Harrogate and District
NHS Foundation Trust

HARROGATE AND DISTRICT NHS FOUNDATION TRUST

ANNUAL REPORT AND ACCOUNTS

1 April 2020 to 31 March 2021

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 is 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 largescale 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.

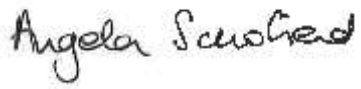
Every single person who works for HDFT whether in the 0-19 Services, Community Services across North Yorkshire, Harrogate District and Ripon Hospitals, the Minor Injuries Unit at the New Selby War Memorial Hospital or Harrogate Integrated Facilities have made a huge difference in the last year and The 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 supress 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 jabs 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.

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 (LTHT). 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.

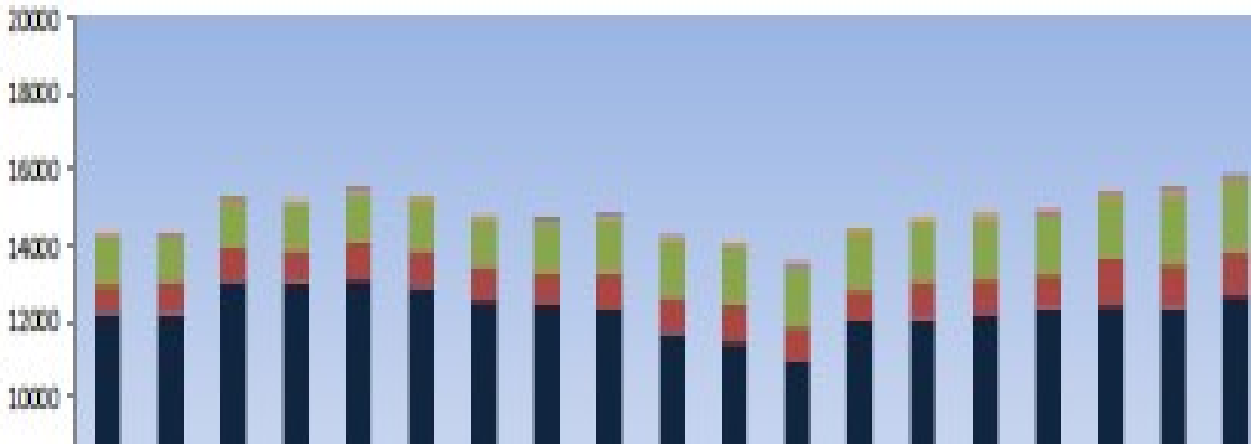
3.2.1 Operational Performance

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.

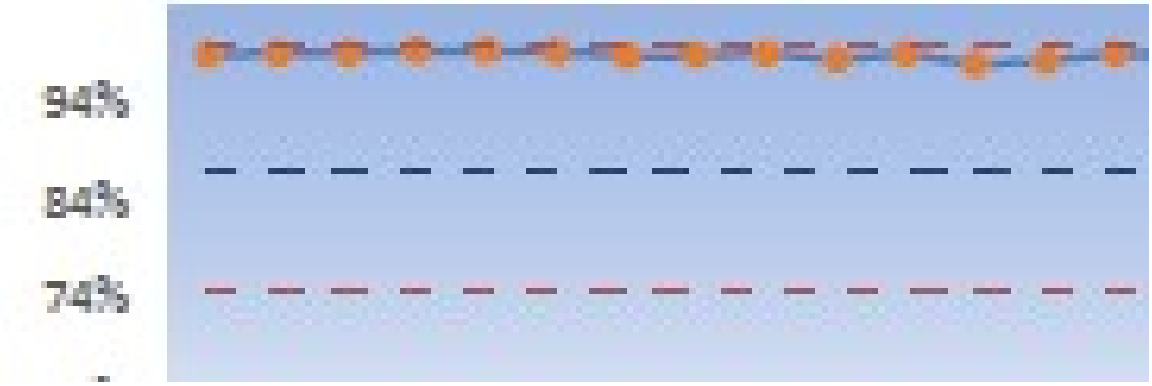
Referral to Treatment Waiting List



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.

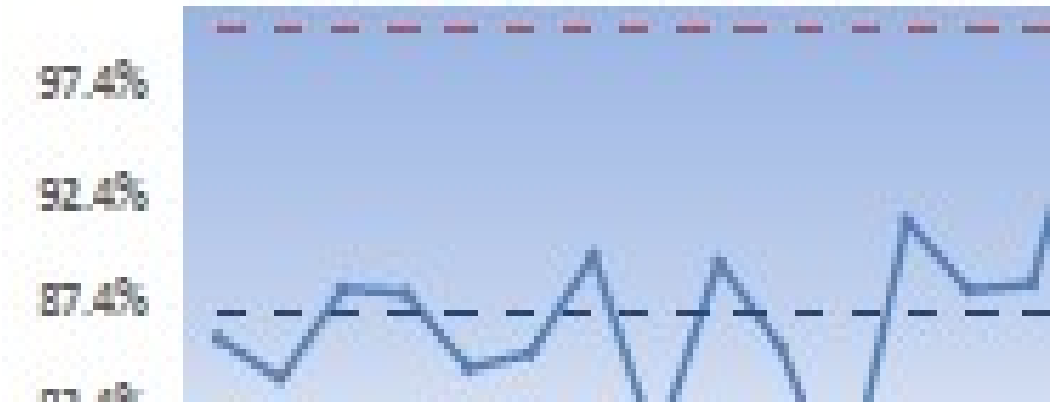
Percentage of Diagnostic Patients seen in 6-weeks



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.

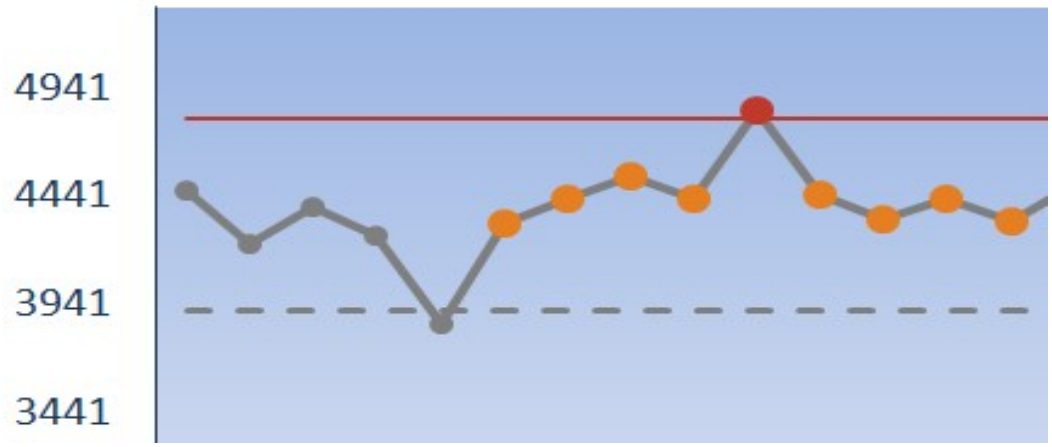
Cancer - 62 day wait for first treatment from urgent GP referral to treatment



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



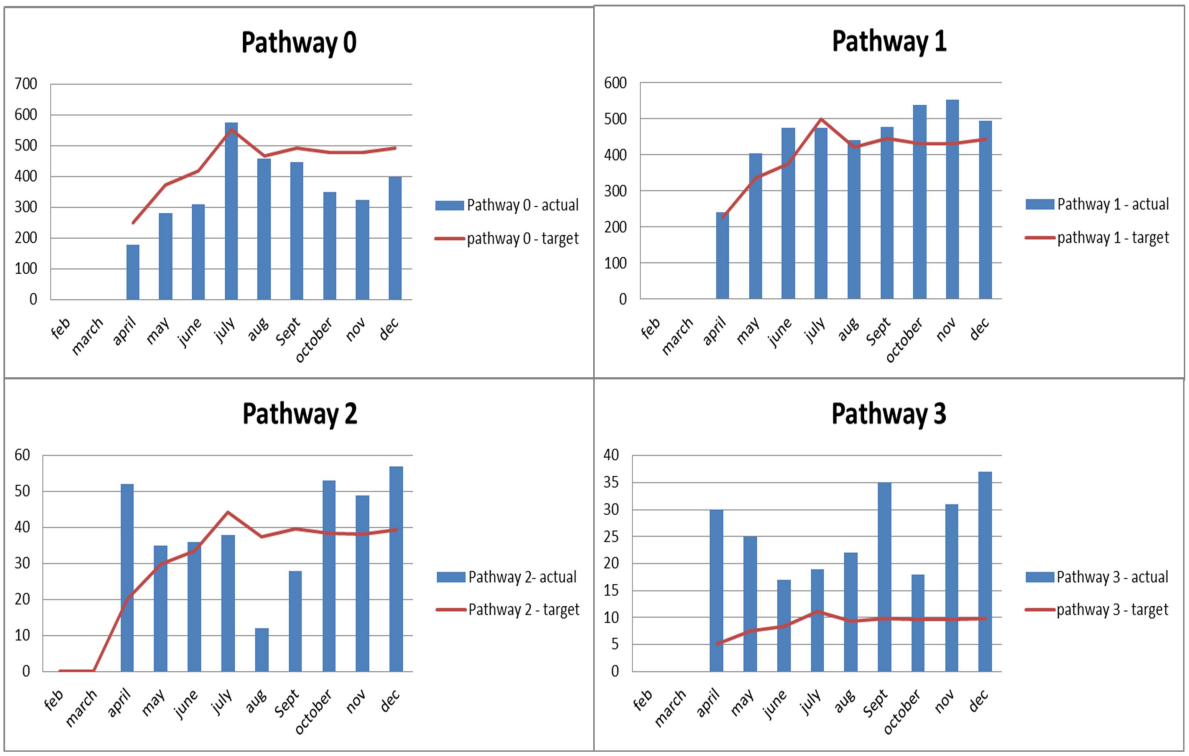
3.2.1.5 Delayed Transfer of Care

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.

National Guidance	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Pathway 3 1% of people: there has been a life changing event. Home is not an option at point of discharge from acute	6%	3%	2%	2%	2%	4%	2%	3%	4%
Pathway 2 4% of people: rehabilitation in a bedded setting	10%	4%	4%	3%	1%	3%	5%	5%	6%
Pathway 1 45% of people: support to recover at home; able to return home with support from health and/or social care	45%	52%	55%	42%	46%	48%	54%	56%	48%
Pathway 0 50% of people simple discharge, no input from health / social care	33%	36%	36%	51%	48%	45%	35%	33%	39%



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

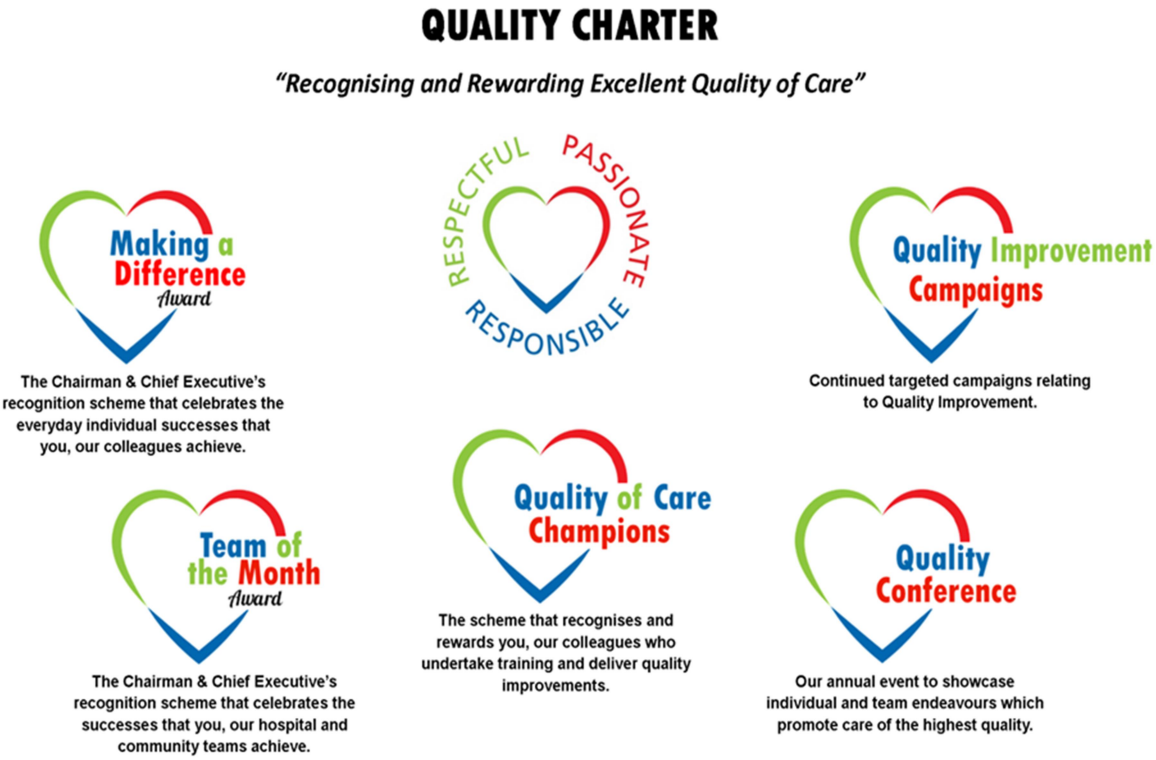
priorities for quality improvement are agreed with staff and stakeholders and will have clear and measurable targets, with performance against these monitored regularly through the Trust's Quality Committee.

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.

3.2.6.2 HHCC 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.

3.2.6.3 HHCC, 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:


Harrogate Hospital & Community Charity
YOUR SUPPORT
YOUR IMPACT
YOUR NHS
"When the days get weary and hard. Remember you have a nation behind you. Like you have always had our back, we will always have yours."
Mary
"Thank you for your dedication, determination and caring nature you show to those in need."
Paula
"Words can never say how much I appreciate what our NHS staff do for us, but a huge thank you to everybody for looking after us all."
Nicky
"A big thank you for all your dedication & devotion you have given to the people of Harrogate and surrounding areas. Thank you. Stay safe."
Linda
www.hhcc.co.uk
@harrogatehcc
@harrogatehospitalcharity
@harrogatehospitalcharity
@harrogatehospital&communitycharity


YOUR SUPPORT
YOUR IMPACT
YOUR NHS
3,000
Plants planted in green spaces across Harrogate and District NHS Foundation Trust for the benefit of staff, patients and their families to improve health and wellbeing.


YOUR SUPPORT
YOUR IMPACT
YOUR NHS
1,000 +
Festive Hampers provided by HHCC to families in need, to help make Christmas a little more special.


YOUR SUPPORT
YOUR IMPACT
YOUR NHS
3,500 +
Examinations in 2019 using a state-of-the-art gamma scanner funded through HHCC.


YOUR SUPPORT
YOUR IMPACT
YOUR NHS
1,000+
The Communications Team arranged the delivery of over 1,000 Letters to Loved Ones enabling patients and their families to keep in touch.


YOUR SUPPORT
YOUR IMPACT
YOUR NHS
24
Tablet devices provided by HHCC for patients to keep in touch with loved ones.


YOUR SUPPORT
YOUR IMPACT
YOUR NHS
3,000
Scrubs made by our community for frontline NHS colleagues.

3.2.7 Operating and Financial Review of the Trust

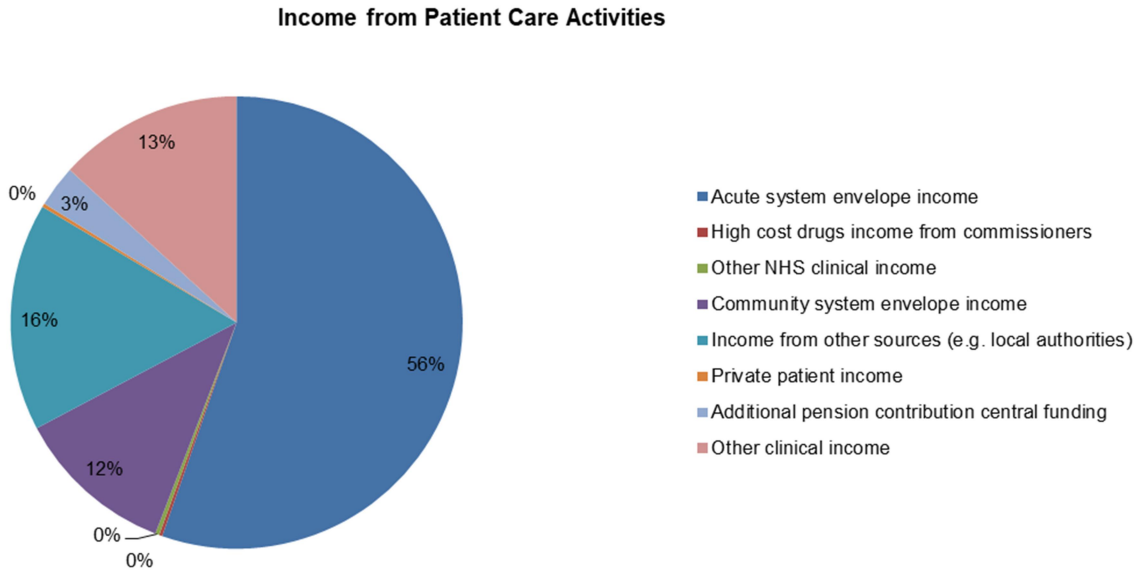
The income and expenditure position for the Trust for 2020/21 is described below. The consolidated position for the group was a surplus of £1,124,000.

	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.

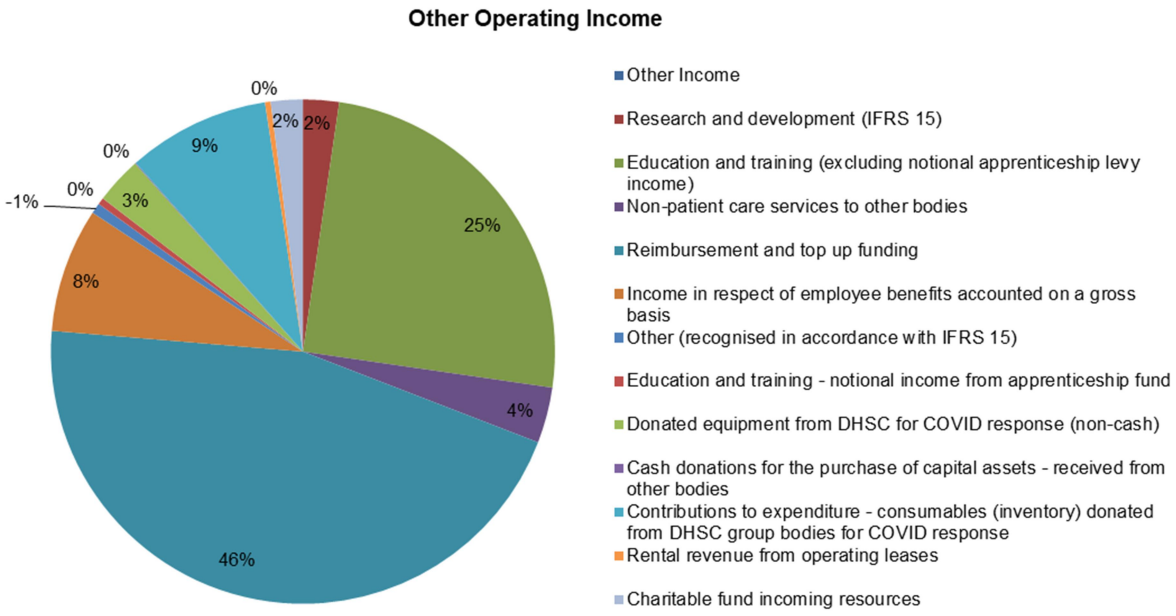
3.2.7.1 Income Generated from Patient Care Activities

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.

3.2.10.1Energy

RESOURCE		2017-2018	2018-2019	2019-2020	2020-2021
GAS	Use (kWh)	27,072,959	27,086,243	**27,264,123**	**24,788,158**
	tCO_2e	4982	4984	**5016**	**4558**
OIL	Use (kWh)	144876	163950	**87440**	**58728**
	tCO_2e	39.3	44.56	**23.8**	15.8
COAL	Use (kWh)	0	0	**0**	**0**
	tCO_2e	0	0	**0**	**0**
ELECTRICITY	Use (kWh)	3,699,906.5	3,277,675	**3,228,684**	**4,674,882**
	tCO_2e	380.7	337.3	**337.4**	**0**
TOTAL ENERGY	**tCO_2e**	5402	5366	**5377**	4574
TOTAL COST	**£**	£ 1,014696	£979,887	**£ 1,094,968.18**	**£1,033,019**

CO2e 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_2e 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_2e 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) 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.

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.

	Foundation Trust & Group		Foundation Trust & Group	
Exit cost band	**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**	-	-
	1	**62**	1	24

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.

Steve Russell
Chief Executive
Date: 9 June 2021

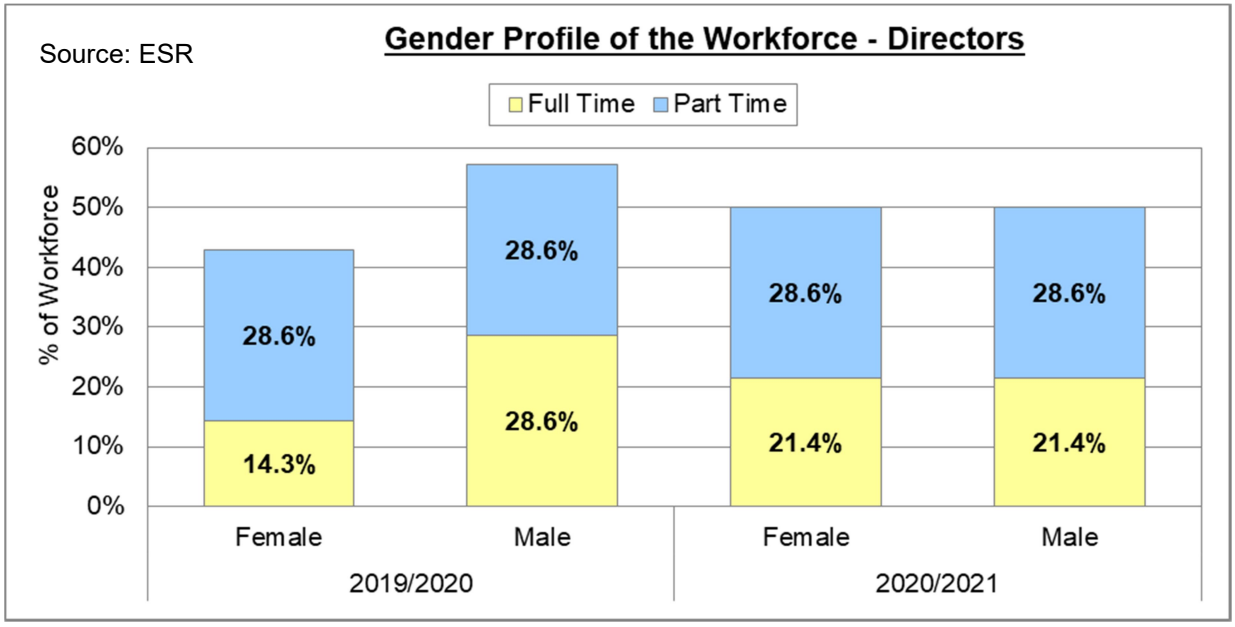
4.3 Staff Report

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
of which Senior Management	*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
TOTAL	**4,314**	**3,592.34**	**4,310**	**3,607.51**

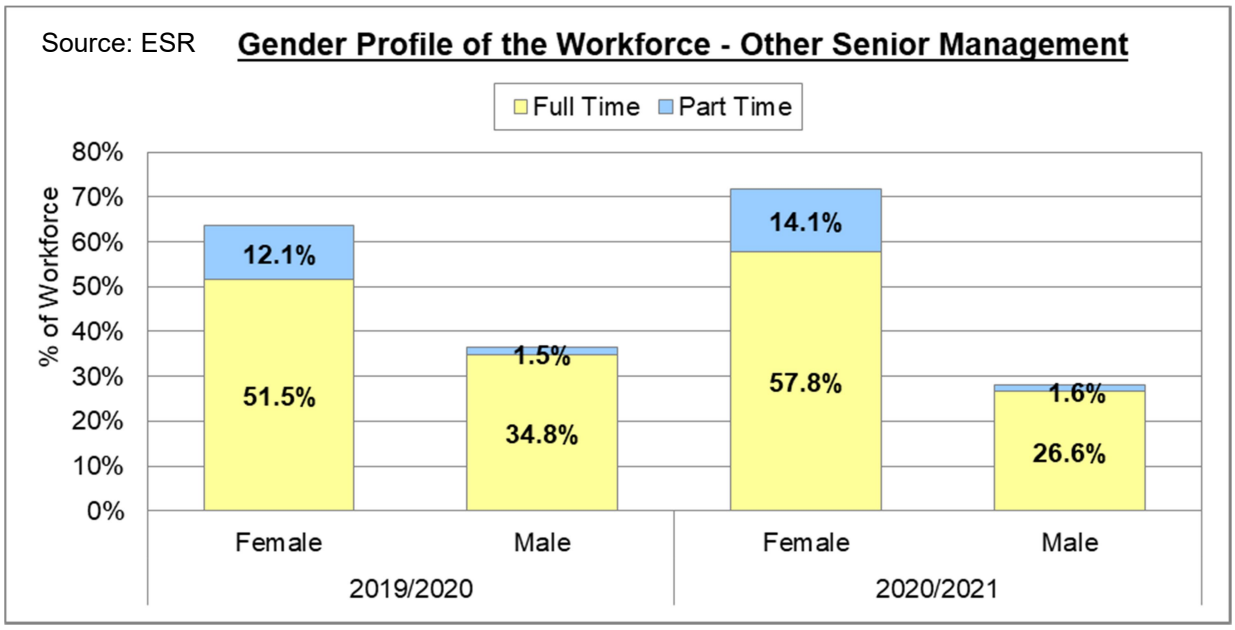
4.3.2 Analysis of the Male and Female Directors as at 31 March 2021



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

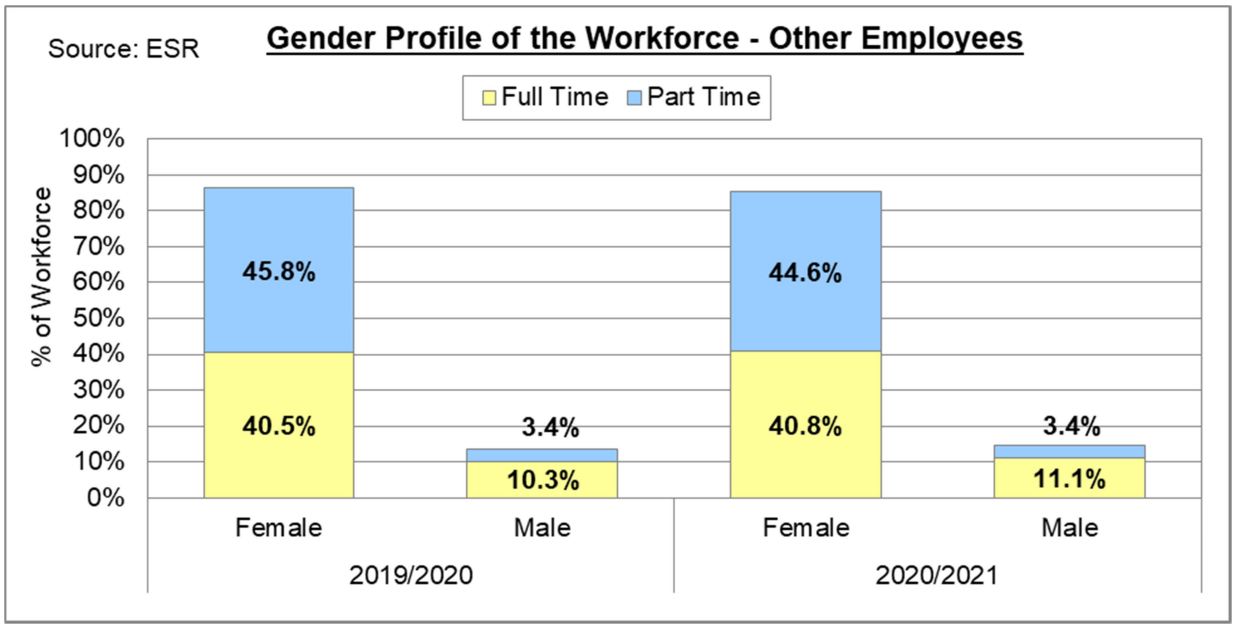
Gender	Category	2019/2020	2020/2021
DIRECTORS		**Headcount**	**Headcount**
Female	Full Time	2	3
	Part Time	4	4
Male	Full Time	4	3
	Part Time	4	4
TOTAL		**14**	**14**

*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
OTHER SNR MANAGEMENT		**Headcount**	**Headcount**
Female	Full Time	34	37
	Part Time	8	9
Male	Full Time	23	17
	Part Time	1	1
TOTAL		**66**	**64**



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
TOTAL		**4,234**	**4,233**

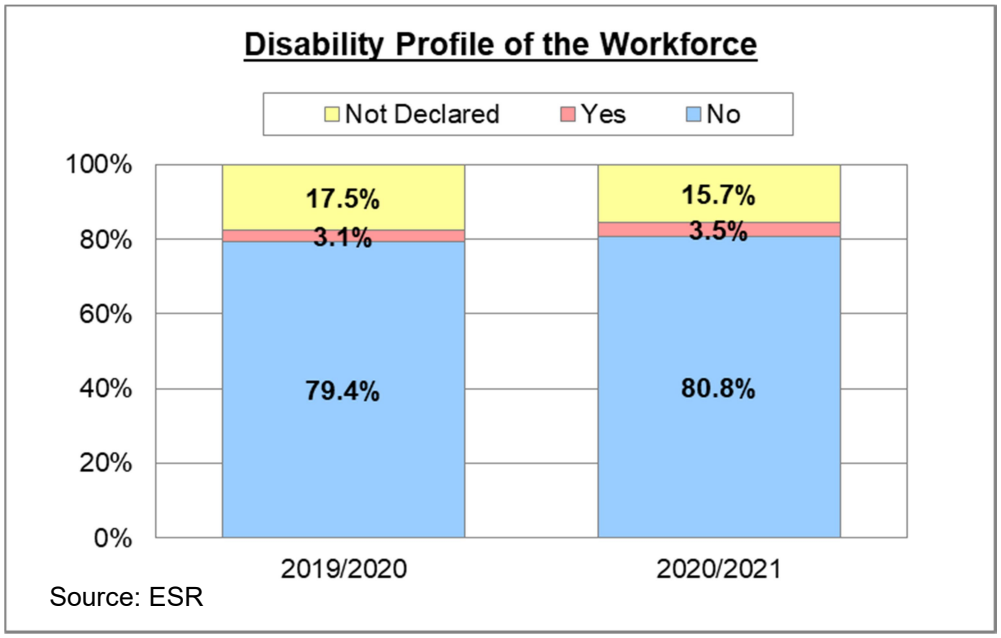
4.3.3 Sickness absence data

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%	**4.83%**
Corporate Services	2.44%	2.91%	2.87%	2.54%	**2.69%**
Long Term and Unscheduled Care	4.46%	3.58%	4.96%	5.10%	**4.53%**
Planned and Surgical Care	5.26%	4.47%	4.96%	5.17%	**4.96%**
TOTAL	**4.35%**	**4.16%**	**4.82%**	**4.85%**	**4.54%**

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



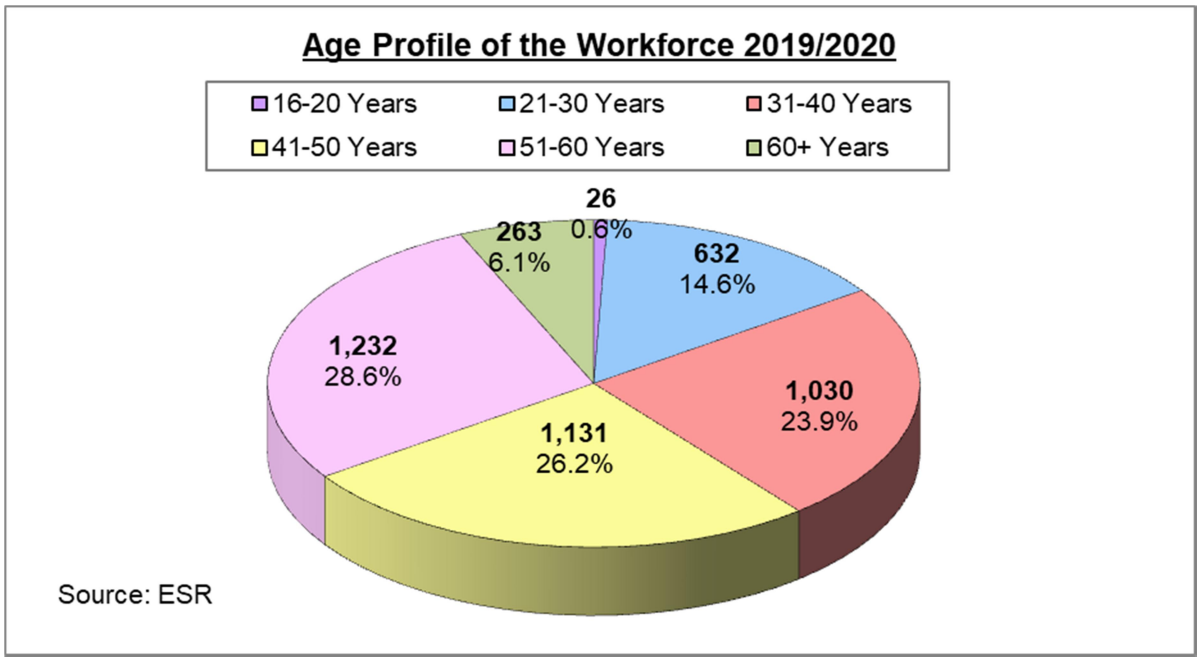
The table below gives a breakdown of the number of employees registered as having a disability as at 31 March 2021.

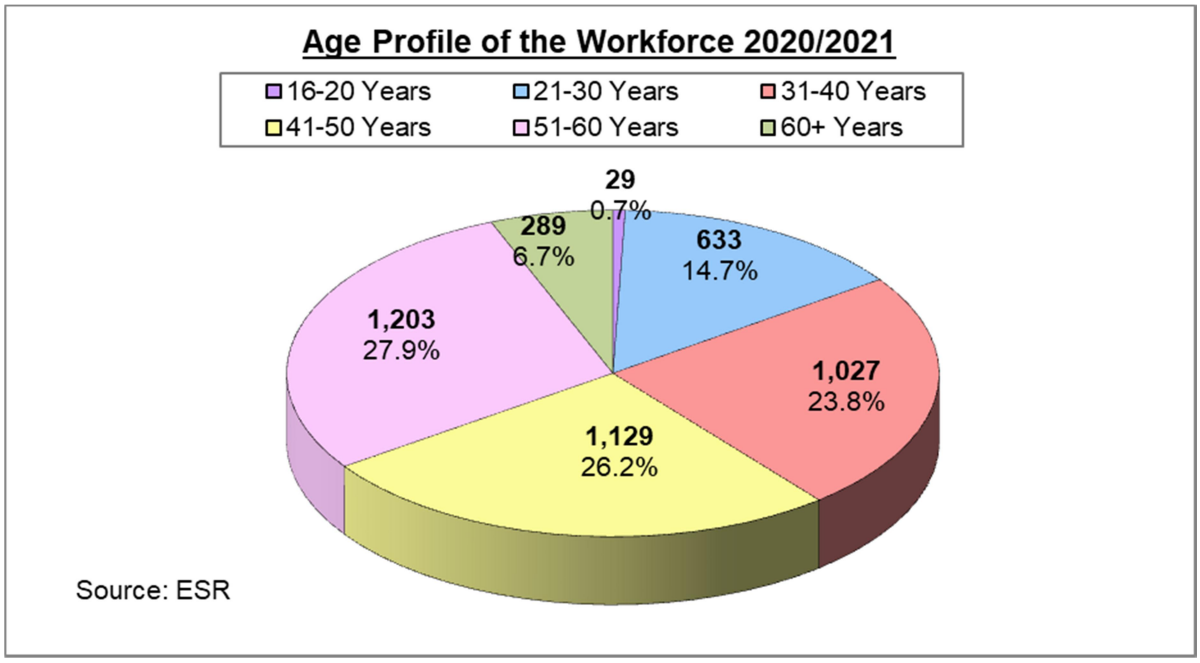
Disabled	2019/2020	2020/2021
	Headcount	Headcount
No	3,425	3,483
Yes	135	152
Not Declared	754	675
TOTAL	**4,314**	**4,310**

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

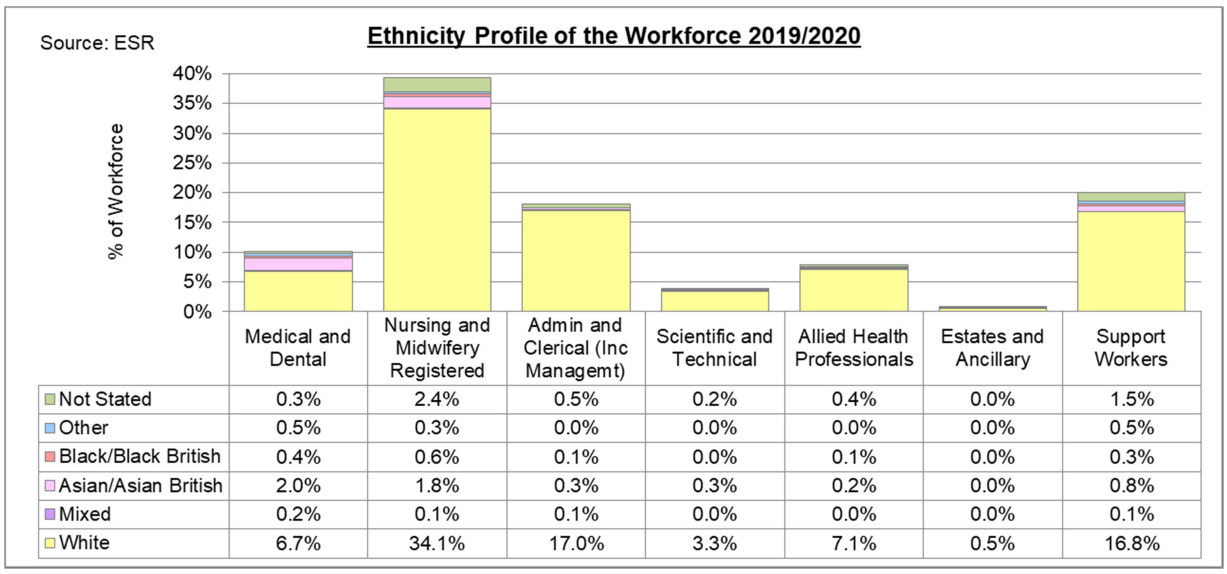
The table below gives a breakdown of the number of employees, by age, as at 31 March 2021.

	2019/2020		2020/2021	
Age Band	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%
TOTAL	**4,314**		**4,310**	

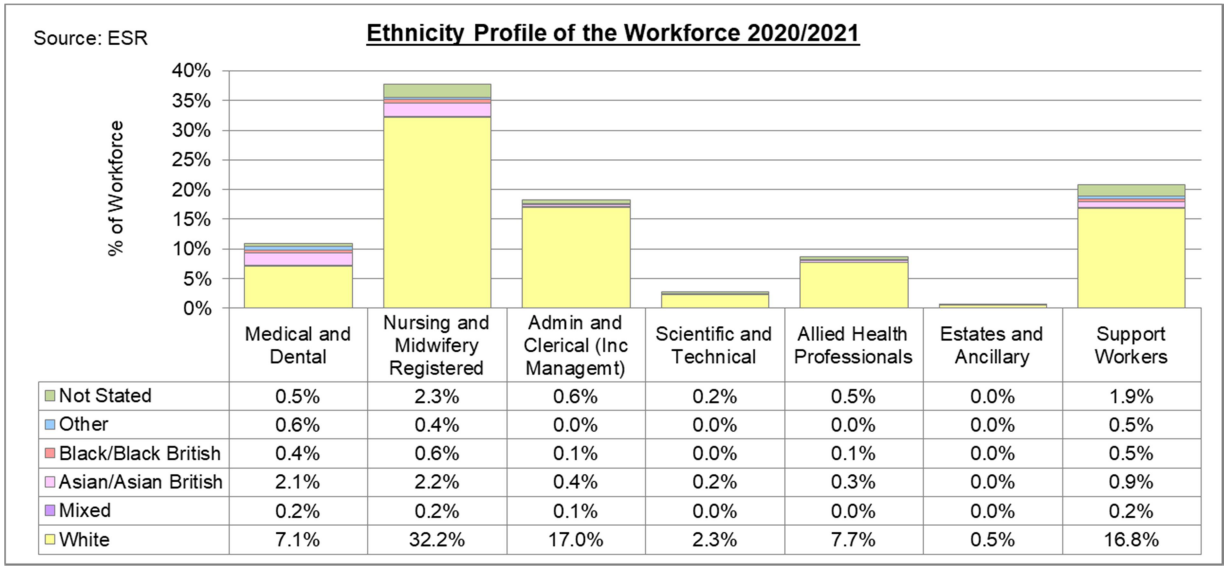

Age Profile of the Workforce 2019/2020
16-20 Years
21-30 Years
31-40 Years
41-50 Years
51-60 Years
60+ Years
26
0.6%
632
14.6%
1,030
23.9%
1,131
26.2%
1,232
28.6%
263
6.1%
Source: ESR


Age Profile of the Workforce 2020/2021
16-20 Years
21-30 Years
31-40 Years
41-50 Years
51-60 Years
60+ Years
29
0.7%
633
14.7%
1,027
23.8%
1,129
26.2%
1,203
27.9%
289
6.7%
Source: ESR

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



	Medical and Dental	Nursing and Midwifery Registered	Admin and Clerical (Inc Managemt)	Scientific and Technical	Allied Health Professionals	Estates and Ancillary	Support Workers
Not Stated	0.3%	2.4%	0.5%	0.2%	0.4%	0.0%	1.5%
Other	0.5%	0.3%	0.0%	0.0%	0.0%	0.0%	0.5%
Black/Black British	0.4%	0.6%	0.1%	0.0%	0.1%	0.0%	0.3%
Asian/Asian British	2.0%	1.8%	0.3%	0.3%	0.2%	0.0%	0.8%
Mixed	0.2%	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%
White	6.7%	34.1%	17.0%	3.3%	7.1%	0.5%	16.8%



	Medical and Dental	Nursing and Midwifery Registered	Admin and Clerical (Inc Managemt)	Scientific and Technical	Allied Health Professionals	Estates and Ancillary	Support Workers
Not Stated	0.5%	2.3%	0.6%	0.2%	0.5%	0.0%	1.9%
Other	0.6%	0.4%	0.0%	0.0%	0.0%	0.0%	0.5%
Black/Black British	0.4%	0.6%	0.1%	0.0%	0.1%	0.0%	0.5%
Asian/Asian British	2.1%	2.2%	0.4%	0.2%	0.3%	0.0%	0.9%
Mixed	0.2%	0.2%	0.1%	0.0%	0.0%	0.0%	0.2%
White	7.1%	32.2%	17.0%	2.3%	7.7%	0.5%	16.8%

HEADCOUNT 2019/20	Medical and Dental	Nursing and Midwifery Registered	Admin and Clerical (incl Manage-ment)	Scientific and Technical	Allied Health Profess-ionals	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**
TOTAL	**435**	**1,700**	**778**	**169**	**341**	**28**	**863**	**4,314**

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

Starters and Leavers during 2020-21

	Headcount	FTE
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.

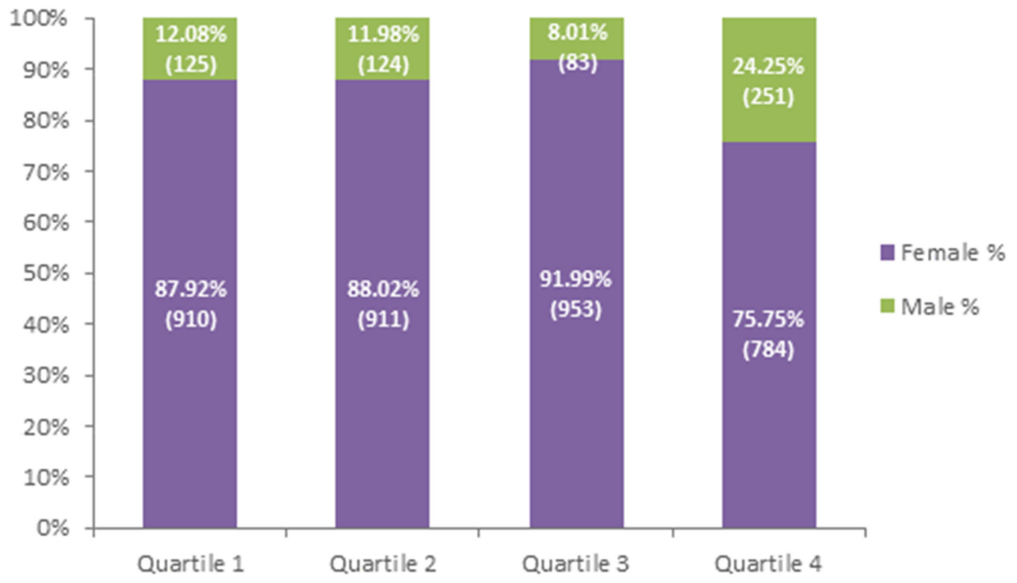
The Equality and Human Rights Commission announced that public sector organisations should where possible, submit their Gender Pay Gap report for 2020/21 by the deadline of 4 April, however, if they are unable to do so they have until the beginning of October 2021 to submit this. The Trust has considered 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

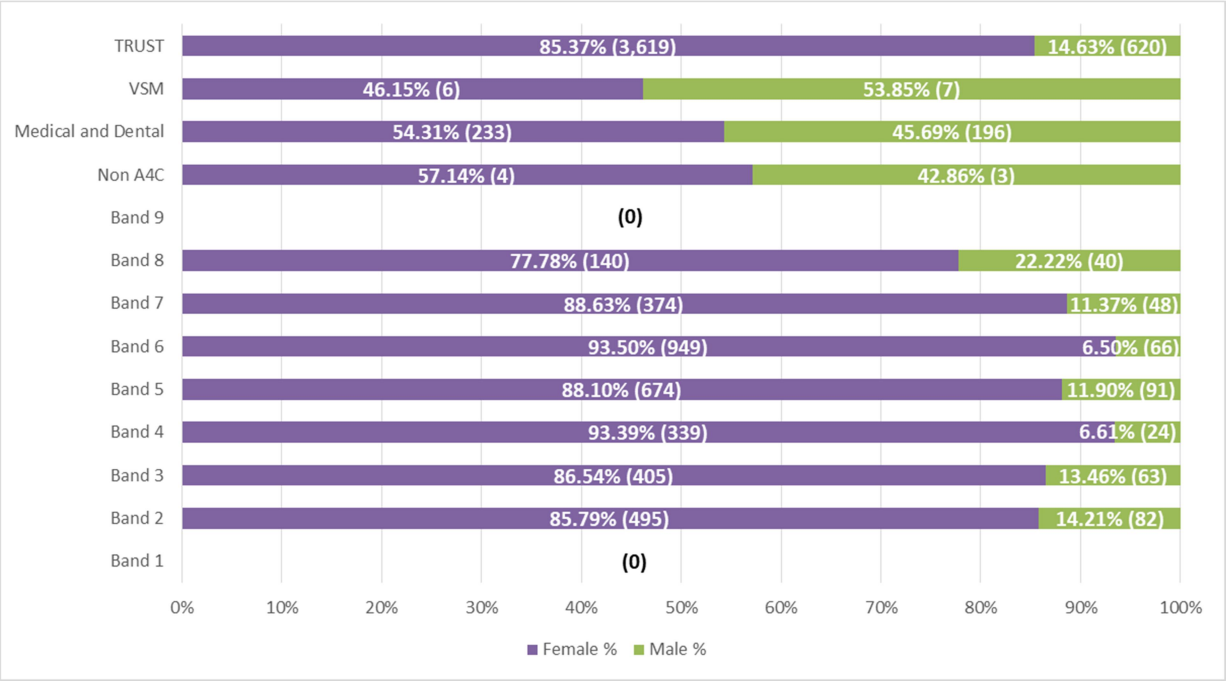
Proportion of males and females in each pay quartile (1 is low, 4 is high):



- 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 and https://workforce.wyhpartnership.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
• Free access to food and drink	• Multi-disciplinary faculty providing mental health support including counselling and psychology offering face to face and phone support

• 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 manages 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:

• Governance, Risk Management & Internal Control	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.
• Financial Management & Reporting	Review of the Foundation Trust's Financial Statements and Annual Report, including the Annual Governance Statement, before submission to the Board of Directors. 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. Ensuring that systems for financial reporting are subject to review to ensure completeness and accuracy of information and compliance with relevant legislation and requirements. Review of the Trust's Treasury Management Policy, Standing Financial Instructions and systems in place to ensure robust financial management.
• Internal Audit & Counter-Fraud Service	Ensuring an effective internal audit and counter-fraud service that meets mandatory standards and provides appropriate, independent assurance to management and the Audit Committee. 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.

	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).

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 is 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 was 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 *Resigned as Governor December 2020*	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

Staff Constituency	Name	Term of office	June 2020	September 2020	December 2020	March 2021
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

Nominating Organisation	Name	Term of office	June 2020	September 2020	December 2020	March 2021
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 *Resigned Sept 20, position currently vacant*	✓	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.

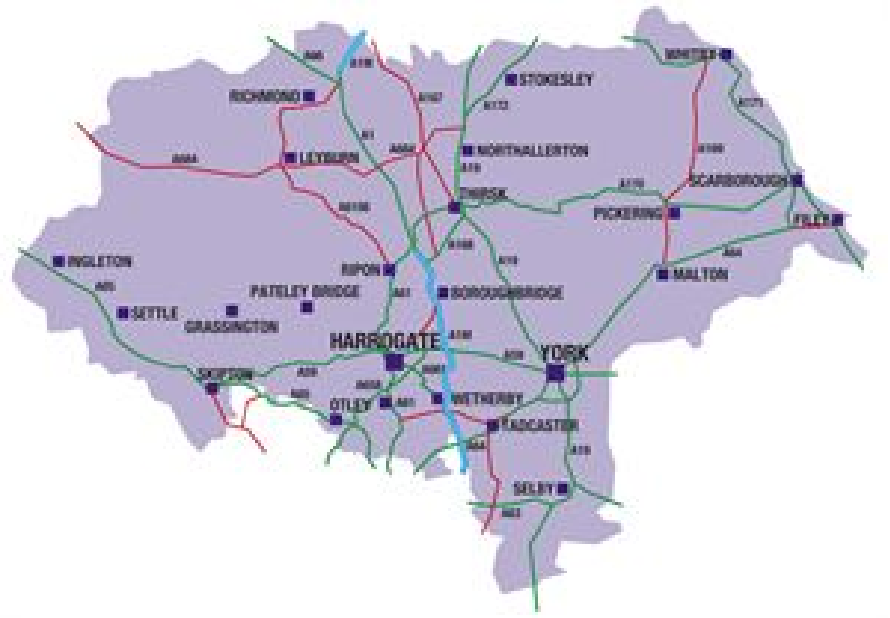
- **Eligibility to be a Member**

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*	
TOTAL	**12,773**	***899,199***	***1.42%***

*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	
TOTAL	**4,160**	**4,310**	***96.6%***

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		
Total	**11,773**	***899,199**	***1.3%**

** 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
Total	**11,773**	***899,199**

** 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

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.

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 participators 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.

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[1] 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.

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
Operating income from continuing operations	3.1	**297,379**	269,953
Operating expenses of continuing operations	4.1	**(293,907)**	(266,572)
OPERATING SURPLUS		**3,472**	3,381
FINANCE COSTS			
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		**(2,507)**	(2,678)
NET FINANCE COSTS		**(2,694)**	(2,802)
Losses on disposal of assets		**-**	(19)
Movement in fair value of investments	10	**346**	(199)
Corporation tax expense		**-**	44
SURPLUS FOR THE YEAR		**1,124**	405
Other comprehensive income			
Impairments charged to Revaluation Reserve	9.1	**(3,401)**	-
Revaluations	9.3	**-**	5,828
Other reserve movements - Subsiduary adjustment		**(281)**	-
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**(2,558)**	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

		Group	
		31 March 2021	31 March 2020
	Note	**£000**	£000
Non-current assets			
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
Total non-current assets		**111,295**	103,124
Current assets			
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
Total current assets		**44,726**	39,927
Current liabilities			
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)
Total current liabilities		**(27,238)**	(25,858)
Total assets less current liabilities		**128,783**	117,193
Non-current liabilities			
Trade and other payables	15	**(187)**	-
Borrowings	18	**(12,976)**	(15,101)
Provisions	16.1	**(198)**	(95)
Total non-current liabilities		**(13,361)**	(15,196)
Total assets employed		**115,422**	101,997
Financed by taxpayers' equity:			
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
Total taxpayers' equity (see page 9)		**115,422**	101,997

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	**2,186**	**98,845**	**4,978**	**9,413**	**115,422**

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	1,648	82,862	8,379	9,108	101,997

*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

		Group	
		2020/21	2019/20
	Note	**£000**	£000
Cash flows from operating activities			
Operating surplus from continuing operations		**3,472**	3,381
		3,472	3,381
Non-cash income and expense			
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)**	-
NET CASH GENERATED FROM OPERATIONS		**41,211**	3,982
Cash flows from investing activities			
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
Net cash used in investing activities		**(16,815)**	(4,541)
Cash flows from financing activities			
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)
Net cash generated/(used) in financing activities		**6,126**	1,323
Net increase/(decrease) in cash and cash equivalents	14	**30,522**	764
Cash and cash equivalents at 1 April 2020	14	**3,676**	2,912
Cash and cash equivalents at 31 March 2021	14	**34,198**	3,676

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
Operating income from continuing operations	3.1	**297,580**	269,778
Operating expenses of continuing operations	4.2	**(293,947)**	(266,289)
OPERATING SURPLUS		**3,633**	3,489
FINANCE COSTS			
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)
NET FINANCE COSTS		**(2,718)**	(2,830)
Losses on disposal of assets		**-**	(19)
SURPLUS FOR THE YEAR		**915**	640
Other comprehensive income			
Impairments charged to Revaluation Reserve	9.2	**(3,401)**	**-**
Revaluations	9.4	**-**	5,828
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**(2,486)**	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

		Foundation Trust	
		31 March 2021	31 March 2020
	Note	**£000**	£000
Non-current assets			
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
Total non-current assets		**108,637**	100,610
Current assets			
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
Total current assets		**43,860**	39,055
Current liabilities			
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)
Total current liabilities		**(25,343)**	(24,173)
Total assets less current liabilities		**127,154**	115,492
Non-current liabilities			
Trade and other payables	15	**(187)**	-
Borrowings	18	**(12,976)**	(15,101)
Provisions	16.1	**(198)**	(95)
Total non-current liabilities		**(13,361)**	(15,196)
Total assets employed		**113,793**	100,296
Financed by taxpayers' equity:			
Public Dividend Capital		**98,845**	82,862
Revaluation reserve		**4,978**	8,379
Income and expenditure reserve		**9,970**	9,055
Total taxpayers' equity (see page 13)		**113,793**	100,296

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	**98,845**	**4,978**	**9,970**	**113,793**

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	82,862	8,379	9,055	100,296

*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

	Note	Foundation Trust 2020/21 £000	2019/20 £000
Cash flows from operating activities			
Operating surplus from continuing operations		**3,633**	3,489
		3,633	3,489
Non-cash income and expense			
Depreciation and amortisation	4.2	**5,384**	4,057
Impairments and reversals	9.2	**82**	(196)
Income recognised in respect of capital donations		**(1,374)**	-
Increase/(Decrease) in trade and other receivables		**25,746**	(1,136)
(Increase)/Decrease in inventories	12.1	**412**	36
Increase/(Decrease) in trade and other payables		**7,085**	(2,857)
Decrease in other liabilities	17	**(409)**	(6)
Increase/(Decrease) in provisions		**97**	(45)
NET CASH GENERATED FROM OPERATIONS		**40,656**	3,342
Cash flows from investing activities			
Interest received		**24**	104
Purchase of Intangible assets	8	**(1,648)**	(20)
Purchase of Property, Plant and Equipment		**(11,494)**	(3,468)
Net cash used in investing activities		**(13,118)**	(3,384)
Cash flows from financing activities			
Public dividend capital received (please see page 15)		**15,983**	1,162
Movement in loans from the DHSC		**(7,019)**	2,769
Movement in loans to subsidiary		**(3,181)**	200
Interest paid		**(237)**	(256)
PDC dividend paid		**(2,601)**	(2,352)
Net cash generated/(used) in financing activities		**2,945**	1,523
Net increase/(decrease) in cash and cash equivalents	14	**30,483**	1,481
Cash and cash equivalents at 1 April 2020	14	**2,941**	1,460
Cash and cash equivalents at 31 March 2021	14	**33,424**	2,941

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 discrepencies 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 it's 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.

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 2020/21 £000	**Charity 2020/21 £000**	Healthcare 2019/20 £000	Charity 2019/20 £000
Operating Surplus/(Deficit)	**3,326**	**146**	3,517	(136)
Net Finance (Costs)/Income	**(2,740)**	**46**	(2,860)	58
Movement in fair value of investments/Loss on disposal of assets/Corporation tax expenses	**-**	**346**	25	(199)
SURPLUS/(DEFICIT) FOR THE YEAR	**586**	**538**	682	(277)
Non-current assets	**109,480**	**1,815**	101,710	1,414
Current assets	**44,318**	**408**	39,642	285
Current liabilities	**(27,201)**	**(37)**	(25,807)	(51)
Non-current liabilities	**(13,361)**	**-**	(15,196)	-
TOTAL ASSETS EMPLOYED	**113,236**	**2,186**	100,349	1,648
Financed by taxpayers' equity:				
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	**-**	**2,186**	-	1,648
TOTAL TAXPAYERS' EQUITY	**113,236**	**2,186**	100,349	1,648

3 Operating Income from continuing operations

3.1 Analysis of operating income

	Foundation Trust & Group	
	2020/21	2019/20
	£000	£000
Income from activities by nature:		
Acute services		
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
Community services		
Block contract / system envelope income	**28,854**	30,527
Income from other sources (e.g. local authorities)	**41,207**	40,750
All trusts		
Private patient income	**652**	1,831
Additional pension contribution central funding	**7,533**	7,217
Other clinical income	**33,427**	2,985
Total income from activities	**253,001**	245,435

	Foundation Trust & Group	
	2020/21	2019/20
	£000	£000
Income from activities by source:		
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
Total income from activities	**253,001**	245,435

	Group	
	2020/21	2019/20
	£000	£000
Group other operating income:		
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
Group total other operating income	**44,378**	24,518
Group total operating income	**297,379**	269,953

* NHS injury scheme income is subject to a provision for doubtful debts of 22.43% (2020: 21.79%) to reflect expected rates of collection.

3.1 Analysis of operating income (continued)

	Foundation Trust	
	2020/21	2019/20
	£000	£000
Total income from activities	**253,001**	245,435
Foundation Trust other operating income:		
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
Foundation Trust total other operating income	**44,579**	24,343
Foundation Trust total operating income	**297,580**	269,778

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).

	Foundation Trust & Group	
	2020/21	2019/20
	£000	£000
Commissioner Requested Services	**143,597**	143,597
Non-Commissioner Requested Services	**109,404**	101,838
Total	**253,001**	245,435

3.4 Operating lease income and future annual lease receipts

	Group	
	2020/21	2019/20
	£000	£000
Operating lease income	**162**	149
	162	149
Future minimum lease receipts due on buildings expiring		
- not later than one year;	**158**	148
- later than one year and not later than five years;	**455**	486
- later than five years.	**256**	424
	869	1,058

3.5 Operating lease income and future annual lease receipts

	Foundation Trust	
	2020/21	2019/20
	£000	£000
Operating lease income	**1,272**	1,268
	1,272	1,268
Future minimum lease receipts due on buildings expiring		
- not later than one year;	**1,272**	1,267
- later than one year and not later than five years;	**4,931**	4,962
- later than five years.	**19,279**	20,566
	25,482	26,795

4. Operating Expenses from continuing operations

4.1 Group operating expenses comprise:

	Group	
	2020/21	2019/20
	£000	£000
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
Group total operating expenses	**293,907**	266,572

4. Operating Expenses from continuing operations (Continued)

4.2 Foundation Trust operating expenses comprise:	**Foundation Trust**	
	2020/21	2019/20
	£000	£000
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
Foundation Trust total operating expenses	**293,947**	266,289

4.3 Operating lease expenditure and future annual lease payments

	Group	
	2020/21	2019/20
	£000	£000
Minimum lease payments	**4,200**	5,882
	4,200	5,882
Future minimum lease payments due expiring;		
Within 1 year	**3,504**	4,294
Between 1 and 5 years	**1,109**	1,060
Later than five years	**475**	549
	5,088	5,903

4.4 Operating lease expenditure and future annual lease payments

	Foundation Trust	
	2020/21	2019/20
	£000	£000
Minimum lease payments	**4,167**	5,864
	4,167	5,864
Future minimum lease payments due expiring;		
Within 1 year	**3,504**	4,294
Between 1 and 5 years	**1,109**	1,060
Later than five years	**475**	549
	5,088	5,903

4.5 Limitation on external auditor's liability

	Foundation Trust & Group	
	2020/21	2019/20
	£000	£000
Limitation on external auditor's liability	**1,000**	1,000
	1,000	1,000

5. Employee costs and numbers

5.1 Employee costs

	Group					
	Total	**Permanently**		Total	Permanently	
	2020/21	**Employed**	**Other**	2019/20	Employed	Other
	£000	**£000**	**£000**	£000	£000	£000
Salaries and wages	**154,219**	**151,676**	**2,543**	148,602	146,053	2,549
Annual leave/Flowers accruals	**5,587**	**5,587**	**-**			
Social Security costs (Employers NI costs)	**13,457**	**13,457**	**-**	13,091	13,091	-
Apprenticeship levy	**713**	**713**	**-**	693	693	-
Employer contributions to NHS Pensions Agency	**17,642**	**17,642**	**-**	16,919	16,919	-
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	**7,533**	**7,533**	**-**	7,217	7,217	-
Pension cost - other	**193**	**193**	**-**	150	150	-
Termination benefits	**62**	**62**	**-**	40	40	-
Agency/contract staff	**4,238**	**-**	**4,238**	4,860	-	4,860
Total employee expenses	**203,644**	**196,863**	**6,781**	191,572	184,163	7,409
Less costs capitalised as part of assets	**(824)**	**(824)**	**-**	(719)	(719)	-
Total employee costs excluding capitalised costs	**202,820**	**196,039**	**6,781**	190,853	183,444	7,409

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)

	Group			Group		
	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	**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.

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 (FReM) requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of 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 FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

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.

	Foundation Trust & Group		Foundation Trust & Group	
Exit cost band	**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	-

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	**1**	**62**	-	-
	1	**62**	1	24

6. Finance revenue

6.1 Group finance revenue received during the year is as follows:

Finance revenue received during the year is as follows:	Group	
	2020/21	2019/20
	£000	£000
Interest income:		
Interest on bank accounts	**(2)**	75
HDFT Charitable funds: investment income	**46**	58
	44	133

6.2 Foundation Trust finance revenue received during the year is as follows:

Finance revenue received during the year is as follows:	Foundation Trust	
	2020/21	2019/20
	£000	£000
Interest income:		
Interest on bank accounts	**(2)**	75
Interest on working capital loan to HHFM	**22**	30
Dividend from HHFM	**-**	-
	20	105

7. Finance expenses

Finance expenses incurred during the year are as follows:	Foundation Trust & Group	
	2020/21	2019/20
	£000	£000
Interest expense:		
Capital Loans from the Department of Health (formerly ITFF see note 18)	**229**	254
	229	254

8. Current year intangible fixed assets

	Foundation Trust & Group				
	Software Licences	**Development Expenditure**	**Websites**	**Other**	**Total**
	£000	**£000**	**£000**	**£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	-	-	-	-	**-**
Gross cost at 31 March 2021	**1,287**	**2,918**	**187**	**306**	**4,698**
Amortisation at 1 April 2020	643	-	-	-	**643**
Provided during the year	119	293	7	35	**454**
Reclassifications	106	379	17	80	**582**
Disposals	-	-	-	-	**-**
Amortisation at 31 March 2021	**868**	**672**	**24**	**115**	**1,679**
Net book value					
- Purchased at 31 March 2021	419	2,246	163	191	**3,019**
- Total at 31 March 2021	**419**	**2,246**	**163**	**191**	**3,019**

8.1 Prior year intangible fixed assets

	Foundation Trust & Group				
	Software Licences	**Development Expenditure**	**Websites**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Gross cost at 1 April 2019	853	-	-	-	853
Additions - purchased	20	-	-	-	20
Disposals	-	-	-	-	-
Gross cost at 31 March 2020	**873**	**-**	**-**	**-**	**873**
Amortisation at 1 April 2019	573	-	-	-	573
Provided during the year	70	-	-	-	70
Disposals	-	-	-	-	-
Amortisation at 31 March 2020	**643**	**-**	**-**	**-**	**643**
Net book value					
- Purchased at 31 March 2020	230	-	-	-	230
- Total at 31 March 2020	**230**	**-**	**-**	**-**	**230**

*Reclassifications total of £2,177,000 (gross) and £582,000 (depreciation) represents a movement between Tanglible and Intantagible assets - see note 9.1.

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)**
Cost or valuation At 31 March 2021	**3,500**	**75,875**	**871**	**3,783**	**29,425**	**184**	**13,729**	**718**	**128,085**
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)**
Depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**14,467**	**112**	**7,417**	**344**	**22,340**
Net book value									
- 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**
Net book value at 31 March 2021	**3,500**	**75,875**	**871**	**3,783**	**14,958**	**72**	**6,312**	**374**	**105,745**

*Reclassifications total of £2,177,000 (gross) and £582,000 (depreciation) represents a movement between Tanglible and Intantagible 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.

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)**
Cost or valuation At 31 March 2021	**3,500**	**72,938**	**451**	**3,020**	**27,104**	**25**	**13,728**	**658**	**121,424**
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)**
Depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**13,346**	**-**	**7,418**	**339**	**21,103**
Net book value									
- 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**
Net book value at 31 March 2021	**3,500**	**72,938**	**451**	**3,020**	**13,758**	**25**	**6,310**	**319**	**100,321**

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.

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)
Cost or valuation At 31 March 2020	**3,225**	**78,320**	**1,700**	**1,915**	**21,997**	**159**	**13,141**	**730**	**121,187**
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)
Depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**13,269**	**102**	**7,067**	**371**	**20,809**
Net book value									
- 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
Net book value at 31 March 2020	**3,225**	**78,320**	**1,700**	**1,915**	**8,728**	**57**	**6,074**	**359**	**100,378**

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.

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)**
Cost or valuation At 31 March 2020	**3,225**	**77,611**	**1,715**	**1,179**	**20,071**	**-**	**13,139**	**693**	**117,633**
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)**
Depreciation at 31 March 2020	**-**	**-**	**-**	**-**	**12,318**	**-**	**7,067**	**370**	**19,755**
Net book value									
- 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**
Net book value at 31 March 2020	**3,225**	**77,611**	**1,715**	**1,179**	**7,753**	**-**	**6,072**	**323**	**97,878**

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.

10. Investments

	Group	
	2020/21	2019/20
	£000	£000
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	**1,815**	1,414

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.

	Foundation Trust	
	2020/21	2019/20
	£000	£000
Non-current assets		
Shares in Subsidiary	**1,000**	1,000
Loans to Subsidiary	**3,581**	400
	4,581	1,400
Current assets		
Loans to Subsidiary	**200**	200
	4,781	1,600

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

	Group		Foundation Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Drugs	**771**	740	**771**	740
Consumables	**1,258**	1,700	**1,142**	1,585
Total	**2,029**	2,440	**1,913**	2,325

12.2 Inventories recognised in expenses

	Foundation Trust & Group	
	2020/21	2019/20
	£000	£000
Drug Inventories recognised as an expense in the year	**16,405**	15,737
Total	**16,405**	15,737

13. Trade and other receivables

13.1 Trade and other receivables are made up of:

	Group	
	2020/21	2019/20
Current	**£000**	£000
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
Total	**8,499**	33,811

	Foundation Trust	
	2020/21	2019/20
Current	**£000**	£000
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
Total	**8,323**	33,589

	Foundation Trust & Group	
	2020/21	2019/20
	£000	£000
Non-Current		
Other receivables	**220**	313
VAT receivables	**545**	857
Provision for the impairment of receivables (see note 13.2)	**(49)**	(68)
Total	**716**	1,102

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.

13. Trade and other receivables (continued)

13.2 Allowances for credit losses (doubtful debts)	Foundation Trust & Group 2020/21 £000	2019/20 £000
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	**499**	542

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

	Group 2020/21 £000	2019/20 £000	Foundation Trust 2020/21 £000	2019/20 £000
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	**34,198**	3,676	**33,424**	2,941
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	**34,198**	3,676	**33,424**	2,941

15. Trade and other payables

	Group 2020/21 £000	2019/20 £000	Foundation Trust 2020/21 £000	2019/20 £000
Current				
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**	-
Total	**23,526**	16,831	**21,631**	15,146

	Foundation Trust & Group 2020/21 £000	2019/20 £000
Non-Current		
Accruals	**187**	-
Total	**187**	-

16. Provisions

16.1 Provisions current and non current

	Foundation Trust & Group Current		Foundation Trust & Group Non current	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£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
	104	108	**198**	95

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	**198**	**49**	**55**	**302**

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**
	198	53	51	**302**

£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.

17. Other liabilities

	Foundation Trust & Group	
	2020/21	2019/20
Current	**£000**	£000
Deferred income	**1,430**	1,839
Total	**1,430**	1,839

18. Borrowings

	Foundation Trust & Group	
	2020/21	2019/20
Current	**£000**	£000
Capital loans from DHSC (formerly ITFF)*	**2,178**	2,183
Revenue support / working capital loans from DHSC**	**-**	4,897
Total	**2,178**	7,080
Non-Current		
Capital loans from DHSC (formerly ITFF)*	**12,976**	15,101
Total	**12,976**	15,101

*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.

20. Losses and special payments

	Foundation Trust & Group			
	2020/21 Total number of cases	**2020/21 Total value of cases**	2019/20 Total number of cases	2019/20 Total value of cases
		£000		£000
Losses:				
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
Special payments:				
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
Total losses and special payments	**542**	**332**	438	47

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

24. Financial instruments.

	Group		Foundation Trust	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Financial assets				
Loans and receivables (including cash and cash equivalents)	**39,486**	34,111	**38,990**	33,627
Investments	**-**	-	**1,000**	1,000
Consolidated NHS Charitable fund financial assets	**2,223**	1,699	**-**	-
	41,709	35,810	**39,990**	34,627
Financial liabilities				
Loans and payables	**32,471**	32,987	**30,743**	31,465
Consolidated NHS Charitable fund financial liabiilities	**37**	51	**-**	-
	32,508	**33,038**	**30,743**	**31,465**

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).

	Group	
	2020/21	2019/20
	£000	£000
Unrestricted income funds	**398**	151
Restricted funds	**49**	59
Endowment fund	**1,739**	1,438
	2,186	1,648

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.