The Leeds Teaching Hospitals
NHS Trust

Annual Report and Accounts

2019/2020

Contents

Overview

This section introduces the work of Leeds Teaching Hospitals NHS Trust. It sets out the Trust's core vision and values and highlights some of our strategic developments and achievements over the 2019/2020 financial year.

Chair and Chief Executive's statement

We always introduce the annual report reflecting on the previous year at Leeds Teaching Hospitals - in this case April 2019 to March 2020. We couldn't start a piece about this period without referencing the last few months. It has been an unprecedented time for the NHS as we respond to the impact COVID-19 is having on our people, our communities and our hospitals.

You can read about our response to COVID-19 in more detail later in the report, but we can honestly say we have never been more proud to be part of the NHS and our Trust than we have been over the last few months. The collaborative working and shared commitment shown by our teams in preparing our hospitals to face this pandemic has been nothing short of extraordinary. From switching ward areas around and people moving to different job roles across the organisation, training staff to take on new clinical skills, procuring and delivering additional stocks of personal protective equipment (PPE) to ramping up testing in our Pathology laboratories for the region.

However, even though this has been a huge undertaking, our preparedness and response to COVID-19 has been only part of our year. Our hospitals have been running 24 hours a day every single day - our teams ensuring each of our patients receives the best possible care every time and we are continuously striving to improve.

On behalf of the Trust Board we are pleased to be able to share some of these successes, and indeed challenges, with you through this annual report.

Collaboration and integrated care

We are working hard to integrate our health care services with those of partners in the city, and ensure that our city and region get the recognition and investment we need to provide the people of Leeds and the wider region with the very best services.

We work closely with our partners, in particular Leeds Community Healthcare, Leeds and York Partnership Foundation Trust and the Leeds Clinical Commissioning Group (CCG), through regular board to board meetings, our System Resilience Assurance Board (SRAB), and more informal regular operational contact. This helps to ensure that together we are providing the best possible care for patients.

We also work with the Leeds Health and Wellbeing Board across hugely important areas like prevention, self-care, improving planned hospital care and helping people who need urgent care. These are the priority areas of The Leeds Plan, which seeks to improve health and wellbeing; protect vulnerable people and reduce inequalities; improve quality and consistency; and build a sustainable system.

Strategically, we are part of the West Yorkshire and Harrogate Health and Care Partnership, which is one of 12 integrated care systems in the country. Our collaboration aims to transform health and care by creating sustainable organisations, systems and partnerships, breaking down barriers between GPs and hospitals, physical and mental health, social care and the NHS.

Working with the communities we support, the partnership brings together health and social care organisations, including the voluntary sector and other care providers to give people the best start in life, and support to stay healthy and live longer. An important part of the work is tackling health inequalities whilst improving the lives of the poorest the fastest.

We are also a key partner in the West Yorkshire Association of Acute Trusts (WYAAT). This group of hospital trusts is effectively the delivery mechanism for acute hospital aspects of the health and care partnership. WYAAT enables hospitals in West Yorkshire and Harrogate to work more closely together to give patients better access to services, facilities and expert care.

We are an 'anchor institution' meaning we are important locally, investing in training and development for local people as a key part of our workforce. We recognise that having a workforce that can plan and work as part of an integrated system means training and developing those people to work across boundaries. We are key partners in the Leeds Health and Care Academy which will bring together the planning, coordination, resource and delivery of learning and development for around 57,000 Leeds health and care professionals, offering them greater opportunities to experience and practise in different workplace settings and disciplines. Throughout the year we have continued to make progress with this initiative and look forward to its implementation.

We feel very privileged to work with some fantastic charities at Leeds Teaching Hospitals. You can read more about our official charity partner, Leeds Cares, later in this report, but we are also incredibly grateful for the support of many others across many different areas.

This year we were delighted to open the first Maggies' Centre in Yorkshire at St James's. Architect Thomas Heatherwick said at the opening that this is a building that celebrates the joy of living rather than the fear of dying and that's what we all want it to be. It is a special place that provides peace and calm, support and friendship and complements the first-class cancer care we offer patients, and the cancer support already delivered by the Robert Ogden Centre.

Patient safety and high quality care

Our patients are at the heart of every decision we make and everything we do. We are proud that 96% of inpatients and 95% of outpatients said that they would recommend us to their friends and family if they needed hospital care.

One of the big improvements we have seen this year is reducing the number of patients having to wait more than 52 weeks for surgery. In August 2018 there were 188 patients waiting for over 12 months and our plan was to reduce this figure to just 19 by the end of March 2020. Teams were on track to not only deliver this ambitious target but exceed it. Unfortunately, we were required by NHS national leaders to stop planned surgery as part of our preparedness actions to deal with the COVID-19 response. Nevertheless, we continue to try to reduce the number of patients waiting for treatment.

There are examples throughout our hospitals and indeed this report, in particular on page 81, that show the lengths our teams go to so that patients can receive the very best care. We regularly share these stories about our successes with our local media, on our Trust website www.leedsth.nhs.uk and through our social media channels which are very well received and help local communities to understand how services are changing.

Our latest CQC rating in 2018 told us that we are good and getting better. We have already shown that we can overcome challenges in fundamental areas to make dramatic improvements across LTHT.

But, when it comes to making things better for our patients, we don't want to just stop there.

Building The Leeds Way

This year has seen some very exciting progress in the development of two new hospitals in Leeds. We were given funding and the green light to build them both.

The first will be a state-of-the-art hospital for adult health services, with a new Outpatients hub and new theatres for day surgery and added critical care. The second will be a fantastic new hospital for children and young people.

Our teams are pioneers, known internationally for their expertise and world-class services, and we are committed to providing them with the buildings and facilities to match.

You can read more about our plans on page 9.

There are many reasons to believe we can achieve the potential that everybody thinks we have, to become an outstanding hospital. We aim to continue being a hospital that will set the standard for the NHS, and beyond.

Best place to work

This starts with being a good employer, which means that we look after our people and support them to achieve the best they can as professionals and provide the best care for our patients. This has been more important than ever during the COVID-19 pandemic and we have provided comprehensive support for our colleagues, as well as seeing great mutual support by people who are working together.

The sense of common purpose, shared experience and collaborative effort has truly demonstrated the meaning of our values we developed together, called The Leeds Way.

We have worked in The Leeds Way to develop a patient centred approach, to collaborate with our partners, to empower our staff, be accountable to our stakeholders, and to be fair in all that we do.

Our values continue to serve us extremely well, defining the behaviours and expectations through which we have started to build some very important parts of our future.

It is thanks to our engaged workforce that we believe we are becoming an organisation well equipped to overcome the challenges the NHS will continue to face.

Financial sustainability

This year we delivered a financial surplus of £13.9million, the third successive year that we have been in surplus. This is important because it means we can invest in maintaining and improving our hospitals, purchasing medical equipment and developing our digital infrastructure.

In fact, during 2019/2020 we invested more in our estate, medical equipment and IT than ever before. This included opening a new Clinical Research Facility, refurbishing wards in Lincoln Wing at St James's, two Linea Accelerators (LINAC) radiotherapy machines for the Leeds Cancer Centre, and our Electronic Health Record System.

For more information on our income and expenditure, please see page 25.

Much of this work can be attributed to our teams' commitment to 'waste reduction' which encourages us all to identify and remove wasteful practices, procedures or delays which impede great patient experience.

The Leeds Improvement Method

Our work in partnership with the NHS leadership nationally and the Virginia Mason Institute in Seattle helped us to create the Leeds Improvement Method (LIM), a Trust-wide management approach that emphasises quality and efficiency by eliminating waste. Much of our financial sustainability has been achieved by our teams 'reducing waste' in our everyday working lives.

The philosophy of LIM is that everyone working in our hospitals feels empowered to make improvements in their daily work bringing the benefits of a safe, high quality experience, for every patient and every member of staff. We have now embedded this into many areas and it is well on the way to becoming our default management system.

There is more information about LIM on page 9

Leeds Cares

This year has also been an exciting one for our charity partner, Leeds Cares. In the summer of 2019 they celebrated their first birthday and also became the official fundraising partner of the UCI World Cycling Championships as it came to Yorkshire, which got their name out there to an international audience. They have also welcomed their new Chief Executive, Esther Wakeman.

During 2019/2020, Leeds Cares made donations totalling £3.5m to LTHT including a grant of £2m which helped to support specific services we provide, including play specialists and youth workers, chaplaincy, bereavement liaison and the Robert Ogden Centre.

In particular, we would also like to thank them for supporting our staff during the COVID-19 response, where they have managed the very many donations of goods and funds into our hospitals, and provided free Hospedia - radio and television - services for our patients.

Without the continued support of Leeds Cares on many of our key projects and initiatives, we wouldn't be able to make such brilliant progress and be in such a strong position for the future.

More about Leeds Cares' support for our hospitals can be found on page 88.

The future

Knowing our weaknesses as well as our strengths is what makes us a mature, confident organisation. We are an organisation that has strong governance, leadership and management processes and we have worked extremely hard to build these foundations.

We begin 2020/2021 continuing our response to COVID-19 and developing our recovery plans for providing services as we manage the ongoing impact of the pandemic. We know that this is going to take some time, and that our people will be affected by the events of the last few months for a long while. We are committed to supporting them through this, returning to more regular provision of planned and emergency services, diagnostic and outpatients work, but also providing access to psychological and emotional support where it is needed.

We are encouraged by the fantastic support our teams and the NHS nationally has received from the general public. From the #clapforourcarers on a Thursday evening to donations of food parcels, images of rainbows decorating homes and wards, and the overwhelming numbers of thank you cards and letters coming through our post rooms.

Everyone that works at Leeds Teaching Hospitals - our staff, our volunteers, our contractors, our partners - have a key role in keeping our services running and ensuring our patients receive great care during this challenging time, and all of the time.

We are privileged to be working alongside them.

Linda Pollard *CBE DL Hon.LLD*
Chair

Julian Hartley
Chief Executive

About us

Leeds Teaching Hospitals NHS Trust (LTHT) was formed in April 1998, following the merger of two smaller NHS trusts in the city. Today, it is one of the largest and busiest acute hospital trusts in the United Kingdom.

Every year, LTHT provides healthcare and specialist services for people from the city of Leeds, Yorkshire and the Humber and beyond. We play an important role in the training and education of medical, nursing and dental students and are a centre of world-class research and pioneering new treatments.

Our care and clinical expertise is spread over seven hospitals and medical facilities:

- Leeds General Infirmary (LGI)
- St James's University Hospital (SJUH) (including Leeds Cancer Centre)
- Seacroft Hospital
- Wharfedale Hospital
- Chapel Allerton Hospital
- Leeds Children's Hospital
- Leeds Dental Institute

Our services

We are committed to providing our patients with the very best care across all of our services.

Our services include:

- high quality and effective hospital services for our community in Leeds, such as two Emergency Departments, outpatients, inpatients, maternity and older people services;
- highly specialised services for the population of Leeds, Yorkshire and the Humber, nationally and beyond.

This means that people in Leeds and across Yorkshire have access to some of the very best care in the country and benefit from a seamless provision of all services.

We operate a clinically-led structure, which means that doctors, nurses and other healthcare professionals make the decisions on how we run our services. Our Clinical Service Units (CSUs) deliver all of our services and are led by a triumvirate team, including a Clinical Director, a Head of Nursing or Profession and a General Manager.

Each CSU has its own clinical focus and is responsible for delivering the highest standards of quality, safety and financial performance for its service. Providing high-quality care and running effective services is very much a team effort.

We are one of the largest providers of specialist hospital services in the country, covering over 100 specialties, delivered locally, regionally, nationally and, in some cases, internationally. Around 49% of our patient care income comes from our specialised commissioners, NHS England.

It means we can attract specialists at the top of their disciplines and enables us to offer our patients the very latest in drug trials, therapies and treatments. Evidence suggests that for many complex conditions patients will get a better outcome if they are seen by a specialist in a place with the best equipment and expert staff available.

Our vision and values

Leeds Teaching Hospitals is committed to delivering the highest quality and safest treatment and care to every patient, every time.

Our vision is to be the best for specialist and integrated care.

Our staff helped to define the values and behaviours that we should work to so that we can achieve this vision. This has become known as The Leeds Way, and forms the foundation of our culture, our ethos and how we work every day.

Since its launch in 2014, The Leeds Way has become embedded in everything we do at LTHT. We have received positive feedback from the Care Quality Commission about how it filters through every part of our organisation, and it has seen us improve year on year on staff engagement in the national staff survey.

The Leeds Way – our values

We are patient-centred

We consistently deliver high quality, safe care
We work around the patient and their carers and focus on meeting their individual needs
We act with compassion, sensitivity and kindness towards patients, carers and relatives

We are fair

We treat patients how we would wish to be treated
We strive to maintain the dignity and respect of each patient, being particularly attentive to the needs of vulnerable groups

We are collaborative

We are all one team with a common purpose
We include all relevant patients and staff in our discussions and decisions
We work in partnership with patients, their families and other providers so they feel in control of their health and care needs

We are accountable

We act with integrity and are always true to our word
We are honest with patients, colleagues and our communities at all times
We disclose results and accept responsibility for our actions

We are empowered

We empower colleagues and patients to make decisions
We expect colleagues to help build and maintain staff satisfaction and morale
We celebrate staff who innovate and go the extra mile for their patients and colleagues

The Leeds Improvement Method

The Leeds Improvement Method (LIM) underpins all of our improvement work at LTHT. The philosophy of LIM is that everyone working in our hospitals feels empowered to make improvements in their daily work bringing the benefits of a safe, high quality experience, for every patient and every member of staff.

We currently have six active Value Streams, following the launch of the LGI Emergency Department Value Stream in April and subsequently breast cancer services in November 2019. Work has continued in the other Value Streams of Adult Critical Care with Neurosciences, Ophthalmology Outpatients, Adult Cardiac Surgery and Acute General Surgical Admissions.

LIM education and training continues across the Trust and this year we have added more Advanced Lean Training; creating improvement experts within our clinical service units.

We've delivered 13 Rapid Process Improvement Workshops; one of our key tools to create and sustain improvement. Medicines Management and Pharmacy Services have been trained to deliver the organisation's first Rapid Process Improvement Workshop independent of a Value Stream too.

Headlines from our Value Stream high level metrics

- **Adult Cardiac Surgery** - cancellations per quarter reduced by 33% (66 to 52 patients).
- **Emergency Departments** - 4.1% improvement in the Emergency Care Standard at our LGI site (83.65 to 86.6%)*
- **Adult Critical Care** - reduction in out of hours transfers by 65%, reduction in median length of stay from 3.3 to 1.9 days (42%)
- **Abdominal Medicine and Surgery** - time to triage on the Surgical Assessment Unit is now 4 mins (85% improvement)
- **Opthalmology Outpatients** - appointment time from arrival to departure is now 165 minutes, a reduction of 21%.

*Reflects a month on month position rather than the YTD whole site performance.

Building The Leeds Way

This has been a landmark year for Building the Leeds Way, the Trust's overarching programme of development and investment across our hospital sites. This incorporates the building of two new hospitals on the Leeds General Infirmary site (a hospital for adults and one for children and young people) known as Hospitals of the Future and a new Pathology laboratory at St James's serving hospitals in Leeds, West Yorkshire and Harrogate.

The programme will also support the development of an Innovation District for Leeds, bringing together the Trust, the two Leeds Universities and Leeds City Council to drive forward investment in sectors including precision medicine, digital health, data and new business.

In September 2019, we were delighted to learn that we were one of six hospital trusts to receive a share of £2.7 billion funding from the Treasury as part of the Government's new Health Infrastructure Plan. This is a five-year programme of investment in health infrastructure, including capital to build new hospitals, modernise primary care estate and invest in new diagnostics and technology.

In November, Leeds City Council granted permission for our Outline Planning Application for the Hospitals of the Future development.

Together, these milestones enabled the Trust to forge ahead with turning our vision for two state-of-the-art hospitals delivering the most advanced treatment and patient care into a reality.

We have since finalised the Outline Business Case for Hospitals of the Future and started to prepare for the enabling and demolition works that will begin later in 2020.

The location of maternity and neonatal services, and particularly hospital antenatal services, is particularly important in the new hospital development. From January to April 2020 we supported the formal consultation seeking feedback on maternity and neonatal services in Leeds, led by our commissioners NHS Leeds CCG and NHS England and Improvement (NHSE/I) (neonates).

An independent report on the findings has been prepared for consideration by the Scrutiny Board, Adults Health and Active Lifestyles and a final decision by the Boards of NHS Leeds Clinical Commissioning Group (CCG) and NHSE/I is expected before the end of July 2020.

Our plans to build a new Pathology laboratory also took a significant step forward during the year, and we submitted an Outline Planning Application to Leeds City Council in March 2020. This purpose-built facility at St James's will deliver leading-edge pathology services and specialist testing to hospitals in the Leeds, West Yorkshire and Harrogate region.

Highlights of the year

It is important to recognise our successes, even during challenging times, and 2019/2020 has been a year with much to celebrate at Leeds Teaching Hospitals. Our teams have been part of ground-breaking research and innovation, and advancements in medical treatment, they've won national awards and secured record funding to develop our hospital sites.

The following pages show just a selection of the successes that we have celebrated over the past year. You can read more about our work on the Trust website, www.leedsth.nhs.uk, or by following us on social media.

2019
April

NHS People Plan

We welcomed Prerana Issar, NHS Chief People Officer, Baroness Dido Harding, Chair of NHS England/Improvement, and David Behan, Chair of Health Education England, to talk about the NHS People Plan. This included a live link up to East London NHS Foundation Trust and a round table discussion where 50 NHS staff from across Leeds gave their views on what makes the NHS a great place to work, and what needs to change and improve to make it the best employer.

2019
May

£2.4 million MR Simulator Appeal target reached

The £2.4 million target for our MR (Magnetic Resonance) Simulator Appeal was achieved, following a milestone donation of £250,000 by Sovereign Health Care. Over the last two years, money for the appeal had been raised through individual donations, support from corporate partners and fundraising by staff and patients through our charity Leeds Cares.

The state-of-the-art machine will transform the way care is delivered for radiotherapy patients undergoing treatment at the Leeds Cancer Centre. The MR Simulator can produce high quality scans of the affected area; providing images with better soft tissue definition which allows the areas for treatment to be identified with greater clarity - minimising the risk of damage to healthy cells.

2019
May

Stephen Hammond MP visits LGI

The Minister of State for Health, Stephen Hammond MP, visited the LGI. He visited our Emergency Department and talked to the team there about the things they're doing to improve the flow of patients through the department. He also visited our Adult Critical Care Team and Cardiac Surgery Team to hear about the positive impact they have had reducing the number of cancelled operations by using The Leeds Improvement Method.

Lord Prior visit

Lord Prior visited the Trust in his new role as Chairman of NHS Improvement. He visited the Digital Ward (J23) to find out how we were improving services by becoming paperless and introducing Scan4Safety. He also met the team at the Central Laboratory Service for Rare Disease and Cancer who are leading our genomics work, in partnership with Newcastle and Sheffield Trusts. He also learnt about the Leeds Improvement Method and Building the Leeds Way, as well as developments in the hand transplant programme.

2019
June

Welcome to our Global Learning Practitioners

We welcomed 15 nurses from Jamaica who spent five months working in our Adult Critical Care CSU, as well as spending time on the Paediatric Intensive Care at Leeds Children's Hospital. This was part of a global nurse exchange partnership between LTHT, the Health Ministry of Jamaica and Health Education England.

Happy first birthday, Leeds Cares

Leeds Cares launch their 'We Are One' campaign as part of the celebrations for their 1st birthday.

2019

July

Record-breaking research

We broke our records for research recruitment this year with 20,983 people recruited in 2018/2019. This places LTHT fourth nationally for the total number of people recruited. This is really important because it is proven that research-active hospitals provide better care.

Celebrating 60 years of kidney transplants

13th July marked 60 years since the first kidney transplant took place at LGI, by pioneering surgeons Frank Parsons and Peter Raper in 1959. Since then, nearly 5,000 people have benefited from a kidney transplant at Leeds Teaching Hospitals and, as a direct result of this groundbreaking achievement, nearly 2,000 people in Yorkshire are able to continue their lives free from dialysis.

2019

August

NHS Rainbow badges launch at LTHT

The NHS rainbow badges act as a symbol of our commitment to promote inclusion for all colleagues, patients and visitors regardless of their gender identity or sexuality. The initiative started at Evelina Children's Hospital in London and has spread to a number of trusts nationally. We started off with 12 'change-makers' starting discussions with 12 colleagues across the organisation to explain the campaign's meaning and the duties that come with wearing a badge. Now, nearly 6500 LTHT people have signed up to the NHS rainbow badge pledge with pride, showing everyone that they can feel safe and supported in our hospitals.

2019
August

PM visits to announce £12m capital funding for pathology network

The Department of Health announced that we would be allocated £12million to help develop a single Laboratory Information Management System across West Yorkshire and Harrogate, with our partners in the West Yorkshire Association of Acute Trusts (WYAAT).

We welcomed the Prime Minister Boris Johnson to visit our Pathology services, meet staff and hear about plans for Building The Leeds Way, including a brand new home for our Pathology services.

2019
September

UCI World Cycle Championships

The UCI Championships elevated the name of our charity, Leeds Cares, to the world stage and raised funds for them too. The charity had over 2,000 riders completing the Sportive - 120 Trust staff among them - which was a great turn out for their role as official charity partner.

Green light for Building The Leeds Way

We were announced as one of the six trusts to receive a share of £2.7billion so we can build the two new hospitals at Leeds General Infirmary as part of Building the Leeds Way, meaning we can proceed with the new adult hospital and also the new dedicated Children's Hospital.

The announcement is part of the Government's new Health Infrastructure Plan, a rolling five-year programme of investment in health infrastructure including capital to build new hospitals, modernise our primary care estate and invest in new diagnostics and technology. It is brilliant news for the Trust, for all of our patients and also for the city of Leeds as we can develop more modern, environmentally sustainable and efficient buildings.

2019

October

Northern Powerhouse Minister hears about new hospital plans

Northern Powerhouse and Local Growth Minister, Jake Berry, visited the LGI to discuss the contribution Building the Leeds Way and Leeds Innovation District will make in helping to regenerate the city. He also visited the Frailty Unit at St James's Hospital which was funded through the Better Care Fund and supports patients by avoiding unnecessary admissions to hospital.

Linda Pollard named Director of the Year

Trust Chair, Linda Pollard, received the highest accolade at the Institute of Directors' (IoD) Director of the Year Awards 2019 - the Dr Neville Bain Memorial Award for Excellence in Director and Board Practice. Earlier in the year Linda won the IoD's Yorkshire Chairman's Award for Excellence in Director and Board Practice - as a result of this she was nominated alongside counterparts in some of the country's high-profile public and private sector organisations for these national awards. This was the first time this award has been given to an individual from the public sector.

Maggie's Yorkshire opens

The new Maggie's Yorkshire centre opened at St James's. Architect Thomas Heatherwick, who was at the opening reception, described it as a building that celebrates the joy of living rather than the fear of dying. Maggie's Yorkshire will provide peace and calm, support and friendship to complement the first-class cancer services we offer patients, and the cancer support already delivered by the Robert Ogden Centre. The finished build features 17,000 plants, 23,000 bulbs, and 49 different species making it one of our greenest buildings ever.

2019 November

New MRSA BSI record

We achieved 204 days without a single case of MRSA bacteraemia. This is a new record and shows that through a dedicated focus on infection prevention and control, we can achieve better patient outcomes by tackling infections.

Lord Carter visit

We welcomed Lord Patrick Carter, Non-Executive Director of NHS Improvement, to our pharmacy aseptic unit at Bexley Wing, St James's. Lord Carter led a recent call for evidence as part of a national review of pharmacy aseptic services and our pharmacy aseptic unit includes one of only a handful of biotherapy suites in the UK that is used to prepare products like immunotherapy for use mainly in clinical trials.

2019 December

New state-of-the-art radiotherapy machines

Our new state-of-the-art radiotherapy machines were delivered to the Leeds Cancer Centre. The new linear accelerator (LINAC) allows a specific dose of radiation to be targeted directly to cancerous cells with more precision and less damage to the healthy cells surrounding them. Our 10 LINAC machines in the Bexley Wing are used on average between 08:00-18:30 with each treating about 50 patients a day - the most machines of this type on a single hospital site in the country.

Staff invited to Number 10

Four members of LTHT staff attended a special event at Number 10 Downing Street, put on for NHS staff working over Christmas and New Year.

Adene Thornton, Emergency Department Sister; Jane Atkins, Adult Critical Care Matron; Jonathan Nelson, Consultant Obstetrician; and Emma Reid, Children's Respiratory Sister; spoke to the Secretary of State, the Chief Nurse of England, and the Prime Minister about a number of things, including operational pressures faced by the NHS at this time of year, the new annual grant for the student nurses, and our plans for new hospital builds.

2020 January

Maternity and neonatal services public consultation

We launched the public consultation on proposals to centralise inpatient maternity and neonatal services in the new hospitals at LGI and how best to provide maternity hospital outpatient appointments.

The consultation was led by Leeds Clinical Commissioning Group (CCG) and NHS England's Specialised Commissioning Team. We worked closely with them to support the consultation and our teams provided information about the challenges we face and how these proposals will improve services for our patients. A decision on the best way forward for maternity and neonatal services in Leeds is expected in July 2020.

2020 February

GR8X - celebrating when things go right!

The launch of Gr8X - pronounced Great-ix - shows that lessons learned don't always have to come from a negative. The initiative launched in Leeds Children's Hospital by the Junior Doctor Forum last year and rolled out Trust-wide in February 2020.

2020 March

The Chancellor visits the LGI

Rt Hon Rishi Sunak MP, Chancellor of the Exchequer, visited the Old Medical School at the LGI. The Chancellor came to see progress on plans for Building The Leeds Way, but also to see how we were responding to the emerging Coronavirus situation.

Our pathology teams showed him the pathway we use to test for Coronavirus in the labs and explained the process.

COVID-19 response

Our preparedness and response to the COVID-19 pandemic has involved all of our staff and departments across the hospital.

Our people have been exemplary during this challenging time. Many clinical staff have worked in areas unfamiliar to them and have attended additional training to support them to do these different roles. Many of our people have been asked to work in areas such as critical care, respiratory or general medicine in order to augment the available capacity to care for patients. Others have worked in teams supporting bereavement, supplies, staff testing, Personal Protective Equipment (PPE) fit testing and at the NHS Nightingale Yorkshire and Humber Hospital in Harrogate to name a few.

Our research teams have also been leading the way to ensure our patients have access to the widest possible selection of potential therapies for COVID-19. They recruited the first patient globally and the first patient in the UK to two COVID-19 research trials of potential new therapies for the virus, a fantastic achievement at any time but particularly during such a busy period.

Some of the key actions we took to ensure we responded to the national guidance and were as prepared as possible to respond and support our patients and staff during this pandemic, are outlined below.

- On 30 March, Chief Operating Officer, Clare Smith, established new operational management arrangements through the Incident Coordination Centre (ICC) seven days a week 08.00-20.00. This supported the existing arrangements of Gold, Silver and Bronze commands that had previously been established in mid-March. It is important to note that LTHT's response to COVID-19 commenced in January at which time the national strategy was one of containment.
- LTHT undertook extensive modelling locally based on the National Imperial Model to be as prepared as possible, recognising that London and some other European countries appeared to be around two weeks ahead of Leeds in rates of infection.
- We established an effective PPE Protocol in line with national guidance to ensure all staff were trained in knowing the appropriate level of PPE to wear according to the type of care they were providing and the area in which they were working. This was essential to protect now only the health of our staff, but also to protect our patients from cross infection. We also took steps to establish sufficient local supplies of PPE in light of the huge national demand and at times, limited supply. We worked with partners across the NHS and social care to buy PPE and manage its flow to the front line when it was needed.
- Clinical Service Units (CSUs) reviewed and prioritised elective and outpatient waiting lists. This included, as nationally instructed, cancelling much elective care. Our clinical teams reviewed each patient individually to assess the benefit of continuing treatment against the potential risk of the person having or developing COVID-19.
- Non-urgent outpatient activity was also cancelled, and we increased the use of non-face to face appointments for outpatients, including telephone calls and video consultation. This also included upgrading our remote access so that staff could work from home where possible and continue to support our patients.
- We continued to accept referrals on the cancer two-week-wait pathway, and these were triaged by our clinical teams into high risk, low risk and uncertain risk.
- A phased reduction in surgery and consolidation of surgical activity meant we were able to transform non-active operating theatres into critical care areas. We upgraded our infrastructure across some of the ward areas to create additional oxygen storage and flow for this increased number of patients requiring high level respiratory support.
- We adapted our patient flow pathways to establish hot and cold areas for patients who tested positive or negative for COVID-19 (respectively), and managed a very substantial reduction in our bed occupancy. This was due to improved discharge processes, reduced delayed transfers of care, reduced number of patients staying in hospital for prolonged periods of time, and reduced elective admissions.

- In March 2020 we were asked to host the NHS Nightingale Yorkshire and the Humber hospital which would provide 500 critical care beds for the region, should we need them. More information about the NHS Nightingale Yorkshire and the Humber can be found on page 20.
- Our Pathology team, which provides a laboratory service for Trusts from across West Yorkshire and is a regional service, saw a huge increase in the demand for testing and worked to increase their testing capacity from around 300 tests per day to 1500, while maintaining a 24-hour turnaround. They also expanded the mortuary capacity to more than 450. This enabled us to continue to test inpatients who were symptomatic but also extend the testing to staff so we could get them back to work as soon as possible. During April/May it enabled us to test all non-elective patients who were admitted, as per national guidance, and also provide testing for staff and patients in local care homes as the pandemic extended across the social care sector.
- Additional staffing capacity came from NHS partners, including the University of Leeds, Leeds Beckett University, Leeds City Council. Leeds Clinical Commissioning Group (CCG), Nuffield, public bodies and private sector through a Memorandum of Understanding and secondments. We have also been able to bring forward graduation of final year medical and nursing students, and welcomed staff back who have recently retired.
- We continue to ensure all staff are kept up-to-date with a daily bulletin emailed to all Trust email addresses and a dedicated website where they can find the latest clinical guidance and access to support. We have extended access to health and wellbeing, psychological support, accommodation and travel, staff testing, childcare and more.

The Level 4 national incident continues at the time of writing, and has a continued huge impact on staff caring for our patients. At one point, the number of patients dying in our care was much higher than normal, and this put additional emotional and psychological demands on everyone.

On 29th April, LTHT and the rest of the NHS reached a significant milestone as NHS England announced the move into the 'second phase' of the NHS response to COVID-19. This was triggered by a letter from NHS England/ Improvement (NHSE/I).

There has been excellent partnership working and really strong stakeholder relationships across the city and region thanks to a shared sense of purpose, patient-focused processes and a shared concern to protect our local communities. Within our Trust too, some fantastic support networks have been set up between colleagues really looking after each other.

Our Clinical Directors are leading a series of work streams focussed on how we can continue to provide and support patients with urgent clinical needs that are not related to Coronavirus. We have been concerned by the drop in the number of emergency attendances and have worked with our local health and social care partners to encourage people to seek help should they need it.

Our clinical teams have validated waiting lists using nationally agreed criteria to stratify patients whose treatment is immediate, urgent, <1 month, and <3 months as we increase the services we can provide.

We recognise that the NHS will look different from what it did 'pre COVID-19'. We must manage social distancing guidelines, increased use of PPE, as well as the need to cohort and care for patients with COVID-19 or symptoms separately to asymptomatic patients.

There have, however, been some significant positive changes as a result of COVID-19 which we would wish to continue where possible.

These include:

- streamlined systems and work processes
- locally proactive leadership
- operational flexibility and speed of response
- remote working and digital IT/communications infrastructure

We are incredibly grateful for the overwhelming acts of kindness and generosity we have received from our local community and corporate supporters. For example, Morrisons organised bespoke food parcels including essential groceries especially for LTHT staff who were unable to get to the supermarkets after long shifts. Our charity partner Leeds Cares coordinated all of the donations into our hospitals and over 1000 thank-you letters have already been sent out - there will no doubt be more to follow.

This has been a very difficult and challenging time for our staff and our very sincere thanks must go to them for their outstanding efforts to support and provide the best care possible to all of our patients.

NHS Nightingale Hospital, Yorkshire and Humber

As part of the national response to COVID-19, Leeds Teaching Hospitals was asked by NHSE/I to host the NHS Nightingale Hospital for Yorkshire and the Humber.

A Senior Leadership Team was established for the NHS Nightingale Hospital which included Directors from Leeds, Airedale, York, Bradford and Harrogate hospitals, ensuring that the temporary hospital would be a truly region-wide effort.

The 496-bedded temporary hospital aimed to provide level three critical care to patients with COVID-19 who were already inpatients in hospitals around the region but could be safely transferred to the facility for their care.

Harrogate Convention Centre was chosen as the location for the hospital. The work commenced on 26 March and over three weeks in April the Centre was transformed through a complex build including piped oxygen, the construction of infection prevention and control rooms, the infrastructure to support digital imaging and diagnostic services, plus much more.

Multi-disciplinary teams created operating models to ensure safe processes were in place for a huge range of practices including patient nutrition, infection prevention and control, pharmacy and medicines management services, supplies, physio and occupational therapy, nursing and medical rotas, training and induction programmes and staff welfare.

NHSE/I, the Care Quality Commission (CQC) and LTHT's own Board were responsible for seeking assurance on behalf of regulators, patients and the public by undertaking comprehensive checks and scrutinising the protocols and policies in place at the Nightingale Hospital. These included assuring the correct leadership and governance was in place, approving the clinical and operating model, and being satisfied with the processes in place for assuring the safety of patients at the hospital.

The LTHT Trust Board was delighted with the feedback received from NHSE/I and the CQC who were satisfied with the measures in place to implement the new temporary hospital should it be needed during the COVID19 pandemic.

At the time of writing, the efforts of NHS organisations and social care across the region, coupled with the publics' response to "stay at home" guidance, meant that the NHS was coping well with the COVID-19 pandemic and the NHS Nightingale Hospital remained on standby in case it was needed at a later date.

Section 1

Section 1: Operating and Financial Review

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In 2019/2020, Leeds Teaching Hospitals facilitated 1,196,291 outpatient appointments, 119,907 inpatients, 106,790 day case patients and regular day attenders, with 221,183 patients attending our Emergency Departments. There were also 124,863 ward attenders, which are patients attending urgent clinical assessment areas for ambulatory follow-up or ad-hoc outpatient attendance.

The Trust's performance is assessed externally against a range of national targets and standards. Our culture of continuous improvement, known as the Leeds Improvement Method, has helped us to make changes to the services we provide and improve the care given to our patients.

1.1 Achieving quality, efficiency and financial sustainability

We are acutely aware how important working together with our colleagues in health and social care organisations across Leeds is. We will continue to build on our close working relationships with our partners so that we can provide truly integrated care for our patients, and to help prevent people getting ill in the first place.

Our approach for 2020/2021, outlined by our five Trust goals, can be found in the Future Direction section of this report on page 28.

1.2 Our performance

2019/2020 introduced a revised approach to Service Delivery in the Trust, with a strategic goal to deliver compliance with all constitutional standards by March 2021. The Corporate Operations team in conjunction with Clinical Service Units (CSUs) and the Digital and Informatics Team developed and implemented new methods of reporting and accountability against service delivery through the introduction of Service Delivery Contracts.

Service Delivery Contracts were designed in March 2019 (introduced in April 2019) at CSU level, with trajectories agreed against key performance metrics relating to each of the constitutional standards. The purpose of the Service Delivery Contract was to introduce incremental levels of improvement across the financial year to improve overall performance against each of the constitutional standards and to support the ambition to deliver compliance against all Constitutional Standards by March 2021.

In line with the new approach updated methods of reporting were also developed with reporting into the Finance and Performance Committee (F&P) on a monthly basis. The key changes were:

- A new Monthly Constitutional Standard Report. Introduced to report progress against service delivery against each of the constitutional standards.
- A Constitutional Standards Assurance Report (CSAR) providing an in depth overview of the operational, tactical and strategic actions being undertaken to improve service delivery against each of the constitutional standards. One constitutional standard is presented monthly on a rolling timetable in this way ensuring each standard is presented to F&P three times per year.
- A Monthly Delivery Contract Summary Report to provide a high level overview and assurance of CSU performance against their Service Delivery Contract Trajectories at CSU level.

Board Reporting was also revised with the introduction of a revised Integrated Quality and Performance Report, presented to Trust Board on a bi-monthly basis. This report has been revised to align with Care Quality Commission (CQC) five domains; safe, caring, responsive, effective and well-led.

Referral to Treatment Times (RTT)

At an aggregate level the Trust did not meet the national requirements to treat a minimum of 92% of patients within 18-weeks of referral for those patients on the incomplete standard pathway. 2019/2020 delivered an aggregate performance of 85.3% with twelve reporting specialties not meeting the incomplete standard (Cardiothoracic Surgery, Cardiology, Dermatology,

ENT, General Surgery, Neurosurgery, Oral Surgery, Plastic Surgery, Respiratory Medicine, Trauma & Orthopaedics, Urology and 'Others').

There were significant challenges throughout the year with a reduction in RTT performance associated with the increase in the total waiting list size, particularly in Urology and Colorectal, which was linked to growth in referrals as a result of changes in the way referrals were generated via the Referral Assessment System (RAS) from Primary Care Services.

As we continued to reduce the total waiting list size, and treat more of the patients who have already waited longer than the required 18 weeks, the percentage compliance with the constitutional standard decreased from June 2019 to September 2019. This was a predicted result of the recovery actions being undertaken and was reflected as such in the Service Delivery Contract.

March 2020 saw a reduction in performance for RTT as a result of the Trust's response to COVID-19, following the advice given by NHS England and Improvement (NHSE/I) on 17th March 2020 to free up the maximum possible inpatient and Critical Care capacity. In line with national guidance, the Trust cancelled all routine elective operating and all routine outpatient clinics from week commencing 23rd March 2020. RTT performance in March 2020 delivered 84.1%.

Our total waiting list size significantly decreased in 2019/2020, from 63,018 in March 2019 to 54,604 in March 2020. From June 2019 there was a significant improvement in the total waiting list size as CSUs focussed on clearing non-admitted over-18 week wait patients. Subsequently, the Trust achieved the NHS Improvement trajectory of 61,446 delivering a year-end total waiting list size of 54,604.

Throughout 2019/2020 the Trust was able to report a reduction in patients breaching 52 weeks. March 2019 carried a backlog of 91 over-52 week breaches from the previous year. The Trust has worked hard to recover this position throughout 2019/2020 with a robust trajectory for recovery in place and saw this number steadily reduce with delivery plans in place to achieve in line with the trajectory of 19 over-52 week wait patients by March 2020.

As a result of LTHT's response to COVID-19 and the cancellation of activity, the Trust delivered a year end position of 51 over-52 week breaches.

Emergency Care Standard (ECS)

The ECS national target of 95% of patients to be seen treated, admitted or discharged within four hours of presenting in the Emergency Department was not achieved. The Trust delivered an aggregate position of 85.01% in 2019/2020 with pressures at both sides of the city continuing throughout the year. This is a 0.4% improvement on the 2018/2019 position.

Whilst there were significant challenges throughout the year, it should be noted that between May and September 2019, the Trust achieved better than the aggregate position with August 2019 achieving 88.3%. In addition, the Trust cared for zero patients in non-designated areas and had zero patient breaches against the 12-hour A&E standard. The Trust was able to demonstrate an improving position in its relative ranking when compared to other organisations nationally.

Last minute cancelled operations

Continued challenges with bed pressures resulted in the Trust not meeting the national requirement for all last minute cancelled operations to be rebooked within 28 days. The Trust made significant improvements across all four quarters of 2019/2020, both with the volume of patients who had their surgery cancelled after a previous cancellation, as well as the number of patients who were re-booked within the required 28 day period. Q1 improved by 44%, Q2 improved by 35%, Q3 improved by 57%, Q4 improved by 23%; against the same quarter of 2018/2019.

Diagnostics

The Trust has historically delivered the national requirement to undertake 99% of diagnostic tests within six weeks, with the exception of the Christmas and New Year period due to the volume of patients who choose to defer their tests at this time of year.

From April to August 2019, the impact of the MRI replacement programme placed constraints on service delivery which was restored from September 2019 to February 2020. In March 2020, the impact of the COVID-19 pressures led to a significant reduction in activity and referrals that impacted on performance for that month.

Cancer

The national requirement to treat a minimum of 85% of patients referred on a 2-week-wait (2ww) pathway with suspected cancer (i.e. requiring treatment within 62 days of referral from a GP or Dentist) has not been achieved since March 2016. A total of 35,432 patients with a suspicion of cancer have been received, which is an increase of 11% compared with the previous year. Over the course of the year teams have focused on creating capacity to treat the backlog of 62-day patients which by default has capped improvement in 62-day performance. By the start of 2020, with the backlog slowly but consistently reducing, performance was starting to recover with the last nationally reported position for March 2020 at 71.6% for 62-day performance. The impact of COVID-19 has negatively impacted on the 62-day backlog position.

Late referrals into LTHT from other providers continue to be a major factor in the Trust's ability to achieve the overall 62-day standard. Currently a third of all 62-day cancer patients treated by LTHT are from other providers (1060 patients in 2019/2020). Of these, 47% of patients were referred after day 38 and 21% came in after day 62.

Over the course of 2019/2020, the West Yorkshire and Harrogate Alliance has developed the infrastructure in conjunction with lead clinicians and providers to transform site specific pathways to create optimal diagnostic pathways designed to deliver a diagnosis to the patient by day 28. Though early days, there has been some improvement seen with a 6% increase in referrals received by day 38 this year.

The 11% increase in 2ww referrals has been evident across most site specialties but the most marked increases were seen in breast, skin and lower GI services. Despite major challenges in some key diagnostic services, LTHT achieved the national requirements to see a minimum of 93% of patients within 14 days for (i) urgent GP referral for suspected cancer and (ii) the breast symptomatic target by October 2019 and, apart from January, sustained this to the end of Q4 for urgent GP referrals for suspected cancer.

It has been a significant challenge to consistently meet the 31-day first treatment and subsequent surgery throughout the year due to issues associated with non-compliance relating predominantly to the demand upon Urology, Lower GI, Skin, Head/ Neck and HPB. Other contributory factors include patient choice, patients being medically unfit or complexity of diagnostic pathways.

1.3 Improving Quality

Our aim is to provide outstanding care, ensuring we treat every patient as an individual, deliver the best outcomes, the best experience, and one which is free from avoidable harm. This ambition informs our values, underpins our goals and is reflected in our culture of continuous improvement.

Once again, we had much to be proud of in our achievements during the last 12 months. We have continued to make improvements in quality and safety whilst facing significant operational challenges. Our quality improvement programme has been key to our success throughout 2019/2020 and we have made significant progress in building staff knowledge and skills in relation to the Leeds Improvement Method.

Key achievements throughout the year have included the timely discharge of our patients. The discharge collaborative has increased the number of patients going home before 4pm from 50% to 61% on pilot wards, providing more effective patient flow and a much improved experience for our patients. In addition, there have been some notable improvements in safe care with medicines and a reduction in healthcare associated infections.

We recognise the importance of our patient's experience and the invaluable feedback they provide. To assist the Trust in driving forward patient-centred quality improvement, we have commenced an exciting programme to involve members of the public in our Quality Improvement initiatives. These are our Quality Improvement Partners and will work with our clinical services and quality improvement collaboratives to test change, embed improvement measures and support our culture of continuous improvement.

We have worked with our clinicians, managers and local partners at NHS Leeds Clinical Commissioning Group (CCG) and Healthwatch Leeds to continue to build on our improvements and identify our priorities for 2019/2020.

Further information on key improvement in our quality of care and patient safety, the Trust's performance against national targets, goals agreed with commissioners and our plans for 2019/2020 will be summarised in our Quality Account, which will published later this year.

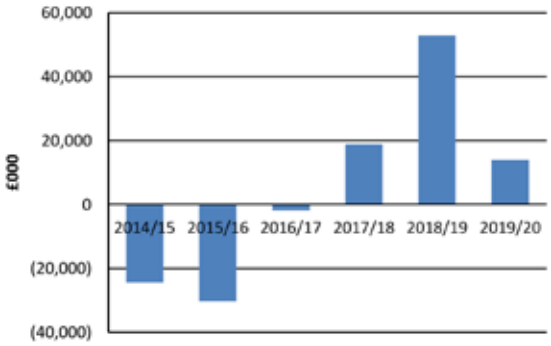
1.4 Finance Review

The financial year which ended on 31st March 2020 did so in the most challenging and uncertain circumstances ever faced by the NHS. However, despite these circumstances, 2019/2020 was another year of financial success and achievement for the Trust

Highlights of 2019/2020 from a financial point of view are:

- A revenue surplus, after technical adjustments, of £13.9m. The third consecutive year of surplus (see table 1 below)
- A record level of capital investment of £66.2m
- Delivery of a Waste Reduction Programme of £54.5m
- The announcement of £600m to fund re-development of LGI
- Finance achieved accreditation at Level 3 of the Future Focused Finance staff development programme. The highest level that can be awarded.

Table 1: Adjusted retained surplus / (deficit)



Income and Expenditure Summary

Achieving a sustainable revenue surplus is important because the cash generated can be invested in subsequent years as capital expenditure to maintain and improve our estate, purchase medical equipment or develop our digital infrastructure.

The surplus of £13.9m includes £0.9m of "bonus" Provider Sustainability Funding (PSF) which relates to our 2018/2019 financial performance but was notified as a post audit adjustment. The surplus also includes a gain on the disposal of some property of £0.5m. Taking these items out as technical adjustments brings the surplus to £12.5m for measurement against the control total of £12m agreed with NHS England/ Improvement (NHSE/I).

Once again, the Trust benefitted from PSF income in 2019/2020 but at a greatly reduced level to previous years (£17.1m compared to £62.6m in 2018/2019) reflecting national changes to the PSF mechanism.

During the year we have continued to work closely with our commissioners to develop and extend services. This is reflected in the increased income levels from NHS England, who commission specialist services, and Clinical Commissioning Groups as shown in Table 2.

Table 2

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
NHS England	460,543	476,132	498,293	515,025	589,857
Clinical Commissioning Groups	462,945	486,784	522,806	543,232	588,855
Non-NHS: Private Patients	4,715	5,593	5,857	4,907	5,535
Other income from patient care activities	15,180	7,039	7,266	20,448	8,739
Other operating income	172,337	197,379	204,045	252,235	221,754
Total operating income	**1,115,720**	**1,172,927**	**1,238,267**	**1,335,847**	**1,414,740**

Included in "Other Operating" income above is £4.3m in respect of donations from a number of charities who generously support our services by funding equipment purchases, research activity, specialist staffing or environmental enhancements. The Trust is grateful to all the charities from which it receives support.

Leeds Cares is the official charity partner of the Trust. During the year it has tirelessly raised funds on our behalf and worked closely with our staff to raise the profile of our services. During the COVID-19 response the Charity has managed the receipt and distribution of the very many donations of goods and funds which have flowed from the public outpouring of affection and admiration for our staff.

During 2019/2020 Leeds Cares made donations totalling £3.5m to the Trust including a grant of £2m which helped to support specific services we provide, including:

- Play Specialists in Leeds Children's Hospital
- Youth Workers to support teenage patients
- Chaplaincy
- Bereavement Liaison
- Robert Ogden Centre

Table 3 below gives a summarised breakdown of expenditure during 2019/2020.

- Employment costs are the most significant area of increase. In part this can be explained by national pay awards and an increase of 6.3% in employer pension contributions. The latter added £32.5m to employment costs but income to match that cost was received via NHSE/I.
- There has been an increase of 633 in the number of permanent staff employed by the Trust. Of these, 113 are nurses or midwives.
- Expenditure does include £7.8m of costs incurred towards the end of the year which are directly attributable to COVID-19. Of that sum £4.9m was spent on the establishment of the NHS Nightingale Yorkshire and the Humber Hospital in Harrogate. All this additional expenditure is offset by income made available through NHSE/I. A further £0.2m was funded through this route in late March to offset income lost when elective services were suspended to facilitate COVID-19 preparations.

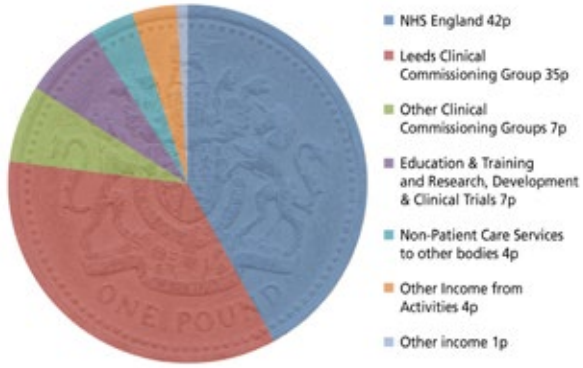
To achieve its surplus the Trust delivered a waste reduction programme of £54.5m, of which £42m came from programmes across our Clinical Services Units. These programmes were, and continue to be, built on the principles of the Leeds Improvement Method (LIM). The LIM seeks to identify and remove wasteful practices, procedures or delays which impede great patient experience. Financial savings are in fact a by-product of introducing improvements in the way we communicate with and treat patients in our care. Each year, more and more of our staff are receiving training in the LIM.

Table 3

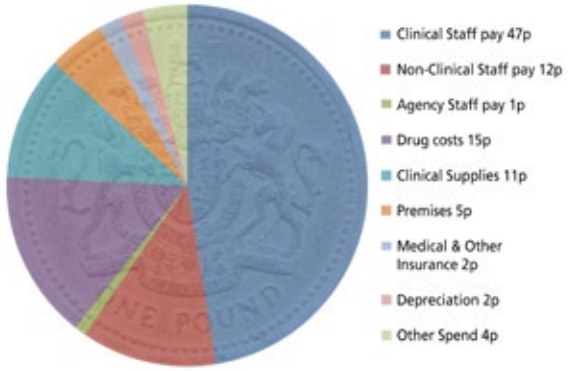
	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Employment related costs	651,993	679,552	702,958	745,032	830,372
Drug costs	152,410	173,284	178,445	188,170	200,947
Clinical supplies and services	156,673	152,001	155,889	153,668	156,404
Premises	34,310	38,975	42,348	54,594	68,597
Other operating expenses	125,079	156,450	172,962	117,297	113,883
Total operating expenses	**1,120,465**	**1,200,262**	**1,252,602**	**1,258,761**	**1,370,203**

The two charts below give some further information on where our income comes from and how we use it to deliver our full range of services to patients

Where each £1 comes from



How each £1 is spent



Capital Investment

In 2019/2020 capital investment, underpinned by our surplus the previous year, increased to £66.1m. This level of expenditure on our estate, medical equipment and IT is a record for LTHT. Table 4 below shows how, with an improving revenue position, we have been able to build our level of capital expenditure in the last five years.

Capital expenditure during the year included the following higher value schemes:

	£000
Leeds Clinical Research Facility - Bexley Wing	3,085
Refurbishment of wards J44/J45 - Lincoln Wing	2,967
Building the Leeds Way - LGI Development	1,182
2x Linear Accelerators (LINAC)	2,400
CT Scanner	1,546
Blood Track Courier System/ On Demand System	1,188
BRC MR Scanner (with University of Leeds)	1,000
Electronic Health Record System	2,599
Data Centre Migration	1,796

Looking to the Future

It is, of course, impossible to look to the future without reference to the huge uncertainties arising from the COVID-19 pandemic. Much of 2020/2021 will now see very different national funding arrangements in place with commissioner contracts suspended and direct payments from NHSE/I in their place. The Trust's financial plan for 2020/2021, which itself is part of a five-year plan, will inevitably be affected by this change. Funding is being provided to enable the Trust to maintain, at the least, a break-even position and the result achieved in 2019/2020 puts us in a very good place to deliver that.

Capital investment for 2020/2021 is planned at £80m. While some risk to delivery of the full programme arising from the COVID-19 uncertainty must be acknowledged, there is every reason to be confident of another high level of expenditure on our infrastructure. 'Building The Leeds Way' development work is continuing despite COVID-19 and work on the LGI site is due to start in earnest this year with £17.5m of the overall capital programme assigned for that purpose. Other capital schemes such as our new energy generating station at LGI will complete this year.

Table 4

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Building and Engineering	14,506	17,776	10,633	28,440	29,061
Medical and Surgical Equipment	7,308	8,698	7,286	8,963	22,978
Information Technology	6,261	6,212	5,210	6,746	14,110
Total	**28,075**	**32,686**	**23,129**	**44,149**	**66,149**

1.5 The NHS Constitution

NHS organisations like Leeds Teaching Hospitals NHS Trust are required by law to comply with the NHS Constitution, a document that establishes the principles and values of the NHS in England.

The Constitution sets out rights to which patients, the public and staff are entitled and pledges that the NHS is committed to achieve. It also describes the responsibilities that patients, staff and the public owe to one another to ensure the NHS operates fairly and effectively.

The Trust takes all reasonable steps to ensure the requirements of the NHS Constitution are met. Where patients are referred by their GP for consultant-led treatment the Trust aims to deliver this within 18 weeks or, where they have been referred to a cancer specialist, within two weeks.

In areas where we continue to face challenges due to system-wide issues we cannot resolve alone, we continue to work with our partners and commissioners to put plans in place to manage them.

We are committed to providing high-quality, safe care to all of our patients and we will continue to work across the Trust so that we can meet the guidelines set out in the NHS Constitution.

1.6 Future Direction

At the time of writing this report our hospitals have been under significant pressure treating large numbers of patients with COVID-19. Our staff have done an exceptional job caring for this group of patients as well as providing essential services for non COVID-19 cases. As the pandemic progresses, its longer term impact will become clearer, including the social and economic implications. We will work closely with our colleagues in other organisations to ensure that we have integrated health and social care plans in place across all of our geographical area. Our role will be to provide the best general hospital services that we can for the people of Leeds and the best specialist care for the population of Yorkshire. We have five Trust goals which form the basis of our plans.

The best for patient safety, quality and experience

We want to provide outstanding care for our patients, so we will continue to use The Leeds Way to inform our decisions, creating a truly patient-centred culture across our hospitals. We will continue to systematically improve our services, designing them to meet patients' needs, using the Leeds Improvement Method (LIM).

We already agree priorities to improve quality each year, now we will develop a comprehensive quality strategy for our hospitals over five years. Where we are not yet meeting the core standards set out in the NHS Constitution, we will work to improve in line with these important commitments.

We are making a major investment in our nursing workforce, to recruit and retain the right number of the very best staff. We have comprehensive development programmes for nursing including the flagship Excellence in Practice award.

The best place to work

We will work to ensure we are the most engaged workforce in the NHS by 2025 because we know an enthusiastic, motivated workforce is most likely to provide outstanding care for our patients.

This starts with getting the basics right, ensuring people have the right training, tools and environment to do their job well, and ensuring people are valued and free from discrimination.

Our strategy will see us invest in digital technology, the healthcare environment and staff health and wellbeing. We are already working hard to get the right numbers of clinical staff through effective recruitment and retention and by developing new roles such as nursing and physician associates. We will continue this as a priority.

Empowering our people is central to The Leeds Way. We know those closest to the work are the ones who can improve best and we are committed to giving our people the skills to do this through LIM.

Seamless integrated care

We will work with our partners to provide person centred care in our hospitals, in the community, and at home. This means empowering patients, ensuring they have access to preventative services, and supporting them to feel confident about managing their own health and care, where it is appropriate.

Our services will become ever more data driven and responsive to local needs through the application of population health management. This includes, for example, working with partners to support people living with frailty to remain living independently in the community.

Digital technology will transform our outpatient services, providing flexible access to specialist care outside hospitals and reducing face-to-face consultations by a third over the next five years. Technology will also enable collaboration between clinicians. As a teaching hospital with many specialised services, we will increasingly support effective clinical networks.

Across West Yorkshire and Harrogate, we will continue to build a sustainable system of health and care, working as part of the West Yorkshire Association of Acute Trusts (WYAAT) to 'level up' hospital services and reduce variations in quality.

Centre of excellence for research, innovation, education and specialist services

Our aim is to deliver world class outcomes in our specialist services, providing leading edge innovation in diagnosis, treatment and care. Our strong partnership with the University of Leeds and wider partnerships with academia, commissioners and other specialist centres all contribute to this aim.

It is well-evidenced that hospitals actively engaged in research have better patient outcomes and more positive patient experience. We will ensure all our patients are able to participate in and benefit from research. We are already a national exemplar for the development and adoption of innovation. Over the next five years we will develop our clinical innovation system further and collaborate with the health technology sector to deliver innovation at scale for patients.

Underpinning our role as an NHS teaching hospital, we will work with our partners in the health and care system to plan, train and develop our people, ensuring they have the right skills to deliver outstanding care now and in the future.

Financially sustainable

An important enabler of outstanding care is being financially sustainable. Our objective is to become the most efficient teaching hospital in England, delivering a sustainable financial surplus so that we can continue to invest in our people, buildings and equipment. That means delivering the best possible outcomes for the lowest possible cost; working closely with our commissioners on jointly agreed priority areas of health care. Our aligned incentive contract exemplifies this approach.

We provide efficient and high-quality health care by reducing waste and continuously improving our financial processes through our value programme, Finance the Leeds Way. We benchmark ourselves against the best performing organisations and use dynamic tools such as patient level costing to support clinical teams to manage their resources.

Becoming more efficient means we have the resources to invest in our building and maintenance programme, renewing medical and surgical equipment and investing in our estate and digital health.

Looking ahead

Over the last five years we've seen fantastic achievements across the Trust. Major investments in Research and Innovation, pioneering treatments, brand new facilities and high-quality care consistently delivered across the Trust. Of huge significance has been securing £600m of investment to build our two new hospitals in the centre of Leeds.

Looking ahead, The Leeds Way will continue to inform all we do to deliver our vision to be the best for specialist and integrated care. Being patient-centred, fair, collaborative, accountable and empowered runs through everything we do. If we get this right, LTHT will increasingly become the best for patient safety and quality, the best place to work, a place for seamless integrated care, a centre of excellence for research and education and financially sustainable.

LIM is our management method and central to our strategy. We are systematically embedding quality improvement into our day to day work, decision making, training and development across the Trust. Empowering and supporting our teams to improve quality, reduce variation and waste.

Fit-for-purpose healthcare facilities and equipment are essential for providing outstanding care for patients. We have a large and varied estate with seven hospitals across five sites, with challenges including significant backlog maintenance due to the age of some buildings. Over the next five years we will make a transformational investment of almost £1billion in improvements to our estate, medical and surgical equipment and digital capability across our sites. This will deliver improvements to the environment, efficiency and effectiveness of our healthcare services. We will embed the best digital practices.

Our ambitious plans will deliver two new hospitals at the Leeds General Infirmary; a state-of-the-art hospital providing adult healthcare services and a world class new home for the Leeds Children's Hospital. This investment will deliver modern, sustainable healthcare in an environment that supports individual care, innovation, technology and research.

We spend around £1.3billion of NHS money, treating illness and disease in Leeds and on specialised services for people across Yorkshire and the Humber and nationally. We will increasingly seek to use our economic influence to address the social determinants of health. We contribute to life in Leeds, not only by being one of the largest employers with nearly 19,000 staff, but by supporting the health and well-being of the community. We work with academia and industry to play a leading role in education, research and innovation.

We are rated as a 'good' Hospital Trust by the Care Quality Commission, and part of our strategy is to continue improving so that we achieve an across-the-board rating of 'outstanding'.

1.7 Managing Risk

Our Board continually monitors the risks that could affect the delivery of our services. At the time of writing this report, the overriding risk to the delivery of services is from the COVID-19 outbreak across the United Kingdom. Risks are set out in our Corporate Risk Register, which is reviewed each month at Risk Management Committee, Chaired by the Chief Executive, and at the Trust Board. There are currently 23 risks described on the Corporate Risk Register which continue to be reviewed with Executive Directors and designated leads.

The risks are set out under the headings safety and quality; financial risk and performance and regulation. Whilst at the end of the year the Trust has focused on the controls and mitigating actions relating to the corporate risk of viral pandemic and the operational response to COVID-19, during 2019/2020 the Trust has addressed other significant risks, including Britain's withdrawal from the European Union, IT infrastructure, provision of radiology images via PACS (Picture Archive and Communication System), and the impact of pension regulations on the provision of clinical services.

The key risk areas for the year ahead are outlined below.

- The UK government has launched public information campaigns to highlight the risk of NHS capacity being overwhelmed if COVID-19 spreads too quickly. Bed capacity, particularly the ability to treat patients with breathing difficulties, is a key risk for the Trust and we will continue to work closely with partner agencies including Harrogate where additional facilities have been provided.
- The protection of our staff and patients is a major concern during this pandemic, especially those particularly at risk. This includes adherence to our infection control policies, the provision of adequate Personal Protective Equipment (PPE) in line with the guidance issued by Public Health England in April 2020 and our staff and patients' general safety during this crisis.
- Ensuring that there are enough medically fit staff to provide care to patients is an issue for the Trust and the NHS nationally. We are working to support staff's physical and mental wellbeing and deploy the staff that we have available to the clinical areas where they are most needed.
- The effects of COVID-19 have affected all parts of society including the supply chains that are vital to the Trust in the provision of its services. Maintaining business continuity and financial sustainability is therefore important, particularly the payment of staff and suppliers, the maintenance of cash flow and ensuring that the information technology infrastructure is robust.
- The longer term implications of COVID-19 are not yet clear but we expect that we will be able to reinstate beds and operating theatre sessions for use by other specialties at some point. Waiting times for non COVID-19 patients will

have increased over this period and there is a risk to a number of NHS Constitution waiting time standards. The Trust is working with partners to develop its recovery plan.

- Currently the assumption is that the transition period agreed between the UK and the European Union will end on the 31st December 2020. As yet, no comprehensive agreement is in place and there is a risk of further disruption to the Trust's supplies which will be managed by enhanced business continuity arrangements.
- The global economic impact of COVID-19, the accompanying lockdowns in industry and the potential exit from the European Union transition period are likely to have significant effects on the government's tax receipts. This will require strong financial sustainability arrangements, particularly towards the end of the calendar year.

1.8 Research and Innovation

We are committed to developing and supporting world-class Research and Innovation. It is central to our vision to be the best for specialist care and ensure we secure our future as a leading clinical research centre in the UK.

The Trust has an ambitious strategy for Research and Innovation, aimed at harnessing the significant advances in clinical and healthcare science for the benefit of Trust patients by improving access to world-leading research studies.

In 2019/2020 over 18,000 took part in research studies at LTHT with over 700 of those being children and young people under the age of 18. Throughout 2019/2020, the Trust opened 231 new studies overall with the highest recruiting study being the Yorkshire Cancer Research funded Yorkshire Lung Screening Trial.

League table results released in July 2019 by the National Institute for Health Research (NIHR), showed that Leeds Teaching Hospitals was the 4th highest ranked NHS Trust for health research recruitment, recruiting 20,983 people in 2018/19. LTHT ranked 8th in the number of research studies recruited to, in the last financial year, supporting 453 studies and was the top NHS Trust in Yorkshire and the Humber for recruitment across all studies. The results see a 66% increase in health research participation at LTHT since 2016/2017 (12,582).

New Clinical Research Facility opens

In February 2020, we officially opened the new Clinical Research Facility (CRF) in the Bexley Wing at St James's. The CRF provides dedicated space and facilities for the care of patients participating in leading edge clinical trials at LTHT.

The treatment suite of six beds, 11 treatment chairs and one procedure room, ensures space for 18 patients who could all be participating in different trials at the same time. There are also dedicated research consulting rooms, alongside supportive clinical care space to deliver high-quality outpatient, day case and inpatient treatment and care.

The St James's CRF was funded by LTHT (£3.2million) with support from the University of Leeds, and additional funding provided by hospital charity Leeds Cares for specialist equipment (200k).

COVID-19 research

Our research teams have also been working to ensure our patients have access to the widest possible selection of potential therapies for COVID-19. LTHT launched a dedicated COVID-19 Research Delivery Team in March, and after just five days of the first patient being admitted in Leeds (15th March), the team recruited its first patient to a COVID-19 clinical trial.

LTHT has taken part in 23 different COVID-19 research studies, recruiting 293 patients (as of 15th May). The Trust was also the first in the world to recruit a patient to the Ruxcovid study and the first in the UK to recruit to the Cancovid study. We are now also part of the national trial of convalescent plasma as treatment for COVID-19, working with NHS Blood and Transplant.

For more information on current research studies, visit www.bepartofresearch.uk.

1.9 Sustainability Report

Leeds Teaching Hospitals has ambitions to become one of the greenest trusts in the UK. Over the past year, we have been working towards this goal in a number of ways.

Sustainable Development Management Plan (SDMP)

Our SDMP was approved by the Board in September 2018. The plan details our commitment to becoming one of the greenest Trusts in the country, with a primary focus on the reduction of carbon dioxide equivalent emissions (CO2e). CO2e emissions help to accelerate human induced climate change and also contribute to the public health crisis of air pollution. Through our detailed action plan, we have begun to implement a wide-ranging catalogue of initiatives in an effort to improve our sustainability. Progress on the SDMP is monitored through the Strategic Sustainability Management Group (SSMG) and is reported to Board every six months via the Finance and Performance Committee (F&P). We are currently undergoing an update to the SDMP incorporating the latest guidance and targets and it will be named a Green Plan.

Energy efficiency

LTHT is well underway with reducing energy demand, improving energy efficiency and changing the means by which we supply the Trust with energy.

One key way in which LTHT has been addressing this issue is through the upgrade of lighting to the most efficient option of LEDs. LED lighting reduces energy demand, energy costs, maintenance costs and CO2e.

LTHT has invested heavily in upgrading the combined-heat power (CHP) stations on our two main sites. CHPs co-generate electricity and heat on our sites providing the majority of the Trust's power requirements. CHPs provide locally generated energy, improving efficiency by reducing the losses in energy from transmission and distribution. The co-generation of heat and power also improves efficiency compared to generating both separately. Due to their high demand for heat, hospitals are particularly well suited to CHP technology.

Just three lighting upgrade schemes across the LTHT estate have saved 421,750 kWh of electricity per annum. This equates to a reduction of approximately 100 tonnes CO2e per annum, and reduces energy costs by approximately £60,000 per annum.

The installation of CHP at the LGI provides most of the energy requirement for the whole of this site. The improved efficiency delivered through the use of the CHPs provides an annual reduction in CO2e emissions of approximately 3,500 tonnes. The CHPs produce electricity at a much cheaper rate than can otherwise be purchased from the grid. Therefore, LTHT pays 5 pence/kWh to produce electricity in our CHPs compared to paying 15 pence/kWh to purchase electricity from the grid.

Anaesthetic gases

Anaesthetic gases used in theatres have a significant environmental impact, making up approximately 4.2% of our Scope 1 and Scope 2 carbon footprint. There is a significant difference between the environmental impact of two of the main anaesthetic gases used; Desflurane and Sevoflurane, however, their clinical application and impact is negligible. The environmental impact of Desflurane is approximately 15x greater than Sevoflurane. Therefore, there has been a campaign to reduce the usage of Desflurane in favour of use of Sevoflurane. This campaign has involved informing and educating our anaesthetist colleagues about the environmental impact of the anaesthetic gases, the Trust's sustainability agenda and how their clinical choices can impact the climate. A behaviour change initiative was run with the department to encourage a shift away from Desflurane. The engagement campaign has led to a significant reduction in the use of Desflurane at the Trust and a commensurate increase in Sevoflurane which has reduced the carbon footprint by 3000 tonnes.

Air pollution

All of the Trust's vehicles are now compliant with the Clean Air Zone and we have added an electric vehicle to our fleet. As we convert our fleet and install EV charging points across our estates, this will provide the rationale and infrastructure to expand our EV fleet in the coming years. This will help us to reduce our carbon footprint and

reduce local air pollution. In addition to greening our fleet, we have also implemented a behaviour change campaign designed to encourage staff from using their car whilst driving to work for one day of their working week.

The GRASP campaign

The GRASP campaign stands for be Green, Recycle, be Aware, be Sustainable for our Patients. It highlights the importance the Trust places on sustainability by integrating it into the values of the organisation and committing to take real and significant action across every area of the Trust. Following on from the launch of the GRASP sustainability campaign in 2015, our network of active environmental champions - staff who are working to promote sustainable behaviours and embed sustainable practices - have been making a real difference across the Trust.

The GRASP group will help to deliver the aims of the SDMP and to support the SSMG in various actions. The sustainability initiatives at the Trust are all aligned to deliver the same goals and aims. The GRASP champions will be particularly important in helping to drive culture change across our hospitals and in helping to address energy and water consumption concerns.

ISO14001 Environmental Management System (EMS)

ISO14001 is an internationally recognised standard for environmental management. An EMS is designed to enable an organisation to achieve three main aims:

1. Reduce environmental impacts associated with its activities
2. Improve legislative compliance
3. Achieve continual improvement in both of the above

An EMS is implemented in a "Plan-Do-Check-Act" cycle that requires extensive auditing to take place, with a view to finding any areas of non-compliance and subsequently correcting such issues. An EMS also requires that environmental impacts (e.g. CO2e, utility consumption) be monitored and reported. Reporting is required so that progress can be measured against the initial baseline.

The EMS at LTHT is currently in its early stages with a trial audit due to begin shortly which will be used as a basis to expand the auditing and correct action process to the wider Trust.

Collaborative working with Leeds City Council and the University of Leeds

As the three anchor organisations in Leeds, we continue to work closely in order to achieve our sustainability ambitions, by attending the top ten emitters meetings and the Leeds Climate Commission. All three organisations are focussed on carbon reduction in addition to other sustainability concerns. By aligning our efforts and improving our cooperation, we can share best practice, jointly run campaigns and make tangible benefits to the city of Leeds.

1.10 International partnerships

We are actively working to develop new partnerships with healthcare organisations across the world, sharing our experience and expertise with international colleagues.

This kind of international collaborative working means we can develop our global reputation of providing excellence in healthcare and will help us to achieve our vision of being the best for specialist care.

College of Physicians and Surgeons Pakistan (CPSP)

A scholarship programme has been developed between CPSP and Leeds Teaching Hospitals which has seen an initial cohort of 21 doctors come to our Trust in 2019. During their two-year placement with us these doctors will provide crucial additional resource for us and will contribute to maintaining high standards of patient care. In return, our colleagues from Pakistan will follow a structured programme of specialist medical training which will enhance the quality of medical treatment when they return to their home country after the two-year placement. We intend to refresh the cohort of Fellows annually and a further nine doctors are expected to join us in July 2020. We see this as a mutually beneficial and long-term relationship between CPSP and the Trust.

Ministry of Health, Malta

Over the last five years we have developed a relationship with health authorities in Malta through the training of medical physicist students and the commissioning of complex equipment and patient pathways at their new oncology hospital. To further develop this relationship we have signed an agreement with the Medical School of Malta which will see qualified doctors from Malta working at Leeds Teaching Hospitals whilst undergoing specialist training. The first Fellow under this scheme, an eminent breast surgeon, joined us in January 2020 for a one year placement. Training programmes in Palliative Medicine and Specialist Nursing are currently under consideration.

King Hussein Cancer Center, Jordan

The Memorandum of Understanding between Leeds Teaching Hospitals and the King Hussein Cancer Center in Amman has enabled us to benefit from a fellowship programme that helps us share learning and experience between hospitals. Exchange visits have further strengthened the relationship. We currently provide a genetic testing service and will continue to explore other opportunities including offering consultancy advice to develop their own capabilities within country.

Ministry of Health, Jamaica

In 2019 we welcomed a group of nurses from Jamaica, known as Global Learning Practitioners, to our Critical Care Units.

The project provided enhanced critical care skills training for the nurses, enabling them to complete five months of clinical placements and then return back to their original hospitals to implement positive changes in practice and eventually open up more critical care beds.

It was a great platform for creating a long lasting relationship with the Jamaican Ministry of Health and globally showcasing critical care at Leeds Teaching Hospitals.

Section 2

Section 2: Accountability

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The commitment and achievements of our people is key to the success of Leeds Teaching Hospitals.

There are 18,980 people working across our hospitals in a variety of different roles, each of them vitally important to the efficient running of our services.

The Trust is governed by a Board comprising both Executive Directors, appointed to specific roles in the organisation, and Non-Executive Directors, who offer external expertise and perspective.

2.1 Members of the Trust Board 2019/20

During 2019/2020, the Board met bi-monthly at locations across the Trust; St James's, LGI, Wharfedale and Chapel Allerton Hospitals. Between the public meetings, informal workshops were held to address such issues as strategy, planning and training and development.

Our lead link to Healthwatch has observed some of our Board meetings and the Chair of the Staff Council is also present at the public meetings. The media attend at their choice and report on proceedings in the local press. Any member of the public is welcome to attend the formal meetings. These are advertised on the Trust's website at the address below.

Board meeting agendas, papers, minutes and future dates are posted on the Trust's website - www.leedsth.nhs.uk

Changes in membership of the Trust Board

Lisa Grant commenced in post as Chief Nurse as of 1 April 2019.

Tricia Storey-Hart joined the Board as an Associate Non-Executive Director as of 1 April 2019.

Clare Smith was formally appointed from her acting role to the position of Chief Operating Officer during May 2019.

Simon Neville left the Trust at the end of July, with Craige Richardson commencing as Director of Estates and Facilities from 1 August 2019.

Richard Corbridge left the Trust in April 2019; interim leadership reported directly to the Chief Medical Officer and was not a Board member. Dr Paul Jones joined the Trust during November 2019 as Chief Digital Information Officer.

The Board delegates duties to the Committees that report directly to it. These are either Assurance Committees Chaired by Non-Executive Directors, or Management Committees Chaired by an Executive Director.

During the year the Research, Education & Training Committee, a Management Committee, closed after five years. It was replaced with a Research & Innovation Committee, Chaired by Dr Yvette Oade.

The Board established two new Assurance Committees during the year; a Workforce Committee, seeking assurance against the people priorities and Chaired by Mark Chamberlain, and the Building Development Committee, seeking assurance against the Hospitals of the Future Programme and Chaired by Bob Simpson.

Suzanne Clark became Chair of the Audit Committee from September 2019 as planned from her recruitment and induction to the Trust.

Gillian Clark became Chair of the Finance & Performance Committee from December 2019.

Appointment of Non-Executive Directors

The Non-Executive Directors have been appointed by NHS England and Improvement (NHSE/I) who set defined term of office for each appointment. Re-appointments can be made, but Non-Executive Directors will not normally serve more than six years to ensure independence and to comply with the regulators Code of Governance. Any exception to this is by NHSI. Our Associate Non-Executive Directors are the appointment of Leeds Teaching Hospitals NHS Trust, however the recruitment processes were jointly facilitated by NHSE/I and will assist the Trust in the future recruitment of Non-Executive Directors.

Termination of the term of office of the Chair would be carried out by the Chair of NHSE/I. All Board Directors comply with the 'fit and proper person test' that was introduced from November 2014, with reconfirmation annually at a Public Board meeting in March. The formal register was reviewed in year as part of the CQC Well-led Review in September 2018 and is kept up to date and available for inspection.

Measuring the performance of the Board members

During the year NHSE/I issued a new Competency Framework for Chairs and Chief Executives. These were used to underpin the appraisal process to seek 360 feedback from a variety of stakeholders nationally, regionally, across the city, and internally from Board and senior managers. The Senior Independent Director facilitated the Chair's appraisal with a summary report received at the March 2020 Public Board meeting, and a formal submission to the Chair and Chief Operating Officer of NHSE/I. The Trust Chair has carried out the appraisal of the Chief Executive during March 2020, and was reported to the Remuneration Committee during Quarter 1 of 2020/21. The Chair has suspended the appraisal process for the Non-Executive Directors, as has the Chief Executive for his direct reports due to COVID-19. These have been re-scheduled and will take place in July 2020. Appraisals have routinely been carried out annually.

The appraisal process is a thorough review of the assessment of the performance and independence of the Non-Executive Directors, reflecting on their contribution to the Trust during the year, along with 360 feedback. The Trust Board requires all Non-Executive Directors to be independent in their judgement. The structure of the Trust Board and its Assurance Committees ensures, along with the integrity of individual Directors, that no one individual or group dominates the decision-making processes.

Annually the Trust Chair has appraised each of the Non-Executive Directors during the year, set objectives for the coming year and undertaken mid-year reviews. Should the Chair have any concerns about their performance, this would be discussed with NHSE/I and their term of office would be terminated. The mid-year reviews were carried out in the autumn 2019.

The Board reconfirmed the corporate objectives at its meeting on 29 March 2020 and these were used to underpin the objectives for the Chief Executive and (in due course) the Executive team for 2020/2021.

The various committees reported their work plans to the Trust Board at the beginning of the financial year, and against these have given an annual report to the Audit Committee at the year-end, which were received at the May Public Board meeting www.leedsth.nhs.uk/about-us/board-meetings/21-05-2020-13-30.

These reports provide a summary on their progress and an evaluation of their performance during the year.

Due to the establishment in year of the Workforce and Building and Development Committees they did not produce Annual Reports.

The Board has continued with its development programme during the year and following on from the external review by Deloittes, as part of the preparation for the Well-Led review by the CQC in the summer of 2018, we had commenced interviews with external reviewers during March 2020 with the intention to carry out an external review during the summer of 2020. However, these interviews were suspended due to preparations for COVID-19.

Register of interests

The register of interests for Trust Board members is available on the Trust website at the following link: www.leedsth.nhs.uk/about-us/trust-board/board-register-of-interests

Non-Executive Directors of the Board during 2019/20

Linda Pollard CBE DL Hon. LLD

Chair

From 1 February 2013

Since Linda joined Leeds Teaching Hospitals as Chair in Feb 2013, she has led the Trust to a number of significant successes.

As Chair of the Leeds Innovation District Partnership, a partnership between LTHT, the University of Leeds, Leeds City Council and other city organisations, Linda has led the ambition to create a world-class hub for Research, Innovation and Entrepreneurialism for the city. An exciting part of this will be the development of two new hospitals for Leeds, including Leeds Children's Hospital and a new hospital for adults, and this year secured approval for £650million from the Department of Health and Social Care for this work.

In August and September 2018 the Trust was inspected by the CQC and received 'Good' rating for Well-led and Core Services review, and Outstanding for Use of Resources. This year, LTHT achieved a financial surplus for the third successive year which also allowed us to deliver an ambitious capital programme - our highest capital spend on record.

This year, Linda won the Excellence in Director and Board award at the Institute of Directors (IOD) Yorkshire awards. She then went on to receive national recognition winning the IOD's Dr Neville Bain Memorial Award for Excellence in Director and Board Practice. Described as "showing a high level of ethics and values, changing much more than the bottom line and developing a new culture among staff. An impressive influencer and a force for good," Linda won against some of the country's high-profile public and private sector organisations.

Linda advocates partnership working and bringing together leaders from across the region and beyond to facilitate closer working between health and social care, building economic investment in Leeds and the wider City Region, and the appropriate representation of Women on Boards.

Linda is a Trustee of the NHS Provider Board representing acute trusts and is a Trustee of Leeds Cares, the charity partner of Leeds Teaching Hospitals. She is Vice Chair of the City wide partnership; Health and Wellbeing Board to Board meetings, and during the year - by rotation - has Chaired West Yorkshire Association of Acute Trusts (WYAAT).

Linda is also an active Deputy Lord Lieutenant for West Yorkshire and was awarded a CBE in 2013 for her work in the business community in Yorkshire and an OBE in 2003 for her work in Bradford. She was also awarded an Honorary Doctorate by the University of Leeds.

Mark Chamberlain

Vice Chair, Non-Executive Director and Chair of the Quality Committee

From 4 January 2010
(Vice Chair from February 2018)

Mark works as an independent consultant in the health and technology sectors. He was previously employed by BT, where he worked since 1986, holding a variety of senior roles in HR, marketing, operations, strategy, business transformation and business development. He was a member of the BT Yorkshire & The Humber Regional Board from 2000 to 2014 and a Non-Executive Director of the Learning and Skills Council Regional Board until 2010. He is a member of the Court of Leeds University.

Mark holds a number of additional lead duties as a Non-Executive Director within the Trust under the collective title of Chair of Corporate Affairs; Raising Concerns (Non-Executive lead for Freedom to Speak Up), overseeing the lay representatives for AAC panels, Volunteering. Mark is Deputy Chair and Senior Independent Director of the Trust and Chairs the Trust Workforce Committee. He sits on the Quality Assurance Committee, the Remuneration Committee and the Digital & IT Committee.

Professor Paul Stewart

Non-Executive Director

From 1 October 2013

Paul is the Executive Dean of the Faculty of Medicine and Health at the University of Leeds and an Honorary Consultant Physician/ Endocrinologist at the Leeds Teaching Hospitals NHS Trust.

He received his medical degree from Edinburgh Medical School in 1982 and was awarded a postgraduate MD from Edinburgh University with Honours and a Gold Medal in 1988. He trained in Endocrinology, Diabetes and Internal Medicine in Edinburgh, Birmingham and Dallas.

As a clinical scientist Paul has led an active Endocrinology research group that has uncovered new mechanisms of disease and developed novel therapies for patients with disorders of the Pituitary and Adrenal glands and Obesity- Metabolic syndrome.

In 2017 he was elected Vice-President of the Academy of Medical Sciences. He is the Chief Scientific Adviser for the Scar Free Foundation charity. Due to the close working relationship between The University of Leeds and the city's hospitals, the Executive Dean has a key role on the Trust Board.

Paul is the named Non-Executive lead for Emergency Preparedness.

Robert (Bob) Simpson

Non-Executive Director

From 1 February 2018

Bob is an accomplished senior executive manager and has extensive experience in building development and construction. He is a Director of Hexstall Consultancy Limited.

Using his extensive skill set, Bob will seek assurance within the Board in all aspects of Building the Leeds Way and be the Lead Non-Executive for this exciting work. Bob was Chair of the Finance & Performance Committee until the end of November, remaining a member, and is Chair of the newly established Building and Development Committee.

Jasmeet (Jas) Narang

Non-Executive Director

From 1 February 2019 (Previously Associate Non-Executive from February 2018)

Jasmeet (Jas) Narang is currently Ops Excellence & Control Director and Transformation Leader at Santander Operations UK.

He has over 20 years' experience in global finance services and has worked in India, Japan and the US in the past. He is a qualified Six Sigma 'Master Black Belt' and has held roles leading large operational teams, commercial portfolios and also project/ digital transformation and supplier functions.

Jas successfully completed the Insight Programme, which supports senior level managers to develop the skills they need to become a Non-Executive in the NHS.

He is a member of the Audit Committee and Chairs the Digital & IT Committee of the Board. Jas is the Non-Executive Director with lead for our digital development and provides the lay input to Medical Revalidation.

Professor Moira Livingston

Non-Executive Director

From 1 February 2018

Moira has worked in a variety of roles within the NHS locally, regionally and nationally for over 30 years.

Clinically her background is as an older age psychiatrist and most recently she was a Director at NHS Improving Quality, leading on building capacity and capability in improving quality across the NHS.

Since May 2019 Moira has been a Non-Executive Director at CareTech Holdings, a UK wide company providing specialist care and education services for children and adults. Moira chairs the Quality Care and Governance Committee and is a member of the Audit Committee.

Moira is Chair of the Quality Assurance Committee and a member of the Audit Committee and she is the named Non-Executive lead for CQC, for Safeguarding and Duty of Candour. During the year the lead Non-Executive role for maternity transferred to Tricia Storey-Hart. Moira also represents the Trust within the Health and Social Care Board.

Chris Schofield

Non-Executive Director

From 1 February 2018

A practising solicitor, specialising in corporate law, he is the founding partner of Schofield Sweeney LLP Solicitors, and a Trustee of the Leeds Hospital Charitable Foundation, now known as Leeds Cares, and a number of other local charities.

Chris was a Non-Executive Director for the Leeds West Clinical Commissioning Group and has strong experience of the NHS.

From April to the end of August Chris chaired the Audit Committee and ceased being a member during December. He was a member of the Quality Committee until the autumn and is now a member of the Building Development Committee. From March 2020 he is an observer of the management committee for Research & Innovation.

Chris became the named Non-Executive Director for Medical Staff in Difficulty as from

1 December 2018 and represents the Trust within the Health and Social Care Board.

Suzanne Clark

Non-Executive Director

From 15 October 2018

Suzanne is a qualified accountant and currently Chief Internal Audit Officer at Yorkshire Building Society and has held a variety of roles in banking throughout her career.

Suzanne also has over 12 years' experience operating at Board level in complex and challenging regulated organisations. She is the Chair of the Audit Committee, and with this role observes the monthly Risk Management Committee meeting, and is the named lead Non-Executive Director for Procurement.

Gillian Taylor

Associate Non-Executive Director

From 1 December 2018

Gillian is a qualified accountant and has held a variety of business transformation and finance roles throughout her career.

She also has experience operating at board level in the utility, social housing, and social business sectors including British Gas and Centrica. Gillian became Chair of the Trust's Finance & Performance Committee from December 2019. She was a member of the Digital & IT Committee until the establishment of the Building Development Committee and joined this from January 2020.

Tom Keeney

Associate Non-Executive Director

From 1 December 2018

Tom has worked in a number of roles in HR and business transformation throughout his career, helping to build high performing teams in a variety of sectors. Most recently he held the position of HR Transformation and Effectiveness Director at BT.

Tom has over 20 years' experience operating at a strategic level and for five years was a Member of Leeds City Region LEP Employment and Skills Panel with terms coming to an end during 2019.

In his role as an Associate Non-Executive Director he sits on the Trust's Finance & Performance Committee, was an observer at the Research & Education Committee (until its closure in November 2019). Tom is a member of the newly established Workforce Committee and became member of the Digital & IT Committee in January replacing Gillian Taylor.

Tricia Storey-Hart

Associate Non-Executive Director

From April 2019

Tricia is a former NHS Chief Executive with 42 years' NHS experience.

She began her nursing career in Leeds in 1974 and throughout her career has held a number of distinguished roles. These include being a member of expert working parties on confidentiality and information governance, and working as a nurse expert on the Mid Staffordshire Report with Sir Robert Francis.

She was the Chief Executive Officer of South Tees Hospitals NHS Foundation Trust from January 2013 until her retirement in January 2016.

During the year Tricia became the lead Non-Executive for Maternity taking over from Moira Livingston. She is a member of the Quality Assurance Committee and the newly established Workforce Committee.

Executive Directors of the Board during 2019/2020

Julian Hartley
Chief Executive
From 14 October 2013

Since joining Leeds Teaching Hospitals as Chief Executive in 2013, Julian has created a patient-centred culture by engaging and empowering frontline teams to improve hospital services. Through the introduction of The Leeds Way, Julian has led the Trust to become the most improved acute trust in the country in the national staff survey across the board, showing significant improvements to Staff Engagement year on year. His commitment to embedding the Leeds Improvement Method as a culture of continuous quality improvement has encouraged over 8,000 members of staff to lead improvement projects across a wide range of clinical and non-clinical areas.

Julian also plays a key leadership role in the local and regional health economy acting as the Chair of the West Yorkshire Association of Acute Trusts which is a collaboration of the six hospital trusts across West Yorkshire and Harrogate to work together to deliver the best possible services for patients. Julian is also a core part of the leadership team for the West Yorkshire and Harrogate Care Partnership.

Julian was asked by NHS Improvement to work on the national NHS People Plan, which forms part of the NHS Long Term Plan. During this secondment, from 21 January to 31 March 2019, Julian helped lead discussions on making the NHS a better place to work, ensuring we have a positive and engaging, patient-centred culture and devolving workforce responsibilities more locally are all key themes. This shows how his commitment to improving Leeds Teaching Hospitals and engaging with staff is making an impact nationally, with other organisations looking to Leeds as an example.

Julian's career in the NHS began as a general management trainee, before working in a number of NHS management posts at hospital, health authority, regional and even national level. He has also worked as Chief Executive at Tameside and Glossop Primary Care Trust, Blackpool, Fylde and Wyre Hospitals, and University Hospital of South Manchester NHS Foundation Trust.

Dr Yvette Oade
Chief Medical Officer
from 1 June 2013
Deputy Chief Executive
from 22 December 2018

Yvette joined Leeds Teaching Hospitals in June 2013 as Chief Medical Officer.

Her portfolio includes responsibility for Quality Improvement and Patient Safety in the Trust and she is also the lead for Medical Education and Research.

Yvette was previously the Chief Medical Officer of Hull and East Yorkshire Hospitals NHS Trust and Deputy Chief Executive, a role she undertook for two years, focussing on quality improvement and patient safety. She was closely involved in the development of the Yorkshire and Humber Academic Health Science Network.

Originally trained as a doctor in Leeds, Yvette became a Consultant Paediatrician in Calderdale and Huddersfield Foundation NHS Trust. On moving into clinical management, Yvette held a number of senior managerial roles in the Calderdale and Huddersfield NHS Foundation Trust. These culminated in her being appointed Executive Medical Director at Calderdale and Huddersfield NHS Foundation Trust in 2007, leading to the trust being named as HSJ Acute Provider of the Year in 2010.

Yvette has extensive experience in leading through clinical engagement, major service change, reconfiguring hospital services and working across organisational boundaries to deliver improvements to care. Yvette is a trustee of Yorkshire Cancer Research.

Simon Worthington

Director of Finance

From July 2017

Simon, who lives in Leeds, started his career in 1988 as a trainee accountant with Leeds Western Health Authority, based at the Leeds General Infirmary.

After working in financial management in the acute sector for fifteen years he became a Finance Director in 2003. Since then he has held a variety of Finance Director posts in the NHS working in commissioning, the ambulance service and the acute sector.

A great advocate for finance skills development and clinical engagement on finance, he is the Senior Responsible Officer for the Engagement and Development theme of the national "Future Focused Finance" programme.

Simon joined the Trust in July 2017 from Bolton NHS Foundation Trust where he was Finance Director and Deputy Chief Executive. He won the Healthcare Financial Management Association (HFMA) Finance Director of the Year award in December 2015 in recognition of his leadership of the financial recovery at Bolton.

Since joining the Trust Simon has led a programme of improvement called "Finance the Leeds Way". The Trust has returned to surplus and the Finance Team won the HFMA "Finance Team of the Year" award in December 2018.

Lisa Grant

Chief Nurse

From April 2019

Lisa was previously Chief Nurse and Chief Operating Officer at the Royal Liverpool University Hospital.

Lisa established the Royal Liverpool Nurse Programme that was later endorsed by NICE. The programme was driven to celebrate the nursing profession whilst also creating an educational portfolio for nurses to develop their clinical competencies.

This is Lisa's third Executive Director post having also previously worked at the Walton Centre NHS Foundation Trust.

Lisa has had a variety of nurse management and leadership roles within Merseyside and Cheshire and in Greater Manchester. Lisa holds a Diploma in Nursing, Diploma in Management, a Masters in Management and Leadership, an MBA and a Post Graduate Certificate in Executive Coaching.

Jenny Lewis

Director of Human Resources and Organisational Development

From August 2018

Jenny is an experienced HR Director who is passionate about advancing System Development for the benefit of our communities as well as Organisational Development.

Previously the first HR Director for the unique public services partnership in Hampshire, Jenny is pulling on her previous experience of developing purposeful partnerships to develop a 'one workforce' approach across Leeds. This will help to deliver the ambition to make Leeds the best city in the UK for health and wellbeing where people who are the poorest improve their health the fastest.

Simon Neville

Director of Strategy and Planning

From May 2014 to July 2019

Simon joined us from Salford Royal NHS Foundation Trust, where he was Director of Strategy and Development.

He has worked in the NHS since 1983 in a variety of general management and planning roles in London and the North West, specialising in major service change and capital investment.

In Leeds Simon led the development of the Trust's strategic direction and established a comprehensive clinical service planning process with the Clinical Service Units. He has developed a partnering approach to joint service development in Leeds, West Yorkshire and, for more specialist services across Yorkshire & Humber and the North East.

In support of clinical strategies Simon began the Building the Leeds Way Programme.

Simon was also the Executive Lead for Estates and Facilities and has supported the continuous improvement of these services. In 2017 he led the team that re-negotiated the Bexley Wing PFI Agreement generating a saving of over £50million for the Trust.

Richard Corbridge

Chief Digital and Information Officer

From November 2017 to April 2019

Richard specialised in IT development, procurement and implementation across national and local health care arenas in the UK for more than 20 years. He has a wealth of experience and joined the Trust from the Health Service Executive in Ireland where he was the Chief Information Officer.

He led the delivery of many solutions: a health identifier for the whole population (similar to an NHS number); the first digital hospitals in Ireland; genomic sequencing in specific disease areas; a full digital referral process (referrals made online rather than by post or fax); and the creation of the Chief Clinical Officers Council.

In his early career Richard led the delivery of a wide range of systems and processes in the NHS with a focus to aid the provision of healthcare and clinical research. These ranged from the first primary care messaging system in the NHS, to the modernisation of the information systems' infrastructure for the delivery of clinical research throughout England.

Dr Paul Jones

Chief Digital and Information Officer

From November 2019

Dr Paul Jones joined the Trust from BUPA, where he held a number of senior IT roles. During this time, Paul established a global security operations centre and was also responsible for the Group's enterprise architecture.

Previously, Paul worked across the public and private sector with roles including Group CIO of Serco and as a Director within the public sector practice at KPMG Consulting.

He was also Chief Technology Officer for the NHS in England where he was the senior responsible officer for the Spine and N3 as well as responsible for the clinical coding service, Information Governance Toolkit and the enterprise and solution architecture for many national programmes.

Clare Smith

Chief Operating Officer

From December 2018 (interim)

From May 2019 (substantive)

Clare has worked at Leeds Teaching Hospitals since January 2014, most recently as the Director of Operations before becoming the Interim Chief Operating Officer. Prior to joining the Trust she worked as an Acute Trust Divisional General Manager in Scotland.

Clare is responsible for leadership and delivery of the Trust's operational services, ensuring high quality care and delivery of performance standards are achieved through our Clinical Service Units.

Craige Richardson

Director of Estates & Facilities

From August 2019

Craige has worked at Leeds Teaching Hospitals in a number of roles since 1996 before becoming Director of Estates and Facilities.

He is responsible for the estate management of our acute hospital sites, as well as capital projects. Craige also manages a diverse range of front line services including portering, engineering, security, patient catering, transport, building infrastructure and fire management.

Craige is a Fellow of the Chartered Management Institution (CMI) and he has received numerous national accolades including previously Health Estates and Facilities Management Association (HEFMA) Facilities Manager of the Year.

2.2 Attendance tables

Board of Directors

Name/Date	23 May		25 Jul		26 Sep		28 Nov		30 Jan		26 Mar (conf call)	
Members:	W'shop	Pu	W'shop	Pu	W'shop	Pu	W'shop	Pu	W'shop	Pu	W'shop	Pu
Mark Chamberlain	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Suzanne Clark	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lisa Grant	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Julian Hartley	Apols	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tom Keeney	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jenny Lewis	✓	✓	✓	✓	✓	✓	Apols	Apols	✓	✓	✓	✓
Chris Carvey							For JL	For JL				
Jas Narang	✓	✓	✓	✓	✓	✓	Apols	Apols	✓	✓	✓	✓
Simon Neville	Apols	Apols	✓	✓								
Yvette Oade	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Linda Pollard	Apols	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chris Schofield	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bob Simpson	✓	✓	✓	✓	Apols	Apols	✓	✓	✓	✓	✓	✓
Clare Smith	✓	✓	✓	✓	✓	✓	Apols	Apols	✓	✓	Apols	Apols
Saj Azeb							For CS	For CS			For CS	For CS
Paul Stewart	✓	✓	✓	✓	✓	✓	Apols	Apols	✓	✓	✓	✓
Tricia Storey-Hart	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gillian Taylor	✓	✓	✓	✓	✓	✓	✓	✓	Apols	Apols	✓	✓
Simon Worthington	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Craige Richardson			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paul Jones							✓	✓	✓	✓	✓	✓
Moira Livingstone	Apols	Apols	Apols	Apols	✓	✓	✓	✓	✓	✓	✓	✓
In Attendance:												
Jo Bray	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

W'shop - Workshop Pu - Public

VIP visit to LTHT
Sick leave / working from home
Interviewing externally forCCG
COVID-19 Meeting

Board Time-Outs

Name/Date	25 Apr	27 Jun	17 Oct	18 Oct	16 Jan	16 Mar
Linda Pollard	✓	✓	✓	✓	✓	
Mark Chamberlain	✓	✓	✓	✓	✓	
Suzanne Clark	✓	Apols	✓	✓	✓	
Lisa Grant	✓	✓	✓	✓	✓	
Julian Hartley	✓	✓	✓	✓	✓	
Tom Keeney	✓	✓	✓	✓	Apols	
Jenny Lewis	✓	✓	✓	✓	✓	
Moira Livingston	✓	✓	✓	✓	✓	
Jas Narang	Apols	Apols	✓	✓	Apols	
Simon Neville	✓	Apols				
Yvette Oade	✓	✓	✓	✓	✓	Cancelled due to COVID-19 preparation for Executive Team
Chris Schofield	✓	Apols	✓	✓	✓	
Bob Simpson	✓	✓	✓	✓	Apols	
Clare Smith	✓	✓	✓	✓	✓	
Paul Stewart	Apols	✓	Apols	Apols	✓	
Gillian Taylor	✓	✓	✓	Apols	✓	
Tricia Storey-Hart	✓	✓	✓	✓	Apols	
Simon Worthington	✓	✓	✓	✓	✓	
Craige Richardson		Observing	Observing	✓	✓	
Paul Jones					✓	
In Attendance:						
Jo Bray	✓	✓	✓	✓	✓	

Audit Committee

Name/Date	02 May	22 May	05 Sep	03 Dec	05 Mar
Members					
Chris Schofield	✓	✓	✓	✓	
Suzanne Clark	✓	✓	✓	✓	✓
Jas Narang	✓	✓	✓	Apols	✓
Moira Livingston			✓	Apols	✓
In Attendance					
Simon Worthington	✓	✓	Apols	✓	✓
David Hay			For SW		
Jo Bray	✓	✓	✓	✓	✓

Annual Leave

Risk Management Committee

Name/Date	04 Apr	02 May	06 Jun	04 Jul	01 Aug	05 Sep	03 Oct	07 Nov	05 Dec	09 Jan	06 Feb	05 Mar
Members												
Simon Worthington	✓	✓	✓	✓	✓	Apols	✓	Apols	Apols	✓	✓	Apols
Clare Smith	✓	✓	✓	✓	✓	Apols	✓	✓	Apols	Apols	Apols	Apols
Jenny Lewis	✓	✓	✓	✓	✓	Apols	✓	✓	✓			
Andy Williams		✓	Apols									
Simon Neville		✓	Apols	✓								
Lisa Grant		✓	Apols		Apols	Apols	Apols	✓	Apols	✓	✓	Apols
Julian Hartley	✓	Apols	✓	Apols	✓	Apols	✓	Apols	Apols	✓	Apols	✓
Dawn Marshall					For LG	For LG				✓		
Craige Richardson			For SN	✓	Apols	Apols	✓	✓	✓	✓	✓	Apols
Yvette Oade			Apols	✓	✓	✓	Apols	✓	✓	✓	Apols	✓
Paul Jones									✓	✓	✓	✓
In Attendance												
Jo Bray	✓	✓	✓	✓	Apols	✓	✓	✓	✓	✓	✓	✓
Saj Azeb						For CS			For CS	For CS	For CS	
Helen Christodoulides												For LG
Observing												
Suzanne Clark			✓	✓				✓	✓	✓	✓	✓
Chris Schofield	✓											

Annual Leave
Regional EU Exit Workshop
Health & Care Innovatin Expo
Expo meeting with Simon Stevens
Infrastructure Meeting
Healthcare Transformation Summit
Healthcare Partnership Meeting
NHS Providers Chair & CEO Event
Launch of Community Response programme
Postgraduate Dean's Inteview
Visit from Chief Operating Officer - Dept of Health
HfMA Conference
Visit to Virginia Mason in Seattle
NHSI Elective Care Conference
Leadership Academy meeting

Finance & Performance Committee

Name/Date	24 Apr	22 May	26 Jun	24 Jul	26 Aug	25 Sep	30 Oct	27 Nov	18 Dec	29 Jan	26 Feb	25 Mar
Members												
Bob Simpson	✓	✓	✓	✓	✓	Apols	✓	✓	✓	✓	✓	✓
Julian Hartley	✓	✓	✓	✓	✓	✓	Apols	✓	Apols	✓	Apols	✓
Tom Keeney	✓	Apols	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jenny Lewis	✓	✓	✓	✓	Apols	✓	✓	Apols	✓	✓	✓	✓
Simon Neville	✓	Apols	Apols	✓								
Clare Smith	✓	✓	✓	Apols	✓	✓	✓	Apols	✓	✓	✓	✓
Gillian Taylor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Simon Worthington	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Linda Pollard	✓	✓	✓	✓	✓	✓	✓	✓	Apols	✓	✓	✓
In Attendance												
Craige Richardson	Obser-ving	✓	✓	✓	✓	✓	Apols	✓	✓	✓	✓	✓
Paul Jones								✓	✓	✓	✓	✓
Andy Williams				✓	✓							
Open Invitation to Board Members for Specific Item												
Yvette Oade							For JH				✓	
Lisa Grant					✓				✓			
Moira Livingston									✓			
Paul Stewart									✓			

Annual Leave
NHS Leadership Meeting
AHSC Designation
WYCHRP Meeting
Sick Leave/Working from home

Research, Education & Training (RET) Committee

Name/Date	21 May	06 Aug	05 Nov
Members			
Yvette Oade	Apols	✓	✓
Jenny Lewis	✓	✓	✓
Lisa Grant	✓	✓	✓
Paul Stewart	✓	Apols	Apols
Tom Keeney	Apols	✓	Apols

Chief Operating Officer Interviews

Research & Innovation Committee

Name/Date	03 Mar
Members	
Yvette Oade	✓
Chris Schofield	✓

Quality Assurance Committee

Name/Date	11 Apr	04 Jul	10 Oct	27 Feb
Members				
Moira Livingston	✓	✓	✓	✓
Chris Schofield	✓	✓	✓	✓
Mark Chamberlain	✓	Apols	✓	✓
Tricia Storey-Hart	✓	✓	✓	✓
In Attendance				
Lisa Grant	✓	✓	✓	✓
Yvette Oade	✓	✓	✓	✓
Clare Smith	✓	✓	✓	Apols
Andy Williams		✓	Apols	
Jackie Whittle				For Paul Stewaet
Observing				
Tom Keeney				✓

Private Appointment
Coronavirus Webinar

Workforce Committee

Name/Date	29 Nov	04 Mar
Members		
Mark Chamberlain	✓	✓
Paul Jones	✓	Apols
Tom Keeney	✓	✓
Jenny Lewis	✓	✓
Yvette Oade	✓	✓
Craige Richardson	✓	Apols
Tricia Storey-Hart		✓
In Attendance		
Julian Hartley	Apols	✓
Lisa Grant	Apols	Apols
Helen Christodoulides (on behalf of Lisa Grant)	✓	✓

Workforce Development Trust Board in London
Annual Leave
Visiting Virginia Mason in Seattle
Rewire Event, London

Building & Development Committee

Name/Date	17 Dec	27 Jan	12 Feb	11 Mar
Members				
Bob Simpson	✓	✓	✓	✓
Julian Hartley	✓	Apols	✓	✓
Chris Schofield	✓	✓	✓	✓
Gillian Taylor		✓	✓	✓
In Attendance				
Simon Worthington	✓	✓	✓	✓
Jo Bray	✓	✓	✓	✓

National People Board Meeting in London

Digital & Information Committee

Name/Date	04 Jun	12 Sep	14 Nov	28 Feb
Members				
Jas Narang	✓	✓	✓	✓
Gillian Taylor	✓	Apols	✓	
Tom Keeney				✓
Mark Chamberlain	Apols	✓	✓	✓
Yvette Oade	Apols	Apols		
Simon Worthington	Apols	Apols		
Lisa Grant		Apols	Apols	
Paul Jones			Observing	✓
Jenny Lewis	✓	✓	✓	✓
Andy Williams	✓	✓	✓	✓
Tom Keeney				✓
Jo Bray	✓	✓	✓	✓

Joint Partnership Board at University of Leeds
LTHT Consultant Conference
WYAAT Programme Meeting
Senior Finance Team Meeting
System Resilience Assurance Board Meeting
Quality Management Group Meeting

2.3 Governance Report

Annual Governance Statement (2019/20)

1. Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS 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 Trust Accountable Officer Memorandum*.

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 on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of The Leeds Teaching Hospitals NHS 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 The Leeds Teaching Hospitals NHS Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

(Noting that this was extended to a submission date of 25 June 2020, and therefore aims to reflect the preparation and operational management of the COVID-19 pandemic within our systems of internal control, up to the 15 June 2020. During this exceptional time for the NHS and the Trust we have responded to the guidance and instructions issued by NHSE along with hosting the regional surge capacity at the NHS Nightingale Yorkshire and the Humber).

3. Capacity to handle risk

3.1 The Board of Directors provides leadership on the overall governance agenda. The Board of Directors is supported by a range of Committees that scrutinise and review assurances on internal control; such Committees include: the Audit, Quality Assurance, Finance & Performance and the Digital & IT Committees. The Risk Management Committee and Research, Education & Training Committees are executive Committees reporting to the Board of Directors. These committees have all provided an annual report with attendance of the respective Committee Chair at the Audit Committee meeting on 5 March 2020. In addition, the Trust has recently established a Workforce Committee and a Building & Development Committee. The Risk Management Committee focuses on all high or significant risk exposures and oversees risk treatment to ensure: (a) the correct strategy is adopted for managing risk; (b) controls are present and effective: and (c) action plans are robust for those risks that remain intolerant. The Risk Management Committee is Chaired by me, as Chief Executive and comprises all Executive Directors. Senior Managers and specialist advisors routinely attend each meeting. The Trust has kept under review and updated risk management policies during the year. Whilst the Risk Management Committee reports directly to the Board through me, it also works closely with front line Clinical Service Units (CSUs) and all Committees of the Board in order to anticipate, triangulate and prioritise risk, working together to continuously enhance risk treatment. Chairs of Board Committee can and do escalate as appropriate issues to the Risk Management Committee.

3.2 In line with NHS England and NHS Improvement (NHS E/I) guidance, issued on 28 March 2020 (Reducing the burden and releasing management capacity) in response to COVID-19, the Trust's governance structures, including Board Committees, have been temporarily streamlined. The Audit and Building Development Committees have continued to meet, along with the Risk Management Committee, however this has been supported by weekly reviews of the Corporate Risk Register. The Board during this period has moved from bi-monthly formal meetings to monthly, and acting on legal advice, quality and safety issues are addressed by the full Board and not delegated to the Quality Assurance Committee of the Board. Following our Board meeting at the end of April we have reconvened the Workforce Committee to seek assurance on the many emerging issues relating to COVID-19 and the impact to our workforce. We are currently planning for the Board and our Committee structures to recommence normal activity from 1 July 2020.

3.3 Training and support are provided to relevant staff on risk assessment, incident reporting and incident investigation. In addition, the Board has set out the minimum requirements for staff training required to control key risks. A training need analysis informs the Trust's mandatory training requirements and has been kept under review; this sets out the training requirements for all members of staff and includes the frequency of training in each case.

3.4 Incidents, complaints and patient feedback are routinely analysed to identify for learning opportunities and improve control. Lessons for learning are disseminated to staff using a variety of methods including Quality and Safety briefings, Learning Points Bulletin and personal feedback where required. The Trust is leading a network with WYAAT partners to share learning from serious incidents, including Never Events and it is an early adopter of the Patient Safety Incident Response Framework 2020. The Quality Assurance Committee provides oversight on this process, with an annual report to the Board of Directors each July and a six-month update in January.

3.5 I have ensured that all significant risks of which I have become aware are reported to Board of Directors and Risk Management Committee at each formal meeting. All new significant risks are escalated to me as Chief Executive and subject to validation by the Executive Team and Risk Management Committee. The residual risk score determines the escalation of risk.

3.6 The Board of Directors regularly scans the horizon for emergent opportunities or threats and considers the nature and timing of the response required in order to ensure risk is kept under prudent control at all times. Collectively the Board reviews the Board Assurance Framework (BAF) and our risk management appetite statement in year.

4. The Risk and Control Framework

4.1 The risk management process is set out in six key steps as follows:

(i) Determine priorities

The Board of Directors determines corporate objectives annually and these establish the priorities for executive Directors and clinical services.

(ii) Risk Identification

Risk is identified in many ways. We identify risk proactively by assessing corporate objectives, work related activities, analysing adverse event trends and outcomes, and anticipating external possibilities or scenarios that may require mitigation by the Trust.

(iii) Risk Assessment

Risk Assessment involves the analysis of individual risks, including analysis of potential risk aggregation where relevant. The assessment evaluates the severity and likelihood of each risk and determines the priority based on the overall level of risk exposure.

(iv) Risk Response (Risk Treatment)

For each risk, controls are ascertained (or where necessary developed), understood and documented. Controls are implemented to avoid risk; seek risk (take opportunity);

modify risk; transfer risk or accept risk. Gaps in control are subject to action plans which are implemented to reduce residual risk. The Board of Directors has considered its appetite for taking risk and reviewed its risk appetite to guide the management of risk throughout the Trust.

(v) Risk Reporting

Significant risks are reported at each formal meeting of the Board of Directors and Risk Management Committee. In addition, in the event of a significant risk arising, arrangements are in place to escalate a risk to the Chief Executive and Executive Team. The level at which risk must be escalated is clearly set out in the Risk Management Policy, which is reviewed every two years and was updated and approved by the Board in May 2020. The risk reporting to the Board of Directors also details what actions are being taken, and by whom, to mitigate the risk and monitor delivery. The Audit Committee and Board of Directors have reviewed assurance on the effective operation of controls to manage potential significant risk as set out in the Corporate Risk Register and supporting report to each Board meeting and regular reviews of the Board Assurance Framework.

(vi) Risk Review

a. Those responsible for managing risk regularly review the output from the risk register to ensure it remains valid, reflects changes and supports decision making. In addition, risk profiles for all CSUs remain subject to detailed scrutiny as part of a rolling programme by the Risk Management Committee. The purpose of the Trust's risk review is to track how the risk profile is changing over time; evaluate the progress of actions to treat material risk; ensure controls are aligned to the risk; risk is managed in accordance with the Board's appetite; resources are reprioritised where necessary; and risk is escalated appropriately.

b. Incident reporting and investigation is openly encouraged as a key component of risk and safety management to help us learn and take action in response to patient safety incidents. An electronic incident reporting system is operational throughout the organisation and is accessible to all staff. Incident reporting is promoted through induction and training, regular communications, leadership walk rounds or other visits and inspections that take place (these have currently been suspended due to Government rules around social distancing). A programme to support staff who have been involved in an incident has been established, Leeds Incident Support Team (LIST) and a process for sharing lessons across the organisation is established, overseen by the lessons learned group. In addition, arrangements are in place for staff to raise any concerns at work confidentially and anonymously if necessary.

4.2 As at 31 March 2020, Leeds Teaching Hospitals NHS has identified a range of significant risks, which are currently being mitigated, whose impact could have a direct bearing on requirements within the NHS Improvement Accountability Framework, CQC registration or the achievement of Trust policies, aims and objectives should the mitigation plans be ineffective. Currently, the significant risks documented on the Corporate Risk Register at 31 March 2020 relate to the following areas:

- **Performance and Regulation** 18-week RTT standard, 62-day Cancer, 6-week diagnostic wait, 28 day cancelled operations and Emergency Care target, patient flow, bed capacity and emergency admissions, unsustainable levels of medical outliers, patients waiting 52 weeks.
- **Finance** Aggregate effect of income volatility, non-delivery of the Waste Reduction Programme (was achieved for 2019/20 and moving into 2020/21 faces new challenges), insufficient liquidity and cost pressures and capital equipment replacement, delivery of Generating Station Complex, IT infrastructure and the risk of cyber-attack.
- **Fundamental Standards of Safety & Quality** Nurse staffing levels, reducing supply of doctors in training, healthcare associated infection, violence due to organic, mental health or behavioural reasons, inability to deliver a cardiac surgery service, length of time patients with mental health conditions wait in ED, viral pandemic, pension regulations, radiology images, catheter laboratory service and risks arising from Britain's withdrawal from the EU.

4.3 Flu Pandemic was added to our corporate risk register in May 2018, this has been reviewed in detail within the Risk Management Committee from the start of the year, and is now a specific risk of viral pandemic (COVID-19) and from the start of April has been reviewed weekly with a revised (and maximum). The controls and further mitigating actions to describe the operational response to COVID-19 are reflected in the corporate risk.

This has been further developed in June 2020, with specific risks added relating to the phase 2 recovery plan/planned treatments for patients and staff health and wellbeing/health and safety.

The Trust became the host of the NHS Nightingale Yorkshire and the Humber (NNYH) with a governance structure similar to our CSUs reporting to the Executive Team and the Board. The NNYH as with other CSUs have localised risk register. Prior to the formal opening, this facility was subjected to a robust 'go-live' testing process both by the Regional and National teams of NHSE/I underpinned by risk and clinical operating models, along with the required approvals by CQC as the regulator. As at 15 June 2020 and the time of writing this report, the NNYH is in hibernation for active support to

COVID-19, however we started to use the MRI facility to address the backlog for the Trust with regard to diagnostic tests for clinically appropriately patients.

4.4 Detailed risk registers are proactively used throughout the organisation. These set out arrangements for risk treatment, risk appetite thresholds and further mitigating actions planned. We have established arrangements to allow a review of significant risk exposures by the full Board at each formal meeting; the process for this is examined by the Audit Committee to underpin this Statement.

4.5 Equality impact assessments are integrated into core Trust business. All reports to Trust Board follow a standard reporting template, which includes an 'Equality Analysis' section where authors of the report are required to set out any negative equality-related impacts along with mitigation, and all Trust policies require sign off of an equality impact assessment by the Trust's Equality and Diversity Team before Executive Team approval. In organisational change projects, Senior HR Officers support Line Managers in undertaking their duty to prepare equality impact assessments on the proposed change and to then take this into consideration in implementing that change.

On the 6 April 2020 we wrote to Leeds CCG as our lead Commissioner, and shared this letter with the Board at the Extra Ordinary meeting on 29 April 2020, setting out the details of the assurance and governance of arrangements of quality impact assessments during the COVID-19 pandemic.

4.6 The Resource Management Group, chaired by the Director of HR & OD which reported into the Finance & Performance Committee was replaced during the year with the establishment of a Board Assurance Committee for Workforce, meeting bi-monthly reporting to Board. This Committee will seek assurance on the seven people priorities, support and report on activities related to resource management with a focus to develop workforce resource plans, align the developed workforce resource plans with finance and performance and initiate and oversee projects to tackle recruitment and retention hotspots.

An organisation wide view of the total workforce composition which has aligned workforce and finance plans has enabled an identification of resourcing hotspots to ensure robust plans are in place to address these. New roles are being evaluated to agree further roll-out and implementation assessing the impact on plans. Introducing a corporate workforce planning framework, ensuring recruitment processes eliminate waste, effectively deploying staff and focusing on retention learning and sharing best practice will be the priorities of this group. The HR Business Partners are engaging with CSUs to articulate the key shifts in the workforce plan and use scenario testing to check the robustness of our ambitions.

5. Care Quality Commission (CQC) Registration

5.1 Compliance with the provisions of the Health & Social Care Act 2008 (Registration Regulations) 2010 is co-ordinated by the Director of Quality. The Director of Quality oversees compliance by:

- Reporting and keeping under review matters highlighted within the Care Quality Commission's Intelligent Monitoring Report and inspections;
- Self-assessment against the Key Lines of Enquiry defined within the criteria of the Well-led review, and prepare for external review;
- Liaising with the Care Quality Commission and local Clinical Service Units to address specific concerns;
- Engaging with the Care Quality Commission on the inspection process, co-ordinating the Trust's response to inspections and recommendations/ actions arising from this;
- Analysing trends from incident reporting, complaints, and patient and staff surveys to detect potential non-compliance or concerns in Clinical Service Units;
- Reviewing assurances on the effective operation of controls;
- Receiving details of assurances provided by Internal Audit, and being notified of any Clinical Audit conclusions which provide only limited assurance on the operation of controls; and
- Challenging assurances or gaps in assurance by attending meetings of Risk Management Committee, Quality Assurance Committee, and Audit Committee.

5.2 The Trust is registered with the Care Quality Commission, has no compliance actions in force and is fully compliant with the Fundamental Standards. There was an inspection undertaken by the Care Quality Commission in August and September 2018, focusing on four core services (critical care, medicine, urgent care and surgery), use of resources and well-led. Leeds Dental Institute was also inspected. The Trust received an overall Good rating when the final report was published in February 2019, and was rated outstanding for critical care, use of resources and Leeds Dental Institute. The Board of Directors welcomed the report and the significant improvement in the ratings. Progress continues to be made in accordance with the plan, which is monitored through the Quality Assurance Committee. The Trust has developed an action plan to address the recommendations in the report; this was submitted to the CQC in March 2019 and this is followed up through the engagement process with the local CQC inspectors and Quality Assurance Committee to provide assurance that the Trust is fully compliant with the regulations set out in the report. Work continues to progress from a Good to Outstanding rating.

5.3 The CQC carried out the Use of Resources Inspection assessment during August 2018 and rated the Trust as Outstanding.

5.4 During September 2018 the CQC carried out a Well-led review with a rating of Good.

5.5 The Trust Chair holds and maintains the 'Fit and Proper Persons Test Register' for the Board. Annually checks are carried out to ensure all those listed are fit and proper against the requirements defined by the CQC.

5.6 The Trust NNY&H are fully compliant with the registration requirements of the Care Quality Commission. In light of COVID-19 we have worked with the new national guidelines regarding staffing levels and have received assurance at Board against our own nursing establishments which were fully reviewed at the start April for LTHT and for the NNYH formed part of the criteria for the 'go-live' assurance progresses by the CQC, NHSE/I Regional and National Teams.

6. Register of interests, including gifts and hospitality

The Trust publishes on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance. The register for the Board can be found at https://leedsth.mydeclarations.co.uk/reports/GroupReport and the full staff report at www.leedsth.nhs.uk/about-us/freedom-of-information/publication-scheme/lists-and-registers/declarations/

7. Pensions

7.1 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.

7.2 Control measures are in place to ensure compliance with all the organisation's obligations and there is an annual reconciliation returned to the NHS Pensions Agency confirming the accuracy of all payments on a monthly basis.

8. Equality, Diversity and Human Rights

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

9. Climate Change

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

10.1 As Accounting Officer, I am responsible for ensuring that the Trust has arrangements in place for securing value for money in the use of its resources. To do this I have maintained systems to:

- Set, review and implement strategic and operational objectives;
- Engage actively with patients, staff, members and other stakeholders to ensure key messages about services are received and acted upon;
- Monitor and improve organisational performance; and
- Establish plans to deliver cost improvements.

10.2 I can report on external validation of LTHT efficiency, effectiveness and the use of resources endorsed by the CQC Outstanding rating. In addition, the Trust has recently been successful in achieving Level Three accreditation for Future Focused Finance. The Trust has used its sound principles of financial management in the procurement of supplies to support the COVID-19 Pandemic, both for LTHT and accountability of NNYH.

10.3 The Trust submitted its Operational Plan for 2020/21 in April 2020 to NHS Improvement, incorporating a financial plan approved by the Board of Directors.

However it is to be noted that the instruction from NHSE/I on 17 March 2020 'the reduction of activity to create capacity for COVID-19' has significantly impacted the implementation and delivery of this plan. The Trust is currently working hard to define recovery plans and trajectories, which will be the focus of our Board timeout session held on 25 June 2020.

The submission included revisions to our operational, financial, workforce and strategic plans following feedback received

from NHSI on our January submission. These submissions contain a variety of technical documents prepared by members within the Trust and an overall narrative which describes these submissions and their associated risks. This informs the detailed operational plans and budgets which are also approved by the Board.

The Trust actively engages Commissioners, regulators (NHS Improvement), system functions (WY&HICS and WYAAT), staff and others as necessary to develop and agree detailed financial and operational plans. Prior to approval the Board takes the views obtained from stakeholders into account. Work is currently underway working with local and regional stakeholders towards the delivery of five-year Integrated Care System for both the West Yorkshire and Harrogate 'footprint' and the City of Leeds.

10.4 The Trust is a key member of the West Yorkshire Association of Acute Trusts (WYAAT) which in the year has continued to make good progress with the Committee in Common (CiC) meeting four times per year for the governance and accountability of workstreams to support transformation across West Yorkshire and Harrogate, reporting and accountable to each sovereign Board. The CiC has membership from each provider organisation with both Executive and Non-Executive membership from each, usually by the Chief Executive and Chair.

10.5 The Board agrees annually a set of corporate objectives which are communicated to colleagues and the public via my Chief Executives report each March. This provides the basis for performance reviews at CSU level. Operational performance is kept under constant review by the Executive Team, Finance and Performance Committee and the Board of Directors. In order to keep under review the delivery of the corporate objectives, the Board reviews at each formal meeting an Integrated Quality & Performance Report covering patient safety, quality, access and experience metrics, and a Finance Performance Report. Since my appointment as Chief Executive, the Board has approved a Quality Improvement Strategy (with a refresh at the March 2018 meeting setting out the strategy for 2017-2020) with progress reports to the Quality Assurance Committee and Board and published within the Quality Account. This Quality Strategy was to be reported to the May 2020 Board meeting, however with the impact of COVID-19, this work programme was put on hold. An update on the plan for progress is to be reported to the July 2020 Quality Assurance Committee meeting.

10.6 Assurances on the operation of controls are commissioned and reviewed by the Audit Committee and, where appropriate, other Committees of the Board of Directors as part of their annual cycle of business.

The Trust has a co-sourced internal audit function using internal and external resources working with PwC. The implementation of recommendations made by Internal and External Audit is overseen by the Audit Committee. Due to the changes in the rules around appointment of External Auditors for NHS Trusts, the Board of Directors appointed the External Auditors for the first time from 2017/18 until 2019/20. The Auditor Panel met at the start of March to re-consider the process for the next term of appointment of the External Auditors and have subsequently rolled forward the contract for a further year in light of COVID-19.

11. Information governance

Information Governance incidents at the Trust are managed through rigorous and standardised processes with an appointed Caldicott Guardian and Deputy, qualified Senior Information Risk Owner and Data Protection Officer. In 2019/20 no incidents were record at level 2. *(Noting there are two levels and level 2 relates to a reportable breach that needs to be reported to the ICO and other regulatory bodies such NHSX/D/I and the Department of Health & Care).*

12. Data quality and governance

12.1 The Trust's Internal Audit (PwC) submitted their annual report in preparation for the submission of the Data Security Protection Toolkit Version 2 (DSPT v2) on 27 March 2020 and provided guidance and recommendations for a successful submission.

Due to the COVID-19 national emergency in 2020, NHS Digital announced that the deadline for submission of the DSPTv2 for 2019/20 was being extended until 30 September 2020, with the DSPTv3 not going live until 1 October 2020, this was to give organisations effected by COVID-19 enough time to successfully complete their DSPTv2 2019/20 submissions.

12.2 However, the Trust was able to successfully submit its Submission for DSPTv2 on 14 April with all 116 mandatory evidence items being successfully completed.

Of the 63 non mandatory evidence items the Trusts was able to complete 52 items, achieving 83% compliance, up 1% on last year's compliance.

13. 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; Internal Audit, along with Clinical Audit, and formal letters of representation from Clinical Directors of all CSUs, Executive Directors and Chairs of the Board's Committees (including the Annual Report for each of their respective Committees). My review is also informed by comments made by the External Auditor in their Annual Audit letter and other reports. I have been advised on the implications of the result of my review of internal control by the Board and its assurance Committees, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

13.1 The Board of Directors

The Board has set out the governance arrangements including the Committee structure within the Standing Orders. In summary, the Board's Committee structure comprised the following: Finance & Performance Committee; Audit Committee, Quality Assurance Committee; Digital & IT Committee and Remuneration Committee, with the new addition in year for Workforce (having met twice) and Building Development Committee having met four times; supported by the Executive Committees Research, Education & Training Committee which closed at the end of November and the establishment of a Research & innovation Committee; and Risk Management Committee. Chairs of the Board's Committees report to the Board at the first available Board meeting after each Committee meeting and urgent matters are escalated by the Committee Chair to the Board as deemed appropriate. Current practices in light of COVID-19 and guidance from NHSE/I are set out in section 3.2.

The Board commissioned an independent review into Board governance and Committee effectiveness during 2018/19 in preparation for our Well-led Review by the CQC. The review found no material concerns. During March 2020 meetings had been held with external companies to commission an external review of Well-led during the summer of 2020, however this was put on hold due to COVID-19.

In October 2019 the Trust Chair was awarded by the Institute of Directors of the Year Award for Best Practice, Governance and Board Leadership, the first time this had been awarded to the public sector, an external validation to the practices of the Board at Leeds Teaching Hospitals NHS Trust.

13.2 Internal Audit

With respect to the internal audits concluded during 2019/20, three out of 12 internal audit reviews issued have been categorised as High Risk, and at the time of preparing this report, there are two reviews yet to be finalised for the year ended 31 March 2020 and three

have been deferred to 2020/21 in light of COVID-19. Management action plans are developed and implemented, or are in the process of being implemented to address identified weaknesses. Progress is reviewed by the Audit Committee.

Head of Internal Audit opinion states; 'we are satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control'.

13.3 External Audit

External audit provides independent scrutiny on the accounts, annual report, Annual Governance Statement, reporting by exception if the Trust fails to comply with the guidance and as defined by NHSE/I, and under normal circumstances, limited assurance on the Annual Quality Report, however in light of COVID-19 the requirement for external audit review has been removed (and submission for the Quality Account moved to 15 December 2020).

13.4 Clinical Audit

Quality Assurance Committee, at the October 2019 meeting, received and were assured by the Clinical Audit Annual Report for 2018/19. This summarised clinical audit activity across the Trust, adhering to the national requirement reflected in the Trust Clinical Audit Procedure, which reflects national best practice. The report also set out the Trust's priorities for 2019/20.

In line with the national guidance published in response to the COVID-19 Pandemic, both the national and trust mandatory audit programme have been suspended for Q1 2020/21. Details of the interim governance arrangements, including the suspension of audit activity were presented to the Trust Board on 29 April 2020.

13.5 Health & Safety

We are one of a few Healthcare Trusts to receive a Royal Society for the Prevention of Accident (ROSPA) Safety Gold Award for its H&S Management System and this has been upheld for the past four years.

In response to the COVID-19 pandemic we have worked collaboratively to respond to evolving guidance to keep essential services in place without compromising staff safety or health.

Challenges have been experienced with the increased requirement for essential Personal Protective Clothing (PPE) due to the national demand, date expired PPE and sourcing of alternative makes/models. This has been met by risk assessment processes, communications with Government/enforcement bodies (PHE and HSE) and neighbouring NHS healthcare providers, and then ensuring these control measures are incorporated into our daily operational procedures.

One of the significant changes for many of our employees was a shift to home working and as a result we worked with HR and IT to provide clear guidance, tools and tips for managers and employees to ease this transition e.g., home/remote working DSE Assessment with associated guidance. We also provided some practical guidance, with help from Occupational Health, for those staff still at work on hospital sites in relation to social distancing.

Processes have also been in place to continue to address any national safety alerts distributed for our attention via the Central Alerting System (CAS) during this period. As outlined in the Annual Health & Safety Report (April 2020) the HSE have indicated that an Improvement Notice will be issued to the Trust in relation to 'Occupational Dermatitis', however their latest communication was to acknowledge that this is a very difficult period for the Trust during the current COVID-19 pandemic and the HSE have deferred the issue of this notice until considered appropriate by them. We had already started to put plans in place to address the concerns raised.

As Chief Executive I have signed the Annual Fire Safety Certificate of Compliance, that sets out our compliance against the Trust's statutory responsibilities under the Regulatory Reform (Fire Safety) Order, as assurance was reported to the March 2020 Risk Management Committee. During the year the Committee received a number of assurance reports that have included a strategic fire safety management plan, three-year fire safety plan and various assurance documents. The Trust continues to receive updates and learning reflecting national fire safety issues that are relevant to healthcare and there is a programme of implementation of any changes.

As the COVID-19 situation has evolved, fire safety has played a key part in planning for the Trust response, especially with regard to the changes to oxygen systems that have been installed or updated, changes to clinical environments to create surge plans and adapting training to meet social distancing requirements. The LTHT Fire Team have also provided the expert reference for fire safety at NHS Nightingale Yorkshire and the Humber. This involved putting a fire safety strategy into a conference centre being turned into a 500 bed ICU. As part of this process there was a significant work stream that involved the Team demonstrating statutory compliance was met as far as reasonably practicable and providing assurance to demonstrate this to NHSE/I.

13.6 **Promoting Safety**

During the year we have carried out an extensive review of nurse staffing and establishments for each of our wards utilising best practice guidance, including the use of Safer Nursing Care Tool (SNCT). This has been reported to the Board, providing assurance at each meeting on quality indicators in relation to wards that have reported below their planned staffing levels via the nursing and midwifery quality and safe staffing report.

The Trust has revised its internal processes for daily monitoring of patient safety and quality risks in relation to the workforce, implementing an internal reporting tool that is completed for all wards three times a day: Nurse Staffing Status Report (NSSR). Wards rate the safety of each shift in relation to available staff and patient acuity and dependency using professional judgement. An exception report is provided to the Chief Nurse and Chief Medical Officer at the weekly quality review meeting.

Throughout 2019/20 we began the roll out Allocate Safecare, a real time acuity and dependency and deployment tool linked to eRoster. Alongside this a system of Red Flag alerts has been introduced where any nurse at any time can request help and support if required.

At the outset of the COVID-19 pandemic at the end of the 2019/20 year, all ward establishments were immediately reviewed in line with our response and the national guidance that was issued, revised temporary establishments were agreed for each ward. Multidisciplinary teams of nursing and operating theatre staff were agreed for patients requiring critical care. Throughout the pandemic we have maintained daily monitoring of patient safety in relation to the nursing and midwifery workforce, overseeing this in a daily operational staffing meeting chaired by the Directors of Nursing.

13.7 As Chief Executive I am working with the 'Freedom to Speak-Up Guardians' to embed and promote a culture of openness for staff to express concerns about patient care and safety. The Board received an update at the May and November 2019, and May 2020 meetings. Throughout our Trust wide communications to support staff during COVID-19 we have actively encouraged staff to raise concerns via the Freedom to Speak-up Guardians.

13.8 The Chief Medical Officer works with the Guardians of Safeworking to monitor the junior doctors terms and conditions and training of junior doctors. The Board of Directors is sighted on these roles with quarterly reports to what was the Research, Education and Training Committee, (to be replaced by a Workforce Committee), the annual report received at the Board in May 2020 and information included as a statutory requirement within the Quality Account. The absolute number of exception reports has again fallen from 2019/20.

The Guardian of Safeworking team have again highlighted poor engagement with exception reporting as a concern in line with national trends. From the changes to the contract in December 2016, only 15% of trainees have used the exception reporting system. Anecdotal feedback suggests that this is not representative of the number of junior doctors regularly working beyond their contracted hours.

13.9 The Trust has put in numerous measures to ensure staff safety during the COVID-19 Pandemic. These include but are not limited to:

- facilitating staff working from home where they can
- where staff have to attend work ensuring social distancing
- ensuring appropriate PPE/training for staff
- ensuring appropriate arrangements are in place for vulnerable staff for example pregnant workers, those with underlying health conditions
- undertaking positive action for BAME staff to ensure managers have a supporting conversation with BAME colleagues recognising anxiety due to disproportionate impact
- offering staff testing to reduce the risk of workplace transmission
- offering a range of health & wellbeing support including access to Clinical Psychologists
- reminder forwarded to all staff regarding their ability to raise concerns through the freedom to speak up and other avenues.

Throughout the pandemic we have been working closely with recognised professional bodies and Trade Unions and have ensured mechanisms are in place for health & safety representatives to raise any concerns.

A process has been put in place to review all LTHT staff that have tested positive for COVID-19. Information from Pathology's ICE system will provide staff test positive results. Staff are to be telephoned and a checklist completed by repurposed dental nurses. These checklists are then forwarded to Occupational Health and sifted based upon the information provided. To report under RIDDOR the following applies:-

- an unintended incident at work has led to someone's possible or actual exposure to coronavirus. This must be reported as a dangerous occurrence
- a worker has been diagnosed as having COVID-19 and there is reasonable evidence that it was caused by exposure at work. This must be reported as a case of disease.

The Occupational Health Doctor will make a more explicit enquiry into the likelihood of workplace exposure. If workplace exposure is found and RIDDOR reporting necessary these details are to be forwarded to Head of Health & Safety to work with CSU's to report to the HSE. All Health & Safety decisions are guided by National Guidance.

14. Significant In-Year Matters

14.1 The Board and its Committee structures receive reports on the performance of the organisation against its duties set out in the provider licence. Reporting information is supplied to provide insight to the actual performance position against constitutional standards, full year to date position displayed by Statistical Process Charts (SPC) charts, and where appropriate agreed trajectories, to enable actual comparisons to be made year on year.

At Leeds Teaching Hospitals NHS Trust I believe with my Executive colleagues and the Board we have robust governance structures and systems in place. Under my tenure we have worked hard at establishing an open, honest, fair, accountable way of working with mutual respect that are the heart of the core values that underpin how our organisation works. As a result we drive transparency in an open and honest way of reporting incidents, risk management and mitigation.

During Quarter 4 of 2019/20, and up until the time of submission of this Annual Governance Statement, we are experiencing the biggest challenge that has ever faced the NHS, in preparing for and managing the COVID-19 pandemic, and latterly recovery.

14.2 Following the declaration of a Level 4 National Incident on 30 January 2020, the Trust received national guidance from NHS England/Improvement on 17 March 2020 which outlined the required interventions from the NHS in response to COVID-19. Trusts were asked to undertake a specific set of actions in order to redirect staff and resources as follows:

- Free up the maximum possible inpatient and critical care capacity.
- Prepare for and respond to the anticipated large number of COVID-19 patients who would need respiratory support.
- Support staff and maximise their availability.
- Play our part in the wider population measures announced by government.
- Stress test operational readiness.
- Remove any administrative routine burdens to facilitate the above.

In response to this national guidance, the Trust cancelled all routine elective operating procedures, all routine outpatient clinics and all routine diagnostics from week commencing 23 March 2020. As a result, there has been a significant impact on the Trusts ability to deliver against constitutional standards and whilst some standards were making a marked improvement in delivery throughout 2019/20, there has been a reduction in compliance as a result of steps taken to manage the Level 4 National Incident.

14.3 The Trust did not meet the national requirement to treat a minimum of 92% of patients within 18 weeks of referral to treatment in 2019/20, delivering an overall performance of 85.3%. Whilst the Trust faced significant challenges throughout the year, from October 2019 there was a month on month improvement in the Trusts RTT performance. However, in line with national guidance the Trust cancelled all routine elective operating procedures and all routine outpatient face to face clinics from 23 March 2020 and as a result the Trust saw a reduction in RTT performance in March 2020.

14.4 The Trust carried a significant backlog of over 52 week breaches from 2018/19 into 2019/20 and through robust recovery planning, there was a 43% reduction in the over 52 week wait breach position throughout the year. The Trust were on track to deliver the end of year trajectory, however as a result of cancellations in response to the COVID-19 pandemic, a number of over 52 week wait breaches who were scheduled for treatment were cancelled in March 2020 resulting in the Trust delivering a year end position of 51 over 52 week breaches.

14.5 The Trust made a significant reduction in Total Waiting List size achieving 11% better than the year end trajectory.

14.6 The Emergency Care Standard (ECS) national target of 95% of patients to be seen treated, admitted or discharged within 4 hours of presenting in A&E was not achieved delivering a position of 85.01% in 2019/20 with pressures at both sides of the city throughout the year. This does however demonstrate a slight improvement on the previous year.

14.7 During 2019/20 the Trust demonstrated resilience and we were able to achieve:

- Caring for zero patients in non-designated areas.
- Zero patient breaches against the 12-hour A&E standard.
- Improved ECS performance ranking when compared to other organisations nationally.

14.8 Continued challenges with bed pressures resulted in the Trust not meeting the national requirement for all last minute cancelled operations to be rebooked within 28 days. However we did make significant improvements across all four quarters of 2019/20, most considerably Quarter 3 delivered a 57% improvement when compared to the same quarter of the previous year.

14.9 The Trust achieved the national requirement to undertake 99% of diagnostic tests within 6 weeks for six months of 2019/20. The remaining six months did not achieve as a result of challenges with capacity throughout the year and a significant reduction in activity in March 2020 in response to the COVID-19 pandemic. At an aggregate level an overall performance of 98.6% was delivered.

14.10 The Trust did not achieve the national requirement to treat a minimum of 85% of patients with suspected cancer within 62 days of referral from a GP or Dentist. During 2019/20 the Trust achieved an average of 69.5% at aggregate level for the standard. This year the Trust has focussed on reducing the volume of patients who have already breached the 62 day standard, as a result of which, performance was improving and in March 2020 the backlog of 62 day breaches was at an 18 month low. We were able to demonstrate a 50.4% backlog reduction from a high point in June 2019. Overall performance in March 2020 also achieved its highest in six months, delivering 72.3%. The response to COVID-19 pandemic has resulted in the backlog increasing again.

14.11 Late referrals into the Trust from other providers continue to be a major factor in the Trust's ability to achieve the overall 62-day standard. Currently a third of all 62 day cancer patients treated are received from other providers. Over 2019/20 West Yorkshire & Harrogate Cancer Alliance have developed the infrastructure in conjunction with lead clinicians and providers to transform site specific pathways to create optimal diagnostic pathways designed to deliver a diagnosis to the patient by day 28.

14.12 The Trust did not achieve the national requirements to see a minimum of 93% of patients within 14 days for (i) urgent GP referrals for suspected cancer delivering an aggregate position of 87.3% and (ii) the breast symptomatic target delivering an aggregate position of 74.5%. There was a marked increase in overall in 2 week wait referrals by approximately 11%.

14.13 The Trust did not meet at aggregate level the 31-day first treatment, achieving 95.7% against a target of 96%. For subsequent surgery the Trust delivered 91% against a target of 94%. Throughout the year challenges were associated with demand upon Urology, Lower GI, Skin, Head/ Neck and HPB services. In addition patient choice, patients being medically unfit or complexity of diagnostic pathways also impacted on our ability to deliver against these standards.

14.14 The Trust delivered against both 31 day subsequent drugs, achieving 99.7% against the 98% standard and 31 day radiotherapy treatments achieving 98% against a standard of 94%.

14.15 At the end of May 2020, the Trust has commenced its phase 1 recovery planning and we have already started to bring some services back online (some cancer and clinically urgent activity has already been reinstated) whilst appropriately adjusting the level of response to COVID-19. It is recognised that there will be a requirement for changes in service delivery and models of care as well as estate utilisation to ensure we can deliver the best quality and safest care to our patients, as well as striving to recover our overall performance.

14.16 There were 119 reported events during the year that met the criteria for a Serious Incident (SI). Each case has been thoroughly investigated and reported to local commissioners. Detailed action plans have been developed and implemented in response to specific case.

14.17 There were six incidents which qualified for reporting as a Never Event; Incorrect implant used, wrong site surgery (two), retained object following procedure, overdose of insulin due to use of incorrect device and administration of medical air instead of oxygen (a new Never Event added to the list in February 2018). These incidents have been subject to a Serious Incident investigation; the findings and actions have been discussed with commissioners and shared with staff across the organisation.

14.18 There were three formal *Prevention of Future Death Reports* (formerly known as *Rule 43* and now known as *Regulation 28 Reports*) issued by the Coroner. The Trust had addressed the concerns raised by the Coroner in these cases.

14.19 There were 60 (53 of those relating to staff) events that met the criteria for reporting to the Health & Safety Executive under the provisions of the *Reporting of Injuries, Diseases or Dangerous Occurrences* (RIDDOR) Regulations for the period 2019/20. The largest number of RIDDOR

reports result from high risk inoculation incidents. Injuries from used disposable medical devices, especially hollow bore needles that may be contaminated with blood and bodily fluids, is an infection risk to healthcare employees and continues to be an area which is closely monitored and managed when incidents arise. For example a process of care commences for the affected staff member, an investigation is completed by the local manager with assistance from one of the Health & Safety team. Investigations are discussed at the Inoculation Incident & Safer Sharps Group and in turn the incidents are discussed at the Infection Prevention & Control Committee Meeting. The aim is to understand why these types of incident occur and what more can be done to reduce the risk further.

14.20 The reduction of Healthcare associated Infections (HCAI) and ensuring that infection prevention and control practices are effective remain key priorities for the Leeds Teaching Hospitals Trust.

From the 1 April 2019, NHS Improvement introduced a change in the allocation for cases of *Clostridium difficile* infection (CDI) and our objective for 2019/20 was increased proportionately from 118 to 259 cases to reflect this change. In 2019/20, 150 patients developed CDI whilst in our care against our objective of no more than 259 cases. The final year-end figures were significantly different to the projected case numbers and whilst there is cause to celebrate this overachievement of our baseline objective, it is too early to determine the causative factors. All cases have been investigated and we continue to identify a proportion of cases, in conjunction with our commissioners, as having no "lapse in care" whilst in our Trust. For 2019/20, we have had 32 cases agreed so far with cases for Quarter 4 still outstanding for review whilst the system responds to the COVID-19 pandemic.

In 2019/20 we made progressive improvements in the number of patients diagnosed with MRSA bloodstream infection; three cases were recorded this year, an improvement of 57% on the number of cases recorded in 2018/19. The Trust also achieved the longest period between MRSA bloodstream infection cases of 204 days against 175 days in 2018/19. Improvement was also seen in the number of recorded cases of MSSA bloodstream infection of 78 cases against an internally set target of 84 cases. It is of note that this is the first reduction seen in the number of MSSA cases in the last years.

Quality Improvement methodology continues to be embraced within the Infection Prevention and Control Team. In 2019/20 our HCAI Collaborative successfully implemented key components of the HCAI interventions bundle Trust wide and increased awareness of antimicrobial stewardship as a key driver in reducing HCAI.

The "national ambition" to reduce healthcare associated bloodstream infections with certain Gram-negative bacteria, namely Escherichia coli (E. coli), Klebsiella species and Pseudomonas aeruginosa, by 50% was revised in 2019/20 from 2021 to 2024 to reflect the work still required to identify root causes and those infections that can be deemed avoidable. We continue to undertake focussed targeted investigations with the clinical teams to further understand the most effective interventions to prevent future cases. For 2019/20 we recorded 312 Gram-negative bloodstream infections against an internally set target of no more than 286 cases. The following details breakdown by GNBSI with last year's figure in brackets. For E. coli we recorded 217 (222); Klebsiella species 61 (85) and Pseudomonas aeruginosa 34 (29).

Quarter 4 of 2019/20 saw the Infection Prevention & Control Team become central to the Trust's response to the emerging High Consequence Infectious Disease subsequently named as COVID-19 disease and declaration as a pandemic. The move into a system wide incident response required prioritisation of IPC services whilst ensuring a focus on quality and safety was maintained.

14.21 The Trust is mitigating on-going challenges associated with the historic legacy of lack of basic capital and infrastructure investment. Hence the high-level risks

within the Corporate Risk Register described as; insufficient capital resources, unserviceable critical IT infrastructure and resilience issues, power failure lack of IPS/UPS resilience due to electrical infrastructure and inability to provide a cardiac catheter laboratory service. In 19/20 the Trust Board approved the five year financial plan including capital expenditure. In 19/20 the Trust delivered a capital programme of £66.3m and in 20/21 this will increase to £85m including investment in new catheter laboratory facilities. Following confirmed funding for Building the Leeds Way the 20/21 capital programme also includes the enabling works for Hospitals of the Future and the centralised pathology laboratory at St James's University Hospital.

The COVID-19 outbreak presented significant clinical and operational challenges and the Trust had to rapidly innovate to address these, including adaptations to our estate and infrastructure. As the NHS moves into recovery and reset, alongside planning for on-going care of patients with COVID-19 our estate, infrastructure and capital programme will need to continue to adapt and respond to meet patient needs.

14.22 Compliance to other regulatory bodies - The Medicines and Healthcare Products Regulatory Agency (MHRA) carried out a Good Clinical Practice (GCP) system inspection of the Trust and University of Leeds in December 2018. There was only one major finding relating to the compliance of PPM+ with MHRA guidance, which remains in place. An interim solution has been put in place and work is on-going to provide a full solution before the next anticipated MHRA inspection in late 2021.

14.23 It is a legal requirement of all organisations sponsoring and hosting Clinical Trials of an Investigational Medicinal Products (CTIMPs) to comply with UK medicines for human use (clinical trials) regulations (2004). The move in the NHS from paper to electronic health records systems has led to significant compliance issues in relation to GCP in NHS organisations. The Joint Research Governance Committee (JRGC) recognised that this is a complex issue, but it is essential for the Trust to address and resolve non-compliance. A solution to one of the key issues identified by the MHRA, that of gated analysis to only those health records that need to be seen by inspectors for specific trials, has been developed and implemented. Work to address other issues identified has been identified and a working group is looking at how that can be taken forwards.

14.24 The previously reported Urgent Risk Review in Trauma and Orthopaedics reached a successful conclusion. Both the GMC and Health Education England were satisfied with the improvements put in place and Trauma & Orthopaedics were subsequently taken off enhanced monitoring. The medical education team continues to monitor the situation. The team is also monitoring the feedback contained in the National Trainee Survey, and in particular those specialties where issues are reported year on year. These are discussed in detail at quarterly Monitoring the Learning Environment (MLE) meetings led by Health Education England.

There continue to be significant workforce gaps that threaten service delivery and that require additional spend. A considerable amount of work has been undertaken to address this - e.g. in paediatrics, where new rotas have created a more fluid workforce model, resulting in a reduction in exception reports and better feedback in the annual trainee survey. The Trust has also developed improved pathways for the recruitment of locally employed doctors to supplement our workforce. We have expanded our international recruitment into these posts, supporting medical training initiatives such as the College of Physicians and Surgeons of Pakistan joint-fellowship program.

Education and Training estate remains at risk, with a requirement to reconvert training estate for clinical use. In the past year, wards J32 and J34 have been taken away from educational use, and X34 was temporarily repurposed for clinical use as part of the COVID-19 response. Social distancing is going to place a greater pressure on educational estate, which was already stretched to capacity. We are however actively exploring how to

embrace new technologies to mitigate these pressures whilst at the same time also enhancing the learner experience.

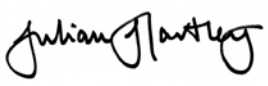
14.25 The Board of Leeds Teaching Hospitals and myself as Accountable Officer have agreed to hosting the NHS Nightingale Yorkshire and the Humber as a surge resource to the wider region as preparation to accommodate 500 more in patients should this be required. Future phases of the pandemic are yet to be understood by the scientific leaders advising Government and therefore this resource may be required in to the winter period. The Board meeting on 29 April 2020 agreed to the hibernation of this facility, retaining its readiness to be operational until further notice. As from the week commencing 8 June 2020 NHS Nightingale Hospital Yorkshire and the Humber has begun offering clinical CT scans to some patients from LTHT and across the region.

15. Conclusion

My review confirms that Leeds Teaching Hospitals NHS Trust has a system of internal control in operation, and progress has been made, but further improvement is required across a range of priorities to better support the achievement of the Trust's policies, aims and objectives going forward. Those control issues highlighted in this statement have been or are currently being addressed.

I confirm that there are no other significant breaches of internal control that have been brought to my attention in respect of the financial year ended 31 March 2020 and this statement aims to capture the priorities of risks and controls relating to our management and recovery, to the date of approval of the annual report and accounts from COVID-19 a truly exceptional challenge for the NHS.

Signed



Julian Hartley, Chief Executive

Date: 25 June 2020

Statement of the chief executive's responsibilities as the accountable officer of the trust

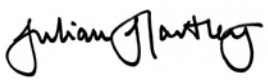
The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the trust
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

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 my letter of appointment as an Accountable Officer.

Signed



Chief Executive

25 June 2020

2.4 Remuneration Report

Salary and pension entitlements of Senior Managers (subject to audit)

A) Salaries and allowances

	2019-20					2018-19				
Name and title	Salary	Expense Payments (taxable)	National Clinical Excellence Award	All Pension-related Benefits	TOTAL	Salary	Expense Payments (taxable)	National Clinical Excellence Award	All Pension-related Benefits	TOTAL
	(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £2,500) £000	(bands of £5000) £000	(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £2,500) £000	(bands of £5000) £000
Chair and Non Executive Directors										
Dr L. Pollard CBE DL - Chair	40-45	16	0	0	**45-50**	40-45	17	0	0	**45-50**
M Chamberlain - Non Executive Director and Vice Chair	5-10	1	0	0	**5-10**	5-10	4	0	0	**5-10**
S Clark - Non Executive Director (from 15 October 2018)	5-10	0	0	0	**5-10**	0-5	0	0	0	**0-5**
T Keeney - Associate Non Executive Director (from 01 December 2018)	5-10	13	0	0	**5-10**	0-5	0	0	0	**0-5**
Prof M Livingston - Non Executive Director	5-10	0	0	0	**5-10**	5-10	0	0	0	**5-10**
J Narang - Non Executive Director	5-10	2	0	0	**5-10**	5-10	1	0	0	**5-10**
C Schofield - Non Executive Director	5-10	0	0	0	**5-10**	5-10	0	0	0	**5-10**
R Simpson - Non Executive Director	5-10	8	0	0	**5-10**	5-10	9	0	0	**5-10**
Prof P.M. Stewart - Non Executive Director	5-10	0	0	0	**5-10**	5-10	0	0	0	**5-10**
T Storey-Hart - Associate Non Executive Director (from 01 April 2019)	5-10	6	0	0	**5-10**	n/a	n/a	n/a	n/a	**n/a**
G Taylor - Associate Non Executive Director (from 01 December 2018)	5-10	3	0	0	**5-10**	0-5	1	0	0	**0-5**
Executive Directors										
J.M. Hartley - Chief Executive (2019/20 - 01 April 2019 to 31 March 2020, 2018/19 - 01 April 2018 to 20 January 2019)	250-255	0	0	0	**250-255**	185-190*	0	0	7.5-10	**195-200***
Dr Y.A. Oade - Chief Medical Officer and Deputy Chief Executive	210-215	0	30-35	0	**240-245**	205-210	7	30-35	0	**235-240**
R Corbridge - Chief Digital and Information Officer (to 26 April 2019)	10-15	1	0	0	**10-15**	140-145	7	0	60-62.5	**205-210**
L Grant - Chief Nurse (from 01 April 2019)	165-170	2	0	0	**165-170**	n/a	n/a	n/a	n/a	**n/a**

P Jones - Chief Digital and Information Officer (from 18 November 2019)	60-65	0	0	10-12.5	**70-75**	n/a	n/a	n/a	n/a	**n/a**
J Lewis - Director of Human Resources and Organisational Development (from 20 Aug 2018)	165-170	7	0	35-37.5	**200-205**	100-105	4	0	20-22.5	**120-125**
S H Neville - Director of Strategy & Planning (to 31 July 2019)	50-55	38	0	0	**55-60**	150-155	81	0	5-7.5	**165-170**
C Richardson - Director of Estates and Facilities (from 01 August 2019)	65-70	48	0	22.5-25	**95-100**	n/a	n/a	n/a	n/a	**n/a**
C Smith - Chief Operating Officer (from 21 Dec 2018)	125-130	4	0	87.5-90	**215-220**	35-40	1	0	15-17.5	**50-55**
S Worthington - Director of Finance	190-195	7	0	0	**190-195**	175-180	7	0	20-22.5	**200-205**

- *The Chief Executive, Julian Hartley, was seconded to a national role at NHS Improvement from 21 Jan 2019 until 31 March 19. During this period the Chief Medical Officer, Dr Yvette Oade, took on the role of Chief Executive. Julian Hartley returned to the Trust on 1 April 2019.
- Taxable expense payments are rounded to the nearest £100 in the above table. Pension related benefits are shown in bands of £2,500. All other remuneration is shown in bands of £5,000.
- Salary includes all amounts paid and payable in respect of the period the individual held office, including any salary sacrifice elements.
- Taxable expenses for the Director of Strategy and Planning relate to a salary sacrifice lease car. Taxable expenses for the Director of Finance, the Chiel Operating Officer, the Director of Human Resources and Organisation Development and the Chief Digital and Information Officer are car parking paid via salary sacrifice. Taxable expenses for the Chief Nurse is staff gym membership paid via salary sacrifice.Taxable expenses for the Director of Estates and Facilities relate to a lease car, car parking and staff gym membership all paid via salary sacrifice. All other taxable expenses are in respect of taxable business mileage.
- There are no long term performance pay or bonuses for senior managers in the current or preceding financial years.
- All pension-related benefits are calculated using the HMRC method as set out in Section 229 of the Finance Act 2004. The Department of Health and Social Care have clarified that for NHS bodies this is the "Real increase in pension multiplied by 20 **plus** the real increase in lump sum **less** contributions made by the individual equals Accrued Pension Benefits". The NHS Pension Scheme is a "defined benefits" scheme based on final salary and/or career average earnings. Thus where a senior manager's salary increases this results in a larger movement in the overall value of their pension entitlement. Similarly, where there is a limited increase in the value of the pension payable relative to inflation and the employees contributions, then the HMRC calculation can show a "negative pensions benefits" figure for the year which is then shown as a "nil" figure in the table. These factors mean that year on year there can be significant volatility in the reported pensions benefits for an individual.

Salary and pension entitlements of Senior Managers (subject to audit)

B) Pension benefits

Name and title	Real increase in pension at pension age	Real increase in lump sum at pension age	Total accrued pension at pension age as at 31 March 2020	Lump sum at pension age related to accrued pension at 31 March 2020	Cash Equivalent Transfer Value at 01 April 2019	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2020
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000
Dr Y.A. Oade - Chief Medical Officer and Deputy Chief Executive	0-2.5	0-2.5	95-100	285-290	2,263	0	0
R Corbridge - Chief Digital and Information Officer (to 26 April 2019)	0-2.5	0-2.5	15-20	40-45	246	1	290
P Jones - Chief Digital and Information Officer (from 18 November 2019)	0-2.5	0	15-20	45-50	311	12	339
J Lewis - Director of Human Resources and Organisational Development	2.5-5	0	10-15	20-25	192	23	242
S H Neville - Director of Strategy & Planning (to 31 July 2019)	0	0	60-65	190-195	1,492	0	1,539
C Richardson - Director of Estates and Facilities (from 01 August 2019)	0-2.5	0-2.5	15-20	25-30	216	14	255
C Smith - Chief Operating Officer	5-7.5	0	25-30	0	261	51	340

- The Trust is a member of the NHS Pension Scheme which is a defined benefit Scheme, though accounted for locally as a defined contribution scheme. The Trust does not operate nor contribute to a stakeholders pension scheme. Non-Executive Directors are not members of the Trust pension scheme. Disclosure is made in respect of pension benefits for those Directors who were active members of the NHS Pension Scheme during 2019/20 and whose membership was active at 31 March 2020.
- A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.
- Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.
- The Chief Medical Officer reached normal retirement age during 2019/20 and therefore there is no CETV to report at 31 March 2020.

Staff numbers and costs (subject to audit)

Staff Costs

Employee Benefits - Gross Expenditure (£'000s)	2019/20			2018/19
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	608,227	14,236	**622,463**	583,131
Social security costs	58,106	-	**58,106**	52,644
Apprenticeship Levy	2,990	-	**2,990**	2,820
Employer Contributions to NHS Pensions	106,853	-	**106,853**	69,328
Termination benefits	16	-	**16**	216
Temporary staff	-	42,039	**42,039**	38,238
Total gross staff costs including capitalised costs	**776,192**	**56,275**	**832,467**	**746,377**
Costs capitalised as part of assets	2,095	-	**2,095**	1,345
TOTAL gross staff costs excluding capitalised costs	**774,097**	**56,275**	**830,372**	**745,032**

Staff Numbers

Average staff numbers (WTE basis)	2019/20			2018/19
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	2,316	49	**2,365**	2,237
Administration and estates	2,757	43	**2,800**	2,731
Healthcare assistants and other support staff	3,435	582	**4,017**	3,768
Nursing, midwifery and health visiting staff	4,197	192	**4,389**	4,244
Nursing, midwifery and health visiting learners	4	-	**4**	6
Scientific, therapeutic and technical staff	2,049	20	**2,069**	1,971
Healthcare science staff	1,056	9	**1,065**	1,044
Social care staff	9	7	**16**	16
Other	517	3	**520**	487
TOTAL	**16,339**	**904**	**17,245**	**16,504**

Average staff numbers (WTE basis)	2019/20	2018/19
Number of permanently employed staff	**16,339**	15,706
Other staff	**904**	798
Total average number of staff (wte)	**17,245**	**16,504**
Staff engaged on capital projects	**41**	28

Staff Sickness and ill health retirements

Staff sickness data and ill health retirements	2019/20	2018/19
Number of early retirements on the grounds of ill-health	8	20
Value of early retirements on the grounds of ill-health	340	1,137

Details of staff sickness and absence data can be found via NHS Digital publication services on "NHS Sickness Absence Rates"

https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates.

Exit Packages (subject to audit)

Reporting of compensation schemes - exit packages	2019/20	2018/19
Exit package cost band		
£15,001 - £20,000	1	-
£100,001 - £150,000	-	2
Total number of exit packages	1	2
Total resource cost (£'000s)	16	216
Voluntary redundancies including early retirement contractual costs	1	2
Total value of exit packages (£'000s)	16	216

Consultancy expenditure

Expenditure on consultancy	2019/20	2018/19
Consultancy costs (£'000s)	274	559

Pay Multiples (subject to audit)

In accordance with HM Treasury requirements following the Hutton Review of Fair Pay, reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid Director of the Trust in the financial year 2019/2020 was £250-255k (2018/2019, £235-240k). This was 8.45 times (2018/2019, 8.38) the median remuneration of the workforce, which was £29,876 (2018/2019, £28,318). The highest paid Director in 2019/2020 was the Chief Executive (2018/2019, Chief Medical Officer). Remuneration ranged from £15-20k to £250-255k in 2019/2020 (2018/2019 £15-20k to £235-240k).

Total remuneration includes salary, enhancements and non-consolidated performance-related pay. It does not include any severance payments, employer pension contributions and the cash equivalent transfer value of pensions. Remuneration is calculated on the annualised full-time equivalent staff of the Trust at the reporting date (31 March 2020).

Payments made to agency staff have been excluded as these mainly relate to payments made to cover absences of existing employees whose whole time, full year equivalent remuneration has already been included in the calculation of the median. Agency costs also include elements for travel, national insurance and the agency's commission which are not separately identifiable and would serve to distort the overall figures.

Off-payroll engagements

Off-payroll engagements longer than six months

For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2020	1
Of which, the number that have existed:	
for less than one year at the time of reporting	0
for between one and two years at the time of reporting	0
for between two and three years at the time of reporting	1
for between three and four years at the time of reporting	0
for four or more years at the time of reporting	0

New off-payroll engagements

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and March 2020, for more than £245 per day and that last for longer than six months:

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	2
Of which:	
No. assessed as caught by IR35	2
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to the entity) and are on the entity's payroll	0
No. of engagements reassessed for consistency / assurance purposes during the year.	0
No. of engagements that saw a change to IR35 status following the consistency review	0

Off-payroll board member/senior official engagements

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020:

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year (1)	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements.(2)	21

2.5 Regulatory Ratings

Leeds Teaching Hospitals is registered with the Care Quality Commission (CQC), has no compliance actions in force and is fully compliant with the Fundamental Standards. We were inspected by the CQC in August 2018 and the final report from this inspection was published in February 2019. We received an overall Good rating, with higher ratings in more areas than our previous inspection. We also received three Outstanding ratings, in Adult Critical Care, the Leeds Dental Institute and for our Use of Resources.

Progress continues to be made, which is monitored through the Quality Assurance Committee. The Trust is fully compliant with the registration requirements of the CQC.

2.6 Modern Slavery Act

The Trust complies with the Modern Slavery Act, specifically section 54 'Transparency in supply chains' which is the section directly relevant to the corporate sector. The Trust uses the Crown Commercial Services Supplier Questionnaire to ask questions of suppliers to ensure their compliance with the Modern Slavery Act. In addition, products purchased through third party distributors, such as NHS Supply Chain, have the assurance of national frameworks to ensure compliance with the Act.

2.7 Our People

We have developed seven People Priorities which are consistent across the organisation:

- Workforce planning
- Clear performance expectation
- Work across the health and care system
- Free from discrimination
- Education, training and development
- Health and wellbeing
- The most engaged workforce

Our goal is to make Leeds Teaching Hospitals the best place to work and we have been doing lots of work to move towards this. Our greatest asset is our people and we value our staff highly. Their skill and dedication means we have some of the country's leading clinical expertise and can offer patients the highest quality, most compassionate treatment and care.

The Trust is committed to investing in our people. We actively encourage staff to take part in training and professional development and to share their ideas on how we can improve patient care.

Our people also play a significant role in the development of the Trust. With strong encouragement and leadership from our Chief Executive and senior team, engagement with people working in our hospitals has been consistently above the national average for the last four years.

This is the foundation on which The Leeds Way has been developed and is at the core of the way we do things at LTHT.

Workforce statistics

Trust Board - at 31 March 2020

Gender	Job Role	Position Title	Number
Female	Chair	Chair	1
	Medical Director	Chief Medical Officer	1
	Non-Executive Director	Non-Executive Director	4
	Nurse Manager	Chief Nurse	1
	Senior Manager	Chief Operating Officer	1
	Senior Manager	Director of Human Resources	1
Female total			**9**
Male	Chief Executive	Chief Executive	1
	Non-Executive Director	Non-Executive Director	6
	Senior Manager	Chief Digital and Information Officer	1
	Senior Manager	Director of Finance	1
Male total			**9**
Grand total			**18**

The gender division for the rest of the workforce as at 31st March 2020, is outlined below.

Gender	Head Count
Female	14284
Male	4696
Grand Total	**18980**

This is an increase of 628 members of staff from last year.

Gender Pay Gap

In March 2020, the Trust published its Gender Pay Gap information on the Government's website. More information on this can be found on our website www.leedsth.nhs.uk/about-us/equality-and-diversity/gender-pay-reporting

Organisational Learning

Staff can access a range of education, learning and development opportunities including a range of management and leadership development programmes, coaching and learning bursts delivered by the Organisational Learning team.

Inductions

The Trust delivers a weekly Corporate Induction programme which provides a welcome to the organisation from the Chief Executive and essential training. In the last 12 months, 2,471 new recruits attended Corporate Induction on their first day of employment.

Agenda for Change Appraisal

In the 2019/2020 Agenda for Change Appraisal season 98% of staff received an appraisal. This represents an improvement on last year's figures where 97% of staff completed an appraisal.

The Leeds Improvement Method 'respectful behaviours' are now a key part of our appraisal conversation, allowing staff to reflect on the behaviours they feel they demonstrate and the behaviours they would like to work on in the coming year. A range of videos and guides have been produced to supplement the training available to managers and staff, improving the quality of the appraisal process.

Mandatory Training

The Trust Mandatory Training provision is signed off annually by the Executive Team to ensure that Training Needs Analysis and capacity plans are robust and adequately resourced. Overall performance for Mandatory Training has been maintained with all mandatory topics and CSU performance exceeding the Trust target. In 2019/2020 the Trust is 94% compliant with regards to Mandatory Training. The Trust aligned with seven topics on the Core Skills Framework as part of the Yorkshire and the Humber Mandatory Training streamlining work.

IT training and Clinical Systems Training

In 2019/2020, 14,078 IT and clinical systems training interventions were delivered to staff members, as well as medical and non-medical students. The processes that support the provision of IT clinical systems access have been developed in conjunction with the Digital Informatics Team to allow ease of access for users, new starters and locum or agency staff.

Leeds Female Leaders Network

The Leeds Female Leaders Network now has over 850 members. The network's fifth anniversary was marked in 2019 with an event taking place on 17th December at Northern Ballet. Speakers included Julian Hartley sharing his own personal leadership journey. Dr Clare Spencer (GP) and Barbara MacPherson FHEA, Senior Teaching Fellow in Postgraduate Medical Education at University of Leeds, shared the insight and myths around the subject of menopause, and Jackie Hird, Director of the Joanna Project, talked about the work undertaken by her project in supporting vulnerable women. Over 80 people attended the event both from the University of Leeds and LTHT.

Leadership Development

Learning Bursts and Short Courses - a series of short 90-minute learning bursts and one day developmental courses focusing on leadership and management development form a core part of the Trust's leadership development offer. Over the past 12 months 1,649 staff members have attended a learning burst or short course designed to improve leadership capacity and capability across the Trust.

Medical Leadership Development - 128 doctors are now active as medical mentors who are being promoted through the My e-Coach platform. The Trust delivered two Medical Leadership programmes (Advanced and Foundation) in 2019/2020 with 44 delegates completing the programme.

The Trust also delivered the Leading Care course. Over the past 12 months, 70 staff members have attended the programme which was targeted at Nurses, Allied Health Professionals (AHPs) and Midwives developing leadership competence and personal impact.

Leadership and Management Development - 130 staff from within non-medical roles participated in our leadership development programmes, which are designed to equip managers with the requisite skills to operate as effective leaders within the Trust.

Coaching - in the 2019/2020 year there have been 28 recorded sessions between coaches and coachees. There are currently 15 live coaching relationships recorded. The Trust has run learning bursts aimed at teaching coaching skills to managers and there have been 34 attendees at these sessions.

Work experience, schools engagement and employability

Influencing young people as early as possible to consider a career in health and care is essential in building our future workforce. Leeds Teaching Hospitals achieves this through three channels:

1. School visits to our sites
2. Healthcare Career Ambassador engagement with schools and colleges
3. Work experience placements

In partnership with Enabling Enterprises, this year we have hosted two primary school visits to the LGI, where the students developed their understanding of CPR and basic anatomy.

Our large group of Healthcare Career Ambassadors continues to grow. 29 more Trust staff from a variety of professions signed up to attend 28 different careers events on behalf of the organisation, which takes our total number of Ambassadors to 246. In the next year we will continue to work with the Leeds Health and Care Academy to align Careers Ambassadors' work streams to provide a consistent approach to careers information about working in Health and Care in Leeds.

Work experience at LTHT continues to be popular with local school and college students. In the last year the Trust has hosted 669 work experience placements.

Pre-employment programmes

As an Anchor Institution and one of the largest employers in the city, we have an ambition to grow our workforce from local communities, in particular those with high levels of socio-economic depravation. This year, we have worked in partnership with local charities and Leeds City Council to develop pre-employment programmes which support individuals from less represented communities into employment with Leeds Teaching Hospitals.

The Lincoln Green and Hidden Talents projects, delivered with Learning Partnerships and Growing Points charities, enable people from our local communities to gain experience of what it is like to work in a hospital and develop some of the skills we recruit to, ahead of applying for key roles such as Facilities Technicians or Apprentice Clinical Support Workers.

The motivation and commitment shown by these individuals throughout the programme is demonstrated in the number of people who are successfully appointed into employment; over 80 per cent of pre-employment programme participants who apply for roles are offered employment in our teams.

LTHT is looking to expand our pre-employment programme offer and is working in partnership with a range of local and national organisations to explore options for scale-up in 2020/2021.

Apprenticeships

We continue to run a successful apprenticeships programme to support the recruitment of new employees and enable existing staff to access quality education and training opportunities, improving their options to develop their role and progress their career.

LTHT now offers over 40 different apprenticeships, including Dental Nursing, Physiotherapy, Leadership and Management, Project Management, HR, Occupational Therapy, Nursing and Finance. New apprenticeship programmes are also in development for delivery in 2020/2021, such as the Advanced Clinical Practitioner apprenticeship programme and the Diagnostic Radiography apprenticeship programme.

January 2020 saw the launch of the Future You programme. This enables individuals to join our workforce and progress from the Level 2 Apprentice Clinical Support Worker Programme through to the Level 6 Registered Nurse Apprenticeship programme, without leaving employment or incurring student fees. This programme provides an excellent opportunity for the Trust to 'grow its own' talent, building loyalty and retaining the talented workforce we already have.

At the end of March 2020, we had 589 apprentices across all of our sites.

Health and Safety

Health and Safety within Leeds Teaching Hospitals is overseen by the Risk Management Committee (board management committee) with supporting assurance groups. Staff involvement and consultation is strongly encouraged, and information from regular meetings of the Health and Safety Consultation Committee is posted on the Trust intranet.

We have a Trust Board approved Health and Safety Policy, which explicitly details roles, responsibilities, arrangements and integration within the Trust corporate governance processes. It also includes our detailed procedures relating to specific risks such as fire safety, conflict resolution and security, ionising and non-ionising radiation, musculoskeletal disorders, Control of Substances Hazardous to Health (COSHH) and non-clinical slip/trip/fall prevention.

Minimum performance standards have been created for all health and safety risks (Active Monitoring) and CSUs and corporate service departments are audited annually to ensure they comply. An annual health and safety report publishes the results of this auditing process.

We conducted an audit of the previous year's performance in which 610 areas (100%) of the Trust participated.

Reactive monitoring of health and safety data, in particular Reporting of Injuries, Diseases & Dangerous Occurrences (RIDDOR) reports following serious incidents, shows an overall declining number of serious health and safety incidents over time (Table 5 below).

In 2019 the Health and Safety Executive (HSE) did not issue Leeds Teaching Hospitals with any statutory enforcement notices that require us to take immediate action to improve health and safety risks.

Table 5: RIDDOR (staff) - significant work-related injuries, dangerous occurrences and occupational diseases

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
RIDDORs	117	105	93	68	73	62	50	72	72	54
All reported incidents	20677	21428	24215	25220	26290	28500	30869	32512	32751	31857

Public/Employers liability claims following alleged harm due to negligent acts by the Trust are generally decreasing.

Injuries from used disposable medical devices, especially hollow bore needles that may be contaminated with blood and bodily fluids, is an infection risk to healthcare employees and continues to be an area which is closely monitored and managed when incidents arise. Reporting of such incidents has improved over time which may account for the increasing numbers of this type of injury, alongside increasing staff and patient numbers.

We are very proud to have once again been awarded the Royal Society for the Prevention of Accidents (ROSPA) Gold Award for the fourth year running for our Health and Safety management systems and arrangements. This is a significant achievement and one that we are very proud of as it is assessed externally.

Staff Survey

There is comprehensive evidence which shows that staff who are committed to their organisations and involved in their roles deliver better health care, make better use of resources and show stronger emotional resilience, empathy and compassion. A highly engaged workforce is also strongly associated with lower levels of patient mortality and higher patient satisfaction. [King's Fund, 2015]

One way of judging staff engagement is through the annual NHS Staff Survey, which provides insight into the working lives of our nearly 19,000-strong workforce. The detailed questionnaire is sent to all employees of the Trust. This ensures that everyone has the chance to share their views and opinions and gives a true reflection of how employees across the organisation are feeling.

Staff took part in the survey last autumn and 7,313 people had their say, representing 42% of all employees, an increase of 4% on last year.

Leeds Teaching Hospitals' staff engagement score remained stable at 7.23 out of a score of 10 (compared to 7.29 in 2018). However, the Trust received a 'better than average' score in all 11 key themed areas. Staff also demonstrated high satisfaction with regards to 'quality of care', with 91.5% saying that their role makes a difference to patients. The Trust performed better than the national average in all three areas of 'quality of care', including 83.2% of respondents being satisfied with the quality of care that they provide.

Last year the Trust introduced our 'People Priorities', aimed at empowering and engaging staff as the Trust strives to become the 'Best Place to Work'. The seven priorities were developed alongside staff to ensure the Trust focusses attention on improving the areas most important to our staff. Several of the staff survey questions are utilised to measure success across the Priorities. The 2019 results to these questions were able to confirm that the Priorities identified are the right areas to focus on, as well as helpfully highlighting other potential key areas to consider becoming part of the People Priorities. Leeds Teaching Hospitals will continue to focus on these Priorities throughout the year with the aim of becoming the best place to work.

2.8 Equality and Diversity

Leeds Teaching Hospitals NHS Trust is committed to challenging discrimination and promoting equality and diversity both as an employer and a major provider of health care services. We aim to make sure that equality and diversity is at the centre of our work and is embedded into our core business activities.

The Trust acknowledges all protected characteristics to be of equal importance, including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

We created the Equality and Diversity Strategic Group in November 2013, led by our Chief Nurse, to deliver on the Equality and Diversity agenda. For day-to-day delivery of this, the Trust has an Equality and Diversity Team based in Human Resources, working closely with the Patient Experience Department.

Our Equality and Diversity Strategy 2015 to 2020

The Equality and Diversity Strategy was developed in 2015 to bring together its various parts in a way that clearly articulates the commitment of the Trust with targeted ambitions otherwise known as Equality Objectives. These same ambitions help deliver on the key goals of the NHS Equality and Diversity Delivery System, which are set against each protected characteristic:

Goal 1 Better health outcomes

Goal 2 Improved patient access and experience

Goal 3 A representative and supported workforce

Goal 4 Inclusive leadership

Throughout 2019/2020 the following actions were achieved:

Equality and Diversity Strategy Targeted Ambitions		Action Achieved 2019 to 2020
1	We will increase representation of Black, Asian and Minority Ethnic (BAME) staff at Band 8b and above	• 15 BAME staff successfully completed the new 'Moving Forward' positive action programme and a further 20 BAME staff are set to start the second run of the programme. • A further opportunity for people graduating from Moving Forward by way of Reciprocal Mentoring has been agreed and funding secured. This is led by the BME Staff Network in collaboration with Organisational Learning and will be open to senior members of staff, including Executive Directors. • A new project titled 'Inclusive Ambassadors' has been agreed and supported by the Executive Team. This is led by the BME Staff Network in collaboration with Resourcing whereby appropriately trained impartial employees are involved in the recruitment and selection of senior roles. • A member of the BME Staff Network was nominated and subsequently qualified as LTHT NHS Workforce Race Equality Standard (WRES) Expert and since graduation works directly with the Executive Director of Human Resources and Organisational Development.
2	We will ensure we have a broadly representative workforce	• As referenced in Targeted Ambition 1 above, it is anticipated that Moving Forward, Reciprocal Mentoring and Inclusive Ambassadors will have a positive impact on BAME representation across all bandings. • In addition, a third of staff that qualified as official coaches in the last cohort of training were BAME and over 50% of the people on our work experience programmes in the last 12 months were BAME (224 out of 434). • In relation to encouraging the raising of concerns relating to promotional opportunities, BAME Dignity at Work Advisors have more than doubled over the last twelve months. • Equality monitoring data collected for our Talent for Care and Widening Participation Schemes and in turn provided assurance of satisfactory representation in respect of sex with there being a higher rate of male representation compared to our current workforce. Work continues within the Trust to ensure improved representation across all protected groups, including through consciously considering and addressing the demographic profile of our Healthcare Ambassadors that routinely visit schools.

3	We will improve staff survey results for our BAME staff regarding bullying and harassment and equal opportunities	• Collaborative work between Human Resources and the BME Staff Network with the holding of bespoke Dignity at Work Advisor Training, which has resulted in BAME Dignity at Work Advisors doubling over the last 12 months. • Collaborative work between the Freedom to Speak Up Guardian (FTSU) and BAME Staff Network to create BAME FTSU Champions. • Launch of Race Equality Training. • Appraisal process which ensures all staff are provided the opportunity of continuous personal development and where BAME staff have reported greater satisfaction in the quality compared to White staff. • Funding secured for management and leadership training to include material that enables and empowers management to be consistently conscious and fair in all decision-making. • Increased uptake of targeted and bespoke Dignity at Work Training.
4	We will improve staff survey results for our disabled staff regarding engagement	• Disabled Staff Network established. • Launch of Disability Mentorship Training and Apprenticeships For All (Disability Equality in Recruitment and Selection) Training. • Sustainability of peer support group for staff living with long term conditions and Staff Health and Wellbeing Programme, including the continued provision of the Employee Assistance Programme. • Continued to provide 'Disability and Reasonable Adjustments' and 'Dignity at Work' Training, including bespoke. • Continued to raise the profile of disability equality through national awareness raising events, including International Day for Disabled People.
5	We will reduce over-representation of BAME staff and men in conduct hearings	• Fit-for-purpose simplified Disciplinary Policy, including incorporation of Incident Decision Tree to remove unconscious bias and ensure fair. • Fit-for-purpose mediation/facilitated conversation provision and Difficult Conversations Training to prevent necessity for a formal process. • Local induction programmes and fit-for-purpose appraisals.
6	We will achieve 50:50 gender balance on Trust Board	• The current gender balance of Trust Board is 50:50 (9:9). A considerable improvement following last year where the gender split was 4:12.
7	We will improve the experience of Trans staff, patients and carers	• Worked in partnership with local trans groups and partner organisations to: - Mark and host Transgender Day of Remembrance. In November 2019, the attendance by the trans community was considerably larger than previous years and for a second year the memorial service was led by key community organisations. - Co-ordinate a Trans Health and Wellbeing Workshop with Consultant participation. In May 2019, the attendance by the trans community was considerably larger and included a diverse range of services from across healthcare, as well as other sectors, including the Police and Yorkshire Ambulance Service. • Continued roll out of Trans Awareness Training across the Trust. • Explicit support of trans-equality at LGBT Pride. In August 2019, LTHT presence was led for the first year by the LGBT+ Staff Network and was significantly higher than previous years. • Sustainability of the LGBT+ Staff Network. • Successful launch of the NHS LGBT Rainbow Badges with Executive Directors leading the way and more than 20% of staff signing up and pledging their support and commitment to LGBT equality in respect of both staff and patients.

8	We will improve the experience of staff, patients and carers with mental health problems	• 'Know who I am' hospital passport providing professionals with information about a person with dementia as an individual. • LTHT sign up to 'John's Campaign' ensuring carers of people with dementia are supported to stay with their relatives. • PALS Outreach reaching mental health support charities, including Touchstone. • Patient Reference Group/Patient Leaders Programme inclusive of individuals with mental and physical health issues. • Learning Bursts: 'Creating a Mentally Healthy Workplace'; Disability and Reasonable Adjustments; Living With A Long-Term Medical Condition. • Identification and Reduction of Work-Related Stress Policy replaced Mentally Healthy Workplace Policy. • Sustainability of peer support group for staff living with long term conditions. • Duty of Care of Manager: Regular one-to-ones; Annual appraisal inclusive of question about health and wellbeing. • Event to mark World Mental Health Day in October 2019. • Development/co-ordination of Mental Health First Aid Trainers across the Trust in collaboration with Leeds Health and Care Academy.
9	We will improve the experience of patients who do not have a religion or belief	• Diverse and Inclusive Chaplaincy Team providing a comprehensive service of religious, spiritual and pastoral care to patients and staff. • Religious or Belief Awareness Training delivered throughout the year to staff across the Trust. • Patient Reference Group/Patient Leaders Programme working towards diversity and inclusivity of membership including people who do not have a religion or belief. • Continued link to Leeds Religion and Belief Hub, which has a work stream on non- religious spiritual and pastoral care. • Nurse Specialist Assessment and End of Life Individual Care Plans due regard to spiritual needs. • Monthly staff newsletter 'Diversity Matters', inclusive of religious and non-religious national and international events. • Held first World Humanist Day Seminar within the Trust.
10	We will improve the experience of Lesbian, Gay and Bisexual (LGB) staff, patients and carers	• Significant progress in raising the profile of the existence and importance of the work on sexual orientation equality and the role of the LGBT+ Staff Network. A presentation by the Chair of the LGBT+ Staff Network at Senior Team Brief generated significant interest and shared ownership on the agenda across the Trust. • Launch of the NHS Rainbow Badge by the Chief Executive and continued raising of the profile by Executive Directors at staff inductions has further assisted in raising the importance and profile. • Further roll-out of LGB Staff Awareness Training in collaboration with Yorkshire MESMAC. • Successful launch of LGBT+ Roles Model Programme with the development of 24 LGBT+ Role Models across the Trust. • Participation in LGBT+ Pride Parade with greater staff presence.
11	We will ensure ready access to hospital services and information	• Establishment of Accessible Information Group Chaired by Director of Nursing to ensure collaborative oversight and leadership relating to improving access to services, including the NHS Accessible Information Standard. • Interpreting and Translation Services expanded to include the provision of video interpreting. • Sensory Awareness Training improving staff interaction with disabled patients and carers with sensory impairments. • Learning Disability & Autism Champions across the Trust that have extra knowledge and skills to ensure positive patient experience, including in relation to access.

Section 3

Section 3: Patient Care and Experience

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We believe that involving patients, carers and the public in the work of Leeds Teaching Hospitals is the best way to help us improve the quality of our care and access to services. Over the past year, we continue to listen to feedback we receive and learn from what we are told.

3.1 Involving patients and the public

PCPI volunteers

Patient Carer and Public Involvement (PCPI) volunteers are members of the public who give their time on a voluntary basis to support the work of the PCPI team. This might include interviewing patients regarding their care or auditing wards to check public information is readily available.

Volunteers receive a full induction and opportunities to attend a range of learning and development activities, often alongside paid members of staff.

Some of the key achievements in 2019/2020

- We increased our bank of PCPI volunteers from four to 15, and also have more diversity within the volunteer pool.
- We have established a more effective and timely recruitment process enabling volunteers to take-up the role more quickly.
- We have looked at ways in which PCPI volunteers can be involved in Trust-wide projects, for example PLACE inspections.

Aims for 2020/2021

- We will continue to review the role of PCPI volunteers looking for new opportunities and different activities.

Patient Reference Group

Our Patient Reference Group was set up in 2016 to strengthen the voice of patients, carers and the public at a strategic level. The group has continued to grow in membership with some members attending every meeting while others choose to come when they are particularly interested in the topics being discussed.

Some of the key achievements of the group in 2019/2020

- Launch of a three-monthly 'Getting Involved' update.
- Supporting the development of measures to celebrate 'Outstanding Wards'.
- Working with Leeds University School of Health to support the development of their curriculum and its delivery against new Nursing and Midwifery Standards.
- Collaborating with the Trust's Equality and Diversity team to map the population of Leeds against PRG membership in order to identify where we need to target recruitment to the group.
- Supporting the development of management and leadership courses delivered by Organisational Learning.

Aims for 2020/2021

- To recruit new members to the group from a more diverse background to better reflect the local community.
- To review the group's Terms of Reference.
- To continue to strengthen the group's links with clinical services and the programme of work to develop the LGI hospital site.

People's Voices

1724 people are in regular contact with the Patient Experience team through the People's Voices database. This database provides a way for people to contribute to the work of the Trust electronically on a bi-weekly basis. A total of 55 involvement opportunities were advertised through this during 2019/2020, ranging from online surveys, invitations to events and a variety of service improvement workshops.

National patient surveys

The Trust received the reports of four nationally mandated surveys during 2019/2020. In June 2019 we received the results of the 2018 Inpatient survey, in October 2019 we received the results of the 2019 Urgent Care survey and in November 2019 we received the results of the 2019 Children and Young people's survey. The results of the 2019 Maternity survey were published in January 2020.

Key achievements in 2019/2020

Our results were about the same as other trusts for all 63 Inpatient Survey questions. We have improved significantly on two questions relating to confidence and trust in nurses and in patients understanding nurses' responses to important questions, when compared to the previous year's survey.

The **Urgent Care survey** results showed that the Trust's survey responses was about the same as other trusts for all 46 questions and there was no statistically significant difference when compared to the Trust results in 2016.

The **Children and Young People's survey** demonstrated that the Trust was better than most trusts on three questions. These related to explanations given before operations or procedures, information provided about how operations or procedures had gone, and advice provided about caring for children after discharge. When compared to other trusts, the Trust performed about the same for all the other questions.

The **Maternity survey** identified the maternity unit to be performing 'better than expected' compared with other trusts. This was because the proportion of respondents who answered positively to questions about their care was significantly above the trust average. This is the second consecutive year that LTHT has been identified as performing 'better than expected'. All areas surveyed - Antenatal/Intrapartum and Post natal care have shown progress with continued improvement. The areas where work needs to be focussed in 2020 is around the provision of care in the post natal period.

Aims for 2020/2021

As the Urgent Care and Children and Young People's surveys are undertaken every two years, we are only expecting Maternity and Inpatient surveys to be received into the Trust in 2020/21.

We will continue to use the National Patient Survey results to drive improvement activity and to monitor that activity through the Trust's Patient Experience sub-group.

3.2 Improving patient experience

Our Clinical Service Units (CSUs) regularly engage with patients and carers to improve the care they provide. We've included just a few examples of improvements that have come about from feedback received directly into the services this year.

Abdominal Medicine and Surgery (AMS)

- A patient using this service had complex needs and so those caring for her held regular meetings with the patient, her carers and community teams to get a better understanding of her requirements. As a result of this, a care plan was agreed and changes were made that have improved the experience of the care the lady receives every time she comes to hospital.
- Patients told the service that discharge after a stay in hospital took too long. As a result, the team set up a project which aimed to discharge patients before midday. Amongst other things, this involved increasing the number of staff who could prescribe medications.
- Introduced a chill out zone for liver transplant patients called The Cabin.
- Refurbished a relatives room on ward J91.
- Created the Bexley Boutique which is an area housing donated clothes and shoes, which are provided to patients who need them to support their dignity and independence.

Emergency and Specialty Medicine (ESM)

- The ward Sister on J28 makes contact with families a week after they have experienced bereavement. This was introduced as a result of feedback which described how abandoned a family had felt when their relative died on the ward.
- ESM has introduced frequent visits from therapy dogs to a number of their wards and departments. This helps provide some distraction for patients who have described the days in hospital as very long, and dogs are also known to be very calming for some patients who may be anxious.
- HIV services have been working with the organisation Skyline to train people with HIV as peer supporters to people who are newly diagnosed with the illness. The service has also introduced a regular newsletter and the opportunity for patients to see the same doctor or nurse on their visits, if this is what they would prefer.
- The team is working with the Trust Lead for Learning Disabilities & Autism to put preparations in place ahead of time when it is known that the department is going to be caring for an autistic person who requires additional support. This is as a result of feedback from autistic people who have said visits to hospital can be overwhelming.

Oncology

- Working with patients to co-design the new MRI-suite.
- A better selection of music for patients to choose from inside treatment rooms.
- Patients have sent in their photos of Yorkshire, which are shown on the treatment room TV screens.
- Large pieces of wall art depicting scenes of Yorkshire countryside and coasts have been placed on walls and inside waiting rooms.
- Information screens in the waiting areas now show slides about skin care advice, special events and other support services available. These screens also display waiting times for all treatment machines, and there is a rolling news feed too.

Cardio-Respiratory

- Set up an Interstitial Lung Disease (ILD) support group for patients, introducing patients to others with the same illness for additional support. Nurses and doctors promote the group to patients and suggest they may like to attend.
- Nurse in charge now telephones patients prior to their appointment to let them know if a bed is available, as patients found it difficult to get through.
- Patients reported they would rather be told a nurse did not know the answer to a question than be told nothing at all, particularly with regard to bed availability ahead of surgery. As a result, nurses are now ensuring patients are regularly updated with the current position of bed availability.
- J06 is a ward for young adults with Cystic Fibrosis with 12 single rooms which can lead to inpatients feeling isolated and alone. The team has introduced games, DVDs, and art therapy activities to create a better environment for these young people. One patient has painted 12 pictures using these resources which will now be displayed in each of the rooms.

Outpatients

The Outpatients service has been working with Healthwatch Leeds over an 18 month period to receive feedback on patient environments in their service.

- One of the most common issues raised by patients was being unaware of how long clinic waiting time is likely to be. There is an electronic solution currently being explored to improve this, however until that is in place nurses and receptionists are verbally informing patients of the delay on arrival to clinic. A number of clinics have a white board to make patients aware of the wait times which they add next to the doctor's name. Some have a clock to visually show the amount of time they are running behind.
- The CSU has provided access to drinking water for people waiting in Outpatient areas. In most areas water jugs are available and topped up throughout the day, although renal services have access to plumbed drinking water. Hot drinks are specifically made available for

patients waiting for transport and people who have been waiting for longer periods of time for an appointment.

- The service now works with a company that provides 30 magazines for 14 different clinic areas, covering a range of topics, at no cost. Magazines are made available to patients one month before publication. This is in response to feedback that most reading material in waiting areas was out of date.
- A Tree of Life has been set up in the renal outpatient clinic at St James's as a way for patients to thank staff involved in their transplant journey. Patients had said they wanted to be able to show their support of staff in this way, and they can now leave a message that is transformed into a wood and metal leaf to be placed on the tree.
- Patients sometimes have to walk between departments during their appointment. The service has worked with the Orthopaedic Department to identify, in advance of an appointment, if patients need an x-ray as part of their visit. If so, patients will be asked to attend x-ray prior to reporting at clinic, which reduces the need for them to walk back and forth between the two areas.
- The Phlebotomy team are filming a video of their service to provide better information for patients about what to expect when attending the department. The patient information leaflets for the service are also being revised as a result of feedback from patients.

Listening Week

The Patient Experience team supported two Listening Weeks within the Trust during 2019/2020. These are initiatives where members of the public are approached by staff and volunteers to chat about their experiences of care in our hospitals.

Key achievements in 2019/2020

In September 2019, the team, along with volunteers from NHS England and Improvement carried out conversations in four Outpatient areas - Rheumatology, Ophthalmology, Neurology and Gastroenterology - holding two to three sessions in each speciality during one week. Over 350 pieces of feedback were received. A report was created capturing what had been heard and will be shared within the Trust to support service improvement.

Some of the Executive team also joined the week and chatted to patients, listening to what they had to say about our services.

In January 2020, the team carried out the second Listening Week across the Trust Emergency Departments. This event included collaborating with staff from NHS England and Improvement, as well as Healthwatch volunteers to gather feedback. Conversations took place at all times during the day, including out of hours, so that experiences at different times could be captured.

Aims for 2020/2021

- Share the Outpatient feedback report widely.
- Share the Emergency Department feedback report widely.
- Carry out a further Listening Event that supports the Trust Priorities.
- Continue to strengthen relationships with external organisations to support Trust Listening Weeks.

Interpreting

The Trust provides face-to-face, telephone, video and British Sign Language interpreters, in addition to Deaf & Blind Communicator Guides, for any patient who requires these services.

The Trust website has access to Browsealoud - software that supports the translation of written information into 99 languages. Browsealoud will also speak translated text in 40 languages and has an on-screen text magnifier to help users with visual impairments. In 2019/20, Browsealoud received approximately 41,000 hits on the Trust website.

Key achievements in 2019/2020

- This year, the Trust implemented Video Interpreting in 25 locations. This system provides instant access, via an iPad on wheels, to interpreters in 36 languages including British Sign Language (BSL). It also provides telephone interpreting in 240 languages. This is especially helpful for those areas in the Trust where it is difficult to pre-book interpreters because patient attendance is unplanned, for example Emergency Departments. So far, 651 interpreting assignments have been delivered using this method since the system was introduced in July 2019.
- In October 2019, the Trust and Leeds Clinical Commissioning Group (CCG) jointly held a BSL engagement event with the Deaf community. The aim was to obtain feedback from Deaf and hard of hearing service users about their experiences of interpreting services in healthcare. A report is due for publication in February 2020 and the findings will help identify actions the Trust can take to improve experiences. One of the things people said they found difficult was not having access to an interpreter when they attend the Emergency Department. They said hospital staff often assume it is reasonable to write down information they wish to communicate to a deaf person but we were told this is not always appropriate. People at the event were pleased to hear that video interpreting is now available in the departments to support them.

Aims for 2020/2021

- We will continue to test video interpreting to understand how best to use it in the hospital.
- We will develop an action plan following the BSL engagement event. This will focus on improving access to interpreters, using technology to improve experiences, staff training and providing better information on how to raise a concern.

Method of Interpreting	Number of interpreting assignments (Jan 19 - Dec 19)
Face to Face	29173
Telephone	7303
British Sign Language	1412
Deaf Blind	439
Video	651

Friends and Family Test

We want to ensure that patients have the best possible experience when being cared for in the Trust. The Friends and Family Test (FFT) is one way of gathering patient feedback, and helps us to improve our hospital services and patient experience.

Key achievements in 2019/2020

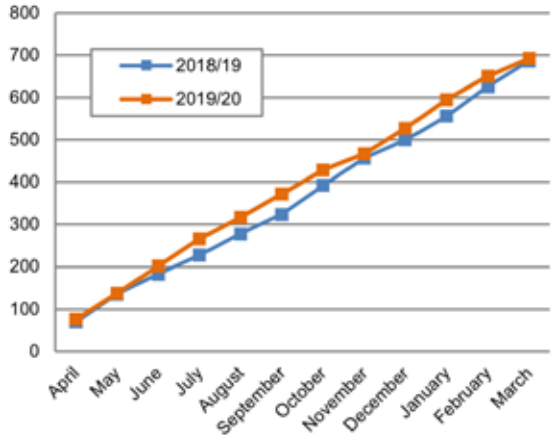
- Increasing the amount of feedback provided by patients. The more feedback we receive, the greater is the opportunity for us to hear from a range of patients and design improvements based on what they tell us. We are one of the best performing trusts in the country for the amount of feedback we receive.
- Increasing the amount of feedback collected electronically in the Emergency Departments. We aim in the future to collect as much feedback as possible electronically as a contribution to reducing the amount of paper currently used for this.
- The recruitment of over 330 FFT staff champions trust-wide. The aim of the role is to promote FFT and actively offer patients the opportunity to provide feedback during their care and treatment. FFT Champions are also encouraged to display what happens as a result of patient feedback in the areas they work in.
- Working hard to put everything in place so that the new FFT national guidance can be implemented by 1st April 2020, as required. This has included working with patients on the design of new FFT feedback forms and questions.
- Working with staff on implementation of the new FFT national guidance at a very successful FFT Forum, attended by Trust FFT Champions.

Aims for 2020/2021

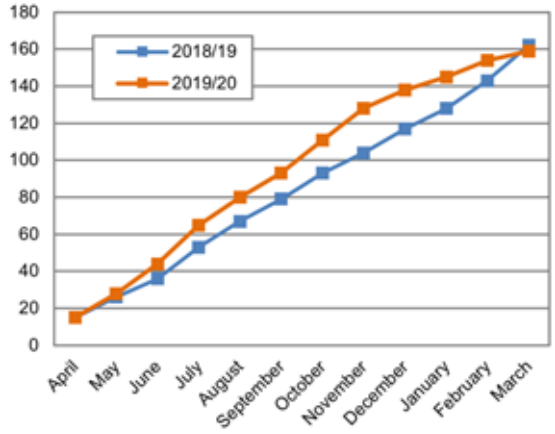
- The FFT team will roll out the new NHS England guidance across the Trust by 1st April 2020.
- The FFT team will continue to work with all CSUs to support capturing more feedback digitally, introducing QR codes on patient information and patient literature.
- The team will continue to encourage wards/areas to show how feedback has improved patient care.

3.3 Resolving complaints

Number of complaints received (cumulative)



Complaints reopened (cumulative)



Key achievements in 2019/20

- Commenced a Quality Improvement project within one CSU to test ways we can improve the time it takes for a written response to be sent to a complainant.
- Surveyed the people who check complaint responses before they are sent to identify ways to improve and speed up the checking process.
- Commenced a review of our Trust complaints processes, which is being undertaken by an expert from NHS Improvement.
- Recognised that, sometimes, it is helpful to receive a call from a Head of Nursing prior to receiving a complaint response letter. This provides an opportunity for the letter to be explained and for investigation findings to be shared. We have introduced this into our complaint process.
- The complaints process was an area of focus at a dedicated learning session with a number of our clinicians, which was also attended by our Non-Executive Directors.

Aims for 2020/21

- Continue to improve the experience of complainants using our services by seeking feedback from users.
- Deliver a Trust event for staff, supported by the Trust Chief Nurse, with the aim of sharing learning aimed at improving the complaint process.
- Recognise a Healthwatch complaints report has been published and consider areas for improvement as a result of the findings.

Patient Advice and Liaison Service (PALS)

During 2019/2020 the Trust recorded a slight reduction in the number of PALS concerns received in the second half of the year compared to the previous year. Wherever possible, the team provide a resolution to a concern at initial point of contact with the service. Where this is not possible, the PALS team ask the person in the Trust most able to help to make contact with the person raising a concern within two working days.

Key achievements in 2019/2020

- During 2019/2020, the PALS team has been working with clinical colleagues to improve the time taken to resolve PALS concerns. As a result, the number of PALS open for longer than 40 working days has significantly reduced.
- As part of the NHS England guidance 'Learning from Deaths', the PALS team now work with the Trust Bereavement team to support bereaved families and carers who wish to raise concerns about any aspect of care their loved one received.
- The number of compliments recorded by the PALS team increased by 51.75% in 2019/2020, compared to the numbers recorded in 2018/2019.

Examples of action taken in 2019/2020 as a result of PALS concerns being raised include:

A review of the telephone service at the Warfarin Clinic took place which resulted in a dedicated telephone line being provided for patient enquiries and home visits. This arose following PALS concerns raising difficulties with contacting the department.

As a result of a PALS concern that was raised about an MRI delay resulting in a patient fasting unnecessarily, it is now standard practice for nursing staff to ring the MRI department regularly to ensure a patient still needs to fast. The information is then communicated to the patient without delay.

Aims for 2020/2021

- To help more patients, relatives and carers know about the hospital PALS service and how it can help if they have a concern. The aim is for the PALS team to attend community groups and venues to share information about the service and the work they do.
- To gather feedback about the PALS service from people who have used it, via a survey. The team will take appropriate action to make improvements based on the feedback received.
- To ensure all people using the PALS service receive a contact from an appropriate person to help, within two working days of a concern being raised.

3.4 Working with partners

Healthwatch

The Trust works closely with Healthwatch Leeds and is represented on the city-wide meetings that they hold, such as the Patient Voices Group and the Inclusion for All group.

All Healthwatch reports sent to the Trust are received by the Head of Patient Experience, who ensures they are communicated to the best people in the Trust to review and act on the findings.

In 2019/2020, the Trust received a number of Healthwatch reports, all of which were shared with appropriate services. For example, one of the reports shared feedback from patients in Mental Health Crisis. The Trust has used the findings to develop an action plan in collaboration with Leeds and York Partnership Foundation Trust (LYPFT) who provide mental health services for the patients of Leeds. The Trust works closely with LYPFT to ensure patients in mental health crisis attending the hospital Emergency Departments receive the care they require.

The Trust also received a report and video sharing the negative experiences of patients with visual impairments who attend the hospital. These have influenced the development of a working 'Accessible Information Standards' group in the Trust. The group aims to improve the experience of patients with specific communication needs and is developing an action plan to support achievement of this.

Additionally, the Trust is represented on a new group in Leeds called 'How Does it Feel to Be Me?' A review by the Care Quality Commission (CQC) of health and care experience in Leeds, identified that the experience of patients as they move between health and social care boundaries is often not captured, despite individual partner organisations being good at collecting information on experiences that relate to them specifically. The aim of the group therefore is to capture the patient experience of receiving care from lots of different organisations and to share that with health and care organisations across Leeds to improve learning and encourage them to work better together. This group has captured those experiences via a series of videos. The Trust has received the first of these and will be considering where they should be shared and how to make sure they have the greatest impact.

Some of the key achievements in 2019/2020

- A survey asking members about how we should be looking after patients' property and valuables has informed the development of the latest Trust policy for this. It now clearly describes the duty of the Trust and what is expected of patients with respect to property and in particular the considerate usage of electronic items.
- Trust members were able to offer their views on the content and design of the newly amended Friends and Family Test materials. Patients told us how important it was for them to receive clear and accessible information.
- Patients were given the opportunity to attend a workshop to share their experience of the Leeds Care Record. The focus of the workshop was to find out from patients how this was working and how communication between different parts of the healthcare system could be improved.

Aims for 2020/2021

- To recruit more members to receive regular updates and involvement opportunities.
- To broaden the range of opportunities provided to include all Trust operational and support services.

QI Partners Programme

In 2019/2020, the Trust commenced an exciting programme to recruit and train members of the public to take part in Quality Improvement initiatives. A regular programme of quality improvement work already takes place in the Trust and is aimed at ensuring care provided to patients is as safe as possible. It was recognised that the work would benefit from the input of members of the public, who could offer a patient perspective to some of the ideas that were being proposed and tested by staff involved in the projects.

The Trust was successful in securing funding from NHS Citizens and Leeds Cares, which enabled a project postholder to be recruited to support this work. To date, the project has successfully recruited seven Quality Improvement Partners who have undertaken quality improvement training and are beginning to work alongside Trust staff to agree and test new ways of working. The subjects they are working on so far include Sepsis, Healthcare Acquired Infections, Parkinson's disease and Deteriorating Patients.

Aims for 2020/2021

- To evaluate the project and work with our QI partners to identify ways to encourage more members of the public to get involved in this work.
- To recruit a second cohort of QI Partners, using the learning we gained from our first recruits.

Volunteering

The volunteering team has had a very successful 12 months. The Trust volunteering policy has been revised and volunteer recruitment procedures have changed. This is because we received feedback telling us the process people had to go through to become a Trust volunteer was too long and we could do better to improve their experience of being a volunteer. We will be monitoring feedback this year, to see whether the changes we have made have been successful.

The volunteering team grew significantly in 2019/2020. This was possible because the team was successful in bidding for charity funding to help pay for new staff roles to run specific volunteering projects. Some of the information below describes the new roles and what the new team members have been working on.

Key achievements in 2019/2020

- Funding from the Pears Foundation means the Trust now has a dedicated Youth Volunteering Manager for two years.
- We launched a Helpforce project on two wards, funded by the Royal Voluntary Service (RVS). Volunteers recruited as part of the project are providing mobility, hydration and nutrition support to patients.
- We implemented a staff volunteering project - this offers an opportunity for hospital staff, who do not work with patients regularly, to undertake some volunteering and improve the experience of our patients and their families.
- The volunteering team now manage more of the volunteer recruitment process than they did previously, which has made the process quicker for people wishing to volunteer.
- A new volunteer database has been introduced, which has changed the way volunteer opportunities are managed and how we communicate with our volunteers.
- Volunteering this year has been successful in receiving awards for individual volunteers and teams of volunteers and also for demonstrating innovative volunteering approaches.

Aims for 2020/2021

- To launch a new volunteering strategy.
- To encourage people to volunteer at the hospital in some of our exciting roles by raising the profile of the volunteering team.
- To understand what we can do to encourage volunteers to stay with us for longer.
- To continue with our project work and to see how we can build upon what we are learning to support more of our patients.

3.5 Involving our members

During 2019/2020, the Trust has continued to engage with Trust Members through a variety of digital communications. As at February 2020 there were 9369 active Members registered on the Membership database

Members receive a copy of the Trust's Connect magazine twice per year which includes information on Trust developments and Patient and Public Involvement activities.

In addition members also receive regular communications from the Patient and Public Involvement Team on a bi-weekly basis. This includes the team's quarterly newsletter 'Get Involved' and a variety of surveys, questionnaires and service improvement opportunities within the Trust.

3.6 Leeds Cares

As the charity for LTHT, Leeds Cares' mission is to support NHS staff in their aim to deliver the best care for patients and families.

The charity is independent of the Trust and is governed by a Board of Trustees, with Edward Ziff OBE DL as the Chairman and Linda Pollard CBE DL Hon. LLD as the linked Trustee. The last year has been one of significant change for Leeds Cares, with interim leadership in place until Esther Wakeman joined the charity as Chief Executive in February 2020.

The partnership between Leeds Cares and Leeds Teaching Hospitals continues to grow from strength to strength. The last year has seen the introduction of a Funding Advisory Committee, comprised of senior staff from both organisations, to ensure each application for charitable funds is aligned with the strategy of both the charity, and the Trust.

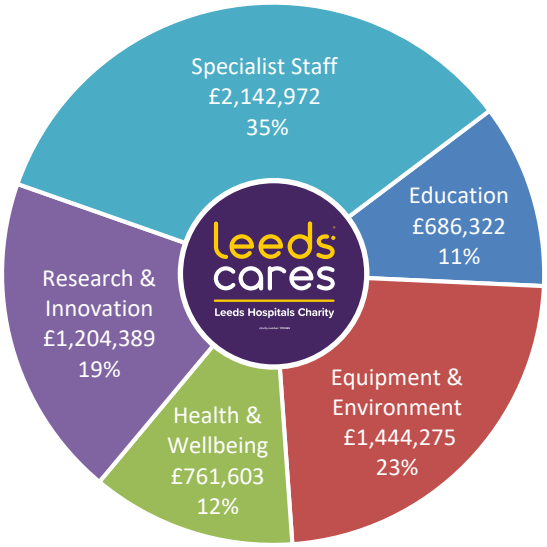
This partnership working has paved the way for some significant projects to be supported by charitable funds and for staff and patients at Leeds Teaching Hospitals to see great benefit.

The two organisations have worked closely together to realign Leeds Cares as the primary charity supporting the hospitals and ensure transparency about how charitable funding can be obtained - and where it is spent.

Collaboration will continue into 2020 and 2021 with the launch of a 5-year major Capital Appeal by Leeds Cares in order to support the build of the brand-new Leeds Children's Hospital in the City Centre.

Grant Funding

Funding for 2019/2020 by area



Throughout 2019/2020, Leeds Cares supported over 1,000 applications for charitable funding across their five funding priority areas.

These funding areas are:

- Equipment and Environment - 108 applications approved
- Research and Innovation - 31 applications approved
- Specialist Staff - 4 applications approved
- Health and Wellbeing - 430 applications approved
- Education - 455 applications approved

In total, this amounted to just over £6.2million in charitable grants over the year. Education remained the most popular type of grant, with over 450 applications for support being submitted by staff throughout the year. This included a contribution of £40,000 to the Chief Nurse Fund which supports access to training and development, and funding for more than 20 conferences and training days across the Trust.

Supporting specialist staff

During 2019/2020 Leeds Cares also supported Leeds Teaching Hospitals with a one-off request for support, totalling £2million. This funded specialist staff in non-clinical roles who have a key function in supporting patients and families.

This includes the continuation (from 2018/2019) of funding support for chaplaincy services, the play specialist team, the Robert Ogden cancer support team and bereavement liaison services. In addition, Leeds Cares has provided new support for a team of youth workers based at Leeds Children's Hospital.

This request for an exceptional level of support from LTHT will allow the Trust to free up funding to be spent on capital projects whilst ensuring the hospitals can still offer a comprehensive support service to patients and families.

Examples of making a difference together

Aside from funding specialist staff, throughout 2019/2020 Leeds Cares also made significant investments into projects to improve the patient environment and fund new medical equipment.

Two of these projects have already seen fantastic benefits for patients - see below.

Liver perfusion device - £140,000

In December 2019, patient Gail Hill was able to undergo a liver transplant after years on the waiting list. The purchase of a liver perfusion machine by Leeds Cares meant a liver that was donated in the middle of the night was able to be kept in storage safely, until a free bed meant Gail could come in for her surgery. The new machine is expected to store an additional 20 livers a year, meaning 20 additional patients will be able to undergo life-saving transplant treatment at Leeds Teaching Hospitals.

Gail said: *"It has already given me a new lease of life. Over the past 17 years my condition restricted my quality of life…I just feel so much better now. My liver was very large and it was pressing down on me so much and I was uncomfortable and constantly in pain. I would probably still be on the waiting list without this new machine."*

Voluson Ultrasound Scanner - £86,964

Jemma Hobbs, 35, was referred to Leeds General Infirmary for specialist care when early scans showed she was expecting triplets. At around 22 weeks, doctors at Leeds noticed one of Jemma's triplets was much smaller than the other two and seemed to be growing at a slower rate. Doctors were able to use the diagnostic scanner that can provide more accurate ultrasounds and helps to identify any foetal growth restrictions. This detailed scan meant staff increased the number of appointments Jemma was having and put her and her babies under closer observation.

Jemma's triplets were then delivered early after just 32 weeks of pregnancy, for the benefit of both her and her children. Jemma is now a busy mum to three new healthy boys; Harry, Oscar and Oliver who have made her first child Freddie a very proud older brother!

Jemma said: *"I didn't know the scanner that had been used was funded by charity until after my babies were born. It's amazing to know there's technology out there that can not only check heartbeats but measure growth in such detail. I'm really grateful to everyone who raised the money to buy the machine."*

Generating income together

The past year has also seen the introduction of new Leeds Cares fundraising events, including the Canal Challenge and the 'Down the Chimney' abseil, both of which had representation from Leeds Teaching Hospitals staff. In September 2019, Leeds Cares was the charity partner for the UCI Road World Championships held in Harrogate. The one-day fundraising cycling sportive saw over 100 Leeds Teaching Hospitals staff get on their bikes to fundraise for Leeds Cares and over £130,000 was raised during the event. Every single Clinical Service Unit across the Trust submitted a team of cyclists into the sportive, which resulted in a real team atmosphere on the day.

In addition, LTHT staff continue to champion Leeds Cares with their patients and families, with over 10% of Leeds Cares fundraising income last year being channelled through the hospital's cashiers system; processing donations from grateful patients and supportive staff.

This collaborative fundraising effort will continue throughout 2020/2021 as Leeds Cares plans to launch a charity champions scheme to encourage LTHT staff to be ambassadors for the charity and its work.

Section 4

Section 4: Financial Statements for 2019/2020

Section 4: Financial Statements for 2019/2020

4.1 Independent Auditor's Report to the Directors of the Leeds Teaching Hospitals NHS Trust

Opinion on the financial statements

We have audited the financial statements of The Leeds Teaching Hospitals NHS Trust ('the Trust') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by HM Treasury's Financial Reporting Manual 2019/20 as contained in the Department of Health and Social Care Group Accounting Manual 2019/20, and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to NHS Trusts in England.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to valuation to land and property

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 17 to the financial statements concerning the material valuation uncertainty statement made by the Trust's valuer.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge

obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Directors and the Accountable Officer for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The Directors are required to comply with the Department of Health and Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Directors are responsible for assessing each year whether or not it is appropriate for the Trust to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

As explained in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust, the Accountable Officer is responsible for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Accountable Officer is responsible for ensuring that the financial statements are prepared in a format directed by the Secretary of State.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 these financial statements.

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

This description forms part of our auditor's report.

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Accounts Direction made under the National Health Service Act 2006; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the guidance issued by NHS Improvement; or
- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 and schedule 7(1) of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 and schedule 7(2) of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

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

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We have nothing to report in this respect.

Responsibilities of the Accountable Officer

As explained in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust the Accountable Officer of the Trust is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

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

We are required by section 21(3)(c) and schedule 13(10)(a) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

Use of the audit report

This report is made solely to the Board of Directors of The Leeds Teaching Hospitals NHS Trust, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Directors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of The Leeds Teaching Hospitals NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Mark Dalton, Key Audit Partner

For and on behalf of Mazars LLP

5th Floor, 3 Wellington Place, Leeds LS1 4AP

25 June 2020

4.2 Leeds Teaching Hospitals NHS Trust Annual Accounts 2019/20

Statement of Comprehensive Income for the year ended 31 March 2020

	Note	2019-20 £000	2018-19 £000
Operating income from patient care activities	3	1,192,986	1,083,612
Other operating income	4	221,754	252,235
Operating expenses	6, 8	(1,370,203)	(1,258,761)
Operating surplus from continuing operations		**44,537**	**77,086**
Finance income	11	421	260
Finance expenses	12	(15,192)	(15,043)
PDC dividends payable		(6,298)	(5,929)
Net finance costs		**(21,069)**	**(20,712)**
Other gains / (losses)	13	309	(109)
Surplus for the year		**23,777**	**56,265**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(38,844)	-
Total comprehensive income / (expense) for the year		**(15,067)**	**56,265**
Financial performance for the year **Adjusted financial performance (control total basis):**			
Surplus for the year		23,777	56,265
Remove net impairments not scoring to the Departmental Expenditure Limit		(9,215)	-
Remove I&E impact of capital grants and donations		(606)	(3,340)
Remove 2018/19 post audit PSF reallocation (2019/20 only)		(917)	-
Adjusted financial performance surplus		**13,039**	**52,925**

Statement of Financial Position as at 31 March 2020

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	14	9,518	7,493
Property, plant and equipment	15	545,099	532,906
Receivables	19	5,244	10,565
Total non-current assets		**559,861**	**550,964**
Current assets			
Inventories	18	19,093	16,895
Receivables	19	102,095	106,950
Non-current assets held for sale	20	914	-
Cash and cash equivalents	21	27,594	30,213
Total current assets		**149,696**	**154,058**
Current liabilities			
Trade and other payables	22	(161,441)	(133,410)
Borrowings	24	(74,095)	(52,184)
Provisions	26	(778)	(881)
Other liabilities	23	(10,302)	(10,596)
Total current liabilities		**(246,616)**	**(197,071)**
Total assets less current liabilities		**462,941**	**507,951**
Non-current liabilities			
Borrowings	24	(175,962)	(209,961)
Provisions	26	(6,127)	(5,194)
Other liabilities	23	(62)	(94)
Total non-current liabilities		**(182,151)**	**(215,249)**
Total assets employed		**280,790**	**292,702**
Financed by			
Public dividend capital		342,261	339,106
Revaluation reserve		4,182	43,026
Income and expenditure reserve		(65,653)	(89,430)
Total taxpayers' equity		**280,790**	**292,702**

The notes on pages 99 to 134 form part of these accounts.

The accounts on pages 95 to 134 were approved by the Board of Directors on 25th June 2020 and were signed on its behalf by:

Name:	Julian Hartley	Simon Worthington
Position:	Chief Executive	Director of Finance
Date:	25 June 2020	

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2020

	Public Dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2019 - brought forward	**339,106**	**43,026**	**(89,430)**	**292,702**
Surplus for the year	-	-	23,777	**23,777**
Impairments	-	(38,844)	-	**(38,844)**
Public dividend capital received	3,155	-	-	**3,155**
Taxpayers' equity at 31 March 2020	**342,261**	**4,182**	**(65,653)**	**280,790**

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

	Public Dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2018 - brought forward	**335,986**	**43,026**	**(145,695)**	**233,317**
Surplus for the year	-	-	56,265	**56,265**
Public dividend capital received	3,120	-	-	**3,120**
Taxpayers' equity at 31 March 2018	**339,106**	**43,026**	**(89,430)**	**292,702**

Information on reserves

Public dividend capital

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health and Social Care as the Public Dividend Capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Statement of Cash Flows for the year ended 31 March 2020

	Note	2019-20 £000	2018-19 £000
Cash flows from operating activities			
Operating surplus		44,537	77,086
Non-cash income and expense:			
Depreciation and amortisation	6.1	20,622	15,890
Net impairments	7	(9,215)	-
Income recognised in respect of capital donations	4	(1,695)	(4,049)
Decrease/(Increase) in receivables and other assets		5,011	(31,881)
(Increase) in inventories		(2,198)	(168)
Increase in payables and other liabilities		23,112	24,190
Increase/(Decrease) in provisions		823	(294)
Net cash flows generated from operating activities		**80,997**	**80,774**
Cash flows from investing activities			
Interest received		421	260
Purchase of intangible assets		(2,090)	(980)
Purchase of property, plant and equipment		(53,403)	(33,912)
Sales of property, plant and equipment		1,074	92
Receipt of cash donations to purchase capital assets		1,860	4,686
Net cash flows (used in) investing activities		**(52,138)**	**(29,854)**
Cash flows from financing activities			
Public dividend capital received		3,155	3,120
Movement on loans from the Department of Health and Social Care		(3,492)	(7,713)
Capital element of finance lease rental payments		(40)	(39)
Capital element of PFI payments		(8,554)	(8,275)
Interest on loans		(1,633)	(1,815)
Interest paid on finance lease liabilities		(5)	(6)
Interest paid on PFI obligations		(13,549)	(13,217)
PDC dividend (paid)		(7,360)	(7,791)
Net cash flows (used in) financing activities		**(31,478)**	**(35,736)**
(Decrease) / increase in cash and cash equivalents		**(2,619)**	**15,184**
Cash and cash equivalents at 1 April 2019 - brought forward		**30,213**	**15,029**
Cash and cash equivalents at 31 March 2020	21.1	**27,594**	**30,213**

Notes to the Accounts

1. Accounting policies and other information

1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2019/20 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.2 Going concern

These 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.

1.3 Interests in other entities

The Trust has no interests in other entities.

1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional, a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for healthcare services. A performance obligation relating to delivery of a spell of healthcare is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

Revenue from research contracts

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

NHS injury cost recovery scheme

The 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 Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Provider sustainability fund (PSF) and Financial recovery fund (FRF)

The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

1.5. Other forms of income

Grants and donations

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

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes

that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the Trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

National Employment Savings Trust ("NEST") Pension Scheme

The Trust provides certain employees, who are not enrolled into the NHS Pensions Scheme, with cover from the defined contributions scheme which is managed by the National Employment Savings Trust (NEST). The cost to the Trust is taken as equal to the contributions payable to the scheme for 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 those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.8 Discontinued operations

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

1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has a cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

Subsequent expenditure

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

Measurement

Valuation

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

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

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

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on the basis that re-provision would be on a single site basis located at St James's Hospital.

Valuation guidance issued by the Royal Institution of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust's Private Finance Initiative (PFI) schemes where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

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

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

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated. Assets under construction and assets held for sale are not depreciated/ amortised. Otherwise depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible assets, less any residual value, on a straight-line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful life, unless the Trust expects to acquire the asset at the end of the lease term, in which case the asset is depreciated in the same manner as for owned assets.

At each financial year end, the Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure.

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

Impairments

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

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met; the sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated and grant funded assets

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

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

Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

PFI assets, liabilities and finance costs

The PFI assets are recognised as property, plant and equipment when they come into use. The assets are measured initially at fair value or, if lower, at the present value of the minimum lease

payments, in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value in existing use.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the initial value of the assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

PFI lifecycle replacement

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

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

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

Assets contributed by the Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

Other assets contributed by the Trust to the operator

Other assets contributed (e.g. cash payments, surplus property) by the Trust to the operator before the asset is brought into use, where these are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. When the asset is made available to the Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

Useful lives of property, plant and equipment

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

	Min life Yrs	Max life Yrs
Land	-	-
Buildings, excluding dwellings	2	80
Dwellings	2	80
Plant & machinery	5	18
Transport equipment	5	10
Information technology	5	13
Furniture & fittings	5	10

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

1.10 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably and where the cost is at least £5,000.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Software

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

Measurement

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

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

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

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives of intangible assets

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

	Min life Yrs	Max life Yrs
Information technology	5	12
Software licences	5	12

1.11 Inventories

Inventories are valued at the lower of cost and net realisable value, using the weighted average cost formula.

1.12 Investment properties

The Trust does not hold any investment properties.

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 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

1.14 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The Trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

1.15 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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 below.

Financial assets are classified as subsequently measured at amortised cost. The Trust has no financial assets at fair value through profit and loss or fair value through other comprehensive income.

Financial liabilities classified as subsequently measured at amortised cost. The Trust has no financial liabilities at fair value through profit and loss.

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to profit and loss, except where the Trust elected to measure an equity instrument in this category on initial recognition. The Trust has no financial assets measured at fair value through other comprehensive income.

Financial assets and financial liabilities at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract, are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income. The Trust has no financial assets or liabilities measured at fair value through profit and loss.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

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

HM Treasury has ruled that central government bodies may not recognise stage 1 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The Trust therefore does not recognise loss allowances for stage 1 and stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and the Trust does not recognise loss allowances for stage 1 impairments against these bodies.

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

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

Derecognition

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

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

1.16 Leases

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

The Trust as a lessee

Finance leases

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

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

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

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially

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

Leases of land and buildings

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

The Trust as a lessor

Finance leases

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

Operating leases

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

1.17 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020:

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 26.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

1.18 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 27, 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.

1.19 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as Public Dividend Capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

(i) donated and grant funded assets,

(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and

(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.20 Value added tax

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

1.21 Corporation tax

The Trust does not have any Corporation Tax liaibility.

1.22 Foreign exchange

The functional and presentational currency of the Trust is sterling.

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

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

1.23 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM (note 21.2)

1.24 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.25 Gifts

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

1.26 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

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

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 "Leases", IFRIC 4 "Determining whether an arrangement contains a lease" and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the Statement of Financial Position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the Statement of Financial Position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2021, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the Income and Expenditure Reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the Income and Expenditure Reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does expect this standard to have a impact on increasing non-current assets, liabilities and depreciation.

IFRS 17 Insurance contracts

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 anticipated that adoption of this standard will have a material impact on the financial statements of the Trust.

1.28 Critical judgements in applying accounting policies

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

Bexley Wing and Wharfedale Hospital, constructed under the Private Finance Initiative (PFI), meet the criteria for inclusion in the financial statements as Finance Leases as the Trust bears the risks and rewards of ownership. See notes 1.9 and note 29 PFI transactions.

1.29 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Valuation of Plant, Property and Equipment - Note 1.9 and Note 17

The Trust's estate has been independently valued as at 31 March 2020. The valuation report contains an endorsement warning of material uncertainty in the values as a result of the COVID-19 pandemic. Further details are given in note 17.

- Provision for Impairment of Receivables - Note 1.15 and Note 19.2
- Provisions - Note 1.17 and Note 26"

2. Operating Segments

The Trust has determined that the Chief Operating Decision Maker (as defined by IFRS 8) is the Board of Directors on the basis that all strategic decisions are made by the Board.

The Trust engages in its activity as a single operating segment i.e. the provision of healthcare. Financial results are reported to the Board under the single segment of healthcare. Whilst the Trust operates a number of different clinical services via its clinical service units, they each provide essentially the same service (patient care), have the same customers (commissioners), use similar processes and services and face fundamentally the same risks. Therefore the Trust believes that there is only one segment and has reported under IFRS 8 on this basis.

3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

3.1 Income from patient care activities (by nature)

	2019-20 £000	2018-19 £000
Elective income	187,591	171,639
Non elective income	257,728	226,625
First outpatient income	54,251	50,808
Follow up outpatient income	82,773	77,507
A & E income	34,358	27,619
High cost drugs income from commissioners (exc. pass-through costs)	218,534	204,256
Other NHS clinical income	304,428	301,008
Private patient income	5,535	4,907
Agenda for Change pay award central funding*	-	12,366
Additional pension contribution central funding**	32,525	-
Other clinical income	15,263	6,877
Total income from activities	**1,192,986**	**1,083,612**

*Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.

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

3.2 Income from patient care activities (by source)

Received from:	2019-20 £000	2018-19 £000
NHS England	589,857	515,025
Clinical commissioning groups	588,855	543,232
Department of Health and Social Care	-	12,366
Other NHS providers	385	214
NHS other	1,085	963
Local authorities	750	750
Non-NHS: private patients	5,535	4,907
Non-NHS: overseas patients (chargeable to patient)	689	401
Injury cost recovery scheme	4,569	4,766
Non-NHS: other	1,261	988
Total income from activities	**1,192,986**	**1,083,612**
Of which: Related to continuing operations	1,192,986	1,083,612

Included in the above is income from NHS England of £8m directly relating to the reimbursement of costs incurred by the Trust in responding to the Covid-19 pandemic.

Income from NHS England also includes £32.5m to cover the increase in the cost of employers contributions to the NHS Pension Scheme (see Notes 8 and 9)

3.3 Overseas visitors (relating to patients charged directly by the provider)

	2019-20 £000	2018-19 £000
Income recognised this year	689	401
Cash payments received in-year	185	208
Amounts added to provision for impairment of receivables	-	4
Amounts written off in-year	145	92

4. Other operating income

	2019-20			2018-19		
	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	25,703	-	25,703	22,107	-	22,107
Education and training	72,438	2,299	74,737	69,283	1,139	70,422
Non-patient care services to other bodies*	59,669	-	59,669	49,595	-	49,595
Provider sustainability fund (PSF)	17,173	-	17,173	62,634	-	62,634
Financial recovery fund (FRF)	901	-	901	-	-	-
Marginal rate emergency tariff funding (MRET)	6,169	-	6,169	-	-	-
Income in respect of employee benefits accounted on a gross basis	11,237	-	11,237	12,245	-	12,245
Receipt of capital grants and donations	-	1,695	1,695	-	4,049	4,049
Charitable and other contributions to expenditure	-	4,294	4,294	-	12,522	12,522
Rental revenue from operating leases	-	1,575	1,575	-	1,551	1,551
Other income**	18,601	-	18,601	17,110	-	17,110
Total other operating income	**211,891**	**9,863**	**221,754**	**232,974**	**19,261**	**252,235**
Of which: Related to continuing operations			**221,754**			**252,235**

*Non-patient care services to other bodies includes £9m of income from other NHS providers in respect of clinical waste contract charges which the Trust has hosted on behalf of a number of organisations since October 2018.

**Other income incorporates income received for goods and services which are incidental to the Trust's core activity of healthcare, for example, car parking, creche fees and catering.

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

	2019-20 £000	2018-19 £000
Revenue recognised in the reporting period that was included in contract liabilities at the previous period end	4,867	1,934
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	203

5.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	31 March 2020 £000	31 March 2019 £000
within one year	1,731	1,717
after one year, not later than five years	2,598	2,483
after five years	-	-
Total revenue allocated to remaining performance obligations	**4,329**	**4,200**

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

6.1 Operating expenses

	2019-20 £000	2018-19 £000
Purchase of healthcare from non-NHS and non-DHSC bodies	13,302	12,536
Staff and executive directors costs	811,112	729,079
Remuneration of non-executive directors	141	104
Supplies and services - clinical (excluding drugs costs)	156,404	153,668
Supplies and services - general	8,581	8,315
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	200,947	188,170
Consultancy costs	274	559
Establishment	5,398	5,248
Premises*	68,597	54,594
Transport (including patient travel)	6,490	5,222
Depreciation on property, plant and equipment	19,721	15,193
Amortisation on intangible assets	901	697
Net impairments (see note 7)	(9,215)	-
Movement in credit loss allowance: contract receivables / contract assets	132	(109)
Increase/(decrease) in other provisions	-	390
Change in provisions discount rate(s)	207	(50)
Audit fees payable to the external auditor		
audit services- statutory audit***	96	96
other auditor remuneration*** (external auditor only)	3	12
Internal audit costs	355	311
Clinical negligence	30,639	32,794
Legal fees	371	519
Insurance	715	747
Research and development	19,244	15,817
Education and training	6,295	4,781
Rentals under operating leases	1,823	6,647
Redundancy	16	216
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI)	9,520	9,465
Car parking & security	346	307
Hospitality	140	45
Losses, ex gratia & special payments	238	40
Other services	1,497	2,508
Other expenses**	15,913	10,840
Total	**1,370,203**	**1,258,761**
Of which: Related to continuing operations	1,370,203	1,258,761

*Premises expenditure includes the costs relating to hosted waste management contract which the Trust has hosted on behalf of a number of other provider organisations since October 2018 and costs incurred in relation to the COVID-19 pandemic .

**Other expenses incorporates the costs for goods and services which are incidental to the Trust's core activity, for example, hosted services or childcare vouchers and lease cars (both recovered through income).

***Audit fees include irrecoverable VAT (see note 1.20)

6.2 Other auditor remuneration

Other auditor remuneration paid to the external auditor*	2019-20 £000	2018-19 £000
Audit-related assurance services (Quality Accounts)	3	10
Other non-audit services	-	2
Total	**3**	**12**

For 2019/20, as a result of the Covid-19 pandemic, the requirement to have Quality Accounts reviewed has been suspended. Only the costs of work undertaken up to the point of suspension has been charged.

*Audit fees include irrecoverable VAT (see note 1.20)

6.3 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2019/20 or 2018/19.

7. Impairment of assets

Net impairments charged/ (credited) to operating surplus resulting from:	2019-20 £000	2018-19 £000
Changes in market price	(9,215)	-
Total net impairments credited to operating surplus	**(9,215)**	-
Impairments charged to the revaluation reserve	38,844	-
Total net impairments	**29,629**	-

The impairment arises following the full valuation of the Trust's estate undertaken by an independent valuer. Full details can be found in note 17.

8. Employee benefits

	2019-20 £000	2018-19 £000
Salaries and wages	622,463	583,131
Social security costs	58,106	52,644
Apprenticeship levy	2,990	2,820
Employer's contributions to NHS pensions	106,853	69,328
Pension cost - other	-	-
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	16	216
Temporary staff (including agency)	42,039	38,238
Total staff costs	**832,467**	**746,377**
Of which: Costs capitalised as part of assets	2,095	1,345

8.1 Retirements due to ill-health

During 2019/20 there were eight early retirements from the Trust agreed on the grounds of ill-health (20 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £340k (£1,137k in 2018/19).

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

9. Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 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%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) National Employment Savings Trust Pension

Under the terms of the Pensions Act 2008 the Trust is required to provide a pension scheme for employees who are not eligible for membership of the NHS Pension Scheme. Qualifying employees are enrolled in the National Employment Savings Trust (NEST) managed scheme.

NEST is a defined contribution scheme managed by a third party organisation. It carries no possibility of actuarial gain or loss to the Trust and there are no financial liabilities other than payment of the 2% employers contribution of qualifying earnings. This contribution increased to 3% in April 2019. Employer contributions are charged directly to the Statement of Comprehensive Income and paid to NEST monthly. At 31st March 2020 there were 298 employees enrolled in the scheme (236 at 31 March 2019). Further details of the scheme can be found at www.nestpensions.org.uk.

10. Operating leases

10.1 Leeds Teaching Hospitals NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Leeds Teaching Hospitals NHS Trust is the lessor.

The Generating Station Complex at Leeds General Infirmary is licenced to Engie Ltd who supply the Trust and University of Leeds with electricity. Other leases relate to various retail facilities provided across the Trust's sites.

	2019-20 £000	2018-19 £000
Operating lease revenue		
Minimum lease receipts	1,575	1,551
Total	**1,575**	**1,551**

Future minimum lease receipts due:	31 March 2020 £000	31 March 2019 £000
- not later than one year;	1,279	1,550
- later than one year and not later than five years;	1,523	2,212
- later than five years.	2,032	2,080
Total	**4,834**	**5,842**

10.2 Leeds Teaching Hospitals NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Leeds Teaching Hospitals NHS Trust is the lessee.

The Trust has operating leases for items of medical and non-medical equipment, vehicles and short-term property lets. None of these are individually significant. The amounts recognised in these accounts are:

	2019-20 £000	2018-19 £000
Operating lease expense		
Minimum lease receipts	1,823	6,647
Total	**1,823**	**6,647**

Future minimum lease payments due:	31 March 2020 £000	31 March 2019 £000
- not later than one year;	1,113	4,389
- later than one year and not later than five years;	3,020	4,396
- later than five years.	3,107	2,433
Total	**7,240**	**11,218**

11. Finance Income

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

	2019-20 £000	2018-19 £000
Interest on bank accounts	421	260
Total finance income	**421**	**260**

12. Finance Expenditure

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

12.1 Interest Expense

	2019-20 £000	2018-19 £000
Loans from the Department of Health and Social Care	1,631	1,817
Finance leases	5	6
Main finance costs on PFI schemes obligations	6,123	5,962
Contingent finance costs on PFI scheme obligations	7,426	7,255
Total interest expense	**15,185**	**15,040**
Unwinding of discount on provisions	7	3
Total finance costs	**15,192**	**15,043**

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

The Trust has not made any payments under the terms of this legislation in either the current or preceding financial year.

13. Other gains / (losses)

	2019-20 £000	2018-19 £000
Gains on disposal of assets	484	92
Losses on disposal of assets	(175)	(201)
Total gains / (losses) on disposal of assets	**309**	**(109)**

14. Intangible assets

14.1 Intangible assets - 2019/20

	Software licences £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2019 - brought forward	1,502	11,557	13,059
Additions	-	2,090	2,090
Reclassifications	-	849	849
Valuation / gross cost at 31 March 2020	1,502	14,496	15,998
Amortisation at 1 April 2019 - brought forward	917	4,649	5,566
Provided during the year	77	824	901
Reclassifications	-	13	13
Amortisation at 31 March 2020	994	5,486	6,480
Net book value at 31 March 2020	508	9,010	9,518
Net book value at 1 April 2019	585	6,908	7,493

14.2 Intangible assets - 2018/19

	Software licences £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2018 - brought forward	1,907	9,047	10,954
Additions	-	980	980
Reclassifications	(405)	1,530	1,125
Valuation / gross cost at 31 March 2019	1,502	11,557	13,059
Amortisation at 1 April 2018 - as previously stated	839	4,030	4,869
Provided during the year	78	619	697
Amortisation at 31 March 2019	917	4,649	5,566
Net book value at 31 March 2019	585	6,908	7,493
Net book value at 1 April 2018	1,068	5,017	6,085

15. Property Plant and Equipment

15.1 Property, Plant and Equipment - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	9,379	439,114	1,902	17,821	191,607	532	52,703	1,387	714,445
Additions	-	14,431	-	19,347	23,456	-	6,824	-	64,058
Impairments	-	(49,451)	-	-	-	-	-	-	(49,451)
Reversals of impairments	1,776	6,389	124	-	-	-	-	-	8,289
Revaluations	-	(9,139)	-	-	-	-	-	-	(9,139)
Reclassifications	-	6,186	-	(6,936)	-	-	(99)	-	(849)
Transfers to / from assets held for sale	(300)	-	(630)	-	-	-	-	-	(930)
Disposals / derecognition	(150)	-	(455)	-	(5,165)	-	-	-	(5,770)
Valuation/gross cost at 31 March 2020	10,705	407,530	941	30,232	209,898	532	59,428	1,387	720,653
Accumulated depreciation at 1 April 2019 - brought forward	-	8,751	45	-	139,632	530	31,194	1,387	181,539
Provided during the year	-	11,878	29	-	5,167	2	2,645	-	19,721
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	(11,490)	(43)	-	-	-	-	-	(11,533)
Revaluations	-	(9,139)	-	-	-	-	-	-	(9,139)
Reclassifications	-	-	-	-	-	-	(13)	-	(13)
Transfers to / from assets held for sale	-	-	(16)	-	-	-	-	-	(16)
Disposals / derecognition	-	-	(15)	-	(4,990)	-	-	-	(5,005)
Accumulated depreciation at 31 March 2020	-	-	-	-	139,809	532	33,826	1,387	175,554
Net book value at 31 March 2020	10,705	407,530	941	30,232	70,089	-	25,602	-	545,099
Net book value at 1 April 2019	9,379	430,363	1,857	17,821	51,975	2	21,509	-	532,906

15.2 Property, Plant and Equipment - 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - brought forward	9,379	423,697	1,902	11,222	185,429	532	46,086	1,387	679,634
Additions	-	12,297	-	12,520	13,336	-	5,016	-	43,169
Reclassifications	-	3,120	-	(5,861)	-	-	1,616	-	(1,125)
Transfers to assets held for sale	-	-	-	(60)	(7,158)	-	(15)	-	(7,233)
Valuation/gross cost at 31 March 2019	9,379	439,114	1,902	17,821	191,607	532	52,703	1,387	714,445
Accumulated depreciation at 1 April 2018 - brought forward	-	-	-	-	142,382	523	29,086	1,387	173,378
Provided during the year	-	8,751	45	-	4,267	7	2,123	-	15,193
Transfers to assets held for sale	-	-	-	-	(7,017)	-	(15)	-	(7,032)
Accumulated depreciation at 31 March 2019	-	8,751	45	-	139,632	530	31,194	1,387	181,539
Net book value at 31 March 2019	9,379	430,363	1,857	17,821	51,975	2	21,509	-	532,906
Net book value at 1 April 2018	9,379	423,697	1,902	11,222	43,047	9	17,000	-	506,256

15.3 Property, Plant and Equipment Financing- 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	10,705	279,491	941	30,232	48,776	-	25,446	-	395,592
Finance leased	-	550	-	-	-	-	-	-	550
On-SoFP PFI contracts	-	119,605	-	-	12,474	-	-	-	132,079
Owned - donated	-	7,884	-	-	8,839	-	155	-	16,878
NBV total at 31 March 2020	10,705	407,530	941	30,232	70,089	-	25,602	-	545,099

15.4 Property, Plant and Equipment Financing- 2018/19

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	9,379	307,302	1,857	17,821	35,034	2	21,328	-	392,723
Finance leased	-	572	-	-	-	-	-	-	572
On-SoFP PFI contracts	-	111,705	-	-	9,134	-	-	-	120,839
Owned - donated	-	10,784	-	-	7,807	-	181	-	18,772
NBV total at 31 March 2019	9,379	430,363	1,857	17,821	51,975	2	21,509	-	532,906

16. Donations of property, plant and equipment

During the year the Trust received grants and donations to fund capital assets from the following:

	2019-20 £000	2018-19 £000
Leeds Cares	1,181	2,040
Children's Heart Surgery Fund	12	1,842
Health Education England	120	109
Take Heart	15	10
Others	367	48
Total donations for property, plant and equipment	**1,695**	**4,049**

17. Revaluations of property, plant and equipment

A full five yearly cyclical valuation of the Trust's entire estate was carried out during 2019/20. Following a full site inspection and review, the Trust's independent qualified valuer, Cushman and Wakefield, issued their report with a valuation date of 31 March 2020. The report took account of changes in buildings cost indices, location factors and the effect of capital expenditure during the year. The report was completed in accordance with guidance issued by the Royal Institution of Chartered Surveyors ("RICS") and gave an overall valuation of the Trust's estate of £419m. Across the estate there were increases in the value of most sites, reversing previous impairments, but an impairment at the Leeds General Infirmary site due to a change in the anticipated lives of certain buildings that are expected to be disposed of as part of the major redevelopment of the site approved by the government during 2019/20.

In the light of the COVID-19 pandemic and in accordance with RCIS guidance, the independent valuer has included the following in the report:

"The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty - and a higher degree of caution - should be attached to our valuations than would normally be the case."

The Trust is not in a position to quantify the degree of uncertainty but will keep the valuation of its estate under review during 2020/21.

18. Inventories

	31 March 2020 £000	31 March 2019 £000
Drugs	7,499	6,468
Work in progress	-	-
Consumables	11,073	10,024
Energy	521	403
Other	-	-
Total inventories	**19,093**	**16,895**

Inventories recognised in expenses for the year were £305,503k (2018/19: £294,674k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

19. Receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	87,026	97,906
Capital receivables	95	260
Allowance for impaired contract receivables / assets	(2,490)	(2,515)
Prepayments (non-PFI)	8,604	5,964
PFI lifecycle prepayments	2,640	3,000
PDC dividend receivable	1,496	434
VAT receivable	4,258	1,495
Other receivables	466	406
Total current receivables	**102,095**	**106,950**
Non-current		
Contract assets	4,767	4,713
Allowance for other impaired receivables	(1,039)	(1,032)
PFI lifecycle prepayments	546	6,884
Other receivables	970	-
Total non-current receivables	**5,244**	**10,565**
Of which receivables from NHS and DHSC group bodies:		
Current	60,202	69,807
Non-current	970	-

The majority of trade is with NHS England and Clinical Commissioning Groups. As NHS bodies are funded by Government to buy NHS patient care services, credit scoring of them is not considered necessary.

Non-current other receivables represent costs to be reimbursed by NHS England in relation to the Clinicians' Pension Tax provision (note 26).

19.2 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April - brought forward	**3,547**	**-**	**-**	**3,664**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			3,664	(3,664)
New allowances arising	132	-	(109)	-
Utilisation of allowances (write-offs)	(150)	-	(8)	-
Allowances as at 31 Mar 2020	**3,529**	**-**	**3,547**	**-**

19.3 Exposure to credit risk

Since the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31st March 2020 are in receivables from customers, as disclosed in the contracts receivables note (Note 19.1).

20. Non-current assets held for sale

	2019/20 £000	2018/19 £000
NBV of non-current assets for sale at 1 April 2019	**-**	**-**
Assets classified as available for sale in the year	914	201
Assets sold in year	-	(201)
NBV of non-current assets for sale at 31 March 2020	**914**	**-**

During the year the Trust undertook to dispose of two property assets. The sale of one property was completed during the year and the other remained on the market at the year end. Obsolete and surplus items of equipment were also sold during the current and preceding financial year. The disposals resulted in an overall surplus on disposal of £309k (2018/19 loss of £110k)

21. Cash and cash equivalents

21.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2019/20 £000	2018/19 £000
At 1 April	**30,213**	**15,029**
Net change in year	(2,619)	15,184
At 31 March	**27,594**	**30,213**
Broken down into:		
Cash at commercial banks and in hand	20	20
Cash with the Government Banking Service	27,574	30,193
Total cash and cash equivalents as in SoFP and SoCF	**27,594**	**30,213**

21.2 Third party assets held by the Trust

Leeds Teaching Hospitals NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the Trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2020 £000	31 March 2019 £000
Bank balances	11	3
Total third party assets	**11**	**3**

22. Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	67,686	57,705
Capital payables	16,976	12,383
Accruals	49,060	36,990
Social security costs	8,820	8,130
Other taxes payable	7,521	7,267
Other payables	11,378	10,935
Total current trade and other payables	**161,441**	**133,410**
Of which payables from NHS and DHSC group bodies:		
Current	5,811	5,753

23. Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	10,302	10,596
Total other current liabilities	**10,302**	**10,596**
Non-current		
Deferred income: contract liabilities	62	94
Total other non-current liabilities	**62**	**94**

Deferred income: Contract Liabilities includes Maternity Pathways and research projects. In line with IFRS 15 where income is received that relates to a performance obligation that is to be satisfied in a future period the income is deferred and recognised as a contract liability until the performance obligation is delivered.

24. Borrowings

24.1 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Loans from the Department of Health and Social Care	65,198	43,590
Obligations under finance leases	40	40
Obligations under PFI contracts	8,857	8,554
Total current borrowings	**74,095**	**52,184**
Non-current		
Loans from the Department of Health and Social Care	20,006	45,108
Obligations under finance leases	254	294
Obligations under PFI contracts	155,702	164,559
Total non-current borrowings	**175,962**	**209,961**

Interim Capital Investment Loans of £21,451k have been reclassified from Non-current to Current following the Department of Health and Social Care's announcement that interim loans will be converted into Public Dividend Capital during 2020/21 (Note 33).

24.2 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC £000	Finance leases £000	PFI schemes £000	Total £000
Carrying value at 1 April 2019	**88,698**	**334**	**173,113**	**262,145**
Cash movements:				
Financing cash flows - payments and receipts of principal	(3,492)	(40)	(8,554)	**(12,086)**
Financing cash flows - payments of interest	(1,633)	(5)	(6,123)	**(7,761)**
Non-cash movements:				
Application of effective interest rate	1,631	5	6,123	**7,759**
Carrying value at 31 March 2020	**85,204**	**294**	**164,559**	**250,057**

24.3 Reconciliation of liabilities arising from financing activities - 2018/19

	Loans from DHSC £000	Finance leases £000	PFI schemes £000	Total £000
Carrying value at 1 April 2018	**96,283**	**373**	**181,388**	**278,044**
Cash movements:				
Financing cash flows - payments and receipts of principal	(7,713)	(39)	(8,275)	**(16,027)**
Financing cash flows - payments of interest	(1,815)	(6)	(5,962)	**(7,783)**
Non-cash movements:				
Impact of implementing IFRS 9 on 1 April 2018	126	-	-	**126**
Application of effective interest rate	1,817	6	5,962	7,785
Carrying value at 31 March 2019	**88,698**	**334**	**173,113**	**262,145**

25. Finance Leases

25.1 Leeds Teaching Hospitals NHS Trust as a lessee

Obligations under finance leases where Leeds Teaching Hospitals NHS Trust is the lessee.

	31 March 2020 £000	31 March 2019 £000
Gross lease liabilities	**313**	**358**
of which liabilities are due:		
- not later than one year;	45	45
- later than one year and not later than five years;	177	179
- later than five years.	91	134
Finance charges allocated to future periods	(19)	(24)
Net lease liabilities	**294**	**334**
of which payable:		
- not later than one year;	40	40
- later than one year and not later than five years;	167	164
- later than five years.	87	130
	294	**334**

Finance lease obligations relate to the Catering Receipt and Distribution Unit (RADU) at Seacroft Hospital. The unit was constructed in 2002 by a private partner and will revert to Trust ownership upon expiry of the lease in 2027. The arrangement has been determined as a finance lease on the grounds that the Trust has the substantive risks and rewards associated with control of the facility. Accounting treatment is in line with the policy described in note 1.16.

26. Provisions for liabilities and charges analysis

26.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Other £000	Clinician's Pension Tax Reimbursement £000	Total £000
At 1 April 2019	**3,098**	**2,466**	**406**	**105**	-	**6,075**
Change in the discount rate	-	207	-	-	-	**207**
Arising during the year	94	94	16	271	970	**1,445**
Utilised during the year	(247)	(133)	(60)	(269)	-	**(709)**
Reversed unused	(19)	(30)	(71)	-	-	**(120)**
Unwinding of discount	-	7	-	-	-	**7**
At 31 March 2020	**2,926**	**2,611**	**291**	**107**	**970**	**6,905**
Expected timing of cash flows:						
- not later than one year;	240	140	291	107	-	**778**
- later than one year and not later than five years;	960	560	-	-	-	**1,520**
- later than five years.	1,726	1,911	-	-	970	**4,607**
Total	**2,926**	**2,611**	**291**	**107**	**970**	**6,905**

Pensions related provisions represent amounts payable to the NHS Business Services Authority - Pensions Division to meet the costs of early retirements and industrial injury benefits. Amounts are determined by the NHS Business Services Authority - Pensions Division based on actuarial estimates of life expectancy and there is therefore, a degree of uncertainty regarding the value of future payments.

Legal claims relate to personal injury and other claims where the Trust has received advice that settlement is probable. The final amounts and timings of payments remain subject to negotiation or legal judgement. Included are claims with a value of £161k (£272k in 2018/19) which are being handled on behalf of the Trust by NHS Resolution who have advised on their status. The value represents amounts which the Trust may bear as its share of any settlement. The balance of claims are being dealt with directly by the Trust as they represent settlement values likely to fall below NHS Resolution's excess level.

Other provisions include those for employment related claims where the Trust disputes liability but recognises some probability of payment.

During 2019/20 a national decision was made to resolve a taxation issue linked to pensions relating to senior clinical staff. Under this interim arrangement, the NHS Trust incurs the additional tax charge which is then reimbursed by NHS England. A provision is recognised in the Trust's accounts with a corresponding receivable from NHS England (Note 19.1).

26.2 Clinical negligence liabilities

At 31 March 2020, £574,148k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Leeds Teaching Hospitals NHS Trust (31 March 2019: £514,645k).

27. Contingent assets and liabilities

	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities		
NHS Resolution legal claims	(82)	(141)
Employment tribunal and other employee related litigation	(3,400)	-
Other	(319)	(300)
Gross value of contingent liabilities	**(3,801)**	**(441)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(3,801)**	**(441)**
Net value of contingent assets	**-**	**-**

NHS Resolution contingent liabilities consist entirely of claims for personal injury where the probability of settlement is very low. The NHS Resolution have advised on their status. In all cases, quantum has been assessed on a "worst case scenario" and represents the maximum of any payment which may be made. Employment tribunal and other employee related contingent liabilities pertain to the potential financial implications arising from legal cases which remain subject to judgement. These cases do not involve the Trust but there is the possibility that claims will be received or payments made depending on the courts' judgements. The potential liability has numerous ranges of values that could be between £nil and £3.4m. "Other" contingencies relate to personal injury claims which are being managed internally by the Trust. In all cases, the potential payment values have been assessed on a "worst case scenario" basis by reference to independent advice. Settlement of these claims is considered highly improbable but the values quoted represent the Trust's maximum exposure to loss.

28. Contractual capital commitments

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	18,747	20,887
Intangible assets	4,048	2,857
Total	**22,795**	**23,744**

29. On-SoFP PFI arrangements

Institute of Oncology at St James's Hospital - Bexley Wing

This is a 30 year contract which expires in 2037. It provides for the construction, maintenance and partial equipping of Bexley Wing by the PFI partner in return for an annual charge to the Trust. The Trust has full use of the facilities to provide healthcare services and will take ownership of the building and equipment at the end of the contract period. The PFI partner is responsible for providing a managed maintenance service for the length of the contract after which the responsibilities revert to the Trust. The contract contains payment mechanisms providing for deductions from the annual charge for any poor performance or unavailability. Future charges to the Trust will be determined by reference to the Retail Price Index. In 2022 the annual charge will reduce significantly to reflect the fact that the contractual commitment to meet equipment costs will be complete although the contractor is obliged to continue to provide equipment that is fit for purpose.

Wharfedale Hospital

This is a 30 year contract which expires in 2034. It provides for the construction and maintenance of Wharfedale Hospital by the PFI partner in return for an annual unitary charge to the Trust. The Trust has full use of the Wharfedale Hospital to provide healthcare services and will take ownership of the building at the end of the contract period. The PFI partner is responsible for providing a managed maintenance service for the length of the contract after which the responsibilities revert to the Trust. The contract contains payment mechanisms providing for deductions from the annual charge for any poor performance or unavailability. The unitary charge is subject for an annual uplift for future price increases determined by reference to the Retail Price Index.

29.1 On-SoFP PFI arrangement obligations

The following obligations in respect of the PFI arrangements are recognised in the Statement of Financial Position:

	31 March 2020 £000	31 March 2019 £000
Gross PFI liabilities	**238,301**	**254,395**
Of which liabilities are due		
- not later than one year;	16,094	16,094
- later than one year and not later than five years;	58,144	60,863
- later than five years.	164,063	177,438
Finance charges allocated to future periods	(73,742)	(81,282)
Net PFI obligation	**164,559**	**173,113**
- not later than one year;	8,857	8,554
- later than one year and not later than five years;	32,425	33,848
- later than five years.	123,277	130,711
	164,559	**173,113**

29.2 Total on-SoFP PFI commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2020 £000	31 March 2019 £000
Total future payments committed in respect of the PFI arrangements	**552,587**	**583,407**
Of which payments are due		
- not later than one year;	34,741	34,295
- later than one year and not later than five years;	129,182	133,154
- later than five years.	388,664	415,958
	552,587	**583,407**

29.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2019/20 £000	2018/19 £000
Unitary payment payable to service concession operator	**32,732**	**32,070**
Consisting of:		
- Interest charge	6,123	5,962
- Repayment of balance sheet obligation	8,547	8,275
- Service element and other charges to operating expenditure	9,520	9,465
- Capital lifecycle maintenance	1,116	1,113
- Contingent rent	7,426	7,255
Total amount paid to service concession operator	**32,732**	**32,070**

30. Financial Instruments

30.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the continuing service provider relationship that the NHS Trust has with commissioners and the way those commissioners are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS 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 Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of Directors. The Trust's treasury activity is subject to review by its internal auditors.

Currency Risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest Rate Risk

The Trust borrows from government for capital expenditure, subject to approval by NHS England/Improvement. The borrowings are for 1 - 25 years, in line with the life of the associated assets. Interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit Risk

Since the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in the contracts receivables note (Note 19.1).

Liquidity Risk

The Trust's operating costs are incurred under contracts with NHS commissioning organisations, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its Capital Resource Limit. The Trust is not, therefore, exposed to significant liquidity risks.

30.2 Carrying values of financial assets

	Held at amortised cost £000	Total book value £000
Carrying values of financial assets as at 31 March 2020		
Trade and other receivables excluding non financial assets	88,805	**88,805**
Cash and cash equivalents	27,594	**27,594**
Total at 31 March 2020	**116,399**	**116,399**

	Loans and receivables £000	Total book value £000
Carrying values of financial assets as at 31 March 2019		
Trade and other receivables excluding non financial assets	99,738	**99,738**
Cash and cash equivalents	30,213	**30,213**
Total at 31 March 2019	**129,951**	**129,951**

30.3 Carrying values of financial liabilities

	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2020		
Loans from the Department of Health and Social Care	85,204	**85,204**
Obligations under finance leases	294	**294**
Obligations under PFI contracts	164,559	**164,559**
Trade and other payables excluding non financial liabilities	145,100	**145,100**
Total at 31 March 2020	**395,157**	**395,157**

	Other financial liabilities £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2019		
Loans from the Department of Health and Social Care	88,698	**88,698**
Obligations under finance leases	334	**334**
Obligations under PFI contracts	173,113	**173,113**
Trade and other payables excluding non financial liabilities	118,013	**118,013**
Total at 31 March 2019	**380,158**	**380,158**

30.4 Maturity of financial liabilities

	31 March 2020 £000	31 March 2019 £000
In one year or less	219,195	170,197
In more than one year but not more than two years	12,266	15,029
In more than two years but not more than five years	31,050	38,884
In more than five years	132,646	156,048
Total	**395,157**	**380,158**

30.5 Fair values of financial assets and liabilities

Due to the nature of the Trust's financial assets and finacial liabilities, book value (carrying value) is considered a reasonable approximation of fair value.

31. Losses and special payments

	2019/20		2018/19	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	7	1	-	-
Bad debts and claims abandoned	101	245	77	183
Stores losses and damage to property	2	14	4	138
Total losses	**110**	**260**	**81**	**321**
Special payments				
Ex-gratia payments	129	256	135	192
Total special payments	**129**	**256**	**135**	**192**
Total losses and special payments	**239**	**516**	**216**	**513**

Losses and Special payments relate to cases not specifically funded and which, ideally should not arise. They cover bad debts written off, losses from theft or accidental damage and claims for personal loss or injury which are not reimbursed from insurance arrangements.

32. Related Parties

During the year none of the Department of Health and Social Care Ministers, Trust board members or members of the key management staff, or parties related to any of them, have undertaken any material transactions with the Leeds Teaching Hospitals NHS Trust.

The Department of Health and Social Care is regarded as a related party. During the year the Leeds Teaching Hospitals NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These include NHS England and Leeds CCG. In addition, the Trust has had a number of material transactions with other government departments, central and local government bodies (including Leeds City Council) and the University of Leeds.

The Trust has also received revenue and capital payments from a number of charitable funds, including Leeds Cares (formerly the Leeds Hospital Charitable Foundation). Leeds Cares have given £4.5m in revenue (18/19 - £13.6m) and £1.2m in capital donations (18/19 - £2.0m). At 31 March 2020 £3.4m of these donations were still to be received (at 31st March 19 - £5.9m). The Trust's Chair, Dr Linda Pollard and Chris Schofield, a Non Executive Director are both Trustees of Leeds Cares. Leeds Cares is independently managed but raises funds for, manages donations received on behalf of, and makes grants to the Trust.

Professor Paul Stewart, Non Executive Director, is Dean of the School of Medicine, University of Leeds and a Director of Northern Health Science Alliance ("NHSA"). During the year the Trust's income from the University was £7.2m (18/19 - £5.6m) of which £0.9m remained to be paid at 31 March 2020 (31 March 2019 - £1.4m). Expenditure with the University was £13.6m (18/19 - £15.5m) of which £1.6m remained to be paid at 31 March 2020 (31 March 2019 - £1.8m). Expenditure with the NHSA was £18k (18/19 - £nil). Mark Chamberlain, Non Executive Director and Chair of the Quality Committee is an Associate of Capsticks LLP and a member of the Court of Leeds University. Yvette Oade, Chief Medical Officer is a Lay Council Member of Leeds University and a Trustee of Yorkshire Cancer Research. During the year the Trust purchased £57k of legal services from Capsticks LLP (18/19 - £49k) and received income of £65k from Yorkshire Cancer Research (18/19 - £3k).

In addition Gillian Taylor, Non Executive Director, is a board member of Beyond Housing, a housing association, Professor Moria Livingston, Non Executive Director, is the Chair of the charity Dementia Matters and a Non Executive Director of Caretech Holdings plc and Lisa Grant, Chief Nurse, has a registered interest in Marave Ltd. The Trust has not made any payments to these organisations during either 2019/20 or 2018/19.

33. Events after the Reporting Date

On 2 April 2020 the Department of Health and Social Care ("DHSC") and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital ("PDC") to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise that this is considered an adjusting event after the reporting period for providers such as the Trust. Outstanding interim loans totaling £62m as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

34. Better Payment Practice Code

	2019/20 Number	2019/20 £000	2018/19 Number	2018/19 £000
Non-NHS payables				
Total non-NHS trade invoices paid in the year	235,448	637,736	238,495	547,738
Total non-NHS trade invoices paid within target	165,076	468,816	151,785	344,809
Percentage of non-NHS trade invoices paid within target	**70.1%**	**73.5%**	**63.6%**	**63.0%**
NHS payables				
Total NHS trade invoices paid in the year	16,928	90,667	12,432	89,077
Total NHS trade invoices paid within target	9,485	60,422	5,448	60,399
Percentage of NHS trade invoices paid within target	**56.0%**	**66.6%**	**43.8%**	**67.8%**

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

35. External Financing Limit

The Trust is given an External Financing Limit against which it is permitted to underspend:

	2019/20 £000	2018/19 £000
Cash flow financing	(6,312)	(28,091)
External financing requirement	**(6,312)**	**(28,091)**
External Financing Limit (EFL)	11,591	(10,869)
Underspend against EFL	**17,903**	**17,222**

36. Capital Resource Limit

The Trust is given a Capital Resource Limit which it is not permitted to exceed:

	2019/20 £000	2018/19 £000
Gross capital expenditure	66,148	44,149
Less: Disposals	(765)	(201)
Less: Donated and granted capital additions	(1,695)	(4,049)
Charge against Capital Resource Limit	**63,688**	**39,899**
Capital Resource Limit	63,939	40,036
Underspend against CRL	**251**	**137**

37. Breakeven duty financial performance

	2019/20 £000	2018/19 £000
Adjusted financial performance surplus (control total basis)	13,039	52,925
Add back income for impact of 2018/19 post-accounts PSF reallocation	917	-
Breakeven duty financial performance surplus	**13,956**	**52,925**

38. Breakeven duty rolling assessment

	1997/98 to 2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Breakeven duty in-year financial performance		963	2,051	4,207	3,089	1,615	(24,386)	(30,194)	(1,901)	18,880	52,925	13,956
Breakeven duty cumulative position	3,868	4,831	6,882	11,089	14,178	15,793	(8,593)	(38,787)	(40,688)	(21,808)	31,117	45,073
Operating income		910,556	934,527	970,709	1,002,444	1,044,916	1,086,638	1,115,720	1,172,927	1,238,267	1,335,847	1,414,740
Cumulative breakeven position as a percentage of operating income		**0.5%**	**0.7%**	**1.1%**	**1.4%**	**1.5%**	**(0.8%)**	**(3.5%)**	**(3.5%)**	**(1.8%)**	**2.3%**	**3.2%**

Going Concern

The Trust has delivered a surplus in 2019-20 inclusive of Provider Sustainability Funding. Following the significant surplus recorded in 2018-19 it returned to cumulative breakeven in compliance with its statutory duty. Plans have been put in place to continue to deliver surpluses in future years in line with agreed control totals.

Following the Covid-19 pandemic, the Department of Health & Social Care has put in place a revised cash regime for 2020/21. Under the revised regime, the Trust will receive block funding, supplemented by monthly top ups, which have been calculated to meet the Trust's on going obligations. Revenue support funding is also available if required although the Trust's long term cash forecast indicates no requirement for such funding.

There is no indication that the services provided by the Trust are unlikely to continue for the foreseeable future. The Trust has a reasonable expectation of access to adequate cash support mechanisms should they be required. In light of this, the directors consider it appropriate that the Trust remains a going concern and the accounts have been prepared on that basis.


NHS

Tell us about your care

Feedback from patients, families and carers is very important to us.

Around our hospitals you will find that many wards and departments ask your opinion or have comment cards that you can use to make your views known. In particular, some departments have started to use the NHS Friends and Family Test, with encouraging results.

If there is a problem, we'd like to know about it so we can put it right and make improvements to our service. Equally, staff value compliments if you have received quality care.

For queries or to make a general comment, please visit our website at www.leedsth.nhs.uk

Summaries of this document can be made available, by arrangement, in large print, Braille and community languages, from:

The Chief Executive's Office
Trust Headquarters
The Leeds Teaching Hospitals NHS Trust
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Leeds LS9 7TF

Glossary

LTHT	Leeds Teaching Hospitals
CSU	Clinical Service Units
LGI	Leeds General Infirmary
SJUH	St James's University Hospital
NHSE/I	NHS England and Improvement
LIM	Leeds Improvement Method
CQC	Care Quality Commission
CCG	Clinical Commissioning Group
PPE	Personal Protective Equipment
DIT	Digital and Informatics team
RTT	Referral to Treatment
ECS	Emergency Care Standard
ED	Emergency Department
2ww	Two week wait
NIHR	National Institute for Health Research
PALS	Patient Advice and Liaison Service

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