Operating Officer's Letter, dated 28 March 2020 (Publications approval reference: 001559), and the Trust's phases of its own *'COVID-19 Recovery Plans.'* The Trust freed up the maximum in-patient and critical care capacity whilst postponing non-urgent elective work. Business as usual planning arrangements for 2020/21 were suspended for part of the financial year, which resulted in planned audits, service developments and full mobilisations of new contracts paused to allow colleagues to focus on safely managing patients that were affected by the pandemic

The Trust's control environment quickly adapted to respond to the significant change in circumstances that COVID-19 created. The Trust focused its response by providing safe care for its patients, redeploying and re-training our colleagues to support patients that required respiratory support and maximising the availability of colleagues. Operational command structure was introduced, the operational risk register system was used to identify and report on COVID-19 risks and their management and business continuity arrangements were enacted upon. Urgent decision-making arrangements required revising our governance arrangements and the use of schemes of reservation and delegation were revised in response. The Resource Committee and Board agreed revised governance, meeting, reporting and assurance arrangements for 2020/21 in line with NHS England and NHS Improvement's guidance dated 28 March 2020 to reduce the burden and releasing capacity to manage during the COVID-19 pandemic. The financial limits were put in place on an interim arrangement were further reviewed by the Audit Committee with approval to make them permanent, which was agreed by the Audit Committee and the Board in March 2021.

Despite the COVID-19 pandemic, and the necessary changes made to the control

environment, the Trust maintained an internal audit programme, a process of risk management, and strong governance processes internally.

Where appropriate, staff will continue to focus on the Trust's long term strategy to address the clinical, operational and financial challenges.

In 2020-21 the Board of Directors ensured that detailed controls were in place to mitigate risks and support assurance and will ensure that detailed controls will continue to be in place to support assurance and mitigate risks going forward into 2021/22. All risks, mitigation and progress against actions are monitored formally at Directorate, Corporate and Board level.

The quality of performance information is the responsibility of the Senior Information Risk Owner (SIRO) who chairs the Data and Information Governance Steering Group and advises the Board of Directors on the effectiveness of information risk management across the organisation. During 2020/21 the SIRO changed from the Chief Operating Officer to the Chief Nurse.

The Trust has put in place due processes to ensure information governance and data security in accordance with national recommendations led by the Senior Information Risk Owner at Board level.

The Trust has an Integrated Board Report (IBR) which triangulates key information metrics covering quality, workforce, finance and efficiency and operational performance, presenting trends over time to enable identification of improvements and deteriorations. During 2020/21 the IBR and the quality dashboard has been reviewed and further developed to ensure the Board can receive the information required to function effectively. This work will continue into 2021/22.

The IBR is presented to each Board and Council of Governors meetings, and this is reviewed together with the quality dashboard at each Quality Committee; it is also available to each of the groups responsible for leading work to ensure compliance with CQC standards. The Audit Committee reviews the evidence for compliance with CQC registration requirements annually.

There are no significant risks that have been identified to compliance with the NHS Foundation Trust Licence Condition 4 (FT governance). The Trust ensures compliance with the requirements of the Provider Licence in its entirety via annual and in-year submission as required by NHS Improvement's Single Oversight Framework. These submissions include detailed information on financial performance, plans and forecasts, and third party information, in order to assess the risk to continuity of services and governance.

This Annual Governance Statement also provides an outline of the structures and mechanisms that the Trust has in place to maintain a sound system of governance and internal control to meet the requirement of the Licence Condition 4, Section 6. It takes assurance from these structures as well as feedback from Internal and External Audit and other internal and external stakeholders regarding the robustness of these governance structures. These same mechanisms are used by the Board to ensure the validity of the annual Corporate Governance Statement.

In order to mitigate any risks to compliance with Monitor's Licence Condition 4, the Trust has in place a governance framework with clear accountability and reporting to ensure integrated governance, to deliver the Trust's objectives and to provide assurance to the Board of Directors. The framework was revised during 2020/21

specifically against the clinical/quality governance framework. The review of the clinical/quality governance framework included colleague's participation to ensure integrated governance, to deliver the Trust's objectives and to provide assurance to the Board of Directors. Quality of patient care is at the heart of this framework.

Executive Directors, Non-Executive Directors, Governors and other stakeholders are key participants in many of the Trust's Committees.

The Trust was inspected by the Care Quality Commission (CQC), as part of its routine programme of inspections, in November 2018. The rating of the Trust remained as 'Good'. It was rated as good because:

- Effective, Responsive and Well-Led were rated as 'Good', Safe as 'Requires Improvement' and Caring as 'Outstanding';
- The current ratings of the six core services across one acute location and three community services not inspected at this time remained unchanged. Hence, five acute services across the Trust are rated overall as 'Good' and three are rated as 'Outstanding'; three community services are rated as 'Good' and two are rated as 'Outstanding';
- The overall rating for the Trust's acute location remained the same Harrogate District Hospital was rated as 'Good';
- Community services improved and were rated as 'Outstanding';
- The Use of Resources was rated as 'Good'.

The CQC undertook a Well-Led assessment of the Trust during its inspection in late 2018.

The CQC review did not highlight any material areas of concern in relation to the Board and the governance arrangements in place at the Trust. The areas identified for further progress and improvement were:

- There was a lack of diversity at senior level, specifically BME. The Executive and Non-Executive Board members acknowledged this and had strategies in place to help address it;
- Senior leaders were aware that they needed to undertake more work in relation to the Workforce Race Equality Standard and an action plan, with appropriate monitoring at Board level, was in place; and
- Although there was a comprehensive complaints policy, the average time taken to close complaints was not in line with this policy.

Significant work has taken place during 2020/21 on the Trust's journey to address these recommendations. The CQC Action Plan is regularly reviewed by the Senior Management Team and the Trust had in place a number of Staff Networks: BAME, Disability and Long-term illness and LGBT+.

The Board commissioned an independent cultural assessment during 2019/20 and received the final report in March 2020. The recommendations of the independent assessment were developed into actions to support the Trust's aim of further improve its culture of fairness throughout the Trust. This resulted in the launch of the 'Caring At Our Best' programme and our ambition to be a values driven organisation: Respectful, Responsible and Passionate. All of this work is overseen by a newly formed Board

Committee, the People and Culture Committee formed in 2020/21 to scrutinise this work and to provide assurance to the Board on progress.

In addition to this, the Board continues to work towards the CQC and NHS Improvement well-led framework. During the year the Board carried out a self-assessment and an internal audit well-led was conducted for well-led.

The Board of Directors is responsible for exercising all of the powers of the Trust; however, it has the option to delegate these powers to senior management and other Committees. The Board:

- sets the strategic direction for the Trust;
- allocates resources;
- monitors performance against organisational objectives;
- ensures that clinical services are safe, of a high quality, patient-focused and effective;
- ensures high standards of clinical and corporate governance; and
- in conjunction with the Council of Governors, engages members and stakeholders to ensure effective dialogue with the communities it serves.

The Board is also responsible for ensuring that the Trust exercises its functions effectively, efficiently and economically and that compliance with the Trust's Licence; and Constitution are maintained.

During 2020-21 there have been six formally constituted assurance Committees of the Board; the Audit Committee, the Quality Committee, the Resource Committee, the Remuneration Committee; and the People and Culture Committee.

### **The Audit Committee**

Non-Executive Directors comprise membership of the Audit Committee. The Deputy Chief Executive/Finance Director, Deputy Director of Governance and Company Secretary had a standing invitation to meetings during 2020/21 and the Chief Executive attends one meeting per year, when considering the Annual Report and Accounts and Annual Governance Statement. Other Executive Directors attend meetings when the Committee discusses areas of risk or operations that are the responsibility of those individual Directors. Changes to the Audit Committee Terms of Reference were made in March 2021 with the Non-executive Director Chair of Quality Committee joining as a member of the Committee.

The key responsibilities of the Audit Committee is to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives. The Committee ensures that there is an effective Internal Audit function that meets mandatory NHS Internal Audit Standards. Internal Audit's primary role is to provide an opinion and assurances on the adequacy and effectiveness of the systems of internal control and provide appropriate independent assurance to the Audit Committee, Chief Executive and Board. The Committee also reviews the work and findings of the External Auditors appointed by the Council of Governors and considers the implications and management's responses to their work. The Audit Committee

reviews the work of the Quality Committee, which provides assurance on clinical practice and processes and also receives reports from Internal and External Audit, the Quality Committee and the Corporate Risk Review Group which enable it to provide independent assurance on governance and controls to the Board. This also enables triangulation of key issues to enhance the Board and Committee's oversight and assurance role. The annual audit plans for Internal Audit are approved by the Audit Committee and are prioritised to focus on areas of risk and concern. Governor representatives attend the Audit Committee as observers.

### **The Quality Committee**

The Quality Committee is the principal mechanism to provide assurance to the Board regarding safety and quality of services. It is chaired by a Non-Executive Director, and has Non-executive Director membership from all other Board Committees, including the Audit Committee. During 2020/21 there was senior representation from the clinical Directorates and corporate functions including the Chief Nurse, Chief Operating Officer, Clinical Directors, Deputy Medical Director, Deputy Director of Governance and Head of Risk Management. On behalf of the Board, it seeks assurance on the systems and processes in place to deliver high quality care and provides scrutiny of the outcomes of these systems and processes in relation to quality. It also provides direction regarding the delivery of the Trust's quality improvement priorities and strategic objectives in respect of quality, and provides oversight and seeks assurance on regulatory compliance. The annual clinical audit plans are approved and monitored by the Quality Committee. Governor representatives attend the Quality Committee as observers.

### **The Resources Committee**

During 2020-21 the key responsibilities of the Resources Committee were to ensure appropriate oversight of resource planning and utilisation. The Committee assessed the finance, workforce, and activity plans for the Trust and recommended such plan to the Board of Directors. The Committee reviewed significant projects ensuring appropriate due diligence is undertaken, and in particular during 2020/21 reviewed investments and changes implemented as a result of the Trust's response to the COVID-19 pandemic. The Committee also provides assurance to the Board on in-year financial performance, including budget-setting and progress against cost improvement plans, where applicable, as well as oversight of workforce plans and activity and performance delivery. Governor representatives attend the Resource Committee as observers.

### **The Remuneration Committee**

The key responsibilities of the Remuneration Committee is to make recommendations to the Board of Directors on the remuneration, allowances and terms of service for the Executive Directors and to ensure that they are fairly rewarded for their individual contribution to the organisation, having proper regard to the organisation's circumstances and performance, as well as the national position of the NHS as a whole. The Committee is comprised of the Trust's Chairman and all Non-Executive Directors. The Chief Executive, Director of Workforce and Organisational Development and Company Secretary support the workings of this Committee and attend by invitation and in an advisory capacity only.

## **Remuneration, Nominations and Conduct Committee**

The Remuneration, Nominations and Conduct Committee (the Committee) was formed following a review, and approval, of the Trust's Constitution on 1 August 2018. The Lead Governor supports this Committee by meeting with the Governors separately to gain their views and consults and engages with them on such things as annual appraisals before meeting with the Senior Independent Director and Chairman. The Senior Independent Director in association with the Lead Governor makes recommendations to the Council of Governors on the remuneration and terms of service for the Non-executive Directors. The Lead Governor carries out this role on behalf of the Council of Governors.

## **The People and Culture Committee**

The People and Culture Committee was formed in June 2020 to oversee the development and ongoing implementation of the Trust's Fair, Safe and Just Culture in order that all staff can enjoy a positive working experience and improved health and wellbeing. The Committee monitors, reviews and provides assurance to the Board on the culture and organisational development of the Trust. Its main areas of work include driving performance improvement against key elements of the People Plan including: Equality, Diversity and Inclusion Plans, NHS Staff Survey Results and Action Plans; Freedom to Speak Up Reports; Guardian of Safe Working and GMC/HEE Surveys; Recruitment and Retention practices and processes; and oversight on the Trust's values and appropriate standards of behaviour.

## **The Senior Management Team**

The Senior Management Team meeting is the principal forum for ensuring and assuring the delivery of the Trust's business, including annual operating and financial plans. It exists to ensure that the Trust's strategic and operational objectives are met. The group maintains oversight of operational performance and management of risk in a systematic and planned way. The group is the most senior executive decision making forum and receives reports and recommendations from sub-groups and via the Chief Executive, reports to the Board of Directors.

The Senior Management Team is supported by the Clinical Directorates and a number of subgroups, with a collective responsibility to drive and co-ordinate the Trust's objectives.

The Clinical Directorates and the subgroups of the Senior Management Team ensure delivery of the Trust's objectives through a broad framework of groups that manage and deliver work including, for example the formation of (Patient Experience Safety Huddle (PESH) which replaced CORM to oversee concerns identified from incidents, claims, complaints and risk assessments to ensure they are investigated and lessons are learnt.

Each Directorate Board oversees quality and governance within the Directorate to ensure appropriate representation on groups within the governance framework and reports to the Senior Management Team. The Executive Director Team regularly review the work of the Directorates.

There is a weekly meeting of the Executive Directors where operational matters are discussed in detail and actions agreed.

Quality of Care Teams exist at ward, team and department level to champion, monitor



and promote quality care and report to the Directorate quality and governance groups.

There are regular meetings with Commissioners and with NHS England/Improvement and Public Health Commissioners to review performance and quality.

The Trust conducted a self-assessment against the conditions set out in the NHS Provider Licence which was deemed to be fully compliant. In addition it has also carried out self-assessments against the updated NHS Foundation Trust Code of Governance, as part of the Annual Reporting Framework. This process has ensured that there is clarity relating to robust governance structures, responsibilities, reporting lines and accountabilities and the provision of timely and accurate performance information to the Board.

The Trust engages with patients, service users and stakeholders and has an effective structure for public stakeholder involvement, predominantly through the Council of Governors and its sub-committees. Consultations with commissioners on the wider aspects of risk are undertaken through the monthly contract management meetings.

The Trust has well-developed People Plan, which is reviewed by the People and Culture Committee and the Board of Directors.

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

The Trust publishes an up to date register of interest for Board, Clinical Directors and deputies who regularly attend the Board to provide advice at its of its Board meetings. As part of the Trust's independent cultural assessment review in 2019/20, it was agreed that the Trust's policy and procedures for managing conflict of interests would be reviewed and revised. During 2020/21 the policy was updated and significantly strengthened to incorporate internal audit's recommendations made in 2019/20. The policy also includes a risk assessment process with HR oversight on the management of loyalty interests. A new system was developed in 2020/21 to capture all interests for decision making and non-decision making staff with the aim of registers of decision making staff made available for public review on the Trust's website. This system will enable the Trust to ensure new starters and colleagues changing roles are also included.

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

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

The Trust has in place plans to undertake risk assessments and for a sustainable development management plan to be undertaken by an external specialist to take account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

#### **4.7.5 Review of economy, efficiency and effectiveness of the use of resources**

In the previous years without COVID-19, the Trust produced an annual Operating Plan that was underpinned by detailed plans produced by the Directorates. The Operating Plan would detail how the Trust would utilise its resources throughout the year, identify the principal risks to the delivery of the Operating Plan and the mitigation would be supported by detailed financial forecasting. This process was shortened in 2020/21, and there were no requirements for Cost Improvement Plans to be developed or delivered, which were required previously to ensure economy, efficiency and effectiveness of the use of resources.

The capital programme and the prioritisation of revenue resources to form the annual Operating Plan are informed by the Trust Objectives, Quality Improvement priorities and identified risks.

The plans that developed were produced in consultation with the Council of Governors and approved by the Board of Directors.

Directorates meet regularly with Executive Directors to ensure delivery of objectives. There is a monthly report to the Board relating to performance and finance against plans and targets. The BAF serves as a monitoring document to ensure that appropriate action is being taken against the principal risks of failing to deliver the business plan.

There is monthly reporting to NHS Improvement relating to performance and finance against plans and targets, and reference costs are submitted annually. The Trust reviews information and feedback from regulators and external agencies e.g. Care Quality Commission, National Staff Survey, National Patient Surveys, to benchmark performance against other organisations and to improve economy, efficiency and effectiveness.

The Trust is a member of the West Yorkshire Associate of Acute Trusts (WYAAT), which in the year has continued to make good progress. The Committee in Common meeting is held four times per year with the governance and accountability of workstreams in place to support transformation across West Yorkshire and Harrogate, reporting and accountability to each sovereign Board. The Committee in Common's membership from each provider organisation includes Executive and Non-executive Directors, this is usually with attendance by the Chairman and Chief Executive.

#### **4.7.6 Information governance**

Information Governance breaches, which include breaches under Data Protection Act 2018/GDPR and Security of Network Information System Regulations 2018 (NIS) are managed in line with the Trust's incident management policy. Serious information governance breaches are also managed in line with the NHS Guide to the Notification of Data Security and Protection Incidents.

There have been no incidents at a level which required reporting to the Information Commissioner's Office (ICO) during 2020/21.

The Trust takes the threat of cyber-attacks very seriously and has robust measures and controls in place to improve cyber awareness and resilience of its IT infrastructure and manage the threat of Cyber-attack and other IT vulnerabilities and security threats.

#### 4.7.7 Data Quality and governance

The Board is satisfied that steps are in place to assure that data quality and governance processes are in place with appropriate controls to ensure the accuracy of data. The Quality Committee (QC) has continued its work to gain assurance in relation to the CQC quality domains ensuring compliance with fundamental standards of care in acute and community services. During 2020/21 the Quality Committee received assurance to:

##### ➤ Identify Current Concerns

1. 'Hot Spots' - The QC can hear from members about current issues that are impacting upon the ability of the Trust to deliver quality care and to gain assurances that suitable actions / activity is underway to address these. Examples of this are:

- a) Impact on quality care as a result of the financial recovery plan, added as a standing item under this section during the year;
- b) Impact of the recruitment situation on quality of care;
- c) Impact of equipment failure on quality of care.

This section also includes items that the Board of Directors require the Quality Committee to scrutinise on its behalf.

2. The Quality Committee reviews the Quality Dashboard and Integrated Board Reports (quality section) in depth at each meeting and takes forward areas of concern, seeking further assurance where necessary by initiating deep dives. The Quality Dashboard provides a good insight into quality issues. Where there are concerns individuals are requested to attend the committee to provide valuable insight and explanation.

**Quality Reports** – In compliance with the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended), the Directors are required to prepare Quality Reports for each financial year. NHS Improvement (exercising powers conferred on Monitor) issues guidance to NHS Foundation Trust Boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

*However, due to the COVID-19 pandemic, NHS Improvement relaxed this requirement for 2019/20 and 2020/21. The Quality Report is therefore not included within this Annual Report.*

**Directorate Quality Governance Reports** - are presented on a monthly basis to provide assurance that the quality priorities are embedded from the Board to the front line across the Trust.

**Patient Experience Report** – is received quarterly and provides a comprehensive report that details a wide range of areas relating to patient experience.

**Patient Safety Report** – is received quarterly including untoward events and issues of patient safety and aims to highlight concerns or trends that may require further scrutiny. Serious Incidents are reported at Senior Management Team then to the Board of Directors.

**Effective Care and Outcomes Report** – is received quarterly with the Clinical

Effectiveness Audit programme and the Committee receives and approves the annual audit plan.

**External Reports** – the system for recording receipt of external reports and a log for the lead individual responsible to action these remains robust. Where we consider that a plan requires support or focus specific leads are invited to provide an update on progress on action plans to provide assurance required.

**Clinical/Quality Governance Framework** – the Committee was involved with the development of the revised clinical/quality governance framework. This work was led by the Executive Medical Director and a workshop was devoted to the development of this work with the outcome taken forward to further develop with engagement throughout the organisation to ensure all colleagues participated in this fundamental piece of work.

**Referral to Treatment (RTT) Elective Waiting Times** – waiting times data are reported monthly in line with mandated requirements. Data is recorded in line with NHS Data Dictionary requirements and reported in line with prescribed definitions and guidelines. We have a robust policy and practice in place to provide assurance on the quality and accuracy of the data and as RTT waiting times remain one of the national key standards, this is subject to external audit.

#### 4.7.8 Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the Executive Directors, Clinical Directors and Clinical Leads within Harrogate and District NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on performance information available to me. My review is also informed by the Head of Internal Audit Opinion and comments made by the external auditors in their reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, the Resource Committee, the Quality Committee and the People and Culture Committee and a plan to address shortcomings and ensure continuous improvement of the system is in place.

My review is also informed by other major sources of assurance such as:

- Internal Audit Reports
- External Audit Reports
- Clinical Audit Reports
- Patient Surveys
- Staff Survey
- Royal College accreditation(s)
- Health and Safety Executive Inspection Reports
- Care Quality Commission Intelligent Monitoring Standards
- PLACE assessments
- Care Quality Commission – registration without conditions
- Equality and Diversity Reports
- General Medical Council Reports.

The Trust applies a robust process for maintaining and reviewing the effectiveness of the system of internal control. A number of key groups, Committees and groups make a significant contribution to this process, including:

Board of Directors – the statutory body of the Trust is responsible for strategic and operational management of the organisation and has overall accountability for the risk management frameworks, systems and activities, including the effectiveness of internal controls.

The Terms of Reference of all Board Committees and Groups are reviewed regularly to strengthen their roles in governance to the Board on risks and mitigations in place to the organisation's ability to achieve its key objectives.

*Audit Committee* – is a statutory Committee that provides an independent contribution to the Board's overall process for ensuring that an effective internal control system is maintained and provides a cornerstone of good governance.

*Internal Audit* – provides an independent and objective opinion to the Accounting Officer, the Board and the Audit Committee on the organisation's systems for risk management, control and governance support the achievement of the Trust's agreed priorities.

The Internal Audit team work to a risk based audit plan, which is agreed by the Audit Committee, and covering risk management, governance and internal control processes, both financial and non-financial across the Trust. The work includes identifying and evaluating controls and testing their effectiveness, in accordance with Public Sector Internal Audit Standards.

Following each audit a report is produced providing a conclusion and where a scope for improvement is found, recommendations are made and appropriate action plans are agreed with management. Reports are issued and followed up with responsible Executive Directors. The results of audits are reported to Audit Committee which has a key role to performance manage the action plans to address recommendations from all audits. Internal audits are also made available to the external auditors who may use them as part of their planning. In addition Internal Audit provides advice and assistance to senior management on control issues and other matters of concern. Internal Audit work also covers service delivery and performance, financial management and control, human resources, operational and other reviews.

Internal audit issued a number of audit reports, which received limited assurance in 2020/21 and some included follow-up limited assurance reports from 2019/20 and these will be a key focus for the Trust in 2021/22. Internal audit found that responses to these reports had been impacted by the pandemic and the Trust like other organisations across the NHS continues to face a number of challenging issues and wider organisational factors particularly with regards to the ongoing pandemic response and COVID-19 recovery. The COVID-19 pandemic led to changes to the NHS financial framework, the establishment of the control and command structures both regionally and within individual organisations and an ongoing focus on the emergency response. This has required NHS organisations to operate in a different way to previous 'business as usual' practice. Guidance was clear that financial constraints must not stand in the way of taking immediate and necessary action but that there was no relaxation in fiduciary duties.

Based on the work undertaken, including a review of the Board's risk and assurance arrangements, the Head of Internal Audit Opinion concluded in June 2021 that '*Significant assurance*' can be given and there is a good system of governance, risk management and internal control designed to meet the organisation's objectives and that controls are generally being applied consistently.

## **Conclusion**

The Annual Governance Statement requires me to consider whether there are any significant internal control issues facing the Trust. Risks and challenges regarding the COVID-19 pandemic are identified above and the Trust has an internal control environment in place to manage the COVID-19 pandemic in line with national guidance.

In summary, I am assured that Harrogate and District NHS Foundation Trust has an overall sound system of internal controls in place, which is designed to manage the key organisational objectives and minimise exposure to risk and that no significant internal control issues have been identified.

A handwritten signature in black ink, appearing to read 'Steve Russell', with a horizontal line underneath.

**Steve Russell**  
**Chief Executive**  
**Date: 9 June 2021**

## 5.0 INDEPENDENT AUDITORS' REPORT

### INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF HARROGATE AND DISTRICT NHS FOUNDATION TRUST REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Harrogate and District NHS Foundation Trust ("the Trust") for the year ended 31 March 2021 which comprise the Group and Trust Statements of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Taxpayers Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2021 and of the Group's and Trust's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and the Department of Health and Social Care Group Accounting Manual 2020/21.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of, the Group and Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going concern

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group and Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Trust's business model and analysed how those risks might affect the Group's and Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not a material uncertainty related to events or conditions that, individually or



collectively, may cast significant doubt on the Group's and Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and Trust will continue in operation.

## **Fraud and breaches of laws and regulations – ability to detect**

### ***Identifying and responding to risks of material misstatement due to fraud***

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and inspection of policy documentation as to the Group's and Trust's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Reviewing the Group's and Trust's accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that a particular revenue stream is recorded in the wrong period<sup>1</sup> and the risk that Group and Trust management may be in a position to make inappropriate accounting entries.

In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom we also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted by the Finance Director and unusual cash journals
- Assessing significant estimates for bias.
- Assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.
- Reviewing the completeness of information provided by the Trust as part of the 'NHS Agreement of Balances' exercise to ensure consistency with the information in the accounts.

- Sample testing expenditure transactions around the period end (including accruals), vouching to supporting external documentation to corroborate whether those items were recorded in the correct accounting period.

***Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations***

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's and Trust's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group and Trust is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

The Group and Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group and Trust is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws and regulations.

## **Other information in the Annual Report**

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

## **Annual Governance Statement**

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2020/21. We have nothing to report in this respect.

## **Remuneration and Staff Reports**

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2020/21. Except in relation to the Chief Executive's Pension Benefit disclosure, the Chief Executive opted out of the NHS pension arrangement during 2019/20 and the Trust have been unable to obtain information for the required disclosures for 2020/21.

## **Accounting Officer's responsibilities**

As explained more fully in the statement set out on page 95, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and Trust without the transfer of their services to another public sector entity.

## **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

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

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

### **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

### **Statutory reporting matters**

We are required by Schedule 2 to the Code of Audit Practice to report to you if:

- any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006.
- any matters have been reported in the public interest under paragraph 3 of Schedule 10 of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

## **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

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

## **CERTIFICATE OF COMPLETION OF THE AUDIT**

We certify that we have completed the audit of the accounts of Harrogate and District NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.



**Rashpal Khangura for and on behalf of KPMG LLP**

*Chartered Accountants*

1 Sovereign Square

Leeds

LS1 4DA

28 June 2021

## 6.0 FOREWORD TO THE ACCOUNTS

The accounts for the year ended 31 March 2021 are set out on the following pages and comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Tax Payers' Equity, the Consolidated Statement of Cash Flows and the Notes to the Consolidated Accounts.

These accounts have been prepared by the Harrogate and District NHS Foundation Trust in accordance with paragraphs 24 and 25 of schedule 7, to the National Health Service Act 2006 in the form in which NHS Improvement, in exercise of the powers conferred on Monitor, the Independent Regulator of NHS Foundation Trusts, has, with the approval of HM Treasury, directed.



**Steve Russell**  
**Chief Executive**  
**Harrogate and District NHS Foundation Trust**  
**9 June 2021**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31 March 2021**

	Note	Group 2020/21 Total £000	Group 2019/20 Total £000
<b>Operating income from continuing operations</b>	3.1	<b>297,379</b>	269,953
<b>Operating expenses of continuing operations</b>	4.1	<b>(293,907)</b>	(266,572)
<b>OPERATING SURPLUS</b>		<b>3,472</b>	3,381
<b>FINANCE COSTS</b>			
Finance income	6.1	44	133
Finance expense - financial liabilities	7	(229)	(254)
Finance expense - unwinding of discount on provisions	16.2	(2)	(3)
Public Dividend Capital - dividends payable		<b>(2,507)</b>	(2,678)
<b>NET FINANCE COSTS</b>		<b>(2,694)</b>	(2,802)
Losses on disposal of assets		-	(19)
Movement in fair value of investments	10	346	(199)
Corporation tax expense		-	44
<b>SURPLUS FOR THE YEAR</b>		<b>1,124</b>	405
<b>Other comprehensive income</b>			
Impairments charged to Revaluation Reserve	9.1	(3,401)	-
Revaluations	9.3	-	5,828
Other reserve movements - Subsidiary adjustment		(281)	-
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>		<b>(2,558)</b>	6,233

The notes on pages 15 to 48 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2021

		<b>Group</b>	
		<b>31 March</b>	31 March
		<b>2021</b>	2020
	<b>Note</b>	<b>£000</b>	£000
<b>Non-current assets</b>			
Intangible assets	8	3,019	230
Property, plant and equipment	9.1 & 9.3	105,745	100,378
Other Investments	10	1,815	1,414
Trade and other receivables	13.1	716	1,102
<b>Total non-current assets</b>		<u>111,295</u>	<u>103,124</u>
<b>Current assets</b>			
Inventories	12.1	2,029	2,440
Trade and other receivables	13.1	8,499	33,811
Cash and cash equivalents	14	34,198	3,676
<b>Total current assets</b>		<u>44,726</u>	<u>39,927</u>
<b>Current liabilities</b>			
Trade and other payables	15	(23,526)	(16,831)
Borrowings	18	(2,178)	(7,080)
Provisions	16.1	(104)	(108)
Other liabilities	17	(1,430)	(1,839)
<b>Total current liabilities</b>		<u>(27,238)</u>	<u>(25,858)</u>
<b>Total assets less current liabilities</b>		<u>128,783</u>	<u>117,193</u>
<b>Non-current liabilities</b>			
Trade and other payables	15	(187)	-
Borrowings	18	(12,976)	(15,101)
Provisions	16.1	(198)	(95)
<b>Total non-current liabilities</b>		<u>(13,361)</u>	<u>(15,196)</u>
<b>Total assets employed</b>		<u>115,422</u>	<u>101,997</u>
<b>Financed by taxpayers' equity:</b>			
Public Dividend Capital		98,845	82,862
Revaluation reserve		4,978	8,379
Income and expenditure reserve		9,413	9,108
HDFT charitable fund reserves	25	2,186	1,648
<b>Total taxpayers' equity (see page 9)</b>		<u>115,422</u>	<u>101,997</u>

The notes on pages 15 to 48 form part of these financial statements.



Signed: ..... Mr Steve Russell - Chief Executive

Date: 9 June 2021



**CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED  
31 March 2021**

	HDFT charitable fund reserve	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Group Total
	£000	£000	£000	£000	£000
Balance as at 1 April 2020	1,648	82,862	8,379	9,108	101,997
Surplus for the financial year (Page 9)	768	-	-	356	1,124
Impairments (Note 9.1)	-	-	(3,401)	-	(3,401)
Public Dividend Capital received (*see below)	-	15,983	-	-	15,983
Other reserve movements - Subsidiary adjustment	-	-	-	(281)	(281)
Other reserve movements - charitable funds consolidation adjustment	(230)	-	-	230	-
Balance at 31 March 2021	<u>2,186</u>	<u>98,845</u>	<u>4,978</u>	<u>9,413</u>	<u>115,422</u>

**CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED  
31 March 2020**

	HDFT charitable fund reserve	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Group Total
	£000	£000	£000	£000	£000
Balance as at 1 April 2019	1,925	81,700	2,551	8,426	94,602
Surplus for the financial year (Page 9)	(30)	-	-	435	405
Revaluations (Note 9.3)	-	-	5,828	-	5,828
Public Dividend Capital received	-	1,162	-	-	1,162
Other reserve movements - charitable funds consolidation adjustment	(247)	-	-	247	-
Balance at 31 March 2020	<u>1,648</u>	<u>82,862</u>	<u>8,379</u>	<u>9,108</u>	<u>101,997</u>

\*During 2020/21 the Trust received PDC from DHSC of £16m - £5m to extinguish the Revenue Support loan and £11m to support the Trust's Capital programme.

The notes on pages 15 to 48 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 March 2021**

		<b>Group</b>	
	<b>Note</b>	<b>2020/21 £000</b>	<b>2019/20 £000</b>
<b>Cash flows from operating activities</b>			
Operating surplus from continuing operations		<u>3,472</u>	<u>3,381</u>
		<b>3,472</b>	<b>3,381</b>
<b>Non-cash income and expense</b>			
Depreciation and amortisation	4.1	5,599	4,204
Impairments and reversals	9.1	705	39
Income recognised in respect of capital donations		(1,374)	-
Increase/(Decrease) in trade and other receivables		25,789	(1,882)
Decrease in inventories	12.1	411	46
Increase/(Decrease) in trade and other payables		7,217	(1,747)
Decrease in other liabilities	17	(409)	(6)
Increase/(Decrease) in provisions		97	(45)
HDFT Charitable Funds - net adjustments for working capital		(15)	(8)
Other movements in operating cash flows		(281)	-
<b>NET CASH GENERATED FROM OPERATIONS</b>		<u>41,211</u>	<u>3,982</u>
<b>Cash flows from investing activities</b>			
Interest received		2	75
Purchase of Intangible assets	8	(1,648)	(20)
Purchase of Property, Plant and Equipment		(15,183)	(4,704)
Receipt of cash donations to purchase capital assets		23	-
HDFT Charitable funds - net cash flows from investing activities		(9)	108
<b>Net cash used in investing activities</b>		<u>(16,815)</u>	<u>(4,541)</u>
<b>Cash flows from financing activities</b>			
Public dividend capital received (please see page 11)		15,983	1,162
Movement in loans from the DHSC	18	(7,019)	2,769
Interest paid		(237)	(256)
PDC dividend paid		(2,601)	(2,352)
<b>Net cash generated/(used) in financing activities</b>		<u>6,126</u>	<u>1,323</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	14	<u>30,522</u>	<u>764</u>
Cash and cash equivalents at 1 April 2020	14	3,676	2,912
<b>Cash and cash equivalents at 31 March 2021</b>	14	<u><u>34,198</u></u>	<u><u>3,676</u></u>

The notes on pages 15 to 48 form part of these financial statements.

**FOUNDATION TRUST STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
31 March 2021**

	Note	Foundation Trust 2020/21 Total £000	Foundation Trust 2019/20 Total £000
<b>Operating income from continuing operations</b>	3.1	<b>297,580</b>	269,778
<b>Operating expenses of continuing operations</b>	4.2	<b>(293,947)</b>	(266,289)
<b>OPERATING SURPLUS</b>		<b>3,633</b>	3,489
<b>FINANCE COSTS</b>			
Finance income	6.2	20	105
Finance expense - financial liabilities	7	(229)	(254)
Finance expense - unwinding of discount on provisions	16.2	(2)	(3)
Public Dividend Capital - dividends payable		(2,507)	(2,678)
<b>NET FINANCE COSTS</b>		<b>(2,718)</b>	(2,830)
Losses on disposal of assets		-	(19)
<b>SURPLUS FOR THE YEAR</b>		<b>915</b>	640
<b>Other comprehensive income</b>			
Impairments charged to Revaluation Reserve	9.2	(3,401)	-
Revaluations	9.4	-	5,828
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>		<b>(2,486)</b>	6,468

The notes on pages 15 to 48 form part of these financial statements.

**FOUNDATION TRUST STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2021

		<b>Foundation Trust</b>	
		<b>31 March</b>	<b>31 March</b>
		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Non-current assets</b>			
Intangible assets	8	3,019	230
Property, plant and equipment	9.2 & 9.4	100,321	97,878
Investment in Subsidiary	11	1,000	1,000
Loan to Subsidiary	11	3,581	400
Trade and other receivables	13.1	716	1,102
<b>Total non-current assets</b>		<b>108,637</b>	<b>100,610</b>
<b>Current assets</b>			
Inventories	12.1	1,913	2,325
Loan to Subsidiary	11	200	200
Trade and other receivables	13.1	8,323	33,589
Cash and cash equivalents	14	33,424	2,941
<b>Total current assets</b>		<b>43,860</b>	<b>39,055</b>
<b>Current liabilities</b>			
Trade and other payables	15	(21,631)	(15,146)
Borrowings	18	(2,178)	(7,080)
Provisions	16.1	(104)	(108)
Other liabilities	17	(1,430)	(1,839)
<b>Total current liabilities</b>		<b>(25,343)</b>	<b>(24,173)</b>
<b>Total assets less current liabilities</b>		<b>127,154</b>	<b>115,492</b>
<b>Non-current liabilities</b>			
Trade and other payables	15	(187)	-
Borrowings	18	(12,976)	(15,101)
Provisions	16.1	(198)	(95)
<b>Total non-current liabilities</b>		<b>(13,361)</b>	<b>(15,196)</b>
<b>Total assets employed</b>		<b>113,793</b>	<b>100,296</b>
<b>Financed by taxpayers' equity:</b>			
Public Dividend Capital		98,845	82,862
Revaluation reserve		4,978	8,379
Income and expenditure reserve		9,970	9,055
<b>Total taxpayers' equity (see page 13)</b>		<b>113,793</b>	<b>100,296</b>

The notes on pages 15 to 48 form part of these financial statements.



Signed: ..... Mr Steve Russell - Chief Executive

Date: 9 June 2021

**FOUNDATION TRUST STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED  
31 March 2021**

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Foundation Trust Total
	£000	£000	£000	£000
Balance as at 1 April 2020	82,862	8,379	9,055	100,296
Surplus for the financial year (see page 13)	-	-	915	915
Revaluations (Note 9.2)	-	(3,401)	-	(3,401)
Public Dividend Capital received (*see below)	15,983	-	-	15,983
Balance at 31 March 2021	<u>98,845</u>	<u>4,978</u>	<u>9,970</u>	<u>113,793</u>

**FOUNDATION TRUST STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED  
31 March 2020**

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Foundation Trust Total
	£000	£000	£000	£000
Balance as at 1 April 2019	81,700	2,551	8,415	92,666
Surplus for the financial year (see page 13)	-	-	640	640
Revaluations (Note 9.4)	-	5,828	-	5,828
Public Dividend Capital received	1,162	-	-	1,162
Balance at 31 March 2020	<u>82,862</u>	<u>8,379</u>	<u>9,055</u>	<u>100,296</u>

\*During 2020/21 the Trust received PDC from DHSC of £16m - £5m to extinguish the Revenue Support loan and £11m to support the Trust's Capital programme.

The notes on pages 15 to 48 form part of these financial statements.

**FOUNDATION TRUST STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 March 2021**

		<b>Foundation Trust</b>	
		<b>2020/21</b>	<b>2019/20</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>			
Operating surplus from continuing operations		<u>3,633</u>	<u>3,489</u>
		<b>3,633</b>	<b>3,489</b>
<b>Non-cash income and expense</b>			
Depreciation and amortisation	4.2	<b>5,384</b>	4,057
Impairments and reversals	9.2	<b>82</b>	(196)
Income recognised in respect of capital donations		<b>(1,374)</b>	-
Increase/(Decrease) in trade and other receivables		<b>25,746</b>	(1,136)
(Increase)/Decrease in inventories	12.1	<b>412</b>	36
Increase/(Decrease) in trade and other payables		<b>7,085</b>	(2,857)
Decrease in other liabilities	17	<b>(409)</b>	(6)
Increase/(Decrease) in provisions		<b>97</b>	(45)
<b>NET CASH GENERATED FROM OPERATIONS</b>		<u><b>40,656</b></u>	<u><b>3,342</b></u>
<b>Cash flows from investing activities</b>			
Interest received		<b>24</b>	104
Purchase of Intangible assets	8	<b>(1,648)</b>	(20)
Purchase of Property, Plant and Equipment		<b>(11,494)</b>	(3,468)
<b>Net cash used in investing activities</b>		<u><b>(13,118)</b></u>	<u><b>(3,384)</b></u>
<b>Cash flows from financing activities</b>			
Public dividend capital received (please see page 15)		<b>15,983</b>	1,162
Movement in loans from the DHSC		<b>(7,019)</b>	2,769
Movement in loans to subsidiary		<b>(3,181)</b>	200
Interest paid		<b>(237)</b>	(256)
PDC dividend paid		<b>(2,601)</b>	(2,352)
<b>Net cash generated/(used) in financing activities</b>		<u><b>2,945</b></u>	<u><b>1,523</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	14	<u><b>30,483</b></u>	<u><b>1,481</b></u>
Cash and cash equivalents at 1 April 2020	14	<b>2,941</b>	1,460
<b>Cash and cash equivalents at 31 March 2021</b>	14	<u><b>33,424</b></u>	<u><b>2,941</b></u>

The notes on pages 15 to 48 form part of these financial statements.

## 1 GROUP ACCOUNTING POLICIES AND OTHER INFORMATION

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

### 1.1 Going concern

The NHS foundation trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

On 2 April 2020, as a result of the COVID-19 pandemic, the Department of Health and Social Care (DHSC) and NHS England / Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During the outbreak the Trust will be funded through a block contract (covering the Trust's cost base) and national top-up payment with reimbursement for any genuinely additional COVID-19 costs. DHSC revenue support should not be needed during this period but will be available as a safety net if required. Once the system returns to business as usual providers will be expected to deliver a breakeven or surplus position, either by reaching balance or agreeing an achievable financial improvement trajectory with NHS England / Improvement to make reasonable progress towards this goal before the start of each financial year. This is temporarily suspended for the duration of the COVID-19 response but will be re-established once the threat has passed. Upon this return to a normal operating environment the Trust is satisfied that it has the ability to deliver the requirements set out by NHS England / Improvement.

### 1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and certain financial assets and financial liabilities.

### 1.3 Consolidation

The NHS foundation trust is the corporate trustee to the Harrogate and District NHS Foundation Trust Charitable Fund (registered charity number 1050008). The NHS foundation trust has assessed its relationship with the charitable fund and determined it to be a subsidiary because the NHS foundation trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable funds statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the NHS foundation trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

The NHS foundation trust launched Harrogate Healthcare Facilities Management Ltd (HHFM) a wholly owned subsidiary with effect from the 1 March 2018 (registered company number 11048040). The income, expenses, assets, liabilities, equity and reserves of HHFM are consolidated in full into the appropriate financial statement lines.

### 1.4 Operating segments

Income and expenditure are analysed in the Operating Segments note (2.1) and are reported in line with management information used within the NHS foundation trust.

## 1.5 Revenue

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- The NHS foundation trust does not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less.
- The NHS foundation trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in the Standard, where the right to consideration corresponds directly with value of the performance completed to date.
- HM Treasury's Financial Reporting Manual (FReM) has mandated the exercise of the practical expedient offered in the Standard that requires the NHS foundation trust to reflect the aggregate effect of all contracts modified before the date of initial application.

The main source of revenue for the NHS foundation trust is contracts with commissioners in respect of healthcare services. Revenue in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. At the year end, the NHS foundation trust accrues income relating to performance obligations satisfied in that year. Where a patient care spell is incomplete at the year end, revenue relating to the partially complete spell is accrued in the same manner as other revenue.

Where income is received for a specific performance obligation that is to be satisfied in the following year, that income is deferred. The method adopted to assess progress towards the complete satisfaction of a performance obligation is determined by reviewing key milestones/deliverables determined at inception.

The NHS foundation trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The NHS foundation trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements or measuring expected credit losses over the lifetime of the asset.

Income from the sale of non-current assets is recognised only when all material conditions of sales have been met, and is measured as the sums due under the sale contract.

## 1.6 Expenditure on employee benefits

### Short term employee benefits

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

### Pension costs - NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the NHS foundation trust (consistent with all participating members of the scheme) to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the Scheme, except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the NHS foundation trust commits itself to the retirement, regardless of the method of payment.



**1.6 Expenditure on employee benefits (continued)****Pension costs - National Employment Savings Trust (NEST) Pension Scheme**

The Pensions Act 2008 requirements created a duty for the NHS foundation trust to provide a pension scheme for employees who are ineligible to join the NHS Pension Scheme. The NHS foundation trust selected NEST as its partner to meet this duty. The scheme operated by NEST on the NHS foundation trust's behalf is a defined contribution scheme and employers contributions are charged to operating expenses as and when they become due.

**Pension costs - HHFM defined contribution scheme (The People's Pension)**

A defined contribution plan is a post employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

A number of the HHFM employees remain within the NHS Pension Scheme, however HHFM also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

**1.7 Expenditure on other goods and services**

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of the consideration payable. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

**1.8 Value Added Tax**

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

**1.9 Property, plant and equipment****Recognition**

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the NHS foundation trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- individually has a cost of at least £5,000; or
- collectively has a cost of at least £5,000 and individually has a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Capitalised set up costs and grouped assets are reviewed annually and if fully depreciated are removed from the Fixed Asset Register and the Accounts. Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

**1.9 Property, plant and equipment (continued)****Valuation**

Land and buildings used for the NHS foundation trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the statement of financial position date. Fair values are determined as follows:

Land and specialised buildings – depreciated replacement cost

Non specialised buildings – existing use value

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. All valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS). The NHS foundation trust had a full valuation of its land and buildings carried out as at 31 March 2017 based on an alternative site in line with HM Treasury's approach. The NHS foundation trust's management having taken advice from professionally qualified valuers, determined that a desktop valuation should be carried out as at 31 March 2021 ensuring that land and buildings are held at fair value. The desktop valuation was also based on an alternative site in line with HM Treasury's approach, this revised valuation has been incorporated in the financial statements.

An item of property, plant and equipment which is surplus with no plan to bring back into use is valued at fair value under IFRS 13.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Costs include professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by International Accounting Standard (IAS) 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Fixtures and equipment are carried at depreciated historic cost as a proxy for fair value.

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income. Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of "Other Comprehensive Income".

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

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

**Subsequent expenditure**

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

**1.9 Property, plant and equipment (continued)****Depreciation**

Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Plant and equipment assets are depreciated on a straight line basis over the following asset life ranges:

	Years
Plant and machinery	5-16
Transport equipment	11
Information technology	5-11
Furniture and fittings	5-11
Buildings and Dwellings (Assessed by a RICS qualified valuer when a valuation takes place)	1-90

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.
  - management is committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

**Donated, government grant and other grant funded assets**

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

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

**1.10 Intangible assets**

Intangible assets are capitalised when they have a cost of at least £5,000. Intangible assets acquired separately are initially recognised at fair value. The NHS foundation trust does not recognise any internally generated assets and associated expenditure is charged to the statement of comprehensive income in the period in which it is incurred. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

**1.10 Intangible assets (continued)**

Following initial recognition, intangible assets are carried at amortised historic cost as this is not considered to be materially different from fair value. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13. The NHS foundation trust does not hold a revaluation reserve for intangible assets.

**1.11 Leases****Finance Leases**

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

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

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

**Operating Leases**

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight line basis over the term of the lease.

**Leases of land and buildings**

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

**1.12 Inventories**

Pharmacy inventories are valued at weighted average historical cost. Other inventories are valued at the lower of cost and net realisable value using the first in, first out method.

**1.13 Cash and cash equivalents**

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

**1.14 Provisions**

The NHS foundation trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted at a discount rate of 2.9% in real terms.

**1.15 Clinical negligence costs**

NHS Resolution operates a risk pooling scheme under which the NHS foundation trust pays an annual contribution to NHS Resolution which in return settles all clinical negligence claims. The contribution is charged to operating expenses. Although NHS Resolution is administratively responsible for all clinical negligence cases the legal liability remains with the NHS foundation trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS foundation trust is disclosed in note 16.

**1.16 Non-clinical risk pooling**

The NHS foundation trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS foundation trust pays an annual contribution to NHS Resolution and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

**1.17 Contingencies**

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

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

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

**1.18 Foreign currencies**

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange profits and losses are taken to the Statement of Comprehensive Income. At the Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing.

**1.19 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS foundation trust has no beneficial interest in them. Details of third party assets are given in note 21 to the accounts.

**1.20 Public Dividend Capital (PDC) and PDC dividend**

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

A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets, cash held with the Government Banking Service (GBS), excluding cash balances held in GBS accounts that relate to a short term working capital facility and any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average net assets as set out in the "pre-audit" version of the annual accounts. The dividend so calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

**1.21 Corporation Tax**

The NHS foundation trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this but the trust is potentially within the scope of corporation tax in respect of activities where income is received from a non public sector source.

The NHS foundation trust has determined that it has no corporation tax liability, as all activities are either ancillary to healthcare or below the de minimus level of profit at which tax is payable. However Harrogate Healthcare Facilities Management Ltd is a wholly owned subsidiary of NHS foundation trust and is subject to corporation tax on its profits.

**1.22 Losses and Special Payments**

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

Losses and special payments are charged to the relevant functional headings in the Statement of Comprehensive Income on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which is prepared on a cash basis.

**1.23 Financial instruments and financial liabilities****Recognition**

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described in note 1.8 above.

Purchase or sales are recognised and derecognised, as applicable, using the trade date.

All other financial assets and financial liabilities are recognised when the NHS foundation trust becomes party to the contractual provisions of the instrument.

**De-recognition**

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the NHS foundation trust has transferred substantially all the risks and rewards of ownership.

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

**Classification and measurement**

Financial assets are categorised as loans and receivables.

Financial liabilities are classified as other financial liabilities.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The NHS foundation trust's loans and receivables comprise: cash and cash equivalents, NHS receivables and other receivables.

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

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income. Loans from the Department of Health are not held for trading and are measured at historic cost with any unpaid interest accrued separately.

**1.23 Financial instruments and financial liabilities (continued)***Other financial liabilities*

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

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

**Determination of fair value**

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from discounted cash flow analysis.

**Impairment of financial assets**

At the Statement of Financial Position date, the NHS foundation trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset. For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the assets carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly or through the use of a bad debt provision. Bad debt provisions are used when there is some uncertainty that the debt will be paid. Bad debts are written off directly only when there is certainty that the debt will not be paid.

**1.24 Critical accounting estimates and judgements**

The preparation of financial statements under IFRS requires the trust to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be relevant.

Revisions to accounting estimates are recognised in the period that the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Although the NHS foundation trust makes estimates within these financial statements such as incomplete patient spells, accrued income, annual leave accrual and provisions e.g. early retirements, the amounts involved would not cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In relation to estimations for uncoded NHS income at the financial yearend, the NHS foundation trust runs a forecast for income relating to March based on the average income received by specialty and point of delivery, all uncoded activity is then priced using an average. This methodology is used throughout the year and has proven to be robust with only very minor variances showing once the activity is coded and then costed.

1.24 Critical accounting estimates and judgements (continued)

In addition, a revaluation of the NHS foundation trust's land and buildings was undertaken at a prospective date of 31 March 2021, the valuation excludes the cost of VAT. Since the NHS foundation trust created a subsidiary company "Harrogate Healthcare Facilities Management Ltd". The subsidiary company became responsible for the provision of a Managed Healthcare Facility to the NHS foundation trust, a consequence of this was that VAT became recoverable under an MEA alternative site valuation (see 1.9). The NHS foundation trust relies on the professional services of the Valuation Office for the accuracy of such valuations.

1.25 Non current investments

Investments are stated at market value as at the statement of financial position date. The statement of comprehensive income includes the net gains and losses arising on revaluation and disposals throughout the year.

1.26 Accounting standards and amendments that have been issued but have not yet been adopted

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2020-21. These Standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2021-22, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

Change published

IFRS 16 Leases	The standard is effective for the NHS foundation trust with effect from the 1 April 2022. However the standard was effective for the Trust's wholly owned subsidiary with effect from 1 April 2019.
IFRS 17 Insurance Contracts	Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

It is not practical to assess the impact on the NHS foundation trust of the above Accounting Standards and Amendments until HM Treasury adopts them within the FReM.



## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**2 Operating segments****2.1 Group operating segments**

The NHS foundation trust's management has reviewed IFRS 8 (Operating Segments) and has determined that the consolidated financial statements consist of two segments "Healthcare" and "Charity".

	Group		Group	
	Healthcare	Charity	Healthcare	Charity
	2020/21	2020/21	2019/20	2019/20
	£000	£000	£000	£000
Operating Surplus/(Deficit)	<b>3,326</b>	<b>146</b>	3,517	(136)
Net Finance (Costs)/Income	<b>(2,740)</b>	<b>46</b>	(2,860)	58
Movement in fair value of investments/Loss on disposal of assets/Corporation tax expenses	-	<b>346</b>	25	(199)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>586</b>	<b>538</b>	682	(277)
Non-current assets	<b>109,480</b>	<b>1,815</b>	101,710	1,414
Current assets	<b>44,318</b>	<b>408</b>	39,642	285
Current liabilities	<b>(27,201)</b>	<b>(37)</b>	(25,807)	(51)
Non-current liabilities	<b>(13,361)</b>	-	(15,196)	-
<b>TOTAL ASSETS EMPLOYED</b>	<b>113,236</b>	<b>2,186</b>	100,349	1,648
Financed by taxpayers' equity:				
Public Dividend Capital	<b>98,845</b>	-	82,862	-
Revaluation reserve	<b>4,978</b>	-	8,379	-
Income and expenditure reserve	<b>9,413</b>	-	9,108	-
HDFT Charitable fund reserves	-	<b>2,186</b>	-	1,648
<b>TOTAL TAXPAYERS' EQUITY</b>	<b>113,236</b>	<b>2,186</b>	100,349	1,648

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**3 Operating Income from continuing operations****3.1 Analysis of operating income**

	<b>Foundation Trust &amp; Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Income from activities by nature:</b>		
<b>Acute services</b>		
Block contract / system envelope income	140,022	113,536
High cost drugs income from commissioners	568	5,169
Other NHS clinical income	738	43,420
<b>Community services</b>		
Block contract / system envelope income	28,854	30,527
Income from other sources (e.g. local authorities)	41,207	40,750
<b>All trusts</b>		
Private patient income	652	1,831
Additional pension contribution central funding	7,533	7,217
Other clinical income	33,427	2,985
<b>Total income from activities</b>	<b>253,001</b>	<b>245,435</b>
	<b>Foundation Trust &amp; Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Income from activities by source:</b>		
NHS Foundation Trusts	280	571
NHS Trusts	18	45
NHS England	33,349	34,977
Clinical commissioning groups	177,020	166,246
Local Authorities	41,002	40,846
Department of Health and Social Care	7	(15)
NHS Other	14	78
Non NHS: Private Patients	652	1,834
Non-NHS: Overseas patients (chargeable to patient)	75	73
NHS injury scheme (see below*)	495	481
Non NHS: Other	89	299
<b>Total income from activities</b>	<b>253,001</b>	<b>245,435</b>
	<b>Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Group other operating income:</b>		
Research and development	1,039	1,296
Education and training	11,234	6,913
Education and training - notional income from apprenticeship fund	197	241
Non-patient care services to other bodies	1,608	2,995
Provider sustainability fund / Financial recovery fund / Marginal rate emergency tariff funding (PSF/FRF/MRET)	-	5,218
Reimbursement and top up funding	20,448	-
Donated equipment from DHSC for COVID response (non-cash)	1,351	-
Cash donations for the purchase of capital assets - received from other bodies	23	-
Contributions to expenditure - consumables (inventory) donated from DHSC	4,112	-
Rental revenue from operating leases (see note 3.4)	162	149
Staff recharges (secondments)	3,586	2,970
HDFT Charitable Funds: Incoming Resources excluding investment income	921	632
Other	(303)	4,104
<b>Group total other operating income</b>	<b>44,378</b>	<b>24,518</b>
<b>Group total operating income</b>	<b>297,379</b>	<b>269,953</b>

\* NHS injury scheme income is subject to a provision for doubtful debts of 22.43% (2020: 21.79%) to reflect expected rates of collection.

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**3.1 Analysis of operating income (continued)**

	<b>Foundation Trust</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Total income from activities</b>	<b>253,001</b>	<b>245,435</b>
<b>Foundation Trust other operating income:</b>		
Research and development	1,039	1,297
Education and training	11,234	6,912
Education and training - notional income from apprenticeship fund	197	241
Received from NHS charities: Receipt of grants/donations for capital acquisitions	125	150
Non-patient care services to other bodies	2,321	3,779
Provider sustainability fund / Financial recovery fund / Marginal rate emergency tariff funding (PSF/FRF/MRET)	-	5,218
Reimbursement and top up funding	20,448	-
Donated equipment from DHSC for COVID response (non-cash)	1,351	-
Cash donations for the purchase of capital assets - received from other bodies	23	-
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies	4,112	-
Rental revenue from operating leases (see note 3.5)	1,272	1,268
Staff recharges (secondments)	3,602	2,970
Other	(1,145)	2,508
<b>Foundation Trust total other operating income</b>	<b>44,579</b>	<b>24,343</b>
<b>Foundation Trust total operating income</b>	<b>297,580</b>	<b>269,778</b>

**3.2 Overseas visitors (relating to patients charged directly by the foundation trust)**

Income recognised in year relating to overseas visitors was £75k (2020 £73k), payments received in year (relating to invoices raised in current and previous years) was £45k (2020 £68k) and amounts written off in year (relating to invoices raised in current and previous years) was £32k (2020 £6k).

**3.3 Analysis of income from activities by Commissioner Requested Services (CRS) and Non-Commissioner Requested Services (Non-CRS).**

	<b>Foundation Trust &amp; Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Commissioner Requested Services	143,597	143,597
Non-Commissioner Requested Services	109,404	101,838
<b>Total</b>	<b>253,001</b>	<b>245,435</b>

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**3.4 Operating lease income and future annual lease receipts**

	<b>Group</b>	
	<b>2020/21</b>	2019/20
	<b>£000</b>	£000
Operating lease income	<b>162</b>	149
	<b>162</b>	149
Future minimum lease receipts due on buildings expiring		
- not later than one year;	<b>158</b>	148
- later than one year and not later than five years;	<b>455</b>	486
- later than five years.	<b>256</b>	424
	<b>869</b>	1,058

**3.5 Operating lease income and future annual lease receipts**

	<b>Foundation Trust</b>	
	<b>2020/21</b>	2019/20
	<b>£000</b>	£000
Operating lease income	<b>1,272</b>	1,268
	<b>1,272</b>	1,268
Future minimum lease receipts due on buildings expiring		
- not later than one year;	<b>1,272</b>	1,267
- later than one year and not later than five years;	<b>4,931</b>	4,962
- later than five years.	<b>19,279</b>	20,566
	<b>25,482</b>	26,795

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**4. Operating Expenses from continuing operations****4.1 Group operating expenses comprise:**

	<b>Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Purchase of healthcare from NHS and DHSC bodies	3,309	1,539
Purchase of healthcare from non-NHS and non-DHSC bodies	1,070	680
Staff and executive directors costs	202,820	190,813
Non-executive directors	193	173
Drug costs (see note 12.2)	16,405	15,737
Supplies and services - clinical	20,923	19,617
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	4,112	-
Supplies and services - general	2,741	2,692
Establishment	2,209	2,043
Research and development	(4)	31
Transport (including Patients' travel)	987	704
Premises - business rates payable to local authorities	1,101	3,813
Premises - other	9,249	7,795
Increase in provision for irrecoverable debts	1,627	91
Rentals under operating leases	4,200	5,882
Depreciation on property, plant and equipment (see note 9.1)	5,145	4,134
Amortisation on intangible assets (see note 8)	454	70
Impairments of property, plant and equipment	705	39
Audit services- statutory audit	144	116
NHS Resolution contribution - Clinical Negligence	5,915	5,255
Legal fees	220	104
Consultancy costs	856	440
Internal audit costs	192	174
Education and training	6,215	2,806
Education and training - notional expenditure funded from apprenticeship fund	197	241
Redundancy	-	24
Early retirements	148	16
Hospitality	5	1
Insurance	447	353
Losses, ex gratia and special payments (see note 20)	332	47
Other	1,445	621
HDFT Charitable funds: Other resources expended	545	521
<b>Group total operating expenses</b>	<b>293,907</b>	<b>266,572</b>

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**4. Operating Expenses from continuing operations (Continued)****4.2 Foundation Trust operating expenses comprise:**

	<b>Foundation Trust</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Purchase of healthcare from NHS and DHSC bodies	3,308	1,538
Purchase of healthcare from non-NHS and non-DHSC bodies	1,070	680
Staff and executive directors costs	193,869	182,629
Non-executive directors	163	157
Drug costs (see note 12.2)	16,405	15,737
Supplies and services - clinical	19,227	18,050
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	4,112	-
Supplies and services - general	19,027	16,648
Establishment	2,157	1,996
Research and development	(4)	31
Transport (including Patients' travel)	959	642
Premises - business rates payable to local authorities*	1,101	3,813
Premises - other	5,768	4,553
Increase in provision for irrecoverable debts	1,627	91
Rentals under operating leases	4,167	5,864
Depreciation on property, plant and equipment (see note 9.2)	4,900	3,987
Amortisation on intangible assets (see note 8)	484	70
Impairments of property, plant and equipment	82	(196)
Audit services- statutory audit	122	107
NHS Resolution contribution - Clinical Negligence	5,915	5,255
Legal fees	218	104
Consultancy costs	787	406
Internal audit costs	161	153
Education and training	6,181	2,756
Education and training - notional expenditure funded from apprenticeship fund	197	241
Redundancy	-	24
Early retirements	148	15
Hospitality	5	1
Insurance	356	301
Losses, ex gratia and special payments (see note 20)	332	47
Other	1,103	589
<b>Foundation Trust total operating expenses</b>	<b>293,947</b>	<b>266,289</b>

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**4.3 Operating lease expenditure and future annual lease payments**

	<b>Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Minimum lease payments	<b>4,200</b>	5,882
	<b>4,200</b>	<b>5,882</b>
Future minimum lease payments due expiring;		
Within 1 year	<b>3,504</b>	4,294
Between 1 and 5 years	<b>1,109</b>	1,060
Later than five years	<b>475</b>	549
	<b>5,088</b>	<b>5,903</b>

**4.4 Operating lease expenditure and future annual lease payments**

	<b>Foundation Trust</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Minimum lease payments	<b>4,167</b>	5,864
	<b>4,167</b>	<b>5,864</b>
Future minimum lease payments due expiring;		
Within 1 year	<b>3,504</b>	4,294
Between 1 and 5 years	<b>1,109</b>	1,060
Later than five years	<b>475</b>	549
	<b>5,088</b>	<b>5,903</b>

**4.5 Limitation on external auditor's liability**

	<b>Foundation Trust &amp; Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Limitation on external auditor's liability	<b>1,000</b>	1,000
	<b>1,000</b>	<b>1,000</b>

**5. Employee costs and numbers****5.1 Employee costs**

	<b>Group</b>			<b>Group</b>		
	<b>Total</b>	<b>Permanently</b>		<b>Total</b>	<b>Permanently</b>	
	<b>2020/21</b>	<b>Employed</b>	<b>Other</b>	<b>2019/20</b>	<b>Employed</b>	<b>Other</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Salaries and wages	<b>154,219</b>	<b>151,676</b>	<b>2,543</b>	148,602	146,053	2,549
Annual leave/Flowers accruals	<b>5,587</b>	<b>5,587</b>	-			
Social Security costs (Employers NI costs)	<b>13,457</b>	<b>13,457</b>	-	13,091	13,091	-
Apprenticeship levy	<b>713</b>	<b>713</b>	-	693	693	-
Employer contributions to NHS Pensions Agency	<b>17,642</b>	<b>17,642</b>	-	16,919	16,919	-
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	<b>7,533</b>	<b>7,533</b>	-	7,217	7,217	-
Pension cost - other	<b>193</b>	<b>193</b>	-	150	150	-
Termination benefits	<b>62</b>	<b>62</b>	-	40	40	-
Agency/contract staff	<b>4,238</b>	-	<b>4,238</b>	4,860	-	4,860
Total employee expenses	<b>203,644</b>	<b>196,863</b>	<b>6,781</b>	191,572	184,163	7,409
Less costs capitalised as part of assets	<b>(824)</b>	<b>(824)</b>	-	(719)	(719)	-
Total employee costs excluding capitalised costs	<b>202,820</b>	<b>196,039</b>	<b>6,781</b>	190,853	183,444	7,409

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**5. Employee costs and numbers (continued)****5.2 Employee costs**

	Foundation Trust			Foundation Trust		
	Total 2020/21 £000	Permanently Employed £000	Other £000	Total 2019/20 £000	Permanently Employed £000	Other £000
Salaries and wages	147,051	144,508	2,543	141,973	139,424	2,549
Annual leave/Flowers accruals	5,514	5,514	-			
Social Security costs (Employers NI costs)	12,900	12,900	-	12,584	12,584	-
Apprenticeship levy	677	677	-	660	660	-
Employer contributions to NHS Pensions Agency	17,154	17,154	-	16,400	16,400	-
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	7,533	7,533	-	7,217	7,217	-
Pension cost - other	89	89	-	80	80	-
Termination benefits	62	62	-	39	39	-
Agency/contract staff	3,536	-	3,536	4,205	-	4,205
Total employee expenses	194,516	188,437	6,079	183,158	176,404	6,754
Less costs capitalised as part of assets	(647)	(647)	-	(490)	(490)	-
Total employee costs excluding capitalised costs	193,869	187,790	6,079	182,668	175,914	6,754

**5.3 Average number of employees (WTE basis)**

	Total 2020/21 Number	Group Permanently Employed Number	Other Number	Total 2019/20 Number	Group Permanently Employed Number	Other Number
Medical and dental	393	369	24	372	351	21
Ambulance staff	2	2	-	2	2	-
Administration and estates	708	682	26	683	683	-
Healthcare assistants and other support staff	399	399	-	411	393	18
Nursing, midwifery and health visiting staff	1,796	1,773	23	1,830	1,795	35
Nursing, midwifery and health visiting learners	44	44	-	39	39	-
Scientific, therapeutic and technical staff	497	497	-	473	464	9
Healthcare science staff	102	95	7	110	94	16
Other	6	6	-	17	5	12
Total	3,947	3,867	80	3,937	3,826	111
Less capitalised employees	(20)	(20)	-	(20)	(20)	-
Total excluding capitalised WTE	3,927	3,847	80	3,917	3,806	111

**5.4 Average number of employees (WTE basis)**

	Foundation Trust			Foundation Trust		
	Total 2020/21 Number	Permanently Employed Number	Other Number	Total 2019/20 Number	Permanently Employed Number	Other Number
Medical and dental	393	369	24	372	351	21
Ambulance staff	2	2	-	2	2	-
Administration and estates	632	628	4	628	628	-
Healthcare assistants and other support staff	185	185	-	190	189	1
Nursing, midwifery and health visiting staff	1,795	1,772	23	1,828	1,793	35
Nursing, midwifery and health visiting learners	44	44	-	39	39	-
Scientific, therapeutic and technical staff	497	497	-	473	464	9
Healthcare science staff	102	95	7	109	94	15
Other	6	6	-	6	2	4
Total	3,656	3,598	58	3,647	3,562	85
Less capitalised employees	(15)	(15)	-	(15)	(15)	-
Total excluding capitalised WTE	3,641	3,583	58	3,632	3,547	85

**WTE = Whole time equivalents**



## 5.5 Pensions costs

Past and present employees are covered by the provisions of the two NHS Pensions Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

Both are unfunded defined benefit schemes that cover NHS employers, GP Practices and other bodies, allowed under the direction of the Secretary of State for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

### a) Accounting valuation

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

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

### b) Full actuarial (funding) valuation

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

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

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

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**5.6 Retirements due to ill-health**

During the year ended 31 March 2021 there were 6 (2020: 3) early retirements from the NHS foundation trust agreed on the grounds of ill-health. The estimated additional pension liability of the ill-health retirement is £173,000 (2020: £170,000). The cost of ill-health retirements are borne by the NHS Business Services Authority Pensions Division.

**5.7 Staff exit costs**

NHS Improvement requires NHS foundation trusts to disclose summary information regarding redundancy and other departures in staff costs agreed in the financial year.

Exit cost band	Foundation Trust & Group		Foundation Trust & Group	
	2020/21 Number of compulsory redundancies	2020/21 Number of other departures agreed	2019/20 Number of compulsory redundancies	2019/20 Number of other departures agreed
<£10,000	-	-	-	-
£10,001 - £25,000	-	-	1	-
£25,001 - £50,000	-	-	-	-
£50,001 - £100,000	-	1	-	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
>£200,000	-	-	-	-
Total number of exits by type	-	-	-	-
Total resource cost	-	<b>£62,000</b>	£24,000	-

**5.8 Analysis of termination benefits**

	Foundation Trust & Group		Foundation Trust & Group	
	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Compulsory redundancies	-	-	1	24
Contractual payments in lieu of notice	<u>1</u>	<u>62</u>	<u>-</u>	<u>-</u>
	<u>1</u>	<u>62</u>	<u>1</u>	<u>24</u>

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**6. Finance revenue****6.1 Group finance revenue received during the year is as follows:**

Finance revenue received during the year is as follows:

	<b>Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Interest income:</b>		
Interest on bank accounts	(2)	75
HDFT Charitable funds: investment income	46	58
	<b>44</b>	<b>133</b>

**6.2 Foundation Trust finance revenue received during the year is as follows:**

Finance revenue received during the year is as follows:

	<b>Foundation Trust</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Interest income:</b>		
Interest on bank accounts	(2)	75
Interest on working capital loan to HHFM	22	30
Dividend from HHFM	-	-
	<b>20</b>	<b>105</b>

**7. Finance expenses**

Finance expenses incurred during the year are as follows:

	<b>Foundation Trust &amp; Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Interest expense:</b>		
Capital Loans from the Department of Health (formerly ITFF see note 18)	229	254
	<b>229</b>	<b>254</b>

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**8. Current year intangible fixed assets**

	Foundation Trust & Group				Total
	Software Licences £000	Development Expenditure £000	Websites £000	Other £000	£000
Gross cost at 1 April 2020	873	-	-	-	873
Additions - purchased	238	1,189	139	82	1,648
Reclassifications*	176	1,729	48	224	2,177
Disposals	-	-	-	-	-
<b>Gross cost at 31 March 2021</b>	<b>1,287</b>	<b>2,918</b>	<b>187</b>	<b>306</b>	<b>4,698</b>
Amortisation at 1 April 2020	643	-	-	-	643
Provided during the year	119	293	7	35	454
Reclassifications	106	379	17	80	582
Disposals	-	-	-	-	-
<b>Amortisation at 31 March 2021</b>	<b>868</b>	<b>672</b>	<b>24</b>	<b>115</b>	<b>1,679</b>
<b>Net book value</b>					
- Purchased at 31 March 2021	419	2,246	163	191	3,019
<b>- Total at 31 March 2021</b>	<b>419</b>	<b>2,246</b>	<b>163</b>	<b>191</b>	<b>3,019</b>

**8.1 Prior year intangible fixed assets**

	Foundation Trust & Group				Total
	Software Licences £000	Development Expenditure £000	Websites £000	Other £000	£000
Gross cost at 1 April 2019	853	-	-	-	853
Additions - purchased	20	-	-	-	20
Disposals	-	-	-	-	-
<b>Gross cost at 31 March 2020</b>	<b>873</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>873</b>
Amortisation at 1 April 2019	573	-	-	-	573
Provided during the year	70	-	-	-	70
Disposals	-	-	-	-	-
<b>Amortisation at 31 March 2020</b>	<b>643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>643</b>
<b>Net book value</b>					
- Purchased at 31 March 2020	230	-	-	-	230
<b>- Total at 31 March 2020</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>230</b>

\*Reclassifications total of £2,177,000 (gross) and £582,000 (depreciation) represents a movement between Tangible and Intangible assets - see note 9.1.

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

## 9. Property, plant and equipment

## 9.1 Current year property, plant and equipment comprises of the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Group Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	3,225	78,320	1,700	1,915	21,997	159	13,141	730	121,187
Additions - purchased	-	3,060	-	3,535	6,240	25	1,945	57	14,862
Additions - equipment donated from DHSC	-	-	-	-	1,351	-	-	-	1,351
Impairments charged to operating expenses	-	(705)	-	-	-	-	-	-	(705)
Reclassifications*	275	663	(275)	(1,667)	113	-	(1,302)	16	(2,177)
Transfer to revaluation reserve	-	(5,459)	(554)	-	-	-	-	-	(6,013)
Disposals	-	(4)	-	-	(276)	-	(55)	(85)	(420)
<b>Cost or valuation At 31 March 2021</b>	<b>3,500</b>	<b>75,875</b>	<b>871</b>	<b>3,783</b>	<b>29,425</b>	<b>184</b>	<b>13,729</b>	<b>718</b>	<b>128,085</b>
Depreciation at 1 April 2020	-	-	-	-	13,269	102	7,067	371	20,809
Provided during the year (see note 4.1)	-	2,527	89	-	1,474	10	987	58	5,145
Reclassifications	-	-	-	-	-	-	(582)	-	(582)
Transfer to revaluation reserve	-	(2,523)	(89)	-	-	-	-	-	(2,612)
Disposals	-	(4)	-	-	(276)	-	(55)	(85)	(420)
<b>Depreciation at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,467</b>	<b>112</b>	<b>7,417</b>	<b>344</b>	<b>22,340</b>
<b>Net book value</b>									
- Purchased at 31 March 2021	3,500	71,661	871	3,783	12,804	72	6,288	356	99,335
- Donated at 31 March 2021	-	4,214	-	-	803	-	24	18	5,059
- Donated (DHSC) at 31 March 2021	-	-	-	-	1,351	-	-	-	1,351
<b>Net book value at 31 March 2021</b>	<b>3,500</b>	<b>75,875</b>	<b>871</b>	<b>3,783</b>	<b>14,958</b>	<b>72</b>	<b>6,312</b>	<b>374</b>	<b>105,745</b>

\*Reclassifications total of £2,177,000 (gross) and £582,000 (depreciation) represents a movement between Tangible and Intangible assets - see note 8.

At 31 March 2020, of the Net Book Value £3,225,000 related to land valued at open market value and £78,320,000 related to buildings valued at open market value and £1,700,000 related to dwellings valued at open market value. The land and buildings (including dwellings) of the trust were revalued by the Valuation Office Agency which is a government agency of Her Majesty's Revenue and Customs (RICS qualified) as at 31 March 2021. This desktop valuation, in line with the NHS foundation trust's accounting policies and using the best practice Modern Equivalent Asset valuation methodology, resulted in a decrease in value of £4,106,000.00.

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

## 9. Property, plant and equipment

## 9.2 Current year property, plant and equipment comprises of the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Foundation Trust Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	3,225	77,611	1,715	1,179	20,071	-	13,139	693	117,633
Additions - purchased	-	294	-	2,958	5,846	25	1,902	45	11,070
Additions - equipment donated from DHSC	-	-	-	-	1,351	-	-	-	1,351
Impairments charged to operating expenses	-	(82)	-	-	-	-	-	-	(82)
Reclassifications	275	86	(275)	(1,117)	108	-	(1,259)	5	(2,177)
Transfer to revaluation reserve	-	(4,971)	(989)	-	-	-	-	-	(5,960)
Disposals	-	-	-	-	(272)	-	(54)	(85)	(411)
<b>Cost or valuation At 31 March 2021</b>	<b>3,500</b>	<b>72,938</b>	<b>451</b>	<b>3,020</b>	<b>27,104</b>	<b>25</b>	<b>13,728</b>	<b>658</b>	<b>121,424</b>
Depreciation at 1 April 2020	-	-	-	-	12,318	-	7,067	370	19,755
Provided during the year (see note 4.2)	-	2,471	88	-	1,300	-	987	54	4,900
Reclassifications	-	-	-	-	-	-	(582)	-	(582)
Transfer to revaluation reserve	-	(2,471)	(88)	-	-	-	-	-	(2,559)
Disposals	-	-	-	-	(272)	-	(54)	(85)	(411)
<b>Depreciation at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,346</b>	<b>-</b>	<b>7,418</b>	<b>339</b>	<b>21,103</b>
<b>Net book value</b>									
- Purchased at 31 March 2021	3,500	68,724	451	3,020	11,604	25	6,286	301	93,911
- Donated at 31 March 2021	-	4,214	-	-	803	-	24	18	5,059
- Donated (DHSC) at 31 March 2021	-	-	-	-	1,351	-	-	-	1,351
<b>Net book value at 31 March 2021</b>	<b>3,500</b>	<b>72,938</b>	<b>451</b>	<b>3,020</b>	<b>13,758</b>	<b>25</b>	<b>6,310</b>	<b>319</b>	<b>100,321</b>

At 31 March 2020, of the Net Book Value £3,225,000 related to land valued at open market value and £77,611,000 related to buildings valued at open market value and £1,715,000 related to dwellings valued at open market value. The land and buildings (including dwellings) of the trust were revalued by the Valuation Office Agency which is a government agency of Her Majesty's Revenue and Customs (RICS qualified) as at 31 March 2021. This desktop valuation, in line with the NHS foundation trust's accounting policies and using the best practice Modern Equivalent Asset valuation methodology, resulted in a decrease in value of £3,483,000.00.

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

## 9. Property, plant and equipment (continued)

## 9.3 Prior year property, plant and equipment comprises of the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Group Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	3,200	73,865	1,475	754	20,946	159	11,222	689	112,310
Additions - purchased	-	650	41	1,913	1,090	-	1,637	28	5,359
Impairments charged to operating expenses	-	(39)	-	-	-	-	-	-	(39)
Reclassifications	-	221	50	(752)	186	-	282	13	-
Transfer to revaluation reserve	25	3,623	134	-	-	-	-	-	3,782
Disposals	-	-	-	-	(225)	-	-	-	(225)
<b>Cost or valuation At 31 March 2020</b>	<b>3,225</b>	<b>78,320</b>	<b>1,700</b>	<b>1,915</b>	<b>21,997</b>	<b>159</b>	<b>13,141</b>	<b>730</b>	<b>121,187</b>
Depreciation at 1 April 2019	-	-	-	-	12,255	91	6,257	325	18,928
Provided during the year (see note 4.1)	-	1,962	84	-	1,221	11	810	46	4,134
Impairments charged to operating expenses	-	-	-	-	-	-	-	-	-
Transfer to revaluation reserve	-	(1,962)	(84)	-	-	-	-	-	(2,046)
Disposals	-	-	-	-	(207)	-	-	-	(207)
<b>Depreciation at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,269</b>	<b>102</b>	<b>7,067</b>	<b>371</b>	<b>20,809</b>
<b>Net book value</b>									
- Purchased at 31 March 2020	3,225	73,931	1,700	1,915	7,916	57	6,046	339	95,129
- Donated at 31 March 2020	-	4,389	-	-	812	-	28	20	5,249
<b>Net book value at 31 March 2020</b>	<b>3,225</b>	<b>78,320</b>	<b>1,700</b>	<b>1,915</b>	<b>8,728</b>	<b>57</b>	<b>6,074</b>	<b>359</b>	<b>100,378</b>

At 31 March 2019, of the Net Book Value £3,200,000 related to land valued at open market value and £73,865,000 related to buildings valued at open market value and £1,475,000 related to dwellings valued at open market value. The land and buildings (including dwellings) of the trust were revalued by the Valuation Office Agency which is a government agency of Her Majesty's Revenue and Customs (RICS qualified) as at 31 March 2020. This desktop valuation, in line with the NHS foundation trust's accounting policies and using the best practice Modern Equivalent Asset valuation methodology, resulted in a increase in value of £5,789,000.00.

The valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

## 9. Property, plant and equipment

## 9.4 Prior year property, plant and equipment comprises of the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Foundation Trust Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	3,200	73,456	1,475	556	19,211	-	11,221	686	109,805
Additions - purchased	-	321	-	1,171	921	-	1,636	6	4,055
Impairments charged to operating expenses	-	196	-	-	-	-	-	-	196
Reclassifications	-	101	-	(548)	164	-	282	1	-
Transfer to revaluation reserve	25	3,537	240	-	-	-	-	-	3,802
Disposals	-	-	-	-	(225)	-	-	-	(225)
<b>Cost or valuation At 31 March 2020</b>	<b>3,225</b>	<b>77,611</b>	<b>1,715</b>	<b>1,179</b>	<b>20,071</b>	<b>-</b>	<b>13,139</b>	<b>693</b>	<b>117,633</b>
Depreciation at 1 April 2019	-	-	-	-	11,420	-	6,256	325	18,001
Provided during the year (see note 4.2)	-	1,949	77	-	1,105	-	811	45	3,987
Transfer to revaluation reserve	-	(1,949)	(77)	-	-	-	-	-	(2,026)
Disposals	-	-	-	-	(207)	-	-	-	(207)
<b>Depreciation at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,318</b>	<b>-</b>	<b>7,067</b>	<b>370</b>	<b>19,755</b>
<b>Net book value</b>									
- Purchased at 31 March 2020	3,225	73,222	1,715	1,179	6,941	-	6,044	303	92,629
- Donated at 31 March 2020	-	4,389	-	-	812	-	28	20	5,249
<b>Net book value at 31 March 2020</b>	<b>3,225</b>	<b>77,611</b>	<b>1,715</b>	<b>1,179</b>	<b>7,753</b>	<b>-</b>	<b>6,072</b>	<b>323</b>	<b>97,878</b>

At 31 March 2019, of the Net Book Value £3,200,000 related to land valued at open market value and £73,456,000 related to buildings valued at open market value and £1,475,000 related to dwellings valued at open market value. The land and buildings (including dwellings) of the trust were revalued by the Valuation Office Agency which is a government agency of Her Majesty's Revenue and Customs (RICS qualified) as at 31 March 2020. This desktop valuation, in line with the NHS foundation trust's accounting policies and using the best practice Modern Equivalent Asset valuation methodology, resulted in a increase in value of £6,024,000.00.

The valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.



## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**10. Investments**

	<b>Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Carrying value at 1 April 2020	1,414	1,665
Acquisitions in year - other	522	203
Movement in fair value of investments	346	(199)
Disposals	(467)	(255)
Carrying value at 31 March 2021	<u>1,815</u>	<u>1,414</u>

Investments held are wholly attributable to the Harrogate and District NHS Foundation Trust Charitable Fund (registered charity number 1050008), for further information please see the charity's Annual Report and Accounts.

**11. Subsidiary Undertaking - Harrogate Healthcare Facilities Management Ltd.**

	<b>Foundation Trust</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Non-current assets</b>		
Shares in Subsidiary	1,000	1,000
Loans to Subsidiary	<u>3,581</u>	<u>400</u>
	<b>4,581</b>	<b>1,400</b>
<b>Current assets</b>		
Loans to Subsidiary	<u>200</u>	<u>200</u>
	<b>4,781</b>	<b>1,600</b>

The shares in the subsidiary company Harrogate Healthcare Facilities Management Ltd comprises a 100% holding of the share capital.

The principal activity of Harrogate Healthcare Facilities Management Ltd is to provide estate management and facilities services.

**12. Inventories****12.1 Analysis of inventories**

	<b>Group</b>		<b>Foundation Trust</b>	
	<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Drugs	771	740	771	740
Consumables	1,258	1,700	1,142	1,585
Total	<u>2,029</u>	<u>2,440</u>	<u>1,913</u>	<u>2,325</u>

**12.2 Inventories recognised in expenses**

	<b>Foundation Trust &amp; Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Drug Inventories recognised as an expense in the year	16,405	15,737
Total	<u>16,405</u>	<u>15,737</u>

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**13. Trade and other receivables****13.1 Trade and other receivables are made up of:**

	<b>Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Current</b>		
Contract receivables (IFRS 15): invoiced	4,593	20,476
Contract receivables (IFRS 15): not yet invoiced / non-invoiced	772	9,898
PDC Dividend receivable (Department of Health)	253	159
Deposits and advances	14	17
Provision for the impairment of contract receivables (see note 13.2)	(450)	(474)
Interest receivable	-	4
Prepayments	2,379	1,833
VAT receivables	328	1,327
Other receivables	610	571
<b>Total</b>	<b>8,499</b>	<b>33,811</b>
	<b>Foundation Trust</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Current</b>		
Contract receivables (IFRS 15): invoiced	4,511	20,409
Contract receivables (IFRS 15): not yet invoiced / non-invoiced	772	9,874
PDC Dividend receivable (Department of Health)	253	159
Deposits and advances	9	-
Provision for the impairment of contract receivables (see note 13.2)	(450)	(474)
Interest receivable	-	4
Prepayments	2,056	1,597
VAT receivables	610	1,392
Other receivables	562	628
<b>Total</b>	<b>8,323</b>	<b>33,589</b>
	<b>Foundation Trust &amp; Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
<b>Non-Current</b>		
Other receivables	220	313
VAT receivables	545	857
Provision for the impairment of receivables (see note 13.2)	(49)	(68)
<b>Total</b>	<b>716</b>	<b>1,102</b>

The majority of the NHS foundation trust's trade is with Commissioners for NHS patient care services which are funded by the Government to buy NHS patient care services therefore no credit scoring for them is considered necessary.

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**13. Trade and other receivables (continued)**

<b>13.2 Allowances for credit losses (doubtful debts)</b>	<b>Foundation Trust &amp; Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Allowance for credit losses at 1 April 2020	542	552
New allowances arising	1,627	91
Utilisation of allowances (where receivable is written off)	(1,670)	(101)
Balance at 31 March 2021	<u>499</u>	<u>542</u>

NHS Injury Benefit Scheme income is subject to a provision for impairment of 22.43% (2019: 21.79%) to reflect expected rates of collection. Other debts are assessed by management considering age of debt and the probability of collection.

**14. Cash and cash equivalents**

	<b>Group</b>		<b>Foundation Trust</b>	
	<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April 2020	3,676	2,912	2,941	1,460
Net change in year	30,522	764	30,483	1,481
Balance at 31 March 2021	<u>34,198</u>	<u>3,676</u>	<u>33,424</u>	<u>2,941</u>
Made up of:				
Cash with Government Banking Service	33,760	3,118	33,384	2,919
Cash at commercial banks and in hand	423	488	32	22
Other current investments	15	70	8	-
Cash and cash equivalents	<u>34,198</u>	<u>3,676</u>	<u>33,424</u>	<u>2,941</u>

**15. Trade and other payables**

	<b>Group</b>		<b>Foundation Trust</b>	
	<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Current</b>				
Receipts in advance	28	29	28	29
Trade payables	3,243	8,452	2,616	7,918
Other trade payables - capital	1,185	1,506	777	1,190
Social Security costs	1,985	1,950	1,902	1,871
Other tax payable	1,690	1,635	1,631	1,584
Other payables	3,137	2,496	2,481	2,378
Accruals	8,093	763	8,031	176
Annual leave accrual	4,165	-	4,165	-
<b>Total</b>	<u>23,526</u>	<u>16,831</u>	<u>21,631</u>	<u>15,146</u>
<b>Non-Current</b>				
Accruals			187	-
<b>Total</b>			<u>187</u>	<u>-</u>

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**16. Provisions****16.1 Provisions current and non current**

	Foundation Trust & Group		Foundation Trust & Group	
	Current		Non current	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Pensions relating to the early retirement of staff pre 1995	37	38	161	51
Legal claims	53	49	-	-
Pensions - Injury benefits	14	21	37	44
	<b>104</b>	<b>108</b>	<b>198</b>	<b>95</b>

**16.2 Provisions by category**

	Pensions relating to the early retirement of staff pre 1995	Legal claims	Pensions - Injury benefits	Foundation Trust & Group Total 2020/21
	£000	£000	£000	£000
At 1 April 2020	89	49	65	203
Arising during the year	148	35	1	184
Utilised during the year	(33)	(9)	(12)	(54)
No longer required	(7)	(26)	-	(33)
Unwinding of discount	1	-	1	2
At 31 March 2021	<b>198</b>	<b>49</b>	<b>55</b>	<b>302</b>

**16.3 Expected timing of cashflows by category:**

	Pensions relating to the early retirement of staff pre 1995	Legal claims	Pensions - Injury benefits	Foundation Trust & Group Total 2020/21
	£000	£000	£000	£000
Within one year	37	53	14	104
Between one and five years	103	-	37	140
After five years	58	-	-	58
	<b>198</b>	<b>53</b>	<b>51</b>	<b>302</b>

£103,716,000 is included in the provisions of NHS Resolution (formerly the NHS Litigation Authority) at 31 March 2021 in respect of clinical negligence liabilities of the NHS foundation trust (31 March 2020 - £113,880,000). Please see note 1.15.

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**17. Other liabilities**

	<b>Foundation Trust &amp; Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
<b>Current</b>	<b>£000</b>	<b>£000</b>
Deferred income	1,430	1,839
<b>Total</b>	<b>1,430</b>	<b>1,839</b>

**18. Borrowings**

	<b>Foundation Trust &amp; Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
<b>Current</b>	<b>£000</b>	<b>£000</b>
Capital loans from DHSC (formerly ITFF)*	2,178	2,183
Revenue support / working capital loans from DHSC**	-	4,897
<b>Total</b>	<b>2,178</b>	<b>7,080</b>
<b>Non-Current</b>		
Capital loans from DHSC (formerly ITFF)*	12,976	15,101
<b>Total</b>	<b>12,976</b>	<b>15,101</b>

\*During 2012/13, the Trust signed a 10 year loan agreement for £3.4m from the Independent Trust Financing Facility (ITFF) to fund the provision of additional theatre capacity, the loan was drawn down in full during the financial year. During 2013/14, the Trust signed an additional 10 year loan for £1.5m from the ITFF to fund the replacement of an MRI Scanner. The loan was drawn down in full during the financial year. During 2014/15 the NHS foundation trust did not undertake any additional borrowing. During 2015/16 the Trust signed a 25 year loan agreement from the Department of Health for £7.5m to fund a Carbon Efficiency capital scheme and a 10 year loan agreement from the Department of Health for £1.5m to fund the purchase of a Mobile MRI Scanner, both of these loans were drawn down in full during the financial year. The NHS foundation trust did not undertake any additional borrowing during 2016/17. During 2017/18, the Trust signed two loan agreements (both with 10 year terms). Replacement of automatic endoscope reprocessors for £3.8m and a modular build endoscopy suite for £6.9m.

\*\*On 2 April 2020, the Department of Health and Social Care (DHSC), NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC revenue support/working capital loans were extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow repayment.

The interest rates on the NHS foundation trust's loans are:-

Additional theatre capacity loan £3.4m is fixed at 0.93% per annum (10 year term).  
 Replacement MRI loan £1.5m is fixed at 1.75% per annum (10 year term).  
 Carbon efficiency capital scheme loan £7.5m is fixed at 2.5% per annum (25 year term).  
 Mobile MRI Scanner loan £1.5m is fixed at 0.90% per annum (10 year term).  
 Replacement of Automated Endoscope Reprocessors scheme loan £3.8m is fixed at 0.76% per annum (10 year term).  
 Modular Build Endoscopy Suite loan £6.9m is fixed at 0.56% per annum (10 year term).  
 Working capital loan £4.9m is fixed at 1.5% per annum (3 year term - see \*\*above).

Interest accrued is paid every six months see finance expense note 7.

There have been no defaults or breaches in relation to the DHSC (formerly ITFF) loans.

**19. Finance lease obligations**

The NHS foundation trust does not have any finance leases obligations either as a lessee or lessor.

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**20. Losses and special payments**

	2020/21 Total number of cases	Foundation Trust & Group 2020/21 Total value of cases £000	2019/20 Total number of cases	2019/20 Total value of cases £000
<b>Losses:</b>				
Bad debts private patients	51	10	37	7
Bad debts overseas visitors	12	32	7	6
Bad debts other	460	264	377	7
Total losses	523	306	421	20
<b>Special payments:</b>				
Ex gratia payment loss of personal effects	10	6	12	4
Compensation under court order or legally binding arbitration award	1	2	1	-
Ex gratia payment personal injury with advice	5	18	3	22
Ex gratia payment other employment payments	1	-	-	-
Ex gratia payment other	2	-	1	1
Total special payments	19	26	17	27
<b>Total losses and special payments</b>	<b>542</b>	<b>332</b>	<b>438</b>	<b>47</b>

**21. Third Party Assets**

The NHS foundation trust held £60 cash at bank and in hand at 31 March 2021 which related to monies held by the NHS foundation trust on behalf of patients (31 March 2020: £1,073).

**22. Contractual Capital Commitments**

Commitments under capital expenditure contracts at 31 March 2021 were £1,069,000 (31 March 2020: £2,911,000).

**23. Related Party Transactions****23.1 Transactions with key management personnel**

IAS 24 requires disclosure of transactions with key management personnel during the year. Key management personnel is defined in IAS 24 as "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity". The Trust has deemed that its key management personnel are the board members (voting and non-voting directors and non-executive directors) of the NHS foundation trust.

However the DH GAM states the requirement in IAS 24 to disclose the compensation paid to management, expenses allowances and similar items paid in the ordinary course of an entity's operations will be satisfied with the disclosures in the Remuneration Report. There were no transactions with board members or parties related to them other than those from the ordinary course the NHS foundation trust's operations.

**23.2 Transactions with other related parties**

The Department of Health and Social Care is the parent department of Harrogate and District NHS Foundation Trust, paragraph 25 of IAS 24 allows entities which are related parties because they are under the same government control to reduce the volume of detailed disclosures.

The DH GAM interprets this as requiring the disclosure of the main entities within the public sector with which the NHS foundation trust has had dealings, but no information needs to be given about these transactions. These entities are listed below:-

County Durham Unitary Authority  
 Darlington Borough Council  
 Gateshead Council  
 Health Education England  
 HM Revenue & Customs  
 Leeds Teaching Hospitals NHS Trust  
 Middlesbrough Council  
 NHS Bradford District and Craven CCG  
 NHS England  
 NHS Leeds CCG  
 NHS North Yorkshire CCG  
 NHS Pension Scheme  
 NHS Property Services  
 NHS Resolution (formerly NHS Litigation Authority)  
 NHS Vale of York CCG  
 North Yorkshire County Council  
 Stockton-on-Tees Borough Council  
 Sunderland City Metropolitan Borough Council  
 York Teaching Hospital NHS Foundation Trust

## Harrogate and District NHS Foundation Trust - Notes To Consolidated Financial Statements 31 March 2021

**24. Financial instruments.**

	<b>Group</b>		<b>Foundation Trust</b>	
	<b>2020/21</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>				
Loans and receivables (including cash and cash equivalents)	<b>39,486</b>	34,111	<b>38,990</b>	33,627
Investments	-	-	<b>1,000</b>	1,000
Consolidated NHS Charitable fund financial assets	<b>2,223</b>	1,699	-	-
	<b>41,709</b>	35,810	<b>39,990</b>	34,627
<b>Financial liabilities</b>				
Loans and payables	<b>32,471</b>	32,987	<b>30,743</b>	31,465
Consolidated NHS Charitable fund financial liabilities	<b>37</b>	51	-	-
	<b>32,508</b>	<b>33,038</b>	<b>30,743</b>	<b>31,465</b>

Management consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair value.

The majority of the NHS foundation trust's income is from NHS Commissioners of patient care services which are funded by the Government to purchase NHS patient care therefore NHS foundation trusts are not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies. The NHS foundation trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS foundation trust in undertaking its activities.

**25. Charitable funds reserve.**

Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the donor has made known their non binding wishes or where the Corporate Trustee, at its discretion, has created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

The charity has one permanent endowment fund. The income of the Elsie Sykes Endowment Fund can be used for medical equipment or medical research (excluding transplant or vivisection work).

	<b>Group</b>	
	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Unrestricted income funds	<b>398</b>	151
Restricted funds	<b>49</b>	59
Endowment fund	<b>1,739</b>	1,438
	<b>2,186</b>	<b>1,648</b>

**26. Ultimate parent.**

As an entity operating in the National Health Service in England, the ultimate parent holding is considered as the Department of Health and Social Care.







**Council of Governors**

**6 September 2021**

**Independent Auditors Report 2020/21**

<b>Agenda item number:</b>	8.1
<b>Presented for:</b>	Information
<b>Report of:</b>	Chief Executive and Deputy Chief Executive/Finance Director
<b>Author (s):</b>	Executive Directors
<b>Report History:</b>	KPMG (External Auditors) Audit Committee Board of Directors NHS England/Improvement Parliament
<b>Publication Under Freedom of Information Act:</b>	This paper can be made available under the Freedom of Information Act 2000
<b>Links to Trust's Objectives</b>	
<b>To deliver high quality care</b>	√
<b>To work with partners to deliver integrated care</b>	√
<b>To ensure clinical and financial sustainability</b>	√

<b>Recommendation:</b>
The Committee is asked note the Independent Auditors Report (2020/21) which was reviewed and approved by the Audit Committee and Board of Directors before submission to NHS England/Improvement and Parliament.

**8.1**



# Auditor's Annual Report 2020/21

Harrogate and District NHS Foundation Trust  
28 June 2021

## Key contacts

Your key contacts in connection with this report are:

### **Rashpal Khangura**

Director

Tel: 07876392195

[Rashpal.Khangura@KPMG.co.uk](mailto:Rashpal.Khangura@KPMG.co.uk)

### **Amy Thomas**

Manager

Tel: 07788304521

[Amy.Thomas1@KPMG.co.uk](mailto:Amy.Thomas1@KPMG.co.uk)

### **Francesca Shaw**

in-charge

Tel: 07825902223

[Francesca.Shaw@kpmg.co.uk](mailto:Francesca.Shaw@kpmg.co.uk)

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Value for money commentary	5

This report is addressed to Harrogate and District NHS Foundation Trust and has been prepared for the sole use of the Trust. We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body'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.

## Harrogate and District NHS Foundation Trust

# Summary

### Introduction

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2020-21 audit of Harrogate and District NHS Foundation Trust. This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Trust alongside the annual report and accounts.

### Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:

- **Accounts** - We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Trust and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the Group Accounting Manual prepared by the Department of Health and Social Care (DHSC).
- **Annual report** - We assess whether the annual report is consistent with our knowledge of the Trust. We perform testing of certain figures labelled in the remuneration report.
- **Value for money** - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Trust use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.
- **Other reporting** - We may issue other reports where we determine that this is necessary in the public interest under the Local Audit and Accountability Act 2014.

### Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities

<b>Accounts</b>	<p>We issued an unqualified opinion on the Trust's accounts on 28 June 2021. This means that we believe the accounts give a true and fair view of the financial performance and position of the Trust.</p> <p>We have provided further details of the key risks we identified and our response on page 4.</p>
<b>Annual report</b>	<p>We did not identify any significant inconsistencies between the content of the annual report and our knowledge of the Trust.</p> <p>We confirmed that the Governance Statement had been prepared in line with the DHSC requirements.</p>
<b>Value for money</b>	<p>We are required to report if we identify any matters that indicate the Trust does not have sufficient arrangements to achieve value for money.</p> <p>We have nothing to report in this regard.</p>
<b>Other reporting</b>	<p>We did not consider it necessary to issue any other reports in the public interest.</p>

## Harrogate and District NHS Foundation Trust

## Accounts audit

The table below summarises the key risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

Risk	Findings
<p><b>Fraudulent expenditure recognition</b></p> <p>We identified more funding was available to the FT than originally anticipated and this created an incentive for management to overstate the level of non-pay expenditure. We considered this would be most likely to occur through overstatement of accruals at the end of the year and to recognise expenditure relating to 2021/22 in the final period of 2020/21.</p>	<p>We did not identify any material misstatements relating to this risk. However, we identified one unadjusted difference regarding the classification of an accrual, the impact would be to reclassify the accrual as a provision, therefore there is no impact on the surplus for the year.</p>
<p><b>Management override of controls</b></p> <p>We are required by auditing standards to recognise the risk that management may use their authority to override the usual control environment.</p>	<p>We did not identify any material misstatements relating to this risk.</p>
<p><b>Fraudulent revenue recognition</b></p> <p>Auditing standards set a rebuttable assumption that there is a risk revenue is recognised inappropriately. We recognised this risk over all of the Trust's income.</p>	<p>We did not identify any material misstatements relating to this risk</p>
<p><b>Valuation of Property, Plant &amp; Equipment</b></p> <p>There is a risk that the valuation of property may be incorrectly estimated.</p>	<p>We did not identify any material misstatements relating to this risk</p> <p>We considered the estimate to be balanced based on the valuer's assessment.</p>

## Harrogate and District NHS Foundation Trust

## Value for money

## Introduction

We consider whether there are sufficient arrangements in place for the Trust for each of the elements that make up value for money. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

Further details of our value for money responsibilities can be found in the Audit Code of Practice at [Code of Audit Practice \(nao.org.uk\)](https://nao.org.uk)

## Matters that informed our risk assessment

The table below provides a summary of the external sources of evidence that were utilised in forming our risk assessment as to whether there were significant risks that value for money was not being achieved:

<b>Care Quality Commission rating</b>	Rating at last inspection was Good.
<b>Single Oversight Framework rating</b>	Segment 2 – Targeted support.
<b>Governance statement</b>	There were no significant control deficiencies identified in the governance statement.
<b>Head of Internal Audit opinion</b>	Significant assurance.

## Commentary on arrangements

We have set out on the following pages commentary on how the arrangements in place at the Trust compared to the expected systems that would be in place in the sector.

## Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
<b>Financial sustainability</b>	One significant risk identified	No significant weaknesses identified
<b>Governance</b>	No significant risks identified	No significant weaknesses identified
<b>Improving economy, efficiency and effectiveness</b>	No significant risks identified	No significant weaknesses identified



# Value for money arrangements

## Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2020-21 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2020-21 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2020-21 and the workforce and operational plans;
- The process for assessing risks to financial sustainability; and
- Processes in place for managing identified financial sustainability risks.

### Summary

The Covid 19 pandemic has had a major impact on the NHS and this has resulted in changes to the financial planning regime. On 17 March 2020 normal contractual arrangements with NHS providers were suspended and the NHS moved to block contract payments on account. The value of these was determined centrally, rather than being agreed between CCGs and providers. NHS organisations were also reimbursed with additional funding as required in order to reflect the additional costs incurred as a result of Covid-19. For months 7-12 of NHSE/I provided allocations for each provider to cover additional cost pressures due to Covid-19 and the provision of services.

The sustained financial pressure on the sector means that the Trust must continue to identify and achieve challenging savings goals to continue to meet its targets. At each year end, the risk therefore increases the Trust will not be able to identify the required level of savings to meet further savings targets. We considered if there were sufficient controls allowing the Trust to effectively manage resources and ensure continuity in the delivery of its services.

We found that the budget monitoring and control processes were able to identify and incorporate significant pressures into the financial plan to ensure it was achievable and realistic. The initial draft budgets were constructed based on appropriate local and national planning assumptions and we saw evidence of appropriate review and sign off by the relevant budget holders. Emerging cost pressures are identified through monthly review of budget statements by the budget holders and review of any material overspends.

Following changes to the funding regime for months 7-12 the Trust presented a Financial Plan with a deficit of £1.5m in December 2020. CIP efficiencies were not expected during the year because of the pandemic.

In respect of 2021-22 the Trust has established appropriate governance arrangements to develop a plan for 2021-22, the planning process for 2021-22 has reflected the risks and uncertainties initially regarding the uncertainties with the nationally planning guidance and system allocations. Once the guidance was published the Trust developed a breakeven plan for the first half of 2021-22 using appropriate assumptions on run-rates, establishment and income. The Trust acknowledge there are risks and uncertainties as guidance including levels of income are not certain into the second half of 2021/22 and have established arrangements for identifying, reporting and taking appropriate actions to ensure financial sustainability.

### Conclusion

We were satisfied from the work performed that the Trust had appropriate arrangements in place to manage and monitor its achievement of financial sustainability.

# Value for money arrangements

## Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2020-21 financial plan by the Board, including how financial risks were communicated;
- Processes for monitoring performance against budgets and taking actions in response to adverse variances;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Board ensures decisions receive appropriate scrutiny.

### Summary

We consider the Trust to have effective processes in place to monitor and assess risk. Strategic risks are recorded and identified using the Board Assurance Framework, and any identified risks are reported to the appropriate governing body. Our review of the risk register found this was sufficiently detailed to effectively manage key risks.

The Trust has ensured appropriate scrutiny, challenge and transparency on decision making. Business cases are presented to the Board following internal review and approval. We reviewed a sample of business cases for 2020-21 and found there was evidence of scrutiny and challenge.

We have also reviewed the approval of the 2020-21 financial plan by the Board and seen suitable scrutiny and challenge within this approval leading to actions taken to improve the plan before submission. Financial risks from this plan are also then communicated within the risk register and discussed within the Audit Committee and at Board meetings.

The financial planning regime has significantly changed for 2020-21. We reviewed the revised governance arrangements in relation to budget setting and monitoring. This included a review of processes for identifying and monitoring additional costs associated with Covid 19. We have also reviewed changes to procurement processes during the pandemic.

We found there to be appropriate scrutiny and challenge of the budgets and appropriate approval through the budget holders. In order to understand their financial performance against their budget, all budget holders have access to a monthly budget holder clinic with the management accounts team to review and discuss budget statements and forecast financial positions and to identify plans to resolve any adverse variances. We also found appropriate processes in place to ensure accurate recording and monitoring of the additional costs associated with Covid 19.

Reviews of compliance with laws & regulations, staff code of conduct and the Trust's constitution is completed through Board meetings, Audit Committee and other governance structures as identified through our testing.

### Conclusion

We were satisfied from the work performed that the Trust had appropriate governance arrangements in place to enable it to successfully deliver value for money.

# Value for money arrangements

## Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- The engagement with partnerships and how the performance of those partnerships is monitored and reported within the organisation; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

### Summary

We note that from the 17 March 2020 QIPP/CIP programmes were put on hold in accordance with national guidance. This was to allow CCGs and providers to respond to the pandemic. For months 7 - 12 any service redesign, service extension and/or transformation were to be based on provider capacity, IPC guidelines and estates.

We have found that the Trust has appropriate processes in place to ensure the Trust used information about costs and performance to improve the way they manage and deliver services

Directorate level financial reporting packs are produced on a monthly basis for review and discussion at senior leadership team meetings and directorate and network hub meetings. A monthly finance report is produced for discussion at Trust Board detailing the year to date and forecast financial position and highlighting any financial risks. Management also maintains and monitors costs by reviewing the information received from benchmarking run both by the NHS and by organisations such as HFMA. Additionally the Trust also participates in the benchmarking exercise for their NHS client group.

Where the Trust has formal partnership arrangements in place, key performance indicators are set at the point of issue. This is monitored, by commissioners, through the formal contract monitoring arrangements. The Quality Improvement sub committee of the Board receives reports and briefings on behalf of the Board highlighting positive and negative outcomes. Escalation to Board is made if there is a decision to leave a partnership or start a new partnership. Risk management of reputational risks associated with partnership are also discussed there.

### Conclusion

We were satisfied from the work performed that the Trust had appropriate arrangements in place to enable it to improve economy, efficiency and effectiveness.



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# Year end report 2020/21

**Harrogate and District NHS Foundation  
Trust**

June 2021

I confirm that this is the final version of our ISA 260 Audit Memorandum relating to our audit of the 2020/21 financial statements for Harrogate and District NHS Foundation Trust. This document was discussed and approved by the Trust's Audit Committee on 04 June 2021.

**Rashpal Khangura**

Director for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Leeds

28 June 2021

Our audit opinions and conclusions:

Financial Statements: unqualified

Use of resources: no significant weaknesses  
identified

## Key contacts

Your key contacts in connection with this report are:

### **Rashpal Khangura**

Director

Tel: 07876392195

[Rashpal.Khangura@KPMG.co.uk](mailto:Rashpal.Khangura@KPMG.co.uk)

### **Amy Thomas**

Manager

Tel: 07788304521

[Amy.Thomas1@KPMG.co.uk](mailto:Amy.Thomas1@KPMG.co.uk)

### **Francesca Shaw**

in-charge

Tel: 07825902223

[Francesca.Shaw@kpmg.co.uk](mailto:Francesca.Shaw@kpmg.co.uk)

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## Harrogate and District NHS Foundation Trust

# Introduction

### To the Audit Committee of Harrogate and District NHS Foundation Trust

We are pleased to have the opportunity to meet with you on 04 June 2021 to discuss the results of our audit of the financial statements of Harrogate and District NHS Foundation Trust (the 'Trust') as at and for the year ended 31 March 2021.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented in January 2021. We will be pleased to elaborate on the matters covered in this report when we meet.

Our audit is substantially complete. There have been no significant changes to our audit plan and strategy, which was updated by the progress report we presented to the 04 May 2021. Subject to your approval of the financial statements, we expect to be in a position to sign our audit opinion on 28 June 2021, provided that the outstanding matters noted on page 4 of this report are satisfactorily resolved.

We expect to issue an unmodified Auditor's Report on the financial statements and have not identified any significant weaknesses in your arrangements to secure value for money. In addition to this opinion we will prepare our Auditor's Annual Report which contains a narrative summary of our findings to be published on the Trust's website.

We draw your attention to the important notice on page 4 of this report, which explains:

- The purpose of this report;
- Limitations on work performed; and
- Restrictions on distribution of this report.

Yours faithfully,

**Rashpal Khangura**

28 June 2021

### How we have delivered audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- **Executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality controls** and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics** and **integrity**.

The National Audit Office (NAO) has issued a document entitled Code of Audit Practice (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.



## Harrogate and District NHS Foundation Trust

# 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 has been prepared for the Audit Committee, in order to communicate matters of interest as required by 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.

### Purpose of this report

This report has been prepared in connection with our audit of the consolidated financial statements of Harrogate and District NHS Foundation Trust (the 'Trust') and its subsidiaries, prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted by the Group Accounting Manual issued by the Department of Health and Social Care, as at and for the year ended 31 March 2021. This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you.

### Limitations on work performed

This report is separate from our 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. 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.

### Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit Committee of the Trust; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.





## Harrogate and District NHS Foundation Trust

# Our audit findings

### Significant audit risks

Page 8 - 13

Significant audit risk	Risk change	Our findings
Fraudulent Revenue Recognition	Stable	The results of our testing were satisfactory. We considered the amount of revenue recognised to be acceptable
Non-pay Expenditure Recognition	Stable	The results of our testing were satisfactory. We considered the amount of expenditure recognised to be acceptable
Valuation of Land & Buildings	Stable	The results of our testing were satisfactory. We did not find any issues with regards the valuation of land & buildings
Management override of control	Stable	The results of our testing were satisfactory. We did not find any indication of management override of control.

### Key accounting estimates

Page 14

Property Plant and Equipment Valuations	Neutral	We assessed the assumptions underpinning the valuation on which the carrying value of PPE is based. Assumptions were found to be neutral.
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### Value for money

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Under the Code of Audit Practice we are required to report to you if we have identified a significant weakness in the Trust's arrangements to securing economy, efficiency and effectiveness in its use of resources. We have nothing to report in this respect. Our Annual Audit Report contains our public commentary in regard to this work will be issued at a later date.

### Whole of Government Accounts

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 Department of Health and Social Care.

### Audit misstatements

Page 29

We have identified one uncorrected audit misstatement and two corrected audit misstatements and a small number of presentational/disclosure amendments.

### Number of Control deficiencies

Page 24

Significant control deficiencies	0
Other control deficiencies	3
Prior year control deficiencies remediated	6

### Other matters

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. There are no such matters we wish to bring to your attention. We are unable to certify the audit as complete until we have issued our Auditor's Annual Report.



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## Harrogate and District NHS Foundation Trust

# COVID-19: Audit implications

The table below identifies the specific areas of our audit that were expected to be affected by the COVID-19 pandemic, and how our audit differs from those prior to the pandemic.

<b>Materiality</b>	<ul style="list-style-type: none"> <li>- There have been no changes to our calculation of materiality from the value we included in our planning document. We utilised the total income as per the 2019/20 financial statements in setting materiality for the audit. The block payments for the first half of the year were based on prior year, therefore this is a reasonable proxy for the income for 2020/21.</li> </ul>
<b>Subsequent events disclosures</b>	<ul style="list-style-type: none"> <li>- We considered the impact of events subsequent to the reporting date to determine whether subsequent events should be reflected (adjusting) vs. disclosed (non-adjusting) in the financial statements. At the time of writing our report we have not identified any issues which require reporting.</li> <li>- We will continue to monitor this through to the date of the auditor's report.</li> </ul>
<b>Audit effort and audit fees</b>	<ul style="list-style-type: none"> <li>- We have not charged additional fees due to the challenges of remote working as we consider that the extra costs incurred are offset by efficiencies inherent to home working.</li> </ul>
<b>Going concern</b>	<ul style="list-style-type: none"> <li>- The required enhanced procedures under the revised ISA (UK) 570 on your risk assessment process and fact that we need to perform procedures through to the date of the auditors' report, which is due to be later than in prior years, meant a different approach in this key area.</li> <li>- Practice Note 10 (and the Group Accounting Manual) have been updated during the year to reiterate the continuation of services principal and therefore, despite the ongoing uncertainty of funding, we have concluded that it is appropriate to prepare your financial statements on a going concern basis.</li> </ul>
<b>Estimates</b>	<ul style="list-style-type: none"> <li>- The Trust's valuation of land and buildings at 31 March 2020 included a material uncertainty paragraph relating to the uncertainty in measuring values of estates at the year end due to the lockdown restrictions that had recently been implemented. However it is noted that RICS have issued guidance reiterating that an inherent uncertainty paragraph is not expected in every asset valuation issued for 2020/21. Within the valuers report for Harrogate and District NHS Foundation Trust, there is no material uncertainty paragraph this year.</li> <li>- We evaluated the methods, assumptions and data used to derive the estimates for asset valuations to obtain evidence that they are appropriate in the context of the financial reporting framework and are, when appropriate, based on conditions and events at the measurement date.</li> <li>- We evaluated whether related disclosures comprise required disclosures, including significant assumptions about the future and other major sources of estimation uncertainty, and whether they include the information necessary to achieve the fair presentation of the financial statements as a whole.</li> <li>- We have communicated our views about significant qualitative aspects of accounting estimates.</li> </ul>



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## Harrogate and District NHS Foundation Trust

# COVID-19: Audit implications (contd.)

### Obtaining sufficient appropriate audit evidence

- There was an extension to the standard timetable (to 15<sup>th</sup> June 2021) for the completion of our audit to enable us to obtain sufficient appropriate audit evidence to support our audit opinion. This was made for all providers and was to allow auditors more time to:
  - modify audit procedures when expected audit evidence was unavailable;
  - collate external confirmations or perform alternative audit procedures; or
  - allow further time for the settlement of invoices.
- We adapted our testing methods to respond to challenges of remote working:
  - using secure and innovative technologies, for example video access to perform walkthroughs of processes; and
  - scheduled regular catch up video calls with the finance team to discuss any issues as they arose.

# Audit risks

1

## Expenditure recognition

Fraud risk related to misstatement of expenditure

### Significant audit risk

#### The risk

During the current year, NHS I/E have removed Trust control totals and provided funding at a system level.

We have identified more funding is available to the FT than originally anticipated and this creates an incentive for management to overstate the level of non-pay expenditure.

We consider this would be most likely to occur through overstatement of accruals at the end of the year and to recognise expenditure relating to 2021/22 in the final period of 2020/21.

This risk relates to the existence of non-pay, non-depreciation expenditure and year end accruals.

### Our response

We performed the following procedures in order to respond to the significant risk identified:

- Assessed the design and implementation, and the operating effectiveness of the application of the purchase ledger control, which matches the purchase order to the valid invoice, prior to making a payment to the supplier.
- The Trust has high level controls in place designed to detect misstatement of accruals (such as review of management accounts) and we understand year on year comparisons are undertaken as part of preparation of the financial statements. These controls are not formally documented and do not meet the management review control requirements as defined by Auditing Standards. As such we have not tested the operating effectiveness of these.
- We carried out sample testing of expenditure in the period prior to and following 31 March 2021 to determine whether expenditure is recognised in the correct accounting period;
- We selected a sample of year end accruals and inspected evidence of the actual amount paid after year end in order to assess whether the accrual had been accurately recorded; and
- We assessed the outcome of the agreement of balances exercise with other NHS organisations and compared the values reported to the value of expenditure captured in the financial statements. We sought explanations for any variances over £200,000, and all balances in dispute.

### Our findings

We did not identify any issues in relation to the recognition of expenditure. We did however have an unadjusted audit difference in relation to the fact not all of the Flowers accrual met the technical definition of an accrual and should therefore be a provision.

## Harrogate and District NHS Foundation Trust

## Audit risks

2

## Revenue recognition recognition

Fraud risk related to misstatement of revenue

## Significant audit risk

## The risk

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.

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 share based management concerns.

As the Trust is required to meet an agreed total at the end of the year this may create an incentive for revenue to be manipulated in order to achieve budgeted financial performance. As much of the Trust's income for 2020-21 has been contracted on a block basis our risk will be focused on the variable elements of income the Trust has received during the year.

## Our response

- We evaluated the design of controls in place for the Trust to engage in the agreement of balances exercise with other NHS providers and commissioners and follow up variances arising from the exercise;
- Contract agreement: We agreed commissioner income to the agreed block contracts for the second half of the year and selected a sample of the largest balances to agree that they have been invoiced in line with the contract agreement and payment has been received;
- Income recognition: We completed sample testing of invoices for material income in the period prior to and following 31 March 2021 to determine whether income is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties;
- Agreement of Balances: We assessed the outcome of the agreement of balances exercise with CCGs and other NHS providers and confirm the values they are disclosing within their financial statements to the value of income captured in the financial statements. We sought explanations for any variances over £200,000, and all balances in dispute, and challenged the Trust's assessment of the level of income they are entitled to and receipts that can be collected;
- Other income: We tested material other income balances by agreeing a sample of income transactions through to supporting documentation and bank balances as appropriate.

## Our findings

We did not identify any issues in relation to income recognition.

## Significant audit risk

### The risk

Land and buildings are required to be held at fair value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with a 'modern equivalent asset'.

The gross book value of the Trust's land and buildings at 31 March 2021 was £79.4m.

Trusts are responsible for ensuring their land and buildings are fairly valued. Guidance from NHSI has suggested that Trusts typically achieve this by performing an annual review for impairment, a periodic desktop valuation (usually every three years) and a full valuation (usually in five yearly intervals). The asset valuation and impairment review processes are both estimates and therefore present a significant risk to the audit.

### Our response

- We critically assessed the independence, objectivity and expertise of the valuers used in developing the valuation of the Trust's properties at 31 March 2021;
- We inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the Group Accounting Manual;
- We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information, such as floor plans, and to previous valuations, challenging management where variances are identified;
- We critically assessed the controls in place for management to review the valuation and the appropriateness of assumptions used;
- We considered the carrying value of the land and buildings; including any material movements from the previous revaluations. We challenged key assumptions within the valuation, including the use of relevant indices and assumptions of how a modern equivalent asset would be developed, as part of our judgement.
- We agreed the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the GAM;
- Disclosures: We will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

### Our Findings

We did not identify any issues with the valuation and how it has been reflected in the accounts, however we have raised a recommendation over the management review of the valuation.

## Harrogate and District NHS Foundation Trust

## Audit risks

4

Management override of controls<sup>(a)</sup>

Fraud risk related to unpredictable way management override of controls may occur

## Significant audit risk

## The risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.

## Our response

Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we will test the operating effectiveness of controls over journal entries and post closing adjustments.

- We assessed the controls in place for the approval of manual journals posted to the general ledger to ensure that they are appropriate.
- We analysed all journals through the year using data and analytics and focus our testing on those with a higher risk.
- We assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- We reviewed the appropriateness of the accounting for significant transactions that are outside the Trust's normal course of business, or are otherwise unusual.
- We assessed the controls in place for the identification of related party relationships and tested the completeness of the related parties identified. We also confirmed that these have been appropriately disclosed within the financial statements.

## Our findings

We did not identify any issues with regards to management override of controls.

Note: (a) Significant risk that professional standards require us to assess in all cases.



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# Audit risks

5

General Ledger - NEP

## Area of audit focus

### The risk

The Trust moved to a new general ledger in October 2018.

As part of our 2019/20 audit, it was noted that the finance team continued to encounter difficulties when trying to obtain information from the system.

There is a risk that operational issues could result in insufficient audit evidence being provided.

### Our response

- We conversed with management to understand the discussions held with the general ledger provider, NEP, in order to develop solutions to enable the Trust to extract the required information from the system.
- We followed up on our prior year recommendations regarding IT issues and expenditure transaction listings to confirm the solutions which have been implemented provide sufficient, robust audit evidence.
- The availability of relevant data and evidence of controls will be accessed through performance of specific controls testing.
- We shall review the outcome of the Type II controls report provided by NEP in relation to the ledger and we shall identify and assess the impact upon our audit approach where any gaps in controls are highlighted in the report.

### Our Findings

We noted that this year, for most of the year, transactions were able to be produced to the level of detail we required, however for the final two months of the year, an issue with the volume of data meant more summarised reports had to be provided.

Given the issues in prior year around the reliability of reports for our IT controls testing, this year we took the decision not to rely on IT controls and increased our substantive testing accordingly.

No issues were identified in the Type II controls report for NEP that had an impact on our audit.



## Harrogate and District NHS Foundation Trust

# Mandated risks

Risk	Why	Finding from the audit
Fraud risk from revenue recognition	Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.	While you are not listed and your overall audit is considered low risk you do have varied revenue streams we have therefore included this risk within our work outlined above as Significant Risk 2.
Fraud risk from management override of controls	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.  We have not identified any specific additional risks of management override relating to this audit	Our procedures, including testing of journal entries, accounting estimates and significant transaction outside the normal course of business, no instances of fraud were identified.

**Reconfirming materiality:** We can confirm that we have completed all our audit work to the materiality that we proposed at the planning stage of the audit, which was group materiality of £4,005,000, performance materiality of £2,600,000 with an audit differences posting threshold of £200,000.



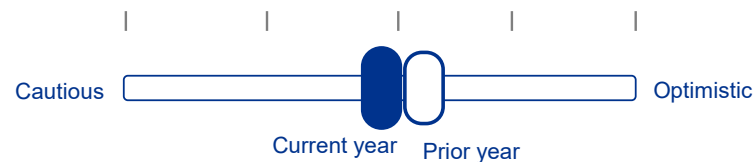
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## Harrogate and District NHS Foundation Trust

# Key accounting estimates – Overview

### Our view of management judgement

Our views on management judgments with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.



Asset/liability class	Our view of management judgement	Balance (£m)	Our view of disclosure of judgements & estimates	Further comments
Valuation of land and buildings	<p>Cautious   Neutral   Optimistic</p>	79.4	<p>Needs improvement   Neutral   Best practice</p>	We have considered the Trust's revaluation exercise undertaken in year in some detail. We have also reviewed asset lives and VAT treatment, see further description at pages 10 and 11. The asset lives, valuation methodologies and underlying assumptions are in line with sector norms and our understanding of the Trust. The VAT treatment is in line with sector norms and historic agreements with HMRC.

## Harrogate and District NHS Foundation Trust

# Other matters

### Annual report

We have read the contents of the Annual Report (including the Accountability Report, Directors Report, Performance Report and Annual Governance Statement (AGS)) and audited the relevant parts of the Remuneration Report. We have checked compliance with the NHS Group Accounting Manual (GAM) issued by Department of Health and Social Care and Foundation Trust Annual Reporting Manual (the ARM). Based on the work performed

- We have not identified any inconsistencies between the contents of the Accountability, Performance and Director's Reports and the financial statements.
- We have not identified any material inconsistencies between the knowledge acquired during our audit and the director's statements. As Directors you confirm that you consider that the annual report and accounts taken as a whole are fair, balanced and understandable and provide 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. Except in relation to the Chief Executive's Pension Benefit disclosure, the Chief Executive opted out of the NHS pension arrangement during 2019/20 and the Trust have been unable to obtain information for the required disclosures for 2020/21.
- The AGS is consistent with the financial statements and complies with relevant guidance subject to updates as outlined on page 4; and
- The report of the Audit Committee included in the Annual Report includes the content expected to be disclosed as set out in the GAM and ARM and was consistent with our knowledge of the work of the Committee during the year.

### Whole of Government Accounts

As required by the National Audit Office (NAO) we are required to provide a statement to the NAO on your consolidation schedule. We comply with this by checking that your summarisation schedule is consistent with your annual accounts. We have completed that work and found no matters to report. The Trust was selected for additional procedures this year. We have completed this testing and have no matters to report. We have charged an additional £4k for this work.

### 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.

### Audit Fees

Our fee for the audit was £95,000 plus VAT (£74,000 in 2019/20). This fee is in line with our audit plan agreed by the Audit Committee in January 2021.

We will also be undertaking audits of the HHFM and charity accounts later in the year. The fees for these pieces of work are £16,500 and £6,000 respectively.

We have not completed any non-audit work at the Trust during the year



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## Harrogate and District NHS Foundation Trust

# Value for money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor's Annual Report, which is required to be published on your website alongside your annual report and accounts.

### Commentary on arrangements

In addition to this report we will prepare our Auditor's Annual Report which contains a narrative summary of our findings to be published on the Trust's website. This is planned to be completed by the end of June.

### Response to risks of significant weaknesses in arrangements to secure value for money

As reported in our risk assessment we noted one risk of a significant weakness in the Trust's arrangements to secure value for money. Our response to this risk is set out on page 17, we have no recommendations to report.

### Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	One significant risk identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant weaknesses identified

We have identified 1 significant risk that there are not appropriate arrangements in place as part of the procedures we have undertaken. We have provided a summary of the procedures performed and our key findings from these on page 17.

## Harrogate and District NHS Foundation Trust

## Value for money - risk of significant weakness in arrangements

Domain - Financial sustainability	
Description of risk	Our response
<b>NHS Trusts and Foundation Trusts submitted financial plans for 2020/21, that in aggregate forecast a system deficit. So maintaining financial balance, whilst maintaining the quality of Healthcare provision, is therefore a key objective for all organisations.</b>	<ul style="list-style-type: none"> <li>- Review of how the 2021/22 plan has been developed; and</li> <li>- Review of the process for assessing risks to financial sustainability along with how these are monitored and mitigated.</li> </ul>
	<p><b>Our findings</b></p> <p>In respect of 2021-22 the Trust has established appropriate governance arrangements to develop a plan for 2021-22, the planning process for 2021-22 has reflected the risks and uncertainties initially regarding the uncertainties with the nationally planning guidance and system allocations.</p> <p>Once the guidance was published the Trust developed a breakeven plan for the first half of 2021-22 using appropriate assumptions on run-rates, establishment and income.</p> <p>The Trust acknowledge there are risks and uncertainties as guidance including levels of income are not certain into the second half of 2021/22 and have established arrangements for identifying, reporting and taking appropriate actions to ensure financial sustainability.</p> <p><b>Conclusion</b></p> <p>We were satisfied from the work performed that the Trust has appropriate arrangements in place to manage and monitor its achievement of financial sustainability.</p>

# Appendix

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## Appendix One

# Revision to the Going Concern auditing standard

The revision of International Standard on Auditing (ISA) 570 relating to going concern applies for audits of the year ending 31 March 2021 and subsequent years. The revised standard introduces a requirement for all entities to complete a formal assessment of their status as a going concern and recommends that this is presented to the entity's Audit Committee.

Going concern is a fundamental concept to the preparation of the accounts for all entities, however it is interpreted separately in the public sector. While the risk associated with going concern is lower for NHS providers and commissioners care should be taken to ensure appropriate consideration is given to assessing whether there is a risk that the going concern status might not be appropriate.

### Practice Note 10

The expectations for content to be included within a going concern assessment are set out in Audit Practice Note 10, which provides guidance for completing audits in the public sector in the UK. This sets out that a risk assessment for an entity in the public sector must at a minimum consider the following factors:

- What are the requirements of the reporting framework with regards to going concern; and
- Complete a risk assessment to consider whether there are any factors that would call into doubt the going concern status.

### Requirements of the reporting framework

The definition of going concern is set out in the Financial Reporting Manual published by HM Treasury and supported by the DHSC Group Accounting Manual. These set out that:

*"For non-trading entities, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern."*

#### HM Treasury Financial Reporting Manual

The above therefore means that the assurance over the continued provision of services comes primarily from the publication of documents that set out that the services the organisation provides will continue to be provided. This means even if it is expected that the organisation will merge it is still considered to be a going concern.

In forming the going concern assessment providers and CCGs are required to consider whether there is a documented expectation for the services they provide to continue. This can consider factors such as:

- The requirement for health services to be provided is set out in legislation, such as the Health Act and Health and Social Care Act.
- The presence of published allocations, such as resource limits for CCGs, that confirm they will continue to receive funding.
- The presence of strategies, such as ICS long term plans, that plan for the continued provision of the services provided by the entity.



## Appendix One

# Revision to the Going Concern auditing standard

### Risk assessment

The assessment of going concern should consider whether any risks have been identified that may mean the going concern assumption is not appropriate. As the key sources of assurance that services will provide are based on legislation and published strategies this should focus on whether there are any factors published that could lead to the services provided ending.

This assessment should consider the impact of the white paper that is currently being consulted on, particularly for the establishment of integrated care systems as legal entities.

### Assessing financial performance

While the focus of the going concern assessment does not need to be on financial performance it is important that there is an understanding of the expected future financial performance, particularly if it is expected there may be deficits or gaps in funding available.

While deficits or gaps in funding may not lead to a modification of the going concern status they may still require disclosure within the going concern accounting policy so that users of the accounts can understand why the accounts are prepared on a going concern basis.

### Demising entities

Where a CCG or provider is due to demise, for example due to merger with another entity, then they are still considered to be a going concern. The risk assessment will need to give the same consideration as set out above for the new merged entity to confirm that it is appropriate for it to be considered a going concern.

### Conclusion

Following our consideration of the above we have concluded that management's decision, based on the continuation of services principle, to prepare the financial statements on a going concern basis is a reasonable one.












## Appendix Two

# Changes to our audit reports as a result of ISA (UK) changes

Going concern	Irregularities and fraud	Laws and Regulations
<p>Our conclusion on going concern has been updated to provide a positive confirmation that we have not identified any factors that would cause us to consider there is a material uncertainty over the Trust's status as a going concern.</p>	<p>In all audit reports, we are now required to <b>explain to what extent the audit was considered capable of detecting irregularities, including fraud.</b></p> <p>This is tailored to each audit. We include a summary of what risks we identified relating to fraud and what procedures we have performed in response to these.</p>	<p>For audits of financial periods commencing on or after 15 December 2019, auditors are required to explain in the auditor's report to what extent the audit was considered capable of detecting irregularities, including fraud.</p> <p>This was already a requirement for auditors of public interest entities (PIEs) in ISA (UK) 700 (Revised June 2016).</p> <p>We also set out as part of the report the laws and regulations that we have identified that have a direct impact on the preparation of the Trust's accounts.</p>










## Appendix Three

## Required communications with the Audit Committee

Type		Response
<b>Our draft management representation letter</b>		We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2021.
<b>Adjusted audit differences</b>		There were six adjusted audit differences. See Appendix 5.
<b>Unadjusted audit differences</b>		The aggregated impact on the reported surplus of unadjusted audit differences would be £nil. In line with ISA 450 we request that you adjust for these items. However, they will have no effect on the opinion in the auditor's report, individually or in aggregate. See Appendix 5.
<b>Related parties</b>		There were no significant matters that arose during the audit in connection with the entity's related parties.
<b>Other matters warranting attention by the Audit Committee</b>		There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
<b>Control deficiencies</b>		We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
<b>Actual or suspected fraud, noncompliance with laws or regulations or illegal acts</b>		No actual or suspected fraud involving management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements was identified during the audit.
<b>Make a referral to the regulator</b>		If we identify that potential unlawful expenditure might be incurred then we are required to make a referral to your regulator. We have not identified any such matters.
<b>Issue a report in the public interest</b>		We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.

## Appendix Three

## Required communications with the Audit Committee

Type		Response
Significant difficulties		No significant difficulties were encountered during the audit.
Modifications to auditor's report		None. We have complied with the new requirements of AGN07 which removes the need for Foundation Trusts to have audit findings reported via a long for audit report.
Disagreements with management or scope limitations		The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information		No material inconsistencies were identified related to other information in the annual report, Strategic and Directors' reports.  The Annual report is fair, balanced and comprehensive, and complies with the revised guidance issued during March 2021.
Breaches of independence		No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices		Over the course of our audit, we have evaluated the appropriateness of the Trust and Group's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management		No significant matters arising from the audit were discussed, or subject to correspondence, with management.
Certify the audit as complete		Due to the Auditor's Annual Report being issued later in the year we have not yet certified the audit as complete. There are no other issues delaying this being issued.
Standard representations requested		We have requested the standard letter of management representation.

## Appendix Four

# Recommendations raised and followed up

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations			
1	Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2	Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.
3	Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.		

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
1	3	<p><b>Overpayment to employees following their leave date</b></p> <p>As part of our payroll controls testing, we noted that, out of a sample of 25, two employees had been paid after their leave date due to leavers forms not being submitted to payroll in a timely manner. This led to the Trust having to issue invoices to these employees to recoup the payment. This takes up the time of the payroll team which could be used elsewhere, and also means the Trust is incurring expenditure unnecessarily.</p> <p>All managers should be reminded of the importance of submitting leavers forms in a timely manner, and establishment checks carried out monthly prior to the payroll run to confirm that all staff within a particular budget holder's budget are still working for the Trust.</p>	
2	3	<p><b>Documenting review of valuation report</b></p> <p>The scrutiny of auditors and what they report has increased in recent year. As such, we are required to note where certain control procedures fall below what is considered best practice.</p> <p>We have noted that, although management do review the valuation report and sense check the output, they do not formally document their review, which means there is no audit trail to show they have carried out this check. It is recommended that a brief note is prepared once the valuation report has been reviewed and kept for audit purposes.</p>	
3	3	<p><b>Treatment of assets with nil net book value</b></p> <p>Assets with nil net book value (NBV) are currently removed from the asset register in the year where their NBV becomes nil, even if they are still held by the Trust. This means there is a risk that the Trust does not hold an accurate list of all assets it owns, and may lead to issues when accounting for profit on disposal in future years. Also, they could understate both the gross book value and accumulated depreciation.</p> <p>As such, the current treatment of nil NBV assets should be reviewed and assessed for appropriateness.</p>	

## Appendix Four

# 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):
8	6	2

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2021)
Financial Statements				
1	1	<p><b>IT issues around leavers access</b></p> <p>As part of our work over IT access controls, we identified 35 leavers who were still listed as active on Oracle (the general ledger system). Of these, there were thirteen leavers who had left the organisation in 2019, but all appeared to have accessed Oracle (the general ledger system) in 2020. From reviewing the times when these employees apparently accessed the system, the majority of them appeared to be out of office hours, such as around 1am. This could either indicate a malicious attack on the system which exploits a weakness around leavers or that there is something within the IT software which overwrites users last date of access meaning there is no audit trail. Despite attempts to follow this up with the software provider (NEP), no satisfactory explanation was received. This therefore meant we had to amend our testing approach over the majority of balances, such as increasing sample size, as we were unable to rely on the IT integrity of the general ledger. We did not find any evidence of an access breach as a result of our additional testing, which indicates this is likely to be a reporting issue from NEP, however we cannot eliminate this risk from the evidence provided.</p> <p>There are two recommendations in relation to this issue:</p> <ol style="list-style-type: none"> <li>1) The processes around notifying IT of leavers needs to be improved so their access is revoked the day they leave the Trust; and</li> <li>2) In order to avoid the likelihood of additional audit work over the general ledger being required next year, work should begin now with NEP (the provider of the general ledger) to establish whether there is a weakness within the software which leaves it vulnerable to attack. Discussions should also be held around the need for an audit trail of when staff last accessed the system.</li> </ol>	<p>The process around leavers is to be strengthened by adding an additional control/process each month end, the ESR Leavers file will be reviewed each month to ensure all leavers have been captured. The issue with the NEP report and lack of Audit Trail will be logged with NEP for them to resolve.</p> <p><b>Officer:</b> Thomas Morrison</p> <p><b>Due Date:</b> June 2020</p>	<p>Management discussed the issues with NEP who produced a letter regarding how they were going to address the issues identified. As an audit team we concluded we would not be able to rely on these changes this year, as they were made part way through the financial year. We therefore amended our testing to reduce our reliance on IT controls and undertook more substantive testing.</p> <p><b>Recommendation closed</b></p>

## Appendix Four

## Recommendations raised and followed up

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2021)
Financial Statements				
2	2	<p><b>Expenditure transaction listings</b></p> <p>Non-pay expenditure is a significant risk within our audit plan. As a result, we substantively test a sample of expenditure back to invoices or other supporting documentation. In order to do this efficiently, we require a transaction level breakdown of all expenditure in year, which we then use sampling software to select a statistically appropriate sample. Due to the way the general ledger is set up, it was not possible to obtain a listing which contained the granularity we required. This slowed down our audit approach due to multiple attempts at extracting a listing not working, therefore we had to take a different approach, which was slower and more time consuming for both ourselves and the finance team.</p> <p>To avoid this being an issue for next year's audit, the finance team should speak to the provider of the general ledger to produce a report which gives a line by line breakdown of expenditure.</p>	<p>Agreed</p> <p><b>Officer:</b> Thomas Morrison</p> <p><b>Due Date:</b> July 2020</p>	<p>We noted that for months 1-10, the finance team were able to produce listings in the level of detail required. For months 11 and 12, due to the volume of data, the system could only produce summary data. This is something that should be looked at for the 2021/22 audit, as the difference in reports meant we had to spend more time cleansing and validating the data prior to sampling.</p> <p><b>Recommendation partially closed</b></p>
3	2	<p><b>Provision of audit information</b></p> <p>We have been the Trust's auditor for a number of years. In that time the level of scrutiny of audit firms has increased, leading to us now having to perform more rigorous and in-depth audit procedures. This means the level of information we require from both the finance team and other areas of the Trust has changed. Although we provide a list of our document requests in advance of the audit and undertook an audit workshop earlier in the year, we experienced delays in receiving information throughout the audit, and in some cases the information provided was not what we required meaning additional requests had to be made. The accounts were being produced just at the UK went into lockdown as a result of the Covid-19 global healthcare crisis, which will have contributed to some of the delays. At a time when the Trust is facing unprecedented demands on staff time due to Covid-19, anything that can be undertaken to reduce the burden on staff, whilst still fulfilling statutory duties, should be considered.</p> <p>An accounts and audit timeline should be produced in advance of the 2020/21 year end which is agreed with the auditors. All staff involved in the process should agree to adhere to the timeline. There should also be clear oversight of documents produced for audit with a sense check of the information being provided prior to it being sent to the auditors to ensure it contains the required information and reconciles back to the financial statements.</p>	<p>Agreed</p> <p><b>Officer:</b> Jonathan Coulter</p> <p><b>Due Date:</b> December 2020</p>	<p>We note that the speed of response to the majority of our requests did improve this year, with an adherence to our prepared by client list that we haven't seen in previous years.</p> <p>There were still some delays in receipt of non-financial information, and as such, management should continue to work with other areas of the Trust to ensure they are aware of the audit timetable.</p> <p><b>Recommendation closed</b></p>



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## Appendix Four

## Recommendations raised and followed up

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2021)
Financial Statements				
4	2	<p><b>Overpayment of employee due to staff leaving form not being sent to payroll</b></p> <p>Our data and analytic work over payroll identified an instance of an employee being paid after their leaving date for work they had not carried out due to a leavers form not being submitted to payroll in a timely manner. This is consistent with internal audit findings on payroll integrity, and had already been followed up for payment by the Trust. Without appropriate checks in place, the Trust could incur costs in relation to obtaining repayment of overpaid salary.</p> <p>As well as reminding managers of the importance of submitting leaver forms in a timely manner, establishment checks should be carried out on a monthly basis to confirm that all staff within a particular budget holder's budget are still working for the Trust.</p>	<p>Nominal Roles reports will be issued each month to Budget Holders and they will be reminded of the importance of checking these for leavers and of the importance of completing leaver forms on a timely manner in general.</p> <p><b>Officer:</b> Thomas Morrison</p> <p><b>Due Date:</b> July 2020</p>	<p>We have raised a new recommendation in relation to over payment of leavers, as our sample testing identified instances where overpayments had occurred and the Trust was having to claim the amounts back.</p> <p><b>Recommendation superseded</b></p>
5	3	<p><b>Split of tangibles and intangibles in property, plant and equipment note</b></p> <p>From our review of the fixed asset register, we noted that in the IT asset category within the property, plant and equipment note, there were assets classified as tangible, which should be classified as intangible such as the Trust's website and any "non-touchable" components of any systems put in place. There is an unadjusted audit difference, however from the level of information held on the fixed asset register it is not possible to readily split out which aspect of systems are tangible (eg. Computers, wires, touchscreens etc) and which are intangible (eg. Software, cloud based platforms, networks etc). Therefore, prior to the 2020/21 accounts being produced, an exercise is required to fully separate the tangible and intangible aspects of IT assets within the balance sheet.</p>	<p>Agreed</p> <p><b>Officer:</b> Thomas Morrison</p> <p><b>Due Date:</b> December 2020</p>	<p>The Trust has undertaken this exercise and we did not note any issues as a result of our testing.</p> <p><b>Recommendation closed</b></p>

## Appendix Four

# Recommendations raised and followed up

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2021)
Financial Statements				
6	③	<b>Agreement of Balances Month 9 exercise</b>  One of the purposes of the agreement of balances month 9 exercise is to resolve any mismatches early so they do not require resolution at year end when there are other year end pressures. At Harrogate FT, the month 9 exercise did not resolve many of the variances, which then led to a high number of mismatches with other NHS bodies at year end (see Appendix 5 for details). Greater emphasis should be put on the month 9 agreement of balances in order to reduce the year end burden on finance staff time.	Agreed  <b>Officer:</b> Thomas Morrison  <b>Due Date:</b> December 2020	We did not identify any issues with the agreement of balances process this year  <b>Recommendation closed</b>
7	③	<b>Documenting review of valuation report</b>  As mentioned in recommendation 3, the scrutiny of auditors and what they report has increased in recent years. As such, we are required to note where certain control procedures fall below what is considered best practice.  We have noted that, although management do review the valuation report and sense check the output, they do not formally document their review, which means there is no audit trail to show they have carried out this check. It is recommended that a brief note is prepared once the valuation report has been reviewed and kept for audit purposes.	Agreed  <b>Officer:</b> Thomas Morrison  <b>Due Date:</b> March 2021	We have included this again in our recommendations this year, as management's processes have not changed.  <b>Recommendation not closed</b>
8	③	<b>Review of classification of dwelling land</b>  Within the dwelling category of note 9 property plant and equipment, there is £275,000 of land which should be classified as land not dwellings. We have raised an unadjusted audit difference in relation to this.  The asset register should be reviewed in 2020/21 to confirm that all land has correctly been classified as land for financial reporting purposes.	Agreed  <b>Officer:</b> Thomas Morrison  <b>Due Date:</b> December 2020	This has been amended in the 2020/21 accounts  <b>Recommendation closed</b>



## Appendix Five

# 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, details of all adjustments greater than £200K are shown below.

Unadjusted audit differences (£000)				
No.	Detail	OCS Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Accruals Cr Provision	(861)	861	On review of accruals, an amount that had been accrued was determined to be more appropriately classified as a provision.

We note the Trust used a sample method to calculate the annual leave accrual of £4,165k, we asked the Trust to use an alternative method to challenge and review the Trust's method and this identified a potential understatement of £575k.

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. The adjustments below have been included in the financial statements.

Adjusted audit differences (£000)				
No.	Detail	OCS Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Accruals Cr Audit Fee	(47.5)	47.5	One invoice for audit fees was accounted for twice.
2	Dr Contract receivables Cr Other receivables		520 (520)	Change in classification of receivables.
Total		(47.5)	47.5	

We noted the following disclosure adjustments:

- Amendment to note 3.3 (Analysis of income from activities by CRS and Non-CRS) to match note 3.1 (Analysis of operating income), as the total for non-commissioner requested services was overstated by £5,243,000 meaning the totals of the two notes did not match.
- Amendments to the remuneration report for a small number of errors (including incorrect bandings, inclusion of officers by error and disclosure of pension benefits)
- Amendments to the annual report for typographical and calculation errors.

## Appendix Six

# Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Audit Committee members

### Assessment of our objectivity and independence as auditor of the Harrogate and District NHS Foundation Trust

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

### 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 directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard.

As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity

### Independence and objectivity considerations relating to the provision of non-audit services

#### Summary of non-audit services

We have provided no non-audit services in year.



## Appendix Seven

# Confirmation of Independence

We have considered the fees charged by us to the Trust and its affiliates for professional services provided by us during the reporting period. Total fees charged by us can be analysed as follows:

	2020/21	2019/20
	£	£
Audit of Trust	95,000	60,000
Audit Overruns	TBC	14,000
Audit of HHFM Ltd	16,500	10,250
Audit of Trust Charity	6,000	4,000
<b>Total Audit services (Inc subsidiaries)</b>	<b>117,500</b>	<b>88,250</b>
Quality Accounts	Nil	Nil
<b>Total Fees</b>	<b>117,500</b>	<b>88,250</b>

### Fee ratio

The anticipated ratio of non-audit fees to audit fees for the year at the time of planning is 0 : 1.

We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

### Application of the FRC Ethical Standard 2019

We communicated to you previously the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

### Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Compliance Committee and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP



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### Item 9.0 Chair's report to the Public Council of Governors

<b>Committee Name:</b>	Governor Development & Membership Engagement
<b>Committee Chair:</b>	Clare Illingworth, Lead Governor
<b>Date of last meeting:</b>	23 February 2021 (approved minutes presented) 16 June 2021 (draft minutes, to be submitted for approval at the next GDMEC on the 28 September 2021)
<b>Date of meeting for which this report is prepared</b>	6 September 2021
<b>Summary of Key Issues;</b>  The summary below provides information from the last meeting on the 16 <sup>th</sup> June 2021 held by the Governor Development & Membership Engagement Committee.	
<ol style="list-style-type: none"> <li>1. The new membership database was presented to the Committee by Civica – further discussions to be had by the committee about what would be useful to retrieve and monitor from it</li> <li>2. Clare Illingworth and Doug Masterton were interviewed by the Harrogate Advertiser re governor elections – published 15 July 2021</li> <li>3. Awaiting the appointment of the new Communications and Marketing Manager to discuss future governor communications</li> <li>4. Finance training to be organised for governors</li> <li>5. To recommence events such as 'Medicine for Members' and look at relaunching with a new more encompassing name</li> <li>6. The hospital Governor board to be updated to include how members can contact governors</li> <li>7. A review of effectiveness of the committee is being carried out and will be completed at the next meeting</li> <li>8. The July edition of the members newsletter was an election special</li> </ol>	
<b>Are there any significant risks for noting by CoG? (list if appropriate)</b>	
None	
<b>Any matters of escalation for decision or noting (list if appropriate)</b>	

For noting - Due to availability the GDMEC meeting that was scheduled on the 24 August 2021 has now been rescheduled on the 28 September 2021

**COUNCIL OF GOVERNORS**  
**APPROVED GOVERNOR DEVELOPMENT AND MEMBERSHIP ENGAGEMENT**  
**COMMITTEE**  
**MINUTES OF MEETING HELD ON TUESDAY 23 FEBRUARY 2021**  
**VIA MS TEAMS VIDEO CONFERENCE**

Present: Clare Cressey, Chairman of meeting and Lead Governor  
 Ian Barlow, Public Governor  
 Elaine Culf, Interim Corporate Affairs & Membership Manager  
 Tony Doveston, Public Governor  
 Lynn Hughes, Interim Company Secretary  
 Samantha James, Public Governor  
 Doug Masterton, Public Governor  
 Kathy McClune, Staff Governor  
 Angela Schofield, Trust Chairman  
 Steve Treece, Public Governor

OPENING ITEMS:	
GDMEG/02/21/1.0	<b>Welcome and Apologies for Absence</b> Clare Cressey welcomed everyone to the meeting. Apologies were noted from Paul Widdowfield.
GDMEG/02/21/2.0	<b>Declarations of Interest</b> There were no new declarations of interest, nor conflicts of interest declared.
GDMEG/02/21/3.0	<b>Minutes of Last Meeting</b> The minutes of the meeting held on 7 December 2020 were approved as an accurate record.
GDMEG/02/21/4.0	<b>Matters Arising and Action Log</b> The action log was reviewed and updated: <b>Action 4.0 July 20:</b> Work on provision of a Governor handbook is ongoing. Action remains open. <b>Action 3.1 September 20:</b> Continuous monitoring of opportunities for articles with Harrogate Advertiser. It was agreed that the forthcoming Governor elections (late spring/early summer) would be one such opportunity to pursue. Action remains open.  In relation to this item, Sue Eddleston commented that when she was re-elected to the Ripon constituency, the Ripon Gazette had approached her about an article. She felt that this would have been an opportunity to thank members for voting for her, and also to provide a profile of the Governors in constituencies once elected.
GOVERNOR TRAINING	
GDMEG/02/21/5.0	The paper providing details of the NHS Providers in-house training day and a reference guide to remind Governors of their roles and responsibilities had been circulated. It was confirmed that the training day will take place on 6 May 2021 and will be provided via a virtual arrangement. The Chairman commented that it was important to promote the event, and

5.1



5.2	<p>encourage all governors to attend. Details would be circulated to all Governors, as well as being included in the Governor Bulletin.</p> <p style="text-align: right;"><b>(Action: E Culf)</b></p> <p>In response to a question from Doug Masterton about recording the event, Lynn Hughes did not believe this would be allowed, but agreed to check with NHS Providers.</p> <p style="text-align: right;"><b>(Action: L Hughes)</b></p>
5.3	<p>Lynn Hughes, Interim Company Secretary, confirmed that the content would focus on Core Skills, and will include Effective Questioning and Challenge, which the Committee agreed was important. She further confirmed that the Director and Deputy Director of Finance of the Trust have offered a session on NHS Finance for Governors, which can be arranged at a later date in the year.</p> <p style="text-align: right;"><b>(Action: L Hughes)</b></p>
<b>MEMBERSHIP &amp; ENGAGEMENT STRATEGY</b>	
GDMEG/02/21/6.0	<p><b>Membership Database</b></p> <p>Lynn Hughes provided an update to the plans to migrate the membership database to an external database provider. She confirmed that work is taking place, and this will take approximately 8 weeks. The new provider will provide regular data cleansing, and refresh email addresses, as well as gathering new email information from members. The new database should be in place in time for the next elections, which are due around June 2021. It was also confirmed that regular updates relating to demographics of constituencies can be provided to this Committee.</p>
6.1	<p>In response to a question from Tony Doveston, Angela Schofield confirmed that information about volunteers is held on a separate database, as the membership database requirements are different to those of volunteers.</p>
6.2	<p>The committee discussed the level of information that will be held, such as numbers of members within regions, age groups, and gender, and Lynn Hughes confirmed this will be a standard format to fully comply with GDPR requirements.</p>
6.3	<p>Doug Masterton asked if it was possible to see a blank record, showing compulsory and optional fields to complete, and Lynn Hughes confirmed she would ask the company providing the database for a copy, and then share this with the committee.</p> <p style="text-align: right;"><b>(Action: L Hughes)</b></p>
6.4	<p>The Chairman acknowledged the excellent progress on this topic.</p>
6.5	<p><b>Medicine for Members (during Covid/non-Covid)</b></p> <p>Elaine Culf, Interim Corporate Affairs &amp; Membership Manager, provided a summary reminder about past events, including some of the departments that had featured in face to face events, held pre Covid. The committee then discussed the provision of such events, with various ideas being put forward:</p>
	<ul style="list-style-type: none"> <li>• Use of a more generic term would be beneficial, as it was felt that 'medicine' can be a narrow description of some of the topics that the events could focus on.</li> <li>• In addition to the reintroduction of face to face events, post Covid, it was felt that information videos could be included on the Membership section of the Trust website.</li> <li>• It was recognised that events should be held throughout the Trust's catchment area, in the community as well as the main hospital site, and should also be held on different days and times, including weekends.</li> </ul>

*You matter most*



	<ul style="list-style-type: none"> <li>Governors shared their thoughts on events which they felt had been well received in the past, including sessions on Living with Cancer and Dementia.</li> <li>Other ideas included the work of the organ donation committee, educational topics such as myth-busting for Covid vaccinations, a focus on mental wellbeing following the pandemic, and a session from staff governors sharing information about their own areas of work. It was agreed that any further ideas should be forwarded to Elaine Culf, to note for the next meeting.</li> </ul> <p><b>(Action: All to forward ideas for new title of event/topics to Elaine Culf)</b></p>				
<b>CLOSING ITEMS</b>					
GDMEG/02/21/7.0	<p><b>Any Other Business</b></p> <p>The committee briefly discussed the use of a Social Media platform for Governors and Members, and it was generally felt that this could help with engagement with members and the Chairman felt this would benefit in promoting the presence of Governors, linking with other social media already in use by the Trust. It was felt that this should be discussed further when the Marketing &amp; Communications Manager was present.</p>				
7.1	<p>A briefing note from Tony Doveston relating to the development of the Trust's membership had been circulated for consideration by the committee. Tony Doveston commented that he was encouraged that we have moved forward on many areas, and he suggested discussions on discounts and junior membership in the future. The committee agreed that the next area for focus would be improvement to the membership areas of the Trust website.</p>				
7.2	<p>There was a brief discussion on the ability of members of the Trust and the general public to contact governors, and all agreed it was important for a governor email address, though the discussion centred on whether replies to emails should come directly from Governors or from the Trust. Angela Schofield commented that it would be fantastic to have questions coming in to Governors, but stressed that the Trust has an obligation to protect its Governors. Governors felt they should be advised of questions and any replies provided. The Chairman commented it was important to both have clarity on the email address and manage expectations of the questioners and Governor colleagues.</p>				
GDMEG/02/21/8.0	<p><b>Evaluation of Meeting</b></p> <p>It was noted that the meeting enabled interesting discussions with progress being made on the Committee's area of interest.</p> <p>The Chairman thanked everyone for attending and for their contributions.</p>				
GDMEG/02/21/9.0	<p><b>Date and Time of Next Meeting</b></p> <p>The proposed dates for meetings for the remainder of 2021 had been circulated, and these were agreed:</p> <table border="0"> <tr> <td>Tuesday 27 April 2021</td> <td>Tuesday 29 June 2021</td> </tr> <tr> <td>Wednesday 1 September 2021</td> <td>Monday 1 November 2021</td> </tr> </table> <p>After discussion, it was agreed that meetings should start at 4.00pm.</p>	Tuesday 27 April 2021	Tuesday 29 June 2021	Wednesday 1 September 2021	Monday 1 November 2021
Tuesday 27 April 2021	Tuesday 29 June 2021				
Wednesday 1 September 2021	Monday 1 November 2021				

## Questions from Governors for Public Council of Governors' Meeting 6 September 2021

### HDFT: Patient Safety – Dave Stott

**Context:** A few months ago, the BBC's Panorama programme "Hospital Secrets Uncovered", identified a number of worrying patient safety incidents in some hospital trusts in England. Examples were provided of medical treatment that had led to patient harm or death. Some trusts had sought to hide their mistakes and deny or deflect blame. Viewers told about the responsibility placed upon hospital trusts regarding: honesty and transparency over clinical mistakes leading to patient harm; the learning of lessons from incidents; and the need to ensure such incidents are never repeated. Medical royal colleges were identified as a particular source of independent external help for Trusts who wished to better understand how incidents happened, were not repeated and how their clinical practice could be further improved. Above all, viewers were reminded of the duty of candour placed upon trusts and transparency with their communities on all key patient safety issues.

**Questions:** How assured therefore are Non-Executive Directors (NED's), particularly those who have attended the Quality Committee, that over the last 5 years, there has been clear, consistent evidence:

- (i) that some incidents leading to patient harm could have merited or benefitted from external independent help, possibly from a medical royal college?
- (ii) any external bodies, such as medical royal colleges were approached for help?
- (iii) any independent external reviews were undertaken of Trust practice ?
- (iv) any 'summary findings' from such reviews were made public and easily accessible to the communities served by this Trust?
- (v) any medical royal college or other external reviews were forwarded by the Trust- in a timely fashion – to the regulator, the Care Quality Commission?
- (vi) the Trust has learnt lessons from all its patient safety incidents; where appropriate sought external help to improve clinical practice and; that such practice has actually led to fewer, less serious incidents and improved practice?

### Recovery Plan – Steve Treece – in Steve's absence, Clare will ask the question

Can Governors please be provided with an update on progress in the Trust's recovery plan; the key risks identified to patient safety arising from this plan, for example, in the event of central pressures to meet defined delivery targets, and mitigation strategies; and can NEDs please advise how they have to date and will in future obtain assurance on the management of these risks?

### Reconfiguration plans and progress – Steve Treece – in Steve's absence, Clare will ask the question

Can Governors please be provided with a summary of proposed plans for the reconfiguration of the Trust's operational activities and progress to date in delivering these plans? Can NEDs please advise how they will obtain assurance on the effective delivery of these plans,

resulting improvements in the delivery of patient services, and the minimisation of disruption to these services during the implementation of the reconfiguration plans?

**Financial Regime – Steve Treece – in Steve’s absence, Clare will ask the question**

Can Governors please be provided with information on the revised financial regime which the Trust will be subject to from September and the key risks and issues anticipated resulting from the new financial regime? Can NEDs please advise how they will obtain assurance on how the Trust will implement the new regime and manage the resulting risks and issues?

**Staff Resources, Capacity and Ability to deliver Patient Services – Collective question**

Please can Governors be provided with an overview of the following by staff skill/ specialism and service provided:

1. Actual Staff numbers comparing 2021 with 2019
2. Budget Headcount & underlying vacancy levels comparing 2021 with 2019 to provide a “pre Covid” level and rate of planned, elective and ED services
3. Churn rate from 2019 to 2021

Can NED’s provide Governors with clarity and assurance on the following:

1. What are the reasons behind the levels of vacancy and churn shown above
2. What actions are being taken for the long and short term to recruit and retain staff
3. How effective are these initiatives with justifications
4. Which Trust services at which Hospital / Community centre are vulnerable / at risk due to lack of skills or staff in the long and short term
5. What is being done to resolve this issue and ensure patient services are unaffected and safe.

**Staff morale, health and wellbeing – Will Fish**

Over the last couple of years, the trust has received an abundance of staff and patient feedback both via official and informal methods, including the Deloitte report, which should have then spawned a number of initiatives. These initiatives (cultural, morale, staffing and well-being) would be widespread and impact various aspects our service delivery thus under the purview of multiple committees. What assurance can the non-execs offer that the initiatives are being delivered and the expected outcomes are being achieved?

Therefore, we ask if the respective NEDs could compile a periodic report/s of these initiatives to provide assurance that staff and patient feedback is actioned, used to improve services and allocated resources are delivering against expected outcomes or critical success factors.