The Leeds Teaching Hospitals NHS Trust

ANNUAL REPORT AND ACCOUNTS 2020|2021

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 2020/2021 financial year.

Chair and Chief Executive's statement

This annual report spans April 2020 - March 2021, a period of time where the whole world was almost entirely focussed on the COVID-19 pandemic. This has been a time of great change for us as we respond to the virus but yet, of course, as one of the largest teaching hospitals in Europe we have other priorities too. We must care for all of our patients - whatever they need us for - safely and efficiently, and ensure our staff are well looked after too.

There has been great loss, sacrifice and struggles. We have also seen many acts of kindness, and experienced joy and hope. It is the latter which has got us all through.

The courage and compassion shown by every one of our colleagues across LTHT and the wider NHS has been unlike anything we have seen before. They have taken on changes in how they work; juggled personal commitments with work challenges admirably and made such a difference to so many people.

We have shared more detail about how we prepared our hospitals to protect staff, patients and visitors, and how we continued to care for our patients later in this report.

On behalf of the Trust Board, we wanted to share a little insight into working in the NHS through a global pandemic through this Annual Report.

Take a look around our hospitals and you'll see The Leeds Way taking pride of place across the organisation. It's on posters, it's on walls and windows. But most of all, it's every single one of our staff. It's who they are, what they do and how they do it every day. After all, they came up with it back in 2014 as our values for the organisation and how we work here at Leeds Hospitals. (You can read more about The Leeds Way on page 7)

Throughout this year, The Leeds Way has been more evident than ever.

Patient Centred

Our aim is to always 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.

We spent a great deal of time and effort preparing for and responding to the anticipated large number of COVID-19 patients who would need respiratory support. Although this was a key focus we also continued to deliver care and treatment to all our patients, whatever their diagnosis, while keeping them safe.

Much of our outpatient activity (where clinically appropriate and safe to do so), was converted to remote appointments, with approximately 55% of outpatient activity being delivered remotely by March 2021. This reduced the number of patients coming into hospital where it was not essential, keeping them safe and ensuring they still had access to their clinical teams.

It is well documented that patients in research active hospitals have better clinical outcomes. Over the last 12 months, we have supported the setup and delivery of a broad portfolio of COVID-19 research studies in the organisation, recruiting more than 3,000 participants into over 40 research programmes. This is important of course, but we have also continued our other research - recruiting a total of 15,760 participants into 232 trials across the organisation - looking into treatments for cancer, maternity and heart conditions as just a few examples. We want all patients to have access to the latest trials and treatments so that they are receiving the best possible care.

We've continued to follow national guidance on visiting throughout the pandemic so that we can keep everyone safe. Being in hospital as a patient is always an emotional experience, and we know that this has been made harder for many of our patients by the restrictions on visiting. Our Patient Experience team and volunteers have worked tirelessly to keep patients in touch with their loved ones during this difficult time.

Over 2000 letters of love, hope and support were sent through the 'Letters to Loved Ones' initiative. This later developed into further support - with 'Belongings to Love ones', 'Laundry to Loved Ones' and 'Talking to Loved Ones' following throughout the year.

Fair

We have embraced changes to clinical practice, virtual consultations and changing our clinical environment to ensure social distancing and safety for all of our patients.

Over 16.000 consultations were completed remotely using the Attend Anywhere platform, which equates to over 6000 consultation hours between 1000 clinical users. This helps to make appointments more accessible for patients, giving greater flexibility for patients and staff which improves the resilience of our services and releases capacity for those with the most urgent needs to come into hospital.

We know that not everyone is able to engage digitally and for many it's not how they wish to communicate with us, and for that reason we're working to reinstate more face-to-face appointments and engagement activities. This will provide a broader range of opportunities for people to participate in our organisation.

We want to make sure that our hospitals provide a safe and welcoming environment for everyone. This year we have been able to invest a record total of £96.5million into capital projects, which include improving the environment in which our patients are treated, our staff work and rest areas and upgrading our digital infrastructure.

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 they 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 them 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.

Collaborative

We are one of the largest and busiest acute hospital trusts in the country, and we have a key role to play working with stakeholders both locally, across the country and beyond.

We are proud to have been the lead organisation for the NHS Nightingale Yorkshire and Humber Hospital and the West Yorkshire Vaccination programme this year. These have been fantastic examples of the NHS family coming together in challenging times to make a real difference. (You can read more about these on pages 17 and 18)

We are 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 take real pride in our role in WYAAT and working collaboratively with our health and social care partners every year. This year we saw some real improvements in our partnership working which also led to faster decision making, and we want to ensure that the changes made to the way we work together are taken forward beyond the pandemic.

We have worked more closely than ever with our colleagues in the independent sector as they stepped in to offer support with elective procedures, which would otherwise not have happened. We worked together to extend this very positive partnership in Leeds beyond a national agreement to benefit more of our patients.

The collaborative working does not just extend to other organisations. Within our Trust we have seen extraordinary examples of everyone working together towards a common goal.

Many of our colleagues have taken a change of role in their stride, adapted to working more flexibly, longer hours and extra days, or returning to roles they've previously moved on from. In particular, members of staff from across the organisation stepped up to support Critical Care during their busiest ever period.

Without this team work and 'all in it together' mentality, we would not have been able to achieve the magnificent things we did.

Accountable

As an NHS organisation, it is important that we provide our patients with high-quality, timely care and there are a number of national standards we must achieve as part of this. The overall impact of the pandemic has resulted in significant reductions in the Trust's performance against these constitutional standards, with significant dips in the level of service delivery throughout the year. These reductions were as expected due to the nature of our response to the pandemic.

While there were initial rapid reductions in performance, the incredible commitment and hard work of our teams has meant that we are now seeing an improvement in these standards as we move into a new year. For example, our Referral to Treatment (RTT) standard shows a marked improvement, with over 70% of patients coming into hospital within the target time.

Thanks to a focus on improving discharge processes through a Quality Improvement programme, we have seen an increase in the number of our patients being discharged before 4pm (include figures). This is better for their wellbeing and helps to improve flow through our organisation.

We want to be open and transparent with our communities, and we have worked closely with our local media partners to share the stories from our hospitals and how we continue to care for our patients. This has helped the public to understand the challenges within the NHS and how they can support by choosing appropriate services when they need to access care.

We have issued joint monthly briefings with our health and social partners and Leeds City Council to our MPs so they have been kept informed of our position, and shared key information with all councillors in the area. We were represented at the Health and Wellbeing Board, been part of the weekly citywide Gold meeting to support the city's joint response and contributed to the Leeds City Council Executive Board reports.

We know of course that there is work still to do so that all of our patients receive the care they need.

As part of our reset and stabilisation work coming out of the COVID-19 pandemic we have a series of workstreams looking at different aspects of the services we provide and how we can ensure we're providing the best possible care and remaining accountable to our constitutional standards. (There is more information on this on page 17)

We have continued to involve and engage with patients, carers and members of the public. Face to face involvement and engagement remains difficult and so most opportunities for involvement are currently offered virtually, via digital routes.

Empowered

Our staff are the most important thing in keeping Leeds Teaching Hospitals running smoothly. It has been a priority this year to ensure that they are well supported so that they can be empowered and ready to care for our patients and each other.

At the heart of this remains our Leeds Way Values and the Leeds Improvement Method, creating a positive culture where staff feel engaged in the work that they do and are able to make suggestions and changes.

This year, our teams have helped us to achieve a fourth consecutive year of revenue surplus, which is astounding when taking into consideration everything else they have had to face too. Engaging staff in waste reduction programmes and generating a surplus is important as we can now invest this in future years to maintain and improve our estate, purchase medical equipment and develop our digital infrastructure.

We are already starting on this excellent path of improvement and have seen a great deal of progress on 'Building the Leeds Way', our overarching programme of development and investment across our hospital sites. Despite all the challenges that the COVID pandemic presented us with, our plans to build new hospitals, modernise our estate and invest in new diagnostics and technology is well on track. (You can read more about this on page 9)

We say it every year but our staff work incredibly hard. The significant additional pressure of working in the NHS during a pandemic, while also balancing personal commitments, has of course taken its toll. Leeds Hospitals Charity, our partner charity, has funded a staff support service to help us continue providing the right kind of support for our colleagues during the pandemic and as we turn our attention to 'reset'.

The next year is uncertain and we have no way of knowing where our organisation, or indeed the country, will be when we come to write this statement next April. However, with our Trust's history of delivering outstanding care, working together with our partners, putting our patients at the centre of our decisions and, above all else, our incredible staff, we are confident we can meet any challenges that come our way.

Dame **Linda Pollard** *DBE Hon.LLD*
Trust Chair

Julian Hartley
Chief Executive

About us

Leeds Teaching Hospitals is one the largest and busiest acute hospital trusts in Europe. Every year Leeds Teaching Hospitals 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.

Leeds Teaching Hospitals has a budget of £1.4 billion and employs around 20,000 people. In 2020/2021, the Trust provided over 1,220,000 treatments and episodes of care. This includes 86,213 day cases, 23,046 inpatients, 175,653 attendances to our Emergency Departments and 935,232 outpatient appointments.

Our care and clinical expertise is delivered from seven hospitals on five sites, and they are all joined by our vision to be the best for specialist and integrated care.

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

Our hospital sites

- Leeds General Infirmary (LGI)
- St James's University Hospital (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:

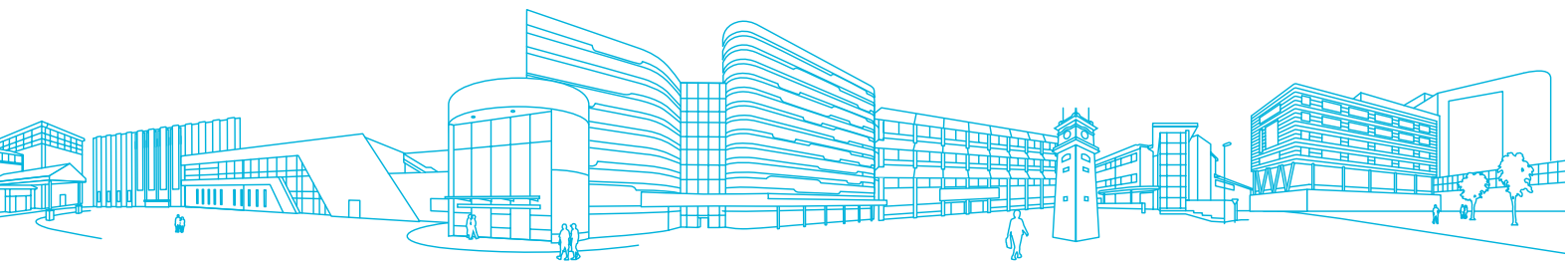
- High quality and effective hospital services for our community in Leeds, such as two Emergency Departments, outpatients, inpatients, maternity and older people services;
- Highly specialised services for the population of Leeds, Yorkshire and the Humber, nationally and beyond.

This means that people in Leeds 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.

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 - The Leeds Way

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 staff survey.

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.

In a turbulent year, the Leeds Improvement Method has remained instrumental for the Trust supporting service delivery in unprecedented times. The pandemic provided opportunity to refocus priorities leading to the pause of some activity whilst new challenges were supported.

At the outset, an early focus was to use the method to support the flow and timeliness of patient COVID-19 swab samples and test results. A combination of the basic tools and the technology of radio frequency identification devices supported the teams to understand the barriers within the process, enabling those who undertake the work to improve the system, delivering significant improvements within the process.

In addition, and for the first time, we were invited to share the Leeds Improvement Method with city partners to develop the set up design and operational running of the two main city vaccination centres. Through the application of the value stream map design and utilisation of lean tools such as Plan-Do-Study-Act (PDSA) and 5S the teams were able to methodically address challenges and engage the workforce in delivering the improvements.

In some areas where we had previously been directly involved, we've been able to adapt our support encouraging CSU teams to work more independently with the method.

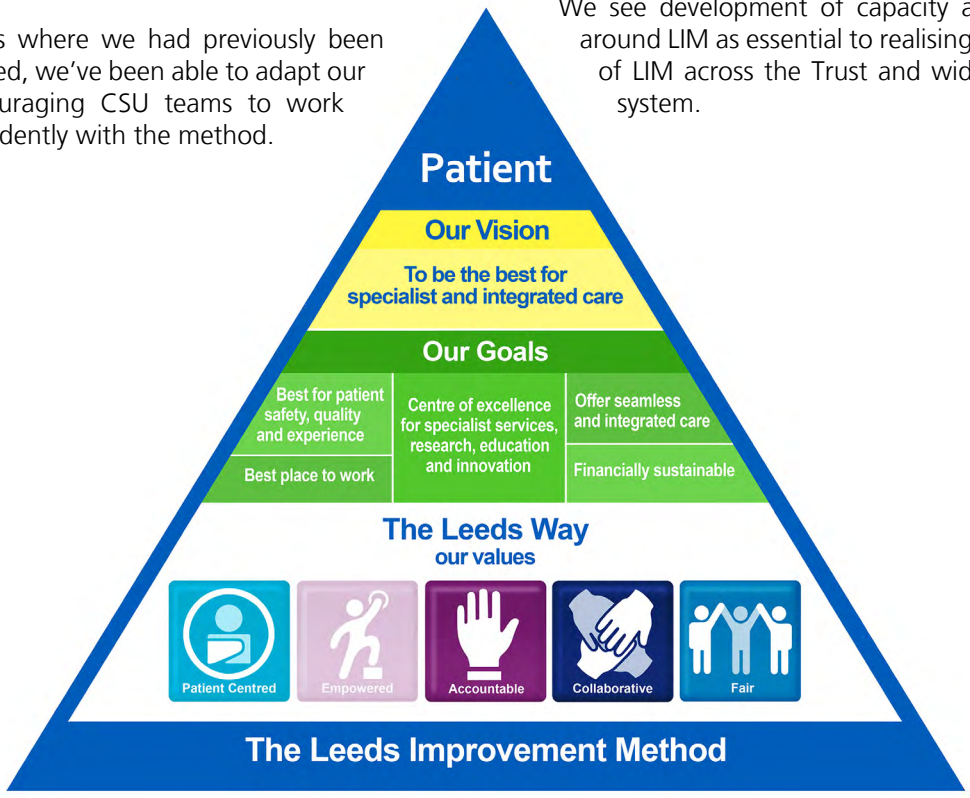
This approach has seen some very positive outcomes in areas such as Abdominal Medicine and Surgery and Medicines Management and Pharmacy.

"Our approach to COVID-19 has been a natural extension of our culture," says Julian Hartley, CEO at Leeds. "It's a culture that focuses on the patient and recognises that only those who do the work can improve the work."

Alongside the clinical activities, the Kaizen Promotion Team has continued to support colleagues within the organisation through the delivery of Lean for Leaders. With a new virtual set up adapted for remote learning, colleagues have been able to continue their improvement journey, developing their leadership and management skills and knowledge.

With the Virginia Mason Institute partnership coming to a formal close in March 2021, we are in a strong position to take forward our learning from the last six years. Our strategy is built on the principles of world class management which ensures the clear connection of our improvement work, designed and delivered at a local level, to our organisational priorities. This approach is being supported by a redesign of our education and training offer, coproducing content with colleagues to ensure the concepts of LIM are accessible to all in a format that enables them to create, test, measure and implement their improvement ideas.

We see development of capacity and capability around LIM as essential to realising the potential of LIM across the Trust and wider healthcare system.



Building The Leeds Way

It has been a year of excellent progress for Building the Leeds Way, the Trust's overarching programme of development and investment across our hospital sites - despite all the challenges that the COVID pandemic presented us with.

This exciting Government-funded project involves the building of two new hospitals on the Leeds General Infirmary (LGI) site - a hospital for adults and a new home for Leeds Children's Hospital - known as Hospitals of the Future. We were one of six hospital trusts to be given a share of £2.7 billion funding as part of the Government's Health Infrastructure Plan - 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.

The programme also includes a new state-of-the-art pathology laboratory at St James's serving hospitals in Leeds, West Yorkshire and Harrogate.

Releasing the potential from the surplus LGI estate will also support the regeneration of the centre of Leeds through an Innovation District with the Trust in partnership with the two Leeds Universities, Leeds City Council and business to drive forward investment in sectors including precision medicine, digital health, data and new business. It is predicted that this LGI Development Site project could deliver direct and wider economic benefits of up to £11.2bn in net present value terms - and more than 3,000 jobs.

Early last year we held a formal public consultation about the centralisation of maternity and neonatal services in the new hospitals to be constructed on the LGI site.

Following this consultation - led by NHS Leeds Clinical Commissioning Group and NHSE/I - approval was given to bring together those services to deliver benefits to patients and staff. The new midwifery-led unit (in the adults' hospital) will offer women more birth choices and safer, efficient care.

In the Spring we began our engagement with staff, patients and stakeholders to hear their feedback on our proposals for the new hospitals so that it could be considered in the development process.

We also sought the views of children and young people in a Daring Designers creative competition to share their ideas for the design of the new Leeds Children's Hospital. A further milestone was realised with the approval of the Outline Business Case by the DHSC Investment Committee.

During the summer Outline Planning Consent was granted by Leeds City Council for the new pathology laboratory at St James's Hospital which meant we could prepare for demolition of the old buildings on site.

In the Autumn we held an event for designers, architects and contractors to hear about our Hospitals of the Future plans as a prelude to us issuing tender notices for design teams.

Demolition of the first buildings on the LGI site - the former nurses' home - began in early December and signalled the first visible start of the project. It was attended by a retired nurse who lived in the nurses' home while she did her training in the 1960s, and a young patient.

Prior to demolition we captured the memories of those former nurses who lived in the nurses' home in the 1950s, 60s and 70s with a series of articles and films which were featured in the media.

Demolition work is ongoing and will be concluded later this year. Design and build contractors were scheduled to be appointed in the Spring with further engagement on design happening throughout this year. Construction is expected to begin in late 2022 and the new hospitals completed in 2025.

On the new pathology laboratory site the demolition of old buildings and ground preparations was completed in the late Spring and, following engagement on design, construction is expected to begin in late 2021.

Our year in review

This year has been a challenging year for everyone, both at work and at home. Our teams have all had to work differently to care for our patients, each other and our communities.

We'd like to share some of the ways that they have worked collaboratively to provide the best possible care for all our patients and colleagues.

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.

‘Flying squad’

The respiratory medicine team developed a ‘flying squad’ giving support to teams caring for patients with COVID-19 across the Trust. They reconfigured their outpatient services providing virtual and telephone review to minimise the need for high risk patients with lung conditions to attend hospital.

TAVI service increases activity

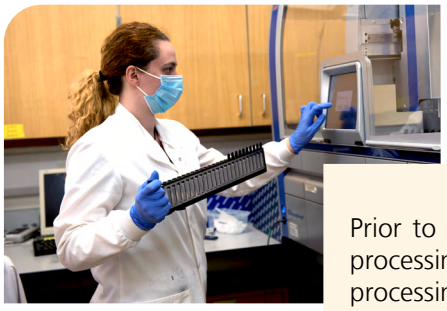
We are the largest TAVI service outside London which increased activity over the previous year, despite COVID-19 where many other centres suspended TAVI activity.

This involved cardiologists and cardiac surgeons working together to redesign pathways, and the entire cardiology admin and clinical reams working creatively and supportively to maintain patient care.

Through team working we were able to increase the number of TAVI procedures performed in Leeds by 20% and actually reduce the size of the TAVI waiting list.

Straight to Surgery

Skin lesion images (some taken on patients’ own advanced mobile phone cameras) sent by GPs and triaged, resulting in patients receiving surgery within a few days. This service was based on the successful teledermatology triage pathway.



Huge increase in testing capacity

Prior to the first wave of COVID-19 in early 2020, our labs were processing 20-30 tests daily. By the end of February 2021, they were processing 2100 tests per day. As the numbers of tests increased, the ways in which they could be processed did too. Colleagues came together from all over the labs to support, setting up completely new ways of working, and testing and implementing new platforms.

Move to digital

Over 16,000 consultations were completed remotely using the Attend Anywhere platform, which equates to over 6000 consultation hours between 1000 clinical users.

This helps to make appointments more accessible for patients, giving greater flexibility for patients and staff which improves the resilience of our services and releases capacity for those with the most urgent needs to come into hospital.

National award for Play Specialists

National charity Starlight Children's Foundation named our Leeds Children's Hospital play team as first ever Starlight Health Play Specialist Team of the Year!

Play team leader Lisa Beaumont was also nominated as Play specialist of the year.

Outstanding Critical Care

Between April 2020 and March 2021 our Critical Care team were able to support the treatment and care of:

- 609 cancer patients,
- 436 cardiac patients and
- 52 liver transplants.

#OutstandingCriticalCare

Record investment

Our highest ever capital investment of £96.5m

- 3x MRI replacements
- Refurbishment of Ward 6 CAH
- Refurbishment of maternity theatres
- Dental Unit, CAH

Oxygen replacement

Our Estates and Facilities team upgraded the oxygen infrastructure across the hospital's main buildings so that clinicians could treat more COVID patients with oxygen therapy.

It was a huge job which involved increasing the size of the oxygen pipes from the source down to the wards in a really short space of time. In just one day they upgraded the oxygen supply to 12 wards, so straight away the clinical teams had access to a much greater supply and could provide better care for patients.

Children's surgery

Our amazing teams carried out 22 childrens liver transplants which is "the most ever" in a year.

Our children's cardiac surgery was also able to continue as normal, with over 500 cases completed.

#LeedsDigitalWay
CONNECTS • TRANSFORMS • IMPROVES

Working from home

DIT (Digital and Informatics) worked to improve our systems to allow staff to work remotely where possible, to reduce contact in the hospital.

Leading the way in COVID-19 research

- The first healthcare organisation in the world to recruit patients into the Novartis Ruxcovid study
- The first healthcare organisation in the UK to recruit to the Novartis Cancovid study
- Being a top UK recruiter into SIREN - a Public Health England led surveillance study. This study investigated whether healthcare workers who have evidence of prior COVID-19, detected by antibody assays (positive antibody tests), compared to those who do not have evidence of infection (negative antibody tests) are protected from future episodes of infection
- Our biggest achievement was in vaccine research, where we were the top recruiter in the UK to the trial of the Novavax vaccine. In just four weeks the team met over 1000 people who volunteered to be trial participants.

Staff support service

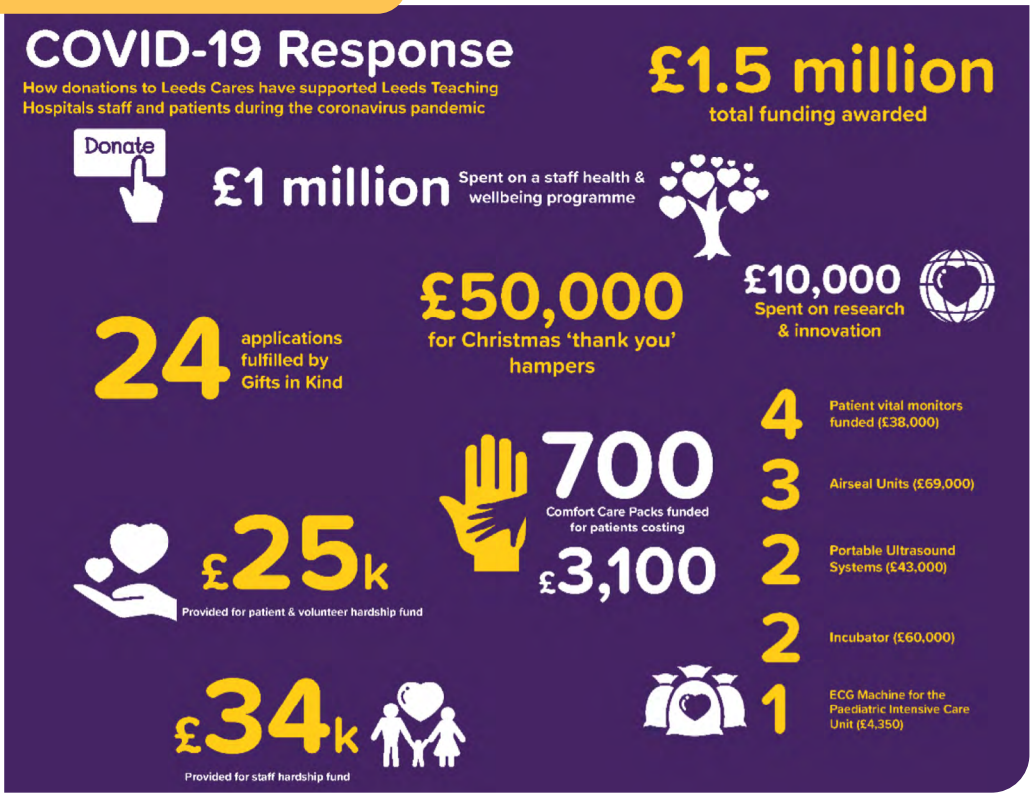
Leeds Hospitals Charity, our partner charity, provided around £1 million in grant funding for an extensive staff health and wellbeing programme which included the continuation of clinical psychological support for those staff working directly with COVID-19 patients. The first wave of the virus brought with it a variety of mental health concerns, with many staff worried about their own health, the risks to their families or the challenges that came with being redeployed to support on respiratory wards.

The additional funding also paid for a dedicated health and wellbeing project manager, mental health first aid training and a specialist staff chaplain.

A fourth year of surplus

We achieved a revenue surplus, after technical adjustments, of £8.1m. This is the fourth consecutive year we have been in surplus which means we can invest more in improving our environment for patients and staff, upgrade equipment and improve our digital infrastructure.

Leeds Hospitals Charity



COVID-19 response

Our response to COVID-19 has been a truly collaborative effort, between everyone in our organisation, our region and beyond.

The compassion and courage of all of our colleagues has been extraordinary and we could never thank them enough for every 'extra mile' they have put in this year.

There is no doubt that this has been a very tricky time and, particularly at the beginning, there were a lot of changes to guidance as we learnt more and more about this virus. Our staff managed these exceptionally well and were engaged in Trust communications which shared messages with the organisation as soon as they were made available.

The circumstances meant that we, along with the rest of the NHS, had to postpone large amounts of hospital treatment and change services across the Trust. Hundreds of our staff undertook rapid training to care for COVID-19 patients.

In the early days when we knew little about COVID-19, many frontline staff felt fearful for themselves and their families. Despite this, they rose to the challenge across every ward and department in our hospitals.

Many of our staff volunteered to be redeployed so that we could provide additional support for our patients and colleagues. This included some clinical staff being retrained to work in the very busy critical care and respiratory areas. Non-clinical staff supported with additional recruitment, bereavement, staff testing and PPE fit testing. We also welcomed support from staff in NHS partner organisations, the independent sector, public bodies and private sector, and brought forward medical and nursing students.

Our research teams led the way from the very beginning, turning over their entire capacity to COVID-19. Our COVID-19 research delivery team worked seven days a week to offer our patients the opportunity to take part in clinical trials of potential new treatments for COVID-19 and we were also a key part of the vaccination trials.

We used the learning from our first wave in Spring 2020 to inform our 'surge plans' as we entered wave two later in the year. We used all of the data and intelligence available to us to ensure we could safely maintain patient care at all times.

We have never been more reliant on the strength of togetherness and it is our staff who have worked together and leant on each other to get through the challenges. As an organisation, we have maintained a strong focus on staff health and wellbeing and psychological support as looking after our staff properly means they can be in the best possible place to care for our patients.

Some of the key actions we took to ensure we were able to properly respond to the COVID-19 pandemic, support our NHS colleagues, and care for our staff and our patients are outlined below:

- Operationally we set up an incident response infrastructure to enable escalation of any issues and also a place where key decisions are made. This included:
  - Incident Command Centre
  - Regular silver command meetings
  - Bronze command across all CSUs
  - Workstreams tasked with leading specific areas of work
- A daily Operational Update from the Chief Medical Officer was sent to all Trust staff sharing updated guidance, key messaging, signposting for additional support and actions from the incident response teams. The regularity of this update changes based on the level of need across the organisation and has continued to receive very positive feedback.
- Our PPE (Personal Protective Equipment) protocol ensured all staff knew the appropriate level of PPE to wear according to the type of care they were providing and in which area they were working. Our supplies team excelled and were involved at national and regional level in the supply and distribution of PPE.
- Our specialist Infection Prevention and Control team established new protocols to protect staff and provide safe care to patients.
- Clinical Service Units (CSUs) continuously reviewed and prioritised elective and outpatient waiting lists. This included elective surgery and routine and planned diagnostics.
- We increased the use of non-face to face appointments for outpatients, including telephone calls and video tele-conferencing. This also included upgrading our remote access so that staff could work from home where possible and continue to support our patients.
- We wrote to all staff asking them to complete a checklist to identify risk gaps and ensure everyone with risk factors had a more detailed risk assessment in place. Staff who are Clinically Extremely Vulnerable and advised to shield have been supported to work at home.
- Leeds Hospitals Charity, our partner charity, funded a staff support service, we also issued a daily Pressing the Pause Button email which is a series of mindfulness 'workouts' designed to help staff take a moment away from work. There has been amazing examples of support networks between colleagues, all looking after each other.
- We implemented a robust staff testing programme. The team at the Leeds Dental Institute (LDI) were redeployed following the cancellation of dental procedures and supported a significant number of staff to be able to return to work sooner than they would have if they had to self-isolate for the recommended period. This, of course, had a huge impact on the services we can provide for patients.
- Our Pathology labs managed a huge increase in testing capacity, which enabled us to continue testing patients and extend testing to staff so they could return to work as soon as possible. Since the start of the pandemic they have processed over 200,000 COVID-19 tests.
- Our Estates and Facilities team repurposed wards, installed additional safety measures and completely redesigned the way we clean our hospitals.
- Streamlined discharge processes thanks to excellent partnership working with Leeds City Council and Leeds Community Healthcare.
- We were part of the national mutual aid offer and worked with other NHS organisations to support the care of at least 12 patients from across the country.

Reset and stabilisation

We still have a long way to go and although we may have become tired of COVID-19, it certainly hasn't become tired of us. It is more important than ever that we continue to maintain the enhanced social distancing and infection prevention practices that will keep our loved ones and those that are most vulnerable in our society safe.

However, while we all want to bring our service delivery back up to 'pre-COVID', we recognise the challenges that our staff have faced over the last year. It is important that we take this into consideration and ensure that their wellbeing is at the heart of our future service planning.

We call the next stage of our response 'reset and stabilisation'. This work will be delivered in programme areas, each with a designated project group to focus on how we can move our organisation forward. The programme areas are:

- Unplanned care
- Planned care and cancer
- Outpatients
- Diagnostics
- Maternity, children and young people
- Pharmacy LCP integration
- COVID response and learning

NHS Nightingale Hospital Yorkshire and the Humber

The NHS Nightingale Hospital Yorkshire and the Humber was officially opened by Captain Sir Tom Moore on 21 April 2020 via a live video link.

Built in just three weeks by a collaboration of more than 27 organisations, the Nightingale Hospital was built to provide additional critical care facilities for the Yorkshire and Humber region, should they be needed, to provide care to patients with COVID-19 during the pandemic.

The temporary hospital was housed in the Harrogate Convention Centre and could have provided up to an additional 496 beds for patients requiring intensive care with the capability to pipe medical oxygen to every bedside. Specialist equipment including a CT scanner was in place to ensure that if needed, the facility could be "stood up" within five days.

Thankfully the Nightingale Hospital was never needed for this purpose but an opportunity was identified to utilise the facilities to support hospitals in reducing waiting times for diagnostic and surveillance CT scans. The Leeds Teaching Hospitals NHS Trust and Harrogate and District NHS Foundation Trust launched an outpatient CT scanning service on 4 June and by 31 March had provided 4000 scans to aid in the diagnosis of conditions including dementia and cancer, and to monitor prostate cancer and other conditions.

In early March 2021, NHS England announced that the Nightingale Hospitals would close on 31 March and said the Nightingale hospitals had been "on hand as the ultimate insurance policy in case existing hospital capacity was overwhelmed".

Vaccination programme

The COVID-19 vaccination programme began in December 2020 with the Vaccination Centre at Thackray Medical Museum becoming one of the first in the world to administer the life-saving jab.

The centre was one of an initial 50 hospital hubs in England and was set up in just three weeks, thanks to the efforts of staff. Led by Leeds Teaching Hospitals Trust, the vaccination rollout in Leeds has been a fantastic example of collaboration at its best, with teams from four NHS Trusts, three independent sector healthcare providers, the City Council, security contractors, the military and an army of volunteers working together to deliver vaccinations for people in Leeds.

As well as the hub at Thackray, a large scale vaccination centre was opened at Elland Road in February, thanks again to efforts of teams across the Trust, including pharmacy, IT and Estates & Facilities. Services have also been provided by GPs across the city and at local pharmacy centres.

Phase 1 of the rollout concentrated on those in the nine groups identified by the Joint Committee for Vaccinations & Immunisations as being at greatest risk from COVID-19. All people in these groups were offered a vaccination by mid April, and the rollout then opened up to people under 50.

Overall, take-up in Leeds has been very good although there have been pockets where it has been lower. Partners have worked to bring services into local communities to encourage uptake, including a number of pop-up clinics and the roving vaccine bus, which have proved very successful.

SECTION ONE

OPERATING AND FINANCIAL REVIEW

Section 1 - Operating and financial review

In 2020/2021, the Trust provided over 1,220,000 treatments and episodes of care. This includes 86,213 day cases, 23,046 inpatients, 175,653 attendances to our Emergency Departments and 935,232 outpatient appointments.

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 Our performance

2020/2021 commenced in a challenging position following the declaration of a Level 4 National Incident across the NHS (from 30 January 2020) which remained a challenge for the whole year as the Trust saw fluctuations in COVID-19 admissions during this time.

April 2020 started with all routine activity across outpatients, elective and diagnostics being suspended in line with national guidance issued on 17 March 2020. This guidance outlined interventions that the NHS must enact in order to respond to COVID-19, including:

- 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 routine burdens to facilitate the above.

Whilst routine activity was suspended from week commencing 23 March 2020, acute, clinically urgent and some cancer activity continued to be undertaken. All new routine GP referrals were also suspended into the Trust from 23 March 2020 to 22 June 2020.

The Trust began to reinstate elective activity from the end of May 2020 and this continued to increase gradually throughout June to September 2020. The focus was on treating clinically urgent and cancer patients in line with national guidance - issued by NHS England and Improvement (NHSE/I) on 11 April 2020 - outlining a clinical guide to surgical prioritisation during the coronavirus pandemic which categorised patients by priority for treatment. From October 2020 activity levels reduced as a result of increasing COVID-19 admissions into the Trust (wave two of the pandemic). Some outpatient and diagnostic testing activity was also reinstated from June 2020, however all capacity and levels of delivery were significantly reduced as the Trust continued to manage the surges in COVID-19 admissions with staff repurposed to support inpatient and critical care areas.

2019/2020 had established a revised approach to Service Delivery within the Trust, with new methods of reporting and accountability established and embedded with the introduction of Service Delivery Contracts. The purpose of Service Delivery Contracts was to introduce incremental levels of improvement across the financial year to improve overall performance against constitutional standards. As a result of the operational response to COVID-19, Service Delivery Contracts were suspended throughout 2020/2021. Oversight and assurance remained in place and reporting continued to Finance and Performance Committee and to Trust Board. Some national reporting was suspended (in line with national guidance) from 28 March to 1 July 2020 in order to free capacity in NHS providers.

The overall impact of the pandemic has resulted in significant reductions in the Trust's performance against constitutional standards, with significant reductions in levels of delivery throughout the year. Whilst there were initial rapid reductions in performance across our standards, we have seen an improvement across some of the standards.

Reductions in performance were as expected in light of the actions and interventions taken to comply with national guidance and to manage the Trust's operational response to COVID-19.

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. 2020/2021 delivered an aggregate performance of 66.2% with 15 reporting specialties not meeting the incomplete standard.

As routine outpatient and elective activity was suspended from 23 March 2020, the over 18-week wait position increased and RTT performance significantly reduced from April 2020, reducing to a low point of 47.1% in July 2020. As some activity was phased back online, RTT performance showed a marked improvement from August 2020 onwards to 71.6% in March 2021.

In response to the pandemic, outpatient activity (where clinically appropriate and safe to do so), was converted to remote appointments, with approximately 55% of outpatient activity being delivered remotely by March 2021.

The Total Waiting List size reduced month on month between April to July 2021, this was as expected as new routine GP referrals were suspended and therefore routine referrals were not added to the waiting list during this time. Whilst some clinically urgent and some cancer patients continued to be treated, the total waiting list reached a low point on 45,468 in June 2020. From July onwards, as new routine GP referrals were reinstated, the total waiting list began to grow again, reaching a total of 60,282 at the end of March 2021. This growth was as expected in line with patients again being added to the waiting list and the volumes of patient being removed from the waiting list being reduced as activity levels were reduced due to the operational response to COVID-19.

Throughout 2020/2021 the Trust saw significant increases in the over 52-week wait breach position. This was as expected and as a direct impact of suspending all routine elective activity during wave one of the pandemic. As some elective activity was reinstated, the focus was on treating patients who are the most clinically urgent and therefore the volume of patients tipping into 52-weeks has taken place at a greater rate than we have been able to treat, resulting in a month on month growth in over 52-week wait patients. The Trust delivered a year end position of 4,711 over 52 week breaches.

Emergency Care Standard (ECS)

The Emergency Care Standard national target of 95% of patients to be seen treated, admitted or discharged within four hours of presenting in our Emergency Departments (EDs) was not achieved. The Trust delivered an aggregate position of 83.4% in 2020/21.

The Trust's operational response to the pandemic required the EDs to reconfigure their footprint and processes in line with NHSE/I national guidance. These changes required patients to be cohorted within the EDs into Red and Amber areas to adapt to COVID-19 attendances which reduced their efficiency.

In May 2020, the Trust achieved the 95% standard for the first time in over five years delivering 96.4%. Improved bed occupancy and timeliness of bed back contributed to this improvement in admitted performance, as well as the department seeing significantly less attendances (6,839 less) in May 2020, when compared to May 2019.

In addition, throughout 2020/2021 the Trust cared for zero patients in non-designated areas and had zero patient breaches against the 12-hour ECS.

Last minute cancelled operations

The Trust did not meet the national requirement for all last minute cancelled operations to be rebooked within 28 days. There has been an improvement across all four quarters of 2020/2021 in comparison to 2019/2020 for this standard. This improvement is as a result of reduced levels of activity being undertaken across the year in response to COVID-19, which has resulted in fewer last minute cancelled operations and fewer breaches of the 28 day standard.

Diagnostics

As a result of all routine diagnostic tests being suspended from 23 March 2020 to 22 June 2020, the Trust did not achieve the national requirement to undertake 99% of diagnostic tests within six weeks throughout the year.

Increased activity commenced from June 2020 onwards however, due to social distancing measures and the introduction of robust cleaning regimes, services have been unable to increase back to normal baseline levels of activity. Diagnostic performance reduced significantly to 50% in April 2020 and has made a consistent improvement throughout the remainder of the year, delivering 79.9% in March 2021 and at aggregate level overall performance 72.1% for the year.

Cancer

The national requirement to treat a minimum of 85% of patients referred on a two-week wait 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.

In response to the pandemic there was a subsequent reduction in surgery, both to support operational challenges and create additional critical care spaces by re-purposing theatre space. As services reduced, patients with cancer and clinically urgent conditions were prioritised for treatment. However, due to the reduced overall capacity, the number of patients waiting over 62 days increased throughout March to May 2020 to a peak of 553, with performance at 64.4%. This reduced from June 2020 onwards as capacity to treat cancer patients began to increase with the backlog currently at 175 in February 2021, and performance at 57.7% (as backlog clearance is underway, this reduces the % performance).

The Trust did not achieve the national requirements to see a minimum of 93% of patients within 14 days for urgent GP referrals for suspected cancer delivering an aggregate position of 72.5%. Activity levels for two-week wait have been impacted by the introduction of social distancing measures, robust IPC cleaning regimes and increased downtime required following Aerosol Generating Procedures (which has significantly affected performance in Endoscopy). As a result of these measures capacity reduced significantly, whilst referral numbers recovered to around pre COVID-19 levels by August 2020. Though referral rates reduced slightly during the national lock down at the start of 2021, this has rapidly reversed with March 2021 seeing the highest ever number of two-week wait referrals.

The Trust did not meet at aggregate level the 31-day first treatment, achieving 94.5% against a target of 96%. For subsequent surgery the Trust delivered 86.5% against a target of 94%. This is as a result of the reduction in surgical activity to manage the surge in COVID-19 admissions as previously described.

The Trust delivered against both 31 day subsequent drugs, achieving 99.7% against the 98% standard and 31 day radiotherapy treatments achieving 98.3% against a standard of 94%.

1.2 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, not least in our response to the coronavirus (COVID-19) pandemic. We are extremely proud of our staff and the compassion and courage they have shown in such an unprecedented and challenging time, not only caring for our patients but taking the time to care for each other and keeping our communities safe.

Our quality improvement programme has been key to overcoming patient safety challenges throughout 2020/2021 and in managing the impact of the coronavirus pandemic. The Leeds Improvement Method (LIM) has been an essential factor in our development and implementation of the NHS Nightingale Hospital and the vaccination programme. (You can read more about LIM on page 8)

Although there has been a key focus in the treatment of patients with COVID-19, we have continued to deliver care and treatment to all our patients, embracing changes to clinical practice, virtual consultations and changing our clinical environment to ensure social distancing and safety. Additional achievements throughout the year have included the continuation of timely discharge for our patients, with the number of patients being discharged before 4pm increasing. Infection prevention and control has been a challenge over the last 12 months, however we have seen some key achievements within in this area, by embracing the learning culture within the Trust.

We have continued to work with our external stakeholders and regulators to ensure that we provide outstanding care to all our patients. We will continue to embed the Leeds Way Values and the Leeds Improvement Method, creating a positive culture where staff feel engaged in the work that they do.

We have worked with our clinicians, managers and local partners at NHS Leeds Clinical Commissioning Group and Healthwatch Leeds to continue to build on our improvements and identify our priorities for 2021/22.

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 2021/22 will be summarised in our Quality Account, which will published later this year.

1.3 Finance review

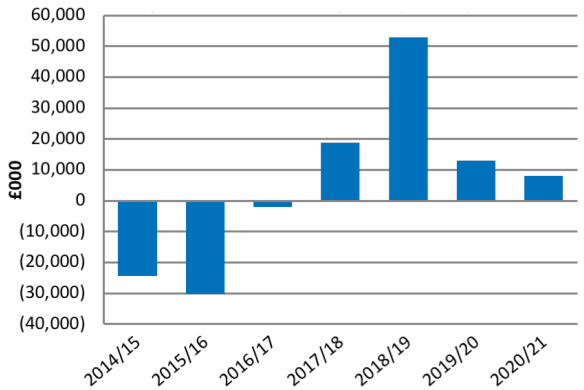
The financial year ending on 31st March 2021 has been one of the most challenging on record not only clinically and operationally but also financially. The financial year saw major changes to the NHS Financial Regime in response to the pandemic alongside the increased role of the Integrated Care System (ICS). The Trust's Finance Directorate; encompassing Finance, Procurement and Planning have been integral to the Trust's response to the COVID-19 pandemic. This included ensuring that at all times the Trust had the personal protective equipment in the areas that needed it; reconfiguring wards and other hospital areas and contributing significantly to the effective delivery of the Nightingale Yorkshire and Humber Hospital and the West Yorkshire Vaccination programme, both of which the Trust hosted.

Overall 2020/2021 was another year of financial success and achievement for the Trust.

Highlights of 2020/2021 from a financial point of view are:

- A revenue surplus, after technical adjustments, of £8.1m. The fourth consecutive year of surplus (see table 1);
- A record level of capital investment of £96.5m;
- Delivery of a Waste Reduction Programme of £23.5m, significantly overachieving against national expectations;
- Building the Leeds Way commenced with significant demolition and enabling work
- Record cash balance of £105m;
- Record achievement against the Better Payments Practice Code for paying suppliers promptly of 90%;
- Procurement achieved level 2 accreditation during the year and are a pilot site for level 3; and
- Finance maintained 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

One of the Trust's strategic goals is financial sustainability, with the aim of becoming the most efficient teaching hospital in England. Achieving a sustainable revenue surplus is a clear measure of success against this goal in addition to meeting the statutory duty to achieve breakeven.

A sustainable 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 Trust has delivered an adjusted financial performance surplus of £8.1m, which includes a gain on the disposal of some property of £0.6m, and excludes technical adjustments of £34.7m.

During the year, in response to the pandemic a new national Finance regime was introduced. This ensured that Trusts received adequate funding to cover the pressures they experienced due to the pandemic.

As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes.

Table 2 (overleaf) illustrates the income received over the year from different sectors.

Included in the above is income from NHS England of £89.9m relating to the reimbursement of costs incurred by the Trust in responding to the COVID-19 pandemic.

Included in "Other Operating" income above is £2m 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.

The Leeds Hospitals Charity (formerly Leeds Cares) is the official charity partner of the Trust. It has continued to raise funds on our behalf and worked closely with our staff to raise the profile of our services. During the COVID-19 emergency the Charity has managed the receipt and distribution of the very many donations of goods and funds from the public.

Table 2

	2016/17 Actual £000	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000
NHS England	476,132	498,293	515,025	589,857	619,924
Clinical Commissioning Groups	486,784	522,806	543,232	588,855	652,340
Non-NHS: Private Patients	5,593	5,857	4,907	5,535	3,706
Other income from patient care activities	7,039	7,266	20,448	8,739	6,234
Other operating income	197,379	204,045	252,235	221,754	314,591
Total operating income	**1,172,927**	**1,238,267**	**1,335,847**	**1,414,740**	**1,596,795**

Table 3 below gives a summarised breakdown of expenditure during 2020/2021

Table 3

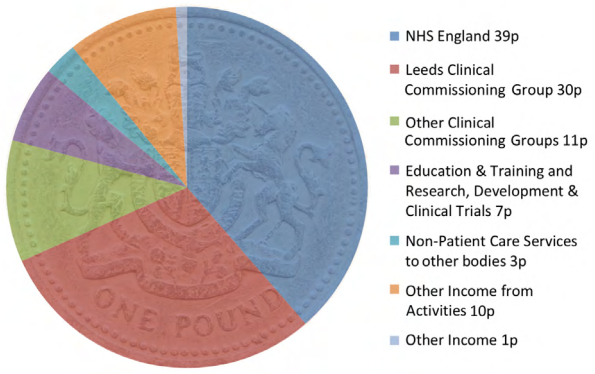
	2016/17 Actual £000	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000
Employment related costs	679,552	702,958	745,032	830,372	924,569
Drug costs	173,284	178,445	188,170	200,947	237,243
Clinical supplies and services	152,001	155,889	153,668	156,404	164,594*
Premises	38,975	42,348	54,594	68,597	78,021
Other operating expenses	156,450	172,962	117,297	113,883	363,776
Total operating expenses	**1,200,262**	**1,252,602**	**1,258,761**	**1,370,203**	**1,603,609**

* includes £11m for the notional cost of donated supplies for Covid from DHSC

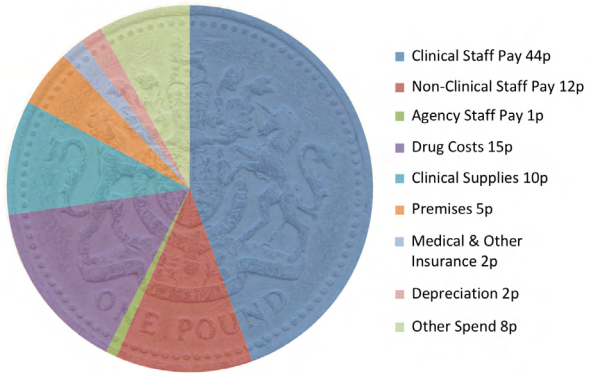
- The expenditure position includes £89.9m of costs incurred during the year which are directly attributable to COVID-19. Of that amount £24.8m was spent on the establishment and maintaining of the NHS Nightingale, Yorkshire and the Humber, hospital in Harrogate. The additional expenditure for NHS Nightingale is offset by income made available through NHS England.
- Employment costs have increased during the year. Operational staffing costs to deal with the COVID-19 pandemic account for £32.3m of this increase. With the cost of national pay awards reflected at £24m.
- There has been an increase of 762 WTE (£32.5m) in the number of permanent staff employed by the Trust. Of these, 114 are nurses or midwives.
- To achieve its surplus the Trust delivered a waste reduction programme of £23.5m, of which £17.5m came from programmes across our Clinical Services Units. These programmes were, and continue to be, built on the principles of our Leeds Improvement Method. The Leeds Improvement Method seeks to identify and remove wasteful practices, procedures or delays which impede great patient experience. Financial savings being 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 Leeds Improvement Method.

The following two charts 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



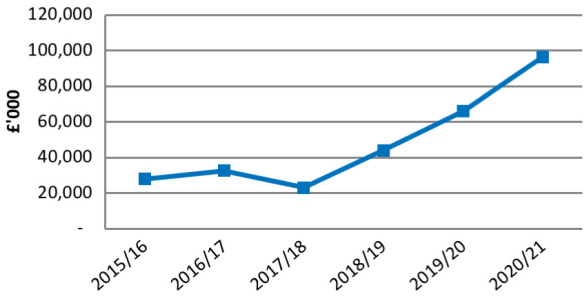
Capital Investment

In 2020/2021, capital investment, underpinned by our surplus the previous year, increased to £96.5m. This level of expenditure on our estate, medical equipment and IT is a record for the Trust. Table 4 and graph opposite shows how, with an improving revenue position, we have been able to build our level of capital expenditure in the last five years.

Table 4

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Building and Engineering	14,506	17,776	10,633	28,440	29,061	39,587
Medical and Surgical Equipment	7,308	8,698	7,286	8,963	22,978	16,434
Information Technology	6,261	6,212	5,210	6,746	14,110	20,048
Building the Leeds Way						14,092
COVID						6,396
Total	**28,075**	**32,686**	**23,129**	**44,149**	**66,149**	**96,557**

Capital spend



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

	£000
Building the Leeds Way	14,092
Pathology LIMS system	10,129
Energy Centre Refurbishment, SJUH	10,059
3x MRI replacements	3,860
Refurbishment of Ward 6 CAH	2,953
Refurbishment of maternity theatres	2,497
Electronic healthcare record system	2,262
Dental Unit, CAH	1,914

Looking to the Future

It is clear that NHS finance will continue to be shaped and influenced by the COVID-19 pandemic for a number of years. However, the detail of how the finance regime will operate is as yet unknown. What is clear is that there will be a continued move towards commissioning at ICS level alongside a move toward ICS level control totals both for revenue and capital. What is also apparent is the impact on the growth in waiting lists because of COVID-19 and the significant cost associated with recovery. The Trust's financial plan for 2021/2022, which itself is part of a five-year plan, will inevitably be affected by this change.

Capital investment for 2020/2021 is planned at £122m. 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, to provide a new state-of-the-art adults hospital and a new home for Leeds Children's Hospital is still on track despite the pressures that the COVID pandemic presented us with.

Demolition work began last year and is due to continue throughout 2021. These works will prepare the Leeds General Infirmary site for construction to begin in 2022 - with the new hospital buildings completed in 2025.

A new pathology laboratory servicing the Trust and hospitals in West Yorkshire and Harrogate is also progressing with building work on the project due to start later this year.

The outlook for finance as described above is uncertain. However, the Trust's history of financial delivery, its history of identifying Waste Reduction, its status as "outstanding" for use of resources and strong partnership working put it in the best possible place to meet these challenges.

1.4 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.

1.5 Future direction

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 over £600m of investment to build our two new hospitals at the LGI and pathology laboratory at St James's University Hospital.

The coronavirus pandemic has impacted every part of our organisation. In the years ahead, we will continue to learn how to live with the virus and recover from its devastating impact. Our context is different, but our vision is the same; to be the best for specialist and integrated care.

The Leeds Way continues to be central to who we are. Being patient-centred, fair, collaborative, accountable and empowered runs through everything we do. In our journey out of the pandemic we remain determined to see Leeds Teaching Hospitals be 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.

Leeds Teaching Hospitals NHS Trust is an exciting place to be and we are ambitious and excited to see what's ahead for the next five years.

The best for patient safety, quality and experience

We will continue our systematic approach to quality improvement and management. To do this we are expanding and embedding the Leeds Improvement Method, empowering our staff to improve care processes in partnership with patients. Our Quality Review Framework supports Clinical Service Units to assess, identify and outline improvements. We will apply a systematic approach to the measurement of safety, patient experience, continuous learning, leadership and governance, ensuring accountability for improvement against key outcomes.

Having sufficient highly trained staff is crucial for providing high quality care. We will therefore continue to invest in and develop our workforce. A key focus for this is expanding our nursing and midwifery workforce. We will offer comprehensive development for staff, supporting them to deliver outstanding care. Involving patients and the public is key to understanding the value of services and how we can improve. We listen to and empower our patients and the public. We will develop quality improvement partners; experts drawn from our patients and including members of the public who can support us to develop services in line with patient priorities.

The best place to work

We want LTHT to have the most engaged workforce in the NHS. There is clear evidence that an enthusiastic, motivated and empowered workforce is most likely to provide outstanding care for our patients.

We are using effective workforce planning to ensure the right skill mix and diversity of staff. This will address our strategic workforce risks including the introduction of new roles, identifying and managing national and local workforce hotspots through efficient deployment of staff supported by effective digital systems.

We set ambitious performance expectations to ensure all our staff have clarity on their job roles and have high quality objective setting and appraisal. We will develop a systematic approach to talent management and a people- centred approach to employment relations.

We will enable our people to work across the health and care system with our partners. The Health and Care Academy is at the core of our approach and we will design organisational development interventions to support system working across Leeds and West Yorkshire.

We will work in a way which is inclusive and free from discrimination valuing the contribution of every employee, volunteer, and student. We are increasing the diversity of our organisation, ensuring representation and equity of experience of colleagues at all levels. We are supporting the ongoing development of staff networks, creating opportunities for reciprocal mentoring and providing leadership development programmes.

It is vital that we support the mental and physical wellbeing of staff, including those with specific health needs. We will support staff and services to recover from the effects of the pandemic.

We will provide excellent education, training and development so that people are skilled to do their job and realise their full potential. This includes improving the student experience and maximising the use of apprenticeships.

Seamless integrated care

We want to play our part in ensuring people's experience of care in different parts of the health and care system is consistent and positive, where teams are coordinated, communication is clear, and care happens in the right place at the right time.

We are working with our partners to improve access to, and outcomes from, unplanned and urgent care across Leeds. We are supporting people to stay well in their own homes, and discharge people from hospital to the most appropriate setting at the best time.

We are increasing planned care capacity, working with our partners across the West Yorkshire Association of Acute Trusts to address significant waiting lists, share data and apply best practice. We are creating different patient pathways, further developing virtual wards and streamlined admission processes. We are also expanding theatre and high dependency unit capacity to address the increase in patient waiting lists caused by the COVID-19 pandemic.

We will design services to improve health and reduce inequality. Particularly in the wake of COVID-19, our services need to respond to health needs, take account of the differential burden of disease, seek opportunities to promote health and work with partners and local communities, including those at risk of exclusion.

The Leeds Improvement Method and engagement with staff have been central to our improvement journey. We will seek opportunities to use data and methods to improve quality across the health and care system, ensuring our clinical directors and their clinical colleagues in primary and community care are at the centre of improving pathways across the city.

Working with our partners we will engage all staff in creating a collaborative, person- centred culture across health and care organisations in Leeds.

We will improve our ability to address the mental and physical health needs of our patients. Mental health problems are highly prevalent in our society and our hospitals; up to 60% of older people already have, or will develop, mental health problems during inpatient care.

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.

We provide excellent education, training and development so that people are skilled to do their job and realise their full potential. We will promote a comprehensive development offering including building the skills and capability for improvement, increasing interprofessional educational programmes and opportunities for technology enhanced learning. We are continually improving our education and training facilities to ensure they can provide an outstanding experience for our learners.

Our aim is for every patient to be able to participate in, and benefit from, research. We will empower our research delivery teams to champion research, ensuring it is visible and impactful for both patients and staff.

We are contributing to health and economic growth through the invention, development and adoption of health innovations. Working collaboratively with city, academic and industry partners, we are developing our world class infrastructure to create opportunities for growth. This includes the regeneration of the Leeds General Infirmary as part of the Leeds Innovation District and the development of real world data partnerships.

We are continuing to invest for outstanding specialist services in a world class environment. The Building the Leeds Way programme will ensure we have enough specialist theatre and critical care capacity to fulfil our role as a leading specialist centre. We will support our centres of excellence in children's, neurosciences; cardiovascular; transplant and other specialist surgery; cancer, blood and genetics.

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; we work openly and transparently with our partners to collectively manage our resources to deliver the best patient care based on the health needs of our population. 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 care.

Looking ahead

Over the next five years we 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. For the first time in Leeds, health services for children and young people will be brought together in a building dedicated to their needs. This investment will deliver modern, sustainable healthcare in an environment that supports individual care, innovation, technology and research. This transformation will boost the local economy. It will create around 3,000 jobs and deliver up to £11.2 billion growth as part of an innovation district for Leeds. We will also create wider community benefits and social value as part of the construction process.

Our purpose is to improve the health of our patients through the provision of high quality care. We know not everyone has the same opportunity to live a healthy life, meaning that some communities are more likely to experience ill health, and live shorter lives. Many of the factors that contribute to health status and health inequalities relate to a person's wider life for example their education, employment status and income, housing and social connections. Differential access to healthcare can also lead to worse health outcomes and worsen health inequalities. The COVID-19 pandemic has exacerbated many of these pre-existing health inequalities.

Working with our partners our ambition is that Leeds will be a healthy and caring city for all ages, where those who are the poorest improve their health the fastest. This means we want to improve health outcomes and reduce the gap between disadvantaged communities and the rest of the city by at least 10%.

1.6 Managing risk

Our Board continually monitors the risks that could affect the delivery of our services. During the year we have faced a multitude of challenges to the delivery of our services as a consequence of the COVID-19 outbreak across the United Kingdom. The protection of our staff and patients has been a major concern during this pandemic, especially in regards to 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. At the time of writing this report we are working on the recovery phase; exploring innovative solutions to improve timely access to care for our patients and focusing on staff health and well-being in relation to our recovery plans.

The Trust has a well-embedded Risk Management Framework which supports robust and efficient risk management and has an important role in supporting the Trust to:

- Protect our patients from harm and poor outcomes
- Support staff to protect their health and well-being and ability to do their job
- Protect the Trust from unplanned financial outcomes
- Have greater resilience to operational risks; and
- Meet stakeholders and Regulators expectations

During 2020/2021 under the Board's sponsorship, a Task and Finish Group was established to continue to evolve our Risk Management framework and particularly the Trust's approach to setting and embedding an appropriate risk appetite. Risk appetite statements set the amount of risk the Trust is prepared to accept or tolerate for each area of risk. The group comprised members of the Executive team, Non-executive Directors, other risk specialist functions from across the Trust and an external consultant. We engaged with senior risk management professionals across organisations within Financial Services, the Civil Service and other NHS Trusts. The group developed a guidance document which was presented to and endorsed by the Trust Board in March 2021. The document provides a summary of our refreshed Risk Management Framework as well as details of our enhanced Risk Appetite statements that we plan to embed across the Trust's risk management decision making bodies during 2021/2022.

Risks are identified from various sources including pro-active risk assessments, strategic planning, performance data, adverse incident reporting and trends, clinical benchmarking and audit data, complaints, legal claims, patient and public feedback and internal and external assurance from stakeholders and regulators. The Trust's most serious risks are set out in our Corporate Risk Register, which is reviewed each month at the Risk Management Committee, chaired by the Chief Executive, and at the Trust Board. There are currently 25 risks described on the Corporate Risk Register which are regularly reviewed with Executive Directors and designated leads.

The risks are categorised under the headings of 'safety and quality'; 'financial risk' and 'performance and regulation'. Throughout 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. The Trust continues to assess the lessons learned to identify improvements that can be mainstreamed, for example during the pandemic we saw real improvements in collaborative working across the health and social care sector and faster decision making. We want to ensure that the changes made to the way we work that led to improvements in patient and staff experience are embedded. Other significant risks that have been reviewed and will continue to be key risk areas for the year ahead include:

- Recommencing normal activity levels and capacity in the COVID recovery period due to the requirements to follow guidance relating to social distancing; pre-admission isolation and COVID-19 testing. As with all organisations across the country there will be significant challenges in meeting the NHS Constitution waiting time standards.
- Staff health, safety and wellbeing; Staff have worked incredibly hard and under significant pressure during the pandemic resulting in physical and mental exhaustion. As the Trust now turns its focus on reinstating all of its clinical activities to pre-COVID levels, health and well-being initiatives will be reviewed and refined to ensure that support mechanisms remain effective and robust.
- Staffing; there are national shortage of registered nurses; medical staff and clinical support workers (CSWs) which has been exacerbated by the pandemic and changes to the Internal Medicine Training. The Trust has undertaken gap analyses; developed workforce plans to mitigate risks identified and expanded international recruitment which will continue into 2021/2022.
- Building the Leeds Way; if the Hospitals of the Future Project is not delivered the Trust will have insufficient capacity to meet service demand. A robust programme and project delivery governance and controls framework

has been established to support the delivery and implementation of the project. Regular reviews of the programme's resource requirements and skill mix have been implemented to ensure these align with the needs of the delivery programme. Specialist workstreams have been created to drive work on digital and innovation, workforce and clinical planning and these will be kept under constant review.

In the coming year we will refresh the corporate risk register in response to the publication of the enhanced Risk Appetite statements.

We will continue to focus on the most significant risks reported by Clinical Service Units and Corporate Functions at the Risk Management Committee, reviewing corporate risks in line with the annual programme. We will review the approach to reviewing risks at Trust Board, focussing on the most significant risks documented on the Corporate Risk Register, including having focussed discussions about controls and mitigating actions for specific risks. We will review the Trust's Board Assurance Framework which sets out the key strategic risks to achieving the Trust's objectives, focussing on workforce, finance and partnership working, linking this to the refreshed Risk Management Framework.

1.7 Sustainability report

Leeds Teaching Hospitals NHS Trust has set the ambition to become one of the greenest Trusts in the UK. As part of this ambition the Trust has implemented a range of sustainability initiatives over the last year.

Green Plan

The Green Plan was developed in April 2020 and approved by the board in October 2020. The Green Plan is the central sustainability strategy which sets out the Trusts goals and objectives. The plan also establishes a comprehensive action plan designed to deliver the strategic objectives. The Green Plan replaces the Trust's previous sustainability strategy, the Sustainable Development Management Plan (SDMP).

The Green Plan has 3 main aims:

- to reduce the Trust's carbon emissions;
- to reduce the Trust's air pollution emissions;
- to reduce the Trust's plastic waste generation

The adoption of the Green Plan provides the strategic direction and tactical interventions that the Trust will take over the next two years to address sustainability.

Carbon Literacy

The Trust is rolling out Carbon Literacy training to our staff. Carbon Literacy is an externally accredited training programme designed to educate colleagues about climate change and carbon emissions. The training is designed to educate and empower colleagues to take meaningful actions that they can use in their work to reduce carbon emissions. Individuals who successfully complete the training will become "Carbon Literate". Should enough individuals successfully complete the training then the Trust will become a "Carbon Literate" organisation. The aim is to roll the training out on a department by department basis. The first two departments to participate in the training are the Estates and Facilities (E&F) and Theatres.

Upon completing the first training session with E&F, the Trust will become accredited to the "Bronze" standard for Carbon Literacy. The Trust is the first hospital anywhere to have become carbon literate.

Case Studies

BMJ Award Finalist

Work to reduce carbon emissions from anaesthetic gases has continued from last year. In 2019-20 work was undertaken to encourage anaesthetists

to stop using Desflurane, in favour or Sevoflurane. Sevoflurane has a much lower contribution to climate change than Desflurane. This project was very successful, resulting in the reduction of ~3,000 tCO_2e per annum in carbon dioxide equivalent (CO_2e) emissions, a 43% reduction in anaesthetic emissions. The project was nominated for the British Medical Journal (BMJ) Awards for Environmental Sustainability and Climate Action award. The project was shortlisted and made the final of the award process.

Public Sector Decarbonisation Scheme (PSDS)

The government made £1billion of funding available through the PSDS. This funding was allocated for public sector organisation to install and upgrade their heating and power infrastructure to reduce carbon emissions. LTHT's bid was successful and secured approximately £13million from the fund to upgrade our estate. This funding will enable LTHT to:

- install Solar Photovoltaics (PV) at Chapel Allerton and Wharfedale Hospital
- upgrade the Building Management System (BMS)
- install Air Source Heat Pumps (ASHPs)
- upgrade LED lighting
- install double glazing windows
- connect to local district heating scheme

Overall the combined impact of the project is forecast to reduce annual costs by ~£415,000. This will provide an annual reduction in CO_2e emissions of ~3,700 tonnes.

LED Installations ~£700k

The changes to LED lighting have reduced electricity consumption at the Trust by 421,750 kWh per annum. The improvements in lighting efficiency made at across the Trust will deliver an annual reduction of over 100 tonnes CO_2e and reduce annual costs by £60,000.

Paperlite

A trial has been undertaken for the Paperlite Scheme. The scheme involves replacing the use of paper records at the Trust and with a digitalised records repository to reduce the estimated 8.7 million pages of A4 paper printed by the Trust annually.

Existing paper records will be scanned and saved electronically using 'Scan4Safety'; the Trust will then record information on the electronic system to remove the requirement for paper in the first instance. As electronic system improves and more e-forms are developed, paper will be gradually phased out. This project will save paper, indirect CO_2e emissions and could enable the Trust to close onsite storage areas and rationalise estate.

It has been estimated that approximately 43.5 tonnes of paper could be saved annually by this scheme across the Trust. The scheme also resulted in a £2.3 million financial saving at the Trust.

Inhalers

The use of dry powdered inhalers (DPIs) can deliver the same medication as metered dose inhalers (MDIs) but produce 28 times less carbon emissions. LTHT has developed assessment and prescription guidelines for our healthcare professionals to assess whether a patient is better suited to an MDI or DPI. The assessment guideline specifies prescription of a DPI is the default option, ahead of an MDI, assuming that it is better suited to the patient.

The use of the prescription guidelines determined use of DPI or MDI has been successful in standardising the prescriptions approach across the Trust. This has led to Leeds ranking in the Top 5 CCGs nationally from environmental footprint reduce by inhalers and the use of DPIs.

Attend Anywhere

Between 23rd March and 26th August 2020, 17,000 consultations were completed remotely using the Attend Anywhere platform due to the COVID-19 pandemic. The average distance our patients must travel to appointments is 17.5 km, this travel contributes to a significant amount of CO_2e emissions and air pollution each year. These remote consultations reduced patient travel by approximately 595,000 km saving 100 tonnes of CO_2e emissions over five months. This has also reduced the air pollution from the Trust by 290 kg CO, 26.8 kg NOx and 1.9 kg particulate matter which is particularly important as air pollution can cause and exacerbate medical conditions, including neurological, respiratory and cardiovascular illnesses.

The response to COVID-19 has accelerated this programme but we aim to continue using this platform and increase its use to provide accessible remote appointments to more patients. Enabling remote consultations allows greater flexibility for patients and staff which improves the resilience of our services.

Sustainable Theatres Programme

The Trust's Sustainable Theatres Programme has met regularly throughout the year to identify ways that the environmental impact of the Trust's theatres and anaesthesia can be reduced. Research has been undertaken to identify areas where reusable items could be used instead of single use items, such as reusable laryngoscopes or sharps bins, to reduce the amount of resources consumed by the Trust. The programme has also worked to share the best practice of the successful reduction in anaesthetic gas emissions with other Trusts.

1.8 Research and Innovation

In April 2020 the Trust's new Research and Innovation strategy - "An Always Event - Research and Innovation the Leeds Way" was launched. This sets out how we aim to harness significant advances in clinical and healthcare science for the benefit of Trust patients by improving access to world-leading research studies. A principal aim of the strategy is to recruit 100,000 participants into research by 2025. Through the strategy we will further develop and support world-class Research and Innovation programmes and enhance our research support and delivery infrastructure. Research and Innovation 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.

COVID-19

The last 12 months has been dominated by COVID-19 and the Research and Innovation team have been part of the national effort to evaluate potential therapeutics and vaccines. Over the last 12 months, we have supported the setup and delivery of a broad portfolio of COVID-19 research studies in the organisation, recruiting more than 3,000 participants into over 40 research programmes. Major achievements included:

- Being the first healthcare organisation in the world to recruit patients into the Novartis Ruxcovid study
- Being the first healthcare organisation in the UK to recruit to the Novartis Cancovid study
- Being a top UK recruiter into SIREN - a Public Health England led surveillance study. This study investigated whether healthcare workers who have evidence of prior COVID-19, detected by antibody assays (positive antibody tests), compared to those who do not have evidence of infection (negative antibody tests) are protected from future episodes of infection

Our biggest achievement was in vaccine research, where we were the top recruiter in the UK to the trial of the Novavax vaccine. In summer 2020 we established a working group with partners in the city to explore how we would deliver a trial of a COVID-19 vaccine at pace and scale outside a hospital setting and engage members of the public in signing up to the national vaccine registry. Work included significant public engagement to reach under-represented communities; as well as a widespread media and social media campaign about vaccines and vaccine trials. As a result of this, the NHS Digital Vaccine study volunteer dashboard showed Leeds as the place in the UK where most volunteers had come forward to register interest in participating in vaccine studies.

In mid-September we were selected as a site for the Novavax vaccine trial. Together with partners, over 800 healthy volunteers were recruited to the trial in a three week period, each of which either had the active or placebo. This was a significant undertaking which was delivered in the EDGE sports hall on the University of Leeds campus. Following the publication of positive data from the trial, a feature was published in the Yorkshire Evening Post covering the trial. In the feature, all participants in the trial were thanked for their involvement: ("The City should be immensely proud - how 806 people from Leeds helped prove the Novavax Covid Vaccine works" - published 2 February).

At the start of the pandemic, it was necessary to pause all other research activities across the Trust, to free resources to support the pandemic response. Over the year research activities have gradually restarted in line with the clinical service restart process. This was carried out to ensure that by the end of the year, all research programmes open prior to the pandemic were able to recruit once again where they were able to and where it was safe to do so. Over the 12 month period, we recruited 15,760 participants into 232 trials across the organisation.

For more information on current research studies taking place at the Trust, visit: www.bepartofresearch.uk

Signed

Julian Hartley, Chief Executive

Date: 28 May 2021

SECTION TWO

ACCOUNTABILITY REPORT

Section 2 - Accountability Report

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

There are over 20,000 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 2020/2021

During 2020/2021, the Board responded to working in new ways either as a result of the rules for social distancing, national lockdown or direct instructions from NHS England.

All Board meetings during 2020/21 were held virtually along with our assurance and management Committees. The agenda and associate papers for our public meetings continued to be published on our website and from the autumn these meetings were streamed live.

In keeping with the guidance from NHS England during April, May and June, Q1 of the year, we reviewed the frequency of our Board and Committee meetings. This resulted in our public Board meetings moving from bi-monthly meetings to monthly meetings and with a number of additional workshop meetings to respond to the request from NHS England to establish the NHS Nightingale Yorkshire & the Humber on behalf of the Region. Patient Safety and Quality remained a focus for the Board with close liaison between the Trust Chair and the Chair of the Quality Assurance Committee to ensure issues were addressed in the monthly Board meetings.

Board members have remained connected to the Trust via a variety of means of virtual triangulation with ward/departmental to Board meetings.

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

Dr Yvette Oade retired as the Chief Medical Officer at the end of April 2020, however in response to the COVID-19 pandemic, she was seconded to be the Medical Director of the NHS Nightingale Yorkshire & the Humber during her latter weeks within the Trust and has continued with this role throughout the year.

Dr Phil Wood formally commenced his role as Chief Medical Officer within the Trust as from 1 May 2020, having acted up to cover the secondment of Dr Yvette Oade.

During the year changes to our Non-Executive Directors were;

Mark Chamberlain stood down at the end of his final term of office as, from early January 2021, within our succession plans Tom Keeney became Chair of the Workforce Committee in the summer to ease transitional arrangements.

We have proactively recruited Associate Non-Executive Directors as part of our succession planning, hence both Gillian Taylor and Tom Kenney transitioned from Associate roles to Non-Executives at the start of the year, and became join Deputy Chairs of the Trust. Chris Schofield became Senior Independent Director from the start of January 2021.

Professor Paul Stewart, the nominated University Non-Executive, stood down at the end of November as part of his retirement plans from the University and was replaced by Professor Laura Stroud.

Moira Livingston stood down at the end of her of office at the end of January 2021.

We were delighted to welcome two new Associate Non-Executive Directors during the autumn, formally commencing in role as from 1 December 2021, building on our desire for gender balance and broader representation from BAME communities.

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.

Appointment of Non-Executive Directors

The Non-Executive Directors have been appointed by NHS England and Improvement (NHSE/I) who set a 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 best practice defined by the Code of Governance. Any exception to this is decided by NHSE/I.

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. Associate roles are the succession plan for growing our future 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. 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. In year this has been subject to an internal audit and was rated as low risk.

Measuring the performance of the Board members

Using the NHSE/I Competency Framework for Chairs, this was 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 in a Public Board meeting, and a formal submission to the Regional Director, Chair and Chief Operating Officer of NHSE/I.

The Trust Chair has carried out the appraisal of the Chief Executive which was reported to the Remuneration Committee. The Chair and Chief Executive delayed the appraisal process for the Non-Executive Directors/Executive Directors during Q1 and they were carried out during July 2020. Appraisals have routinely been carried out annually.

The Chairs appraisal process is a thorough review of the assessment of the performance and independence of the Associate/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 2020.

The Board reconfirms the corporate objectives at its March meeting each year and these are used to underpin the objectives for the Chief Executive and the Executive team.

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. The reports are available on the Trust website at the following link: https://www.leedsth.nhs.uk/about-us/board-meetings/20-05-2021-14-00

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

The Board has continued with its development activity 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, however the programme of work was deferred due to the pandemic. We reviewed again in October 2020 but once again this programme of work was deferred and will commence in July 2021.

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 2020/2021

Dame Linda Pollard DBE 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 and Leeds City Council, 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.

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 in October 2019. 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 region'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, (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.

In October 2020, Linda was awarded the honour of Dame Commander of the Order of the British Empire for her services to healthcare, which span almost 30 years, and in recognition of her unbroken contribution to the community. This honour also recognises her tireless commitment to address the under representation of women in senior roles across corporate Britain and in public services.

Gillian Taylor
Deputy Trust Chair, Non-Executive Director

From 4 January 2021

Previously Associate from 1 December 2018 to 3 January 2021

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 and is a member of the Building Development Committee and Remuneration Committee. Gillian represents the Trust within the Health & Social Care Board to Board meetings.

Gillian was an Associate Non-Executive Director from 1 December through to 3 January 2021 when she became a Non-Executive Director and joint Deputy Chair of the Trust from 4 January 2021.

Tom Keeney
Deputy Trust Chair
Non-Executive Director

From 1 February 2021

Previously Associate from 1 December 2018 to 30 January 2021

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.

Tom is a member of the Workforce Committee, taking over as Chair in the summer of 2020.a He is also a member of Trust's Finance & Performance Committee, the Digital & IT Committee and remuneration Committee..

Tom holds the following lead Non-Executive Director roles for Freedom to Speak Up, Lay reps - AAC panels, volunteering and HR lead.

Tom was an Associate Non-Executive Director from 1 December through to 30 January 2021 when he became a Non-Executive Director and joint Deputy Chair of the Trust from 4 January 2021.

Mark Chamberlain

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

From 4 January 2010 (Vice Chair from February 2018) until 3 January 2021

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 held 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.

Mark stood down on 3 January 2021 as his terms of office expired.

Professor Paul Stewart

Non-Executive Director

From 1 October 2013 until 30 November 2021

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 was 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 with the Board in all aspects of Building the Leeds Way and be the lead Non-Executive for this exciting work. Bob is a member of the Finance & Performance Committee and is Chair of the Building and Development Committee.

Jasmeet (Jas) Narang

Non-Executive Director

From 1 February 2019

Previously Associate from February 2018

Jasmeet (Jas) Narang was Ops Excellence & Control Director and Transformation Leader at Santander Operations UK, however during April 2021 was appointed as overall Operations Lead.

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 until 30 January 2021

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 was Chair of the Quality Assurance Committee and a member of the Audit Committee and she was 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 represented the Trust within the Health and Social Care Board to Board meetings.

Chris Schofield

Non-Executive Director

From 1 February 2018

Chris Schofield joined the Trust on 1 April 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.

Chris is a member of the Building Development Committee and is an observer of the management committee for Research & Innovation.

Chris holds the following lead Non-Executive Director roles Medical staff in difficulty, represents the Trust within the Health & Social Care Board to Board, and is the Health & Wellbeing Guardian.

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.

He became the Senior Independent Director from 4 January 2021.

Suzanne Clark

Non-Executive Director

From 15 October 2018

Suzanne is 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.

Professor Laura Stroud
Non-Executive Director

From 1 December 2020

Professor Laura Stroud is Professor of Public Health and Education Innovation, Deputy Dean of Medicine at the University of Leeds and Director of the Leeds Institute of Medical Education. With a wealth of experience in public health and student education, Laura will be an invaluable link between the Trust and the School of Medicine at the University and helping us to develop the healthcare professionals of the future.

Laura will be the LTHT Board link to the University and has been a member of the Workforce Committee and has been a Quality Assurance Committee, and during April has taken over as Chair.

Laura, on commencing her role, was the lead Non-Executive Director for Emergency Preparedness, and has taken over the following roles from Tricia Store-Hart stepping down; CQC lead, Duty of Candour, named lead for safeguarding, mortality and named maternity lead.

John Williams
Associate Non-Executive Director

From 1 December 2020

John is a globally experienced General Manager and Commercial leader. With over 20 years experience within the sporting goods and fashion sectors, across a global diverse and multi-channel markets with leading brands such as Puma, Ted Baker and Under Armour.

John is known as an authentic leader with a priority on people, culture, strategy and performance… In that order. A passion for building, developing and leading high-performance people, teams and businesses. 'Take care of your people and everything else will follow', this he fundamentally believes in.

Rachel Woodman
Associate Non-Executive Director

From 1 December 2020

Rachel is currently Transformation Brand Lead at John Lewis, and has a proven track record in leading strategy and transformational change to deliver outstanding business performance. Rachel's inclusive and inspirational leadership style will help us to support teams to deliver tangible results whilst fostering a culture of trust, openness and integrity during these pressured times.

Rachel is a member of the Quality Assurance and Workforce Committees.

Tricia Storey-Hart
Associate Non-Executive Director

From April 2019 until 19 April 2021

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 was a member of the Quality Assurance Committee and the during the year the Workforce Committee until January when she became Chair of the Quality Assurance Committee and a member of the Audit Committee.

Tricia stood down from 19 April 2021 due to personal circumstances.

Executive Directors of the Board during 2020/2021

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 Phil Wood
Chief Medical Officer

From 1 May 2020

As the Chief Medical Officer, Phil has accountability for the outcomes and effectiveness of clinical services across the Trust.

He is also responsible for the medical workforce, including appraisal and revalidation, and the delivery of medical education and training.

He oversees the research and innovation activity in the Trust, working alongside academic partners, and is the nominated Caldicott Guardian for the Trust.

Phil joined the Trust in 2002 as a Consultant Immunologist and has worked in several operational and strategic roles over the last 15 years, most recently as Medical Director for Strategy and Planning, where he led the development of the Trust's clinical strategy.

He is committed to the development of clinical leadership across systems and has a track record of leading patient-centred change management across services.

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 currently HR Director at Leeds Teaching Hospitals Trust; one of the largest hospital trusts in the UK. Jenny is pulling on her previous experience of developing purposeful partnerships to develop a 'one workforce' approach across the city. 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.

Dr Paul Jones
Chief Digital & 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 and Facilities

From August 2019

Craige has worked at Leeds Teaching Hospitals in a number of roles since 2001 before becoming Director of Estates and Facilities.

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

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

Dr Yvette Oade

Chief Medical Officer

From 1 June 2013 to 30 April 2020

Deputy Chief Executive

From 22 December 2018 to 30 April 2020

Medical Director, NHS Nightingale Yorkshire and Humber

From April 2020 to 30 April 2021

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.

2.2 Attendance tables

Board of Directors

Name/Date	06 Apr '20	20 Apr '20	21 May '20		30 Jul '20		23 Sep '20		26 Nov '20		28 Jan '21		25 Mar '21	
Members:	EO BoD	EO BoD	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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tom Keeney	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jenny Lewis	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jas Narang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Apols	Apols
Yvette Oade	✓	✓												
Linda Pollard	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chris Schofield	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bob Simpson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Clare Smith	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paul Stewart	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Tricia Storey-Hart	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gillian Taylor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Simon Worthington	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Craige Richardson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Paul Jones (Andy Williams rep)	✓	✓	✓	✓	Apols (AW)	Apols (AW)	✓	✓	✓	✓	✓	✓	✓	✓
Moira Livingston	✓	✓	✓	✓	✓	✓	✓	✓	Apols	Apols	✓	✓		
Phil Wood	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Laura Stroud											✓	✓	✓	✓
John Williams											✓	✓	Apols	Apols
Rachel Woodman											✓	✓	Apols	Apols
In Attendance:														
Jo Bray	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

EO BoD - xxxxxxxx W'shop - Workshop Pu - Public

Board Time-Outs

Name/Date	25 Jun '20	15 Oct '20	16 Oct '20	21 Jan '21	18 Mar '21
Linda Pollard	✓	✓	✓	✓	✓
Julian Hartley	✓	✓	✓	✓	✓
Clare Smith	✓	✓	✓	✓	✓
Lisa Grant	✓	✓	✓	✓	✓
Simon Worthington	✓	✓	✓	✓	✓
Craige Richardson	✓	✓	✓	✓	✓
Jenny Lewis	✓	✓	✓	✓	✓
Phil Wood	✓	✓	✓	✓	✓
Paul Jones	✓	✓	✓	✓	✓
Mark Chamberlain	✓	✓	✓		
Chris Schofield	✓	✓	✓	✓	✓
Bob Simpson	✓	✓	✓	✓	✓
Jas Narang	✓	✓	✓	✓	✓
Moira Livingston	✓	✓	✓	✓	✓
Paul Stewart	✓	✓	✓		
Gillian Taylor	✓	✓	✓	✓	✓
Tricia Storey-Hart	✓	✓	✓	✓	✓
Suzanne Clark	✓	✓	✓	Apols	✓
Tom Keeney	✓	✓	✓	✓	✓
Laura Stroud				✓	✓
John Williams				✓	✓
Rachel Woodman				✓	✓
In Attendance:					
Jo Bray	✓	✓	✓	✓	✓

Audit Committee

Name/Date	20 May '20	24 Jun '20	10 Sep '20	03 Dec '20	11 Mar '21
Members					
Suzanne Clark	✓	✓	✓	✓	✓
Moira Livingston	✓	✓	✓	✓	
Jas Narang	✓	✓	Apols	✓	✓
Tricia Storey Hart					✓
John Williams				✓	✓
In Attendance					
Jo Bray	✓	✓	✓	✓	✓
Simon Worthington	✓	✓	✓	✓	✓

Finance & Performance Committee

Name/Date	29 Apr '20	20 May '20	24 Jun '20	29 Jul '20	23 Sep '20	28 Oct '20	25 Nov '20	16 Dec '20	27 Jan '21	24 Feb '21	24 Mar '21
Members											
Gillian Taylor	Cancelled due to COVID-19	Cancelled due to COVID-19	Cancelled due to COVID-19	✓	✓	✓	✓	✓	✓	✓	✓
Jo Bray				✓	✓	Apols	✓	✓	✓	✓	✓
Julian Hartley				✓	✓	✓	✓	✓	✓	✓	✓
Tom Keeney				✓	✓	✓	✓	✓	✓	✓	✓
Jenny Lewis				✓	✓	✓	✓	✓	✓	✓	✓
Linda Pollard				✓	✓	✓	✓	✓	✓	✓	✓
Craige Richardson				✓	✓	✓	✓	✓	✓	✓	✓
Clare Smith				✓	✓	✓	Apols	✓	Apols	Apols	✓
Bob Simpson				✓	✓	✓	✓	✓	✓	✓	✓
Phil Wood				✓	Apols	Apols	✓	✓			
Simon Worthington				✓	✓	✓	✓	✓	✓	✓	✓
Paul Jones				Apols	✓	Apols	✓	✓	✓	Apols	✓

Quality Assurance Committee

Name/Date	09 Apr '20	02 Jul '20	01 Oct '20	04 Feb '21
Members				
Moira Livingston	Cancelled due to COVID-19	✓	✓	
Jo Bray		✓	✓	✓
Mark Chamberlain		✓	✓	
Lisa Grant		✓	✓	✓
Tricia Storey-Hart		✓	✓	✓
Phil Wood		✓	✓	✓
Laura Stroud				✓
Rachel Woodman				✓

Workforce Committee

Name/Date	30 Apr '20	13 May '20	22 Jul '20	09 Sept '20	05 Nov '20	19 Jan '21	11 Mar '21
Members		Single item meeting					
Mark Chamberlain	Cancelled due to COVID-19	✓	✓	✓	✓		
Tom Keeney		✓	✓	✓	✓	✓	✓
Jenny Lewis		✓	✓	Apols	✓	✓	✓
Lisa Grant (Helen Christodoulides)		✓	✓	Apols (HC)	✓	✓	✓
Tricia Storey-Hart			✓	✓	✓		
Craige Richardson			✓	✓	Apols	✓	✓
Phil Wood			✓	✓	✓	✓	✓
Paul Jones				✓	Apols	✓	✓
Jo Bray		✓	✓	✓	✓	✓	✓
Julian Hartley			Apols	✓	✓	✓	✓
Laura Stroud						✓	✓
Rachel Woodman						✓	✓

Building & Development Committee

Name/Date	16 Apr '20	14 May '20	18 Jun '20	30 Jun '20 EO	16 Jul '20	13 Aug '20	17 Sep '20	22 Oct '20	19 Nov '20	16 Dec '20	14 Jan '21	18 Feb '21	17 Mar '21
Members													
Bob Simpson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Julian Hartley	✓	✓	✓	✓	✓	Apols	✓	✓	✓	✓	✓	✓	✓
Chris Schofield	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gillian Taylor		✓	✓		✓	✓		✓	✓		✓	✓	✓
Simon Worthington	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jo Bray	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Apols	✓

Digital & Information Committee

Name/Date	04 Jun '20	12 Sep '20	14 Nov '20	28 Feb '21
Members				
Jas Narang	✓	✓	✓	✓
Paul Jones	✓	✓	✓	✓
Mark Chamberlain	✓	✓	✓	
Tom Keeney	✓	✓	✓	✓
Jo Bray	✓	✓	✓	✓
John Williams				✓
Jenny Lewis	Apols	✓	✓	✓

2.3 Governance Report

Annual Governance Statement (2020/21)

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 [insert name of provider] 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 Leeds Teaching Hospitals NHS Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

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. Our assurance Committees; Audit, Quality Assurance, Finance & Performance Digital & IT, Workforce and Building Development Committees. The Risk Management Committee and Research & Innovation Committees are executive Committees reporting to the Board of Directors. These Committees have all provided an annual report detailing how they have discharged their duties, with attendance of the respective Committee Chair at the Audit Committee meeting on 6 May 2021, which was received at the 20 May 2021 public Board meeting.

3.2 The Board has a number of overarching principles and procedures to governance defined within our risk appetite, underpinned by policies and procedures, with means of monitoring and assurance. Risk assessment and control through to incident management, along with the values and behaviours set out in the Leeds Way, we strive for a culture of accountability and transparency.

3.3 The Risk Management Committee focuses on the most significant risk exposures and oversees risk treatment to ensure: (a) the correct strategy is adopted for managing risk; (b) appropriate controls are present and effective: and (c) action plans are robust to mitigate risks to remain within tolerance. The Risk Management Committee is Chaired by myself, as Chief Executive and comprises all Executive Directors. Senior Managers, specialist advisors and the Audit Committee Chair 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 Committees escalate as appropriate issues to the Risk Management Committee.

3.4 The Board established a Risk Appetite Task & Finish Group in September 2020 which concluded with a publication of our risk appetite framework in April 2021. This defines the key risks categories for our organisation, each underpinned by statements supported by our five point appetite scale. This will be embedded across the Board and its Committee structures moving forward.

http://flipbooks.leedsth.nhs.uk/20210225001

3.5 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, were temporarily streamlined. The Audit and Building Development Committees continued to meet, along with the Risk Management Committee, which was supported by weekly reviews of the Corporate Risk Register during Q1. The Board during this period moved from bi-monthly formal meetings to monthly, and acting on legal advice, quality and safety issues were addressed by the full Board and not delegated to the Quality Assurance Committee (which was paused) of the Board. Following our Board meeting at the end of April the Workforce Committee was reconvened to seek assurance on the many emerging issues relating to COVID-19 and the impact to our workforce. The Board and our Committee structures recommenced normal activity from 1 July 2020.

3.6 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.

3.7 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.

3.8 I have ensured that all significant risks of which I have become aware are reported to Board of Directors and Risk Management Committee. 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.

3.9 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 appropriately managed 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 **(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 2021, 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 Single Oversight 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 2021 relate to the following areas:

- **Safety and Quality:** nurse staffing levels, medical staffing, including doctors in training, healthcare acquired infection, violence due to organic, mental health or behavioural reasons, viral pandemic, power failure/lack of IPS/UPS resilience due to the electrical infrastructure, provision of a cardio-respiratory catheter laboratory service, capacity to treat patient due to COVID-19, staff health, safety and wellbeing due to COVID-19, Patient Administration System, (additional staffing capacity (COVID-19) Nightingale Y&H is no longer an issue due to the decommissioning but has been a feature during the year), delivery of the Leeds & West Yorkshire Vaccination Programme and patient harm related to falls and hospital acquired pressure ulcers.
- **Performance and Regulation:** achieving the Emergency Care Standard, 18-week RTT target, 62-day cancer target, 28-day cancelled operation target, patient flow and capacity for emergency admissions, levels of medical outliers, patients waiting 52-week+ in spinal injuries and colorectal services, patients waiting longer than 6 weeks following referral for diagnostics tests.
- **Finance:** *(delivery of financial targets in 2020/21is no longer an issue as we close the year end but has been a feature during the year)*, capital resources and delays in completing capital programmes, delivery of the refurbishment of the Generating Station Complex at LGI, and risks associated with Building the Leeds Way – hospital of the future project, pathology project, innovation district project.

4.3 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.

4.4 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.

4.5 The Trust has a Resource Management Group (RMG) with membership made up of the Trust's Professional Workforce Leads. This group leads and reports on activities with a focus on strategic workforce planning, alignment of workforce planning with finance and performance; initiating and overseeing projects that support workforce planning for the short, medium and longer term such as initiatives to address recruitment and retentions hotspots.

RMG reports into the Board Assurance Committee for Workforce, meeting bi-monthly reporting to Board. This Committee seeks assurance on the seven people priorities set out in our strategy; 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 seek assurance on projects that are in place to address specific workforce hotspots and issues.

The Trust has embedded a corporate workforce planning framework ensuring recruitment processes eliminate waste; promoting new roles to support skill mix reviews; effectively deploying staff and focusing on retention, learning and sharing best practice. In addition, our Resourcing Transformation Lead is reviewing the LTHT recruitment process to ensure a stronger focus on equality and diversity from advertisement to appointment.

The HR Business Partners are engaging with CSUs supporting them with their short, medium and longer term workforce planning and ensuring there is connectivity with our Workforce Professional Leads.

5. Care Quality Commission (CQC) Registration

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

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 the Trust for an external review;
- Liaising with the Care Quality Commission and 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. Their last inspection was 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 Trust developed an action plan to address the recommendations in the report; 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 and NHS Nightingale Yorkshire & the Humber (NNYH) 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. The vaccination centres were registered as a satellite with the CQC and the statement of purpose updated.

6. Register of interests, including gifts and hospitality

The trust has published 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.

6.1 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 https://www.leedsth.nhs.uk/about-us/freedom-of-information/publication-scheme/lists-and-registers/declarations

All gifts donated to the Trust in relation to COVID-19 were recorded, received and distributed through Leeds Hospitals Charity.

7. Pensions

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

8. Sustainability

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.

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

9.1 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 waste reduction programmes.

9.2 I can report on external validation of LTHT efficiency, effectiveness and the use of resources endorsed by the CQC Outstanding rating at the time of the last inspection. In addition, the Trust has achieved 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 for its responsibilities for NNYH.

9.3 The five year financial and capital plan is refreshed each year and used to develop the

annual operational plan for the Trust. The Trust actively engages Commissioners, regulators (NHS Improvement), system functions (WYICS and WYAAT), staff and others as necessary to develop and agree detailed financial and operational plans. Planning takes account of system initiatives and their impact to ensure that planning within the broader ICS is aligned. These detailed operational plans and budgets are approved by the Board.

9.4 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. Due to COVID-19 this plan has been reviewed and updated over the year, with a final iteration submitted in October 2020 following approval by the Board.

9.5 Updates to the plans include revisions to our operational, financial, workforce and strategic plans. 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.

9.6 While the national planning process for 2021/22 has been delayed until Q1, the Trust has undertaken its own planning process for the new financial year. In line with normal practice the Trust agreed its Annual Plan in December 2020. However, uncertainties remain due to the change in financial regime as a result of COVID-19.

9.7 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 work streams to support transformation across West Yorkshire, 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.

9.8 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.

9.9 The Trust continues to operate its Financial Management Framework to ensure that the Trust is meeting its strategic target of financial sustainability. Each quarter a fundamental review takes place of the financial position and this is reviewed by the Board and relevant action plans developed. Each month reports are prepared for the Finance & Performance Committee on the financial position, alongside monthly finance reports issued to CSUs that show performance against budget. These reports contain both financial and non-financial information.

9.10 The Trust has a PMO team in place to support CSUs in achieving their Waste Reduction Programme targets, and through the Leeds Improvement Method improve performance and overarching quality. This is supported by other initiatives within the Trust such as GIRFT and benchmarking against the model hospital.

9.11 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.

9.12 The Trust has a co-sourced internal audit function using internal resources working with PwC and external auditors Mazars. The External Auditors were re-appointed in January 2021 for a period of three years. The implementation of recommendations made by Internal and External Audit is overseen by the Audit Committee.

10. 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 2020/21 one incident was recorded at level 2, this breach was reported to the ICO/DHSC via the Data Security Incident Reporting Tool.

The Trust was alerted of a personal data breach in relation to an unauthorised access to a medical record that affected one person. The individual was working as an agency nurse at the time of the data breach and was not employed by the Leeds Teaching

Hospitals NHS Trust. The Trust contacted the third party employing organisation who undertook their own internal investigation. The individual subsequently admitted during the investigation that they inappropriately accessed the complainant's medical record. Following the investigation, the third party employing organisation terminated the individual's employment.

11. Data quality and governance

Due to the COVID-19 National Emergency in 2020, NHS Digital announced that the deadline for submission of the Data Security Protection Toolkit (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. The Trust was able to successfully submit its Submission for DSPTv2 on 14 April 2020 with all 116 mandatory evidence items being successfully completed. 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. Of the 63 non mandatory evidence items the Trusts was able to complete 52 items, achieving 83% compliance, with an increase of 1% on compliance in comparison to its 2019 submission.

As a result of the COVID-19 National Emergency the submission date for DSPTv3 is the 30 June 2021 and the Trust is working towards a successful submission. The Trust's Internal Audit (PwC) are conducting a high level review of a sample of Data Security Standards.

12. Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the Executive Directors, my direct reports, Clinical Directors of the CSUs, and Committee Chairs within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, our assurance and management Committees reporting to Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

12.1 The Board of Directors

The Board has set out the governance arrangements including the Committee structure within the Standing Orders. These assurance Committees, Chaired by Non-Executive directors and reporting to Board are: Audit, Finance & Performance Quality Assurance, Digital & IT, Workforce, Building Development and Remuneration Committee. In addition the Board receives reports from two management Committees; Risk Management and Research & Innovation both Chaired by Executive Directors.

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.

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 a new external review of Well-led during the summer of 2020, however this was put on hold due to COVID-19 and revisited in the Autumn and once again deferred. This work has now been commissioned to take place during July and August 2021.

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.

12.2 Internal Audit

With respect to the internal audits concluded during 2020/21, three out of 24 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 20221 (of which one report has been issued in draft and for one fieldwork is on-going) and one review has been deferred to 2021/22 in light of COVID19. For the completed reviews 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 and 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'.

12.3 External Audit

External audit provides independent scrutiny on the accounts, annual report, and usually the 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 was moved to 15 December 2020).

12.4 Clinical Audit

Quality Assurance Committee, at the 8 April 2021 meeting, received and were assured by the Clinical Audit Annual Report for 2020/21. 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 2020/21.

In line with the national guidance published in response to the COVID-19 Pandemic, both the national and trust mandatory audit programme were 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.

12.5 Health & Safety

The Health & Safety (H&S) team have maintained all of their core activities throughout the coronavirus pandemic over the last twelve months and continued to work collaboratively with Infection Prevention and Control, Human Resources (HR), Estates & Facilities and Occupational Health to respond to evolving guidance to keep essential services in place without compromising staff safety or health.

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

Processes continue to be in place to address all national safety alerts distributed for our attention via the Central Alerting System (CAS).

The Trust was able to maintain supplies of all necessary Personal Protective Clothing (PPE) for our staff throughout the pandemic in line with the guidance provided by Public Health England (PHE).

The shift to home working for some staff groups continued and as a result of collaboration with HR and IT guidance, tools and tips for managers and employees was produced to support this transition. Health & Safety developed and implemented the Working Safely with COVID-19 Assessment as part of the wider Social Distancing Group for non-patient facing admin areas and non-clinical areas of wards and patient treatment areas, including rest break and changing facilities.

The Health & Safety Executive (HSE) conducted a programme of national HSE COVID-19 spot checks on 17 acute hospitals, in 13 NHS Trusts in England and two NHS health boards in Scotland and Wales during December 2020 and January 2021. Leeds Teaching Hospitals NHS Trust was not included in this sample, however the HSE have produced a report and summary of their findings that will be reviewed as part of the Trust Social Distancing Group activities to identify where the learning from this exercise can be implemented locally

Health & Safety continue to report notifiable incidents to the HSE and submitted a RIDDOR report (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) relating to Occupational Dermatitis in 2019 and subsequently in 2020 the HSE served the Trust with a Notice of Contravention in relation to this report. A plan has been implemented Trust wide for managers to carry out proactive skin health surveillance on staff as it is known that frequent hand hygiene measures can be detrimental to skin health and lead to skin disorders if not carefully monitored.

In relation to COVID-19 and RIDDOR reporting there have been no cases to date of occupational disease or death being submitted by Leeds Teaching Hospitals NHS Trust to the HSE, which is consistent with partner organisations following communication through regional network health and safety leads. For an incident to be reportable there must be clear and reasonable evidence to confirm the link between the exposure and the work- related activity.

As Chief Executive I have received reports from the Trust Fire Safety Manager, at the Risk Management Committee, that set out our compliance against the Trust's statutory responsibilities under the Regulatory Reform (Fire Safety) Order. Assurance reports are reported quarterly to the 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 has also provided the expert reference for fire safety at NHS Nightingale Yorkshire and the Humber and the Elland Road Vaccination HUB. This involved putting a fire safety strategy into a conference centre/entertainment pavilion, with the former 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.

12.6 Promoting Safety

Throughout 2020/21 we have reviewed and evaluated our nurse staffing establishments in response to the COVID-19 pandemic as services adapted to increased demands and staff were deployed across specialities to keep our patients safe. A national framework to support decision making and workforce deployment was published by NHS England/ Improvement 'Advice on acute sector workforce models during COVID-19' during phase three and implemented by the Trust. Adult Critical Care services experienced exceptionally high demand for intensive care beds. In line with the national framework the Trust moved to a 'pod model' utilising multi-disciplinary teams deployed from across the Trust to increase bed capacity and safely care for our patients. The Critical Care Unit is back working within the Guidelines for the Provision of Intensive Care Services.

During the year the Board have been fully assured in relation to safer staffing requirements, workforce response to the COVID-19 pandemic and assessment of quality indicators against any wards that have reported below their planned staffing levels through the Nursing and Midwifery Quality and Safety Staffing Board report.

The Nurse Staffing Status Report (NSSR) continues to provide daily assurance at a Trust wide level in relation to safer staffing. 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. Daily staffing meetings chaired by the Director of Nursing (Operations) are in place to support the daily deployment of staff and escalation of concerns. The Trust commenced the roll out of Allocate SafeCare a patient acuity and dependency tool in May 2020. Implementation was paused during the height of the pandemic however was recommenced in March 2021 with a plan for single site roll out at the St James's site in April 2021.

A key focus for 2020/21 was the closing of the registered nurse workforce gap through the recruitment of 340 ethically sourced international nurses. The Trust has worked with Health Education England (HEE) Global Learning Practitioner scheme and two international recruitment agencies to successfully recruit nurses from the World Health Organisation approved list of countries. The first cohort of nurses arrived in February 2020 and the final cohort in June 2021 significantly reducing the registered nurse vacancy position. The Trust has also worked to achieve an operational zero vacancy position in relation to Clinical Support Worker (CSW) vacancy as part of a programme of support and investment from NHS England/ Improvement.

Post pandemic the Health and Wellbeing of our workforce remains a top priority. Additional funding was awarded from NHS England to support the training needs and

health and well-being of registered health care professionals working in critical care areas during the COVID-19 pandemic.

12.7 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 the annual report at the May 2020 Board meeting with an update in year deferred from November to January 2021. This included an overview of the external peer review carried out during the late summer which was reported to the Workforce Committee and included recommendations and actions. Assurance on our processes, were reviewed by the March 2021 Audit Committee meeting. 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.

12.8 The Chief Medical Officer works with the Guardian of Safe Working to monitor junior doctors' working hours in line with national terms and conditions. The Board of Directors is sighted on this work through reports through the Learning, Education & Training (LET) Committee, a mandatory annual report is received at the Board each May and information included as a statutory requirement within the Quality Account. The number of exception reports has continued to fall.

Although the numbers of Exception Reports aren't high engagement with junior doctors has improved. Using exception reports as the tool, helpful conversations have taken place effectively resolving rota issues swiftly. LTHT has a very strong Medical Workforce Team whom work hard to ensure that rotas do not breach terms and conditions of service. Our Exception reports, in the main do represent exceptional occurrences and, where there are issues, the Workforce Team have the capacity to work quickly to make changes. As expected, gaps on rotas due to COVID illness, shielding staff and staff forced to isolate has impacted on our junior medical staff. This, together with temporary re-deployment and regularly changing rotas has caused stress for our junior doctors.

12.9 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 practicable
- where staff have to attend work ensuring social distancing and workplace assessments are in place
- ensuring appropriate PPE/training is in place
- ensuring appropriate arrangements are in place for vulnerable staff for example pregnant workers, those with underlying health conditions and that Risk Assessments have been completed
- 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, Shielders coffee mornings, and access to treatment options.
- development of Health and Wellbeing principles as the organisation moves towards the reset and renewal phase of the pandemic
- 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 is in place to ensure that all front line staff conduct twice weekly Lateral flow testing for COVID-19. In addition, PCR staff testing continues to be available to all staff via a drive through service located at the Leeds General Infirmary site.

A comprehensive process has been developed for the prevention and management of staff and patient COVID-19 contact events in clinical and non-clinical settings. Investigations in workplace exposure determine if healthcare acquisition is suspected and Occupational Health will contact the staff member to explore this further. 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.

13. Significant In-Year Matters

13.1 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.

13.2 The delivery of constitutional targets has been significantly impacted during the year, as the whole NHS has face its biggest challenge in dealing with the COVID-19 pandemic, treating those affected and adapting to maintaining and prioritise services for patients as directed by NHSE/I adapting to criteria issued by Royal Colleges for standards for patient safety, whilst maintaining social distancing, infection prevention and control measures for patients, staff and visitors (as allowed on site).

13.3 The Board of Leeds Teaching Hospitals hosted the NHS Nightingale Yorkshire and the Humber as a surge resource to the wider region to accommodate 500 more in patients should this be required. This has been used from early June through to the middle of March (when decommissioning commenced) for additional diagnostic capacity utilising the CT scanner on site.

13.4 The Chief Medical Officer reporting to the Board has been the Senior Responsible Officer for the West Yorkshire Vaccination Programme, with LTHT hosting two sites; one at the Thackray Medical Museum and a mass vaccination hub at Elland Road.

13.5 Governance, assurance and risk management of both NNYH and vaccination centres have been reported through the Board and our Committee structures at LTHT during the year.

13.6 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 defined by our staff and set out in the Leeds Way Values. As a result we drive transparency in an open and honest way of reporting incidents, risk management and mitigation.

13.7 Quarter 4 of 2019/20 (from 30 January 2020) saw NHS England/Improvement (NHSE/I) declare a Level 4 National Incident across the NHS in response to the COVID-19 pandemic. This was followed by national guidance on 17 March 2020 which outlined the required interventions that the NHS must enact in order to respond 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 routine burdens to facilitate the above.

13.8 In response to this national guidance, the Trust cancelled all routine elective operating procedures, all routine outpatient clinics and all routine diagnostic tests from week commencing 23rd March 2020. During this period the Trust continued to treat acute, clinically urgent and some cancer patients. The Trust also suspended the acceptance of new routine GP referrals from 23 March 2020 to 22 June 2020.

13.9 From the end of May 2020, some elective activity recommenced which gradually increased until October 2020; when the Trust began to see an increase in COVID-19 admissions (wave 2). The focus remained on treating the most clinically urgent and cancer patients. From June 2020 some routine diagnostic activity and outpatient activity also recommenced. Whilst activity was reinstated in a phased approach; capacity and levels of delivery was significantly reduced as the Trust continued to manage surges in COVID-19 admissions and some staff have remained repurposed to support inpatient and critical care areas.

13.10 As a result there has been a significant impact on the Trust's ability to deliver against constitutional standards with significant reductions in delivery throughout 2020/21. This was as expected as the Trust took the appropriate actions and interventions to comply with national guidance and to manage the Trust's operational response to COVID-19.

13.11 National guidance issued by NHSE/I on 28 March 2020 advised on the suspension of some national reporting throughout wave 1 of the pandemic; in order to release capacity within NHS providers. The Trust however continued to provide oversight and assurance with reporting to Trust Board remaining in place during this period.

13.12 The Trust did not meet the national requirement to treat a minimum of 92% of patients within 18 weeks of referral to treatment in 2020/21, delivering an overall performance of 66.2%. The suspension of all routine elective and outpatient activity significantly impacted delivery throughout the year with a marked reduction in performance resulting in a growth in the over 18 week position. As activity was reinstated in a phased approach from August onwards, we have seen performance improve following a low point of 47.1% in July 2020 to 71.6% in March 2021.

13.13 The Trust made significant reductions (43%) in the backlog of over 52 week breaches throughout 2019/20, carrying forward a backlog 51 of over 52 week breaches into 2020/21. As projected, there has been significant growth in the volume of over 52 week breaches throughout the year. This is a direct impact of suspending all routine elective activity during wave 1 of the pandemic. As some elective activity was reinstated, the focus was on treating patients who are the most clinically urgent and cancer patients and as expected we have seen the 52 week position grow month on month, as patients have continued to tip into 52 weeks at a greater rate than we have been able to treat. The Trust delivered a year end position of 4,711 over 52 week breaches.

13.14 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 83.4%. In response to the pandemic, the emergency departments reconfigured their footprint and processes in line with national guidance. These changes required patients to be cohorted within the emergency departments into hot and cold areas to adapt to COVID-19 admissions which reduced efficiency of the emergency departments.

13.15 During 2020/21 the Trust were able to achieve:

- Caring for zero patients in non-designated areas.
- Zero patient breaches against the 12-hour A&E standard.

13.16 The Trust did not meet the national requirement for all last minute cancelled operations to be rebooked within 28 days. There has been an improvement across all four quarters of 2020/21 in comparison to 2019/20. This improvement is as a result of reduced levels of activity being undertaken across the year in response to COVID-19, which has resulted in fewer last minute cancelled operations and fewer breaches of the 28 day standard.

13.17 As a result of all routine diagnostic tests being suspended from 23 March 2020 to 22 June 2020, the Trust did not achieve the national requirement to undertake 99% of diagnostic tests throughout the year. Activity recommenced from June 2020 onwards, however due to social distancing measures and the introduction is robust IPC cleaning regimes, services have been unable to increase back to normal baseline levels of activity. Diagnostic performance reduced significantly to 50% in April 2020 and has made a consistent improvement throughout the remainder of the year delivering 79.9% in March 2021 and at aggregate level overall performance as 72.1% for the year.

13.18 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 delivering an aggregate performance of 66.4%. In response to the pandemic there was a subsequent reduction in surgery both to support response and create additional critical care spaces by re-purposing theatre space. As services reduced, patients with cancer and clinically urgent conditions were prioritised for treatment. However due to the reduced overall initial capacity the number of patients waiting over 62 days increased throughout March to May 2020 to a peak of 553, with performance at 64.4%; this reduced from June 2020 onwards as capacity to treat cancer patients began to increase with the backlog currently at 175 in March 2021, and performance at 63.5% (as backlog clearance is underway, this reduces the % performance).

13.19 The Trust did not achieve the national requirements to see a minimum of 93% of patients within 14 days for urgent GP referrals for suspected cancer delivering an aggregate position of 72.8%. Activity levels for 2 week wait have been impacted by the introduction of social distancing measures, robust IPC cleaning regimes and increased downtime required following Aerosol Generating Procedures (which has significantly affected performance in Endoscopy). As a result of these measures, capacity reduced significantly, whilst referral numbers recovered to around pre COVID-19 levels by August 2020. Though referral rates reduced slightly during the national lock down at the start of 2021, this has rapidly reversed with March 2021 seeing the highest ever number of 2ww referrals.

13.20 The Trust did not meet at aggregate level the 31-day first treatment, achieving 94.4% against a target of 96%. For subsequent surgery the Trust delivered 86.3% against a target of 94%. This is as a result of the reduction in surgical activity to manage the surge in COVID-19 admissions as previously described.

13.21 The Trust delivered against both 31 day subsequent drugs, achieving 99.7% against the 98% standard and 31 day radiotherapy treatments achieving 98.3% against a standard of 94%.

13.22 There were 155 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 and our Quality Assurance Committee. Detailed action plans have been developed and implemented in response to specific case.

13.23 There were ten incidents which qualified for reporting as a Never Event; Incorrect implant used, wrong site surgery (four), retained object following procedure (two), overdose of insulin due to use of incorrect device, misplaced nasogastric tube and administration of medication by wrong route. 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. These were reported to the Quality Assurance Committee.

13.24 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 has addressed the concerns raised by the Coroner in these cases.

13.25 There were 75 (58 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 2020/21. The largest number of RIDDOR reports result from Slips, Trips and Falls with 18 of these types of incident affecting staff groups and 17 affecting patients. In relation to staff groups the causes of slip, trip and fall type incidents are varied and no specific trends have been identified. Some of the common causes of these types of incidents are spillages of liquids/liquid residues after cleaning, defective equipment e.g., chairs, stepping up to a higher level to reach objects and falling as a result, stumbling on loose objects on the floor. We continue to closely examine the causes of slips, trips and falls, support managers with their investigations and suggest corrective actions where possible. The Health & Safety team also support the Patient Falls Root Cause Analysis (RCA) review meetings to examine the cause of patient falls.

13.26 As we moved into 2020/21 we 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 Infection Prevention and Control (IPC) services whilst ensuring a focus on quality and safety was maintained. Our focus within IPC changed and rapidly adapted in response to the COVID-19 pandemic. As our understanding of COVID-19 developed PHE and related guidance on required infection prevention and control measures was published, updated and refined to reflect the learning and the IPC team subsequently supported the implementation of this within LTHT.

National Commissioning for Quality and Innovation (CQUIN)s and NHS Contracts were suspended by NHS England as part of the system wide incident response. As part of the drive to continue to reduce Healthcare Associated Infections (HCAI's) in LTHT we continued to set internal objectives. In 2020/21 we made progressive improvements in the number of patients who developed CDI whilst in our care; 153 patients were recorded against an internal objective of no more than 233. It is recognised that we need

to further understand any impact that the change in inpatient population has had on these figures.

In 2020/21 we saw 78 cases of MSSA bloodstream infection against an internally set objective of 70 cases. The number of patients diagnosed with MRSA bloodstream infection increased to 6 from a previous year position of 3. All cases were investigated and the learning shared; a proportion of cases were identified as having no lapse in care whilst in our Trust.

For 2020/21 we recorded 275 Gram-negative bloodstream infections (GNBSI's) against an internally set objective of no more than 264.The following details breakdown by GNBSI with last year's figure in brackets. For Escherichia coli (E. coli) we recorded 186 (217); Klebsiella species 61 (61) and Pseudomonas aeruginosa 28 (34). Following a re-direction of resource to support the first wave of the pandemic, focussed targeted investigations with the clinical teams were re-started in quarter three, to further understand the most effective interventions to prevent future cases

The SARS-CoV-2 viral pandemic will continue to play a significant role in IPC business in the next financial year. There is a possibility of further waves of infection in the UK, with possible localised community outbreaks with the associated risks of those infected patients being admitted to our hospitals. During the recovery phases of the pandemic, we will be working hard to ensure we keep our C. difficile rates under trajectory and continue to work with our clinical teams to reduce our Gram negative blood stream infection rates.

The Trust IPC team will continue to rise to the challenge and respond to national advice from Public Health England regarding new and emerging infectious diseases as they arise, as well as continuing to be mindful of travel and admissions with possible MERS and viral haemorrhagic fevers.

13.27 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, limited and/ or dated ventilation systems (which have become more pertinent during COVID-19), lack of IPS/UPS resilience and inability to provide a cardiac catheter laboratory service. In 2019/20 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 2020/21 this will increase to £95m including investment in new catheter laboratory facilities and IPS/UPS. Following confirmed funding for Building the Leeds Way the 2020/21 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.

13.28 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.

13.29 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, a working group has explored how it can be taken forwards and a proposal is being prepared for DIT to take this forward.

13.30 The quality of medical education is now assessed in quarterly Monitoring the Learning Environment (MLE) meetings, led by senior

colleagues from the quality team at Health Education England (HEE). A key purpose is to identify and discuss issues early, before they become more urgent. At the most recent MLE, the final outstanding E&T 'conditions' were removed, which means that at the time of writing there were no regulatory concerns relating to the quality of medical education in LTHT. The most recent surveys from which concerns and therefore conditions would be highlighted, the GMC National Training Survey (NTS) and HEE National Education & Training Survey (NETS) were both 'clear'.

Medical workforce continues to be a challenge. The COVID pandemic has highlighted the need for a more dynamic and flexible junior workforce. Between each surge we have worked to increase our staff base, which meant that we were able to delay the redeployment of trainees outside their base specialty to support the COVID effort. Our current strategy is to continue to expand the Trust's international partnerships, which will become easier when travel restrictions are eased post COVID. In addition, we have engaged with NHS Professionals to support their Gateway programme and have so far employed 11 doctors, all of whom are UK citizens who have obtained a European medical degree. We plan to recruit a second cohort for ENT, stroke and Emergency medicine.

In addition, we have continued to expand our non-medical workforce. The Trust's Physician Associate (PA) programme now has more than 30 graduate PAs. We are also an engaged undergraduate teaching centre and accommodated increased numbers of PA students, during the pandemic when other hospitals were unable to take them. We are now strengthening the governance framework for the PA programmes, working with the lead PA, and the AMDs for Workforce and Medical Education.

Education and Training estate remains at risk and a significant pressure. The University of Leeds staff who were based in the Clinical Practice Centre (CPC) were relocated to refurbished space at Seacroft and the LGI, which freed up some space, but the size and quality of educational estate is an issue. The CPC was refurbished in 2011 and has problems with heating and damp. At the LGI, the postgraduate centre is old and tired. This has been picked up by the Learning, Education & Training (LET) Committee and a working group has been established to engage with the Hospitals of the Future programme, but there are concerns that the footprint of education and training at the LGI site will be somewhat diminished to a third of its current level.

14. Conclusion

I confirm that there are no significant breaches of internal control that have been brought to my attention in respect of the financial year ended 31 March 2021. This statement aims to capture the priorities of risks and controls relating to our management, reset and recovery, to the date of approval of the annual report and accounts from COVID-19 which has been a truly exceptional challenge for the NHS.

Signed

Julian Hartley, Chief Executive

Date: 28 May 2021

2.4 Remuneration Report

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

A) Salaries and allowances

	2020-21					2019-20				
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	7	0	0	**45-50**	40-45	16	0	0	**45-50**
M Chamberlain - Non Executive Director and Vice Chair (to 03 January 2021)	5-10	2	0	0	**5-10**	5-10	1	0	0	**5-10**
S Clark - Non Executive Director	10-15	0	0	0	**10-15**	5-10	0	0	0	**5-10**
T Keeney - Associate Non Executive Director (to 31 January 2021), Non Executive Director and Joint Deputy Chair (from 01 February 2021)	10-15	0	0	0	**10-15**	5-10	13	0	0	**5-10**
Prof M Livingston - Non Executive Director (to 31 January 2021)	5-10	0	0	0	**5-10**	5-10	0	0	0	**5-10**
J Narang - Non Executive Director	10-15	0	0	0	**10-15**	5-10	2	0	0	**5-10**
C Schofield - Non Executive Director	10-15	0	0	0	**10-15**	5-10	0	0	0	**5-10**
R Simpson - Non Executive Director	10-15	0	0	0	**10-15**	5-10	8	0	0	**5-10**
Prof P.M. Stewart - Non Executive Director (to 30 November 2020)	5-10	0	0	0	**5-10**	5-10	0	0	0	**5-10**
T Storey-Hart - Associate Non Executive Director	10-15	0	0	0	**10-15**	5-10	6	0	0	**5-10**
Prof L Stroud - Non Executive Director (from 01 December 2020)	0-5	0	0	0	**0-5**	n/a	n/a	n/a	n/a	**n/a**
G Taylor - Associate Non Executive Director (to 03 January 2021), Non Executive Director and Joint Deputy Chair (from 04 January 2021)	10-15	0	0	0	**10-15**	5-10	3	0	0	**5-10**
J Williams - Associate Non Executive Director (from 01 December 2020)	0-5	0	0	0	**0-5**	n/a	n/a	n/a	n/a	**n/a**
R Woodman - Associate Non Executive Director (from 01 December 2020)	0-5	0	0	0	**0-5**	n/a	n/a	n/a	n/a	**n/a**

Executive Directors										
J.M. Hartley - Chief Executive	265-270	0	0	0	**265-270**	250-255	0	0	0	**250-255**
Dr Y.A. Oade - Chief Medical Officer and Deputy Chief Executive (to 30 April 2020)	15-20	0	0-5	0	**20-25**	210-215	0	30-35	0	**240-245**
L Grant - Chief Nurse	165-170	0	0	0	**165-170**	165-170	2	0	0	**165-170**
P Jones - Chief Digital and Information Officer (from 18 November 2019)	165-170	0	0	52.5-55	**220-225**	60-65	0	0	10-12.5	**70-75**
J Lewis - Director of Human Resources and Organisational Development	165-170	0	0	35-37.5	**205-210**	165-170	7	0	35-37.5	**200-205**
C Richardson - Director of Estates and Facilities (from 01 August 2019)	135-140	75	0	65-67.5	**205-210**	65-70	48	0	22.5-25	**95-100**
C Smith - Chief Operating Officer	165-170	0	0	70-72.5	**235-240**	125-130	4	0	87.5-90	**215-220**
Dr P Wood - Chief Medical Officer (from 01 May 2020)	170-175	0	10-15	127.5-130	**310-315**	n/a	n/a	n/a	n/a	**n/a**
S Worthington - Director of Finance	190-195	0	0	0	**190-195**	190-195	7	0	0	**190-195**

- 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 Estates and Facilities relate to a lease car 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 2021	Lump sum at pension age related to accrued pension at 31 March 2021	Cash Equivalent Transfer Value at 01 April 2020	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2021
	(bands of £2,500) £000	(bands of £2,500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000
P Jones - Chief Digital and Information Officer	7.5-10	0	25-20	45-50	339	91	457
J Lewis - Director of Human Resources and Organisational Development	2.5-5	0	15-20	30-35	305	28	362
C Richardson - Director of Estates and Facilities	2.5-5	2.5-5	15-20	25-30	255	30	314
C Smith - Chief Operating Officer	2.5-5	0	30-35	0	340	41	410
Dr P Wood - Chief Medical Officer (from 01 May 2020)	5-7.5	10-12.5	65-70	150-155	1,140	141	1,325

- 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 2020/21 and whose membership was active at 31 March 2021.
- 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.

Staff numbers and costs (subject to audit)

Staff Costs

Employee Benefits - Gross Expenditure (£'000s)	2020/21			2019/20
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	672,560	14,672	**687,232**	622,463
Social security costs	63,312	-	**63,312**	58,106
Apprenticeship levy	3,275	-	**3,275**	2,990
Employer's contributions to NHS Pensions	116,025	-	**116,025**	106,853
Termination benefits	-	-	-	16
Temporary staff	-	57,743	**57,743**	42,039
Total gross staff costs including capitalised costs	**855,172**	**72,415**	**927,587**	**832,467**
Costs capitalised as part of assets	3,018	-	**3,018**	2,095
TOTAL gross staff costs excluding capitalised costs	**852,154**	**72,415**	**924,569**	**830,372**

Staff Numbers

Average staff numbers (WTE basis)	2020/21			2019/20
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	2,459	54	**2,513**	2,365
Administration and estates	2,852	122	**2,974**	2,800
Healthcare assistants and other support staff	3,722	536	**4,258**	4,017
Nursing, midwifery and health visiting staff	4,310	266	**4,576**	4,389
Nursing, midwifery and health visiting learners	7	-	**7**	4
Scientific, therapeutic and technical staff	2,114	18	**2,132**	2,069
Healthcare science staff	1,081	12	**1,093**	1,065
Social care staff	8	9	**17**	16
Other	548	6	**554**	520
TOTAL	**17,101**	**1,023**	**18,124**	**17,245**

Average staff numbers (WTE basis)	2020/21	2019/20
Number of permanently employed staff	**17,101**	16,340
Other staff	**1,023**	905
Total average number of staff (wte)	**18,124**	**17,245**
Staff engaged on capital projects	**55**	41

Staff Sickness and ill health retirements

Staff sickness data and ill health retirements	2020/21	2019/20
Number of early retirements on the grounds of ill-health	**15**	8
Value of early retirements on the grounds of ill-health	**649**	340

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	2020/21	2019/20
Exit package cost band		
£15,001 - £20,000	-	1
£100,001 - £150,000	-	-
Total number of exit packages	-	1
Total resource cost (£'000s)	-	16
Voluntary redundancies including early retirement contractual costs	-	1
Total value of exit packages (£'000s)	-	16

Consultancy expenditure

Expenditure on consultancy	2020/21	2019/20
Consultancy costs (£'000s)	**1,007**	274

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 2020/21 was £265-270k (2019/20, £250-255k). This was 8.9 times (2019/20, 8.5) the median remuneration of the workforce, which was £29,983 (2019/20, £29,876). The highest paid director in both 2020/21 and 2019/20 was the Chief Executive. Remuneration ranged from £15-20k to £265-270k in 2020/21 (2019/20 £15-20k to £250-255k).

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 2021).

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

Length of all highly paid off-payroll engagements

For all off-payroll engagements as of 31 March 2021, for more than £245 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2021	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	0
for between three and four years at the time of reporting	1
for four or more years at the time of reporting	0

Off-payroll workers engaged at any point during the financial year

For all off-payroll engagements between 1 April 2020 and 31 March 2021, for more than £245 per day

	Number
Number of temporary off-payroll workers engaged between 1 April 2020 and 31 March 2021	2
Number not subject to off-payroll legislation	0
Subject to off-payroll legislation and determined as in-scope of IR35	2
Number subject to off-payroll legislation and determined as out of scope of IR35	0
Number of engagements where the status was disputed under provisions in the off-payroll legislation	0
Number of engagements that saw a change to IR35 status following 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 2020 and 31 March 2021:

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year	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.	23

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 Equality and Diversity

Leeds Teaching Hospitals NHS Trust is strongly committed to challenging discrimination and promoting equality and diversity both as an employer and a major provider of health care services. We recognise it fundamental to be the best place to work and the best for patient care. We aim to make sure that EDI is at the heart of our work and is embedded into our core business activities and in so doing one of our five values is to be 'Fair'.

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. The Trust also acknowledges the limitations of The Equality Act 2010 and in the spirit of fairness goes beyond the consideration of protected characteristics.

2020/21 Realignment

In 2020/21, to ensure a holistically strong focus on EDI with real impact, EDI as it relates to patients was reassigned from Human Resources to Patient Experience and reports into the Chief Nurse. As a result the Equality, Diversity and Inclusion Patient Action Plan 2021/22 has been developed. EDI as it relates to the workforce remains within Human Resources and reports into the Executive Director of Human Resources and Organisational Development. The LTHT People Priority 'Free From Discrimination' has been developed and a set of key priorities to drive real change.

Equality, Diversity and Inclusion Patient Action Plan 2021/22

Throughout 2020/21 a comprehensive EDI action plan was developed using what our patients tell us in complaints, PALS and FFT, feedback from LTHT staff networks and from feedback provided by Healthwatch and local third sector organisations. The plan has 20 aims covering between them the nine protected characteristics.

LTHT are now collecting demographic information from patients providing feedback via FFT, Complains and PALS. This will enable us to find out if the demographics of those patients choosing to provide feedback are representative of the demographics of our patient population, as well as identifying whether some groups are having a poorer experience of our service than others. Futhermore, individual Clinical Service Units are now asked to report on-going EDI activity as part of a rolling bi-monthly programme of assurance reports.

LTHT People Priority 'Free From Discrimination'

'By working in a way which is inclusive and free from discrimination we will value and recognise the contribution of every employee, volunteer and student'

Key Priority		Key Action Achieved 2020 to 2021
1 & 2	Representation of Black Minority Ethnic (BME) staff at Board and senior management levels Representation of disabled staff at Board and senior management levels	Successfully launched BME Reciprocal Mentoring Programme, pairing up 12 BME Aspiring Leaders with 12 Very Senior Managers. Developed and successfully piloted Inclusion Ambassadors Programme for Band 8a and above recruitment covering all protected groups, including BME and disability.
2	Representative workforce across all protected characteristics at all levels	'Moving Forward' positive action programme for BME staff successfully launched for a second year. Disability/Lesbian, Gay, Bisexual and Trans+ (LGBT+) positive action support agreed for 2021/22. Employability Programmes and Apprenticeships (Level 2) provided opportunities for BME and disabled individuals that reflected the local community.
3	Belief in equal opportunities	Increased number of Dignity at Work Advisors, including more than doubling the number of BME, disabled and LGBT+ Dignity at Work Advisors. Disabled Staff Network and LGBT+ Staff Networks established with Executive sponsors to proactively address most pressing workforce inequalities. Successfully switched all EDI Training to virtual.
4	Equity of experience	Launched LTHT BME Allyship Programme and BME Champions. Established Clinical Service Units Dashboard and Support to understand and identify local EDI actions

2.8 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.

Workforce statistics

Trust Board - at 31 March 2021

Gender	Position Title	Number
Female	Chair	1
	Chief Nurse/Deputy Chief Executive	1
	Chief Operating Officer	1
	Director of Human Resources	1
	Non Executive Director	4
Female total		**8**
Male	Chief Digital and Information Officer	1
	Chief Executive	1
	Director of Estates & Facilities	1
	Medical Director	1
	Non Executive Director	4
	Programme Director	1
Male total		**9**

The gender division for the rest of the workforce as at 31st March 2021, is outlined below.

Gender	Head Count
Female	15001
Male	5012
Grand Total	**20,013**

This is an increase of 1033 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, apprenticeships and learning bursts delivered by the Organisational Learning team.

Apprenticeships

Organisational Learning continues to run a range of successful apprenticeships programmes to support the recruitment of new employees and enable existing staff to access quality education and training opportunities. Through clearly defined pathways we are able to attract, engage and nurture new and existing talent. With a focus on diversity, inclusion and widening participation, our apprenticeship provision enables us to build a flexible, sustainable workforce to support the healthcare needs of the population for not only now but also in the future.

In February 2021 the "Achieve your Potential" career pathway within Estates and Facilities was launched. The pathway articulates the development opportunities available; promoting E&F as a career of choice.

LTHT has 856 apprentices undertaking learning on over 41 different apprenticeships, including Dental Nursing, Physiotherapy, Leadership and Management, Project Management, HR, Occupational Therapy, Nursing and Finance. We have introduced new apprenticeship programs such as L3 Science Manufacturing Technician apprenticeship programme and the L2 Healthcare Cleaning Operative apprenticeship programme to address workforce challenges across a range of CSUs.

Learning and Development

Organisational Learning has optimised the use of data provided through the annual appraisal system to establish key themes of requested development. From this Training Needs Analysis, a prospectus of over 17 different learning bursts and training courses has been developed, aligned to the identified workforce need through the TNA. 619 staff have access Learning and Development opportunities during 2020/21, which has been possible due to a rapid redesign of existing training content to enable online, virtual delivery.

Leadership and Management Development

Throughout 2020/21, 112 people have attended programmes which are designed to equip managers with the requisite skills to operate as compassionate, effective leaders within the Trust. In November 2020, the Trust's partnership agreement with the National Leadership Academy was extended to incorporate the Mary Seacole Leadership Development Programme for internal delivery by 10 accredited LTHT facilitators. The inclusive virtual programme is now offered across the Trust and awards each candidate with a nationally recognised accreditation in healthcare leadership, upon successful completion.

Medical Leadership was delayed in commencing due to the pandemic, however virtual delivery has allowed 19 LTHT consultants to complete the Inspiring Leaders Programme. A further 18 Consultants are currently undertaking the Faculty of Medicine Leadership and Management (FMLM) Programme and are due to the complete in September 2021. This year, the FMLM programme has been run in conjunction with Primary Care and our LTHT consultants have been joined on programme by 11 GP's from the Leeds area.

Coaching

LTHT have 23 staff who are trained coaches who have committed to providing their services to colleagues. In 2020/21 28 coaching relationships were established however many Trust staff approach coaches independently and therefore all activity may not have been captured.

In late 2020, Organisational Learning met with internal coaches to review how best to support and promote their activity and have subsequently implemented a number of initiatives for 21/22 which include:

- Facilitating a Coaching Community of Practice; bringing our coaches together monthly to allow sharing and support.
- An annual declaration to assure staff requesting coaching through Organisational Learning that our Internal coaches are meeting their CPD requirements.
- Monthly feedback metrics from coaches to allow Organisational Learning to monitor their activity and also identify when they have no capacity to accept requests.
- Agreeing how LTHT support the city wide supervision programme and access system wide CPD.
- Commissioning external resources for an LTHT CPD event.

Increasing the promotion of coaching for all through the 21/22 Prospectus and as part of our positive action programmes, Organisational Learning also hope to engage with members of the trust who are qualified coaches to come forward and offer their services by joining our Community of Practice and therefore increase capacity. The activity metrics will help along with qualitative feedback to highlight the Trust benefits of coaching.

Work experience, schools' engagement and employability

During the pandemic opportunities for both work experience, schools engagement and employability programmes have being halted at an organisational level as a preventive measure to minimise the spread of infection.

LTHT are working in partnership with Leeds One Workforce to establish a city wide approach to supporting employment through targeted interventions to tackle poverty in priority neighbourhoods and also supporting businesses and residents to improve skills, helping people into work and into better jobs.

Induction

The Trust delivers a weekly Corporate Induction programme which provides a welcome to the organisation from the Chief Executive and essential training. In response to the pandemic, this welcome is now delivered virtually. Over 1000 staff have been welcomed into the organisation through the reviewed virtual Corporate Induction since it was re-launched in January 2021.

Agenda for Change (AfC) Appraisal

In the 2020, despite the pandemic, over 13,000 staff held an appraisal conversation and 99 per cent of these who undertook their appraisal on the Training Interface described their conversation as 'valuable'.

Over 700 staff have attended the 'Having a Quality Appraisal conversation' training since its launch in 2021, and improvements have been made to the appraisal system to improve functionality and facilitate meaningful conversations as part of the Covid Reset and Recovery focus.

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. In 2020/21 the Trust is 90% compliant with regards to Mandatory Training. The Trust has begun the project of work to move to national training packages for topics aligned to the Core Skills Framework to enable more seamless movement of staff between NHS organisations.

Health and Wellbeing

Over the last 12 months, Staff Health and Wellbeing has been a top priority. Our staff faced indescribable challenges and our people team responded rapidly, implementing a range of initiatives, including: infection control measures, hot meals and financial support, staff testing and significantly-bolstered psychological support and treatment.

Psychological support has been an invaluable comfort to those staff who experienced the effects of COVID-19 and we have expanded our staff clinical psychology service to meet demand. The Leeds Hospitals Charity has funded this initiative and in addition has supported a staff support chaplain and the roll out of Mental Health First Aid over the next 18 months.

We have provided support to our most vulnerable staff who have been shielding throughout the pandemic. This has included a supportive individual risk assessment process which was completed by 98.7% of all staff. In addition we have run regular virtual coffee mornings for staff enabling them to come together, share their experiences and concerns and seek advice and help from the health and wellbeing team.

We recognise the challenges that the next phase of reset and recovery will bring in trying to balance service delivery and staff health and wellbeing. We've therefore developed a set of organisational principles created to ensure due attention is paid to health and wellbeing which will be used to inform operational plans.

20,300 staff in our organisation feel positively that our organisation and their line manager is concerned about and helps them to prioritise their health, safety and wellbeing.

Occupational Health

This year's annual flu vaccination campaign for staff was a massive undertaking as this coincided with the trust rollout of COVID vaccinations. Despite this we saw a great turnout of staff attending for their vaccination, 84% of our frontline staff were vaccinated which saw us achieving the national target.

The department continued to run their regular services throughout the pandemic but like all areas of the organisation, were required to adapt quickly to support staff through our LTHT COVID-19 response.

The department helped staff to understand latest government guidance in relation to local policy. A COVID call line was established to enable managers and staff to seek advice from one of our Specialist Nurses. The team also then worked hard to identify staff who needed to shield in accordance to national guidance and are currently continuing to support staff that are now returning to the workplace. Similarly the department have offered continued support to staff who have had COVID, some of which are experiencing symptoms of Long COVID and will require continued follow up and support.

Despite the increase demand on our Occupational Health Service we still maintained regular immunisation clinics to immunise new starts that joined the trust to help support with our COVID-19 response. We also were able to meet the increase demand in the number of health clearances that were required.

Health and Safety

Health and Safety within Leeds Teaching Hospitals is overseen by the Risk Management Committee alongside supporting assurance groups. Staff involvement and consultation is welcomed and encouraged with information from the regular planned meetings of the Health and Safety Consultation Committee posted on the Trust Health and Safety intranet pages.

We have a Trust Board approved Health and Safety Policy, which explicitly details roles, responsibilities, arrangements and integration within the Trust corporate governance structures. It also includes our detailed procedures relating to specific risks such as Fire Safety, Conflict Resolution and Security, Ionising and Non-ionising radiation, Prevention of Musculoskeletal Disorders, Control of Substances Hazardous to Health, Work Related Stress and Non-Clinical Slip/Trip/Fall Prevention.

Minimum performance standards have been set for all health and safety risks (Active Monitoring) and all departments participate in the annual Health and Safety Controls Assurance process which measures levels of compliance. An annual health and safety report publishes the results of this auditing process.

We have conducted an audit of the previous year's performance in which 609 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.

Staff RIDDOR reports: significant work-related injuries, dangerous occurrences and occupational diseases

Year	RIDDORs	All reported incidents
2010	117	20679
2011	105	21430
2012	93	24215
2013	68	25221
2014	73	26292
2015	62	28501
2016	50	30873
2017	72	32524
2018	73	32798
2019	54	31857
2020	57	30946

During 2020 the Health and Safety Executive (HSE) issued Leeds Teaching Hospitals with a Notice of Contravention that required us to take immediate action to improve our internal process of proactive skin health surveillance for our staff in order to decrease the potential for any cases of occupational disease in the form of occupational dermatitis.

Public and Employers liability claims following alleged harm due to negligent acts by the Trust are also generally decreasing over time.

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. It is reassuring to report that no cases of subsequent infections have arisen due to these types of incidents. We are very proud to have once again been awarded the Royal Society for the Prevention of Accidents (ROSPA) Gold Medal Award for the fifth consecutive year 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 subject to external assessment.

Staff Survey

"Highly engaged staff - and by this we mean individuals who are committed to their organisations and involved in their roles - are more likely to bring their heart and soul to work, to take the initiative, to 'go the extra mile' and to collaborate effectively with others. There is now an overwhelming body of evidence to show that engaged staff really do deliver better health care. The NHS providers with high levels of staff engagement (as measured in the annual NHS Staff Survey) tend to have lower levels of patient mortality, make better use of resources and deliver stronger financial performance (West and Dawson 2012)." (The King's Fund 2015)

Our method of measuring staff engagement is through the annual NHS Staff Survey, a national tool used across all NHS Providers. The survey provides insight into the working lives of our 20,000-strong workforce, with all staff having the opportunity to take part. This ensures that everyone is provided with a voice, and the opportunity to let us know what is it like to work for Leeds Teaching Hospitals, what is working well, and areas we can improve.

The survey was completed by 6,838 individuals, equating to 38% of our workforce, and although not improving on our 2019 response rate of 42%, it provides a representative sample of our workforce during a time when infections rates were high across Leeds, and our staff were therefore experiencing great operational pressures.

The Trust compares well nationally, with our results being in line with or above the national average for the majority of survey questions and survey themes, falling .1 below the average for just one of the 10 themes (Quality of Care). LTHT additionally continue to perform above the national average for the two questions which asks staff whether they would recommend LTHT as a place to work, and to receive care. LTHT's Staff Engagement Score (out of 10) however has dropped by .1 since the previous year, but remains above the national average.

Given the last year experienced by staff, the COVID-19 infection rates within our local area, and the impact the pandemic has had on both the personal and working lives of our workforce, we are pleased there has only been a slight decrease in engagement. As a Trust we have concentrated heavily on the health and wellbeing of our staff, recognising the difficulties staff are facing. We will continue to make this our focus in 2021/2022, as we look to 'recover' and 'reset' our services to discover our new normal. Supporting the wellbeing and morale of our staff will be a vital part of this.

We also wish to continue to develop areas such as flexible working, remote working, staff rest areas and staff car parking; basics that we know are important to staff. We will also be looking at how we can continue to grow a healthy 'speaking up' culture, to run through everything we do.

We continue to utilise several staff survey questions as measures of success against our seven People Priorities; the areas staff have told us they would like us to focus on. Our focus for 2021/2022 will therefore be to positively impact our seven Priorities, setting ourselves measures to ensure either maintenance or improvements are achieved, to keep us on track to achieve our ambition to be The Best NHS Employer.

To support leaders further in this, and to focus their efforts as we start to recover from the pandemic, we have highlighted four of these priority areas to particularly concentrate on and progress in:

1. 20,300 staff in our organisation feel positively that our organisation and their line manager is concerned about and helps them to prioritise their health, safety and wellbeing. (Patient Centred).

2. 20,300 staff in our organisation consciously consider and discuss and overcome issues of being inclusive in their team. (Collaboration and Fair).
3. 20,300 staff agree that their appraisal helped them to be clear on their priorities. (Empowered and Accountable)
4. Every CSU/Corporate directorate and the professional workforce leads have a 5 year workforce plan that considers and aims to address existing and future underlying capacity and capability gaps (Patient Centred)

The results of the Staff Survey are shared with our senior leaders, managers and all staff, who are empowered and supported to have a conversation about their results within their teams, so that together, improvement actions can be developed, and the conversation can be carried on throughout the year.

Signed

Chief Executive

28th May 2021

SECTION THREE

PATIENT CARE AND EXPERIENCE

Section 3: Patient Care and Experience

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. Hearing from our patients and involving them in service changes and improvements is more important than ever when the NHS is under such significant pressures. We continue to look for opportunities to engage and involve patients and the public wherever possible.

3.1 Patient experience - COVID-19 response

www.leedsth.nhs.uk/patients-visitors/patient-and-visitor-information/patient-experience/

A national suspension on visiting was imposed on 16 March 2020 due to the rising number of COVID-19 cases. The aim of the suspension was to keep the overall number of people coming into hospitals as low as possible in order to limit unnecessary contact and keep the spread of the Coronavirus low. As a result, patients became disconnected from their loved ones and some were unable to keep in touch.

Key Achievements in 2020/2021

'Loved Ones' initiatives

Letters to Loved Ones

This was first initiated in April 2020 and enables family, carers and friends to write letters to patients who are in the care of the Trust. The Patient Experience team, supported by Trust volunteers, print the letters, pop them into an envelope and deliver them to patients on wards. It has been well received by patients, families and staff across the Trust with more than 2,000 letters delivered so far.

> *"Thank you so much for doing this, my mum has been in for 9 weeks now, nearly 4 of which with no visitors! I know she will really appreciate this from her family, it will keep her going."*

Belongings to Loved Ones

This service supports patients to have their own belongings with them during their hospital stay to make them feel more at home. Relatives bring essential items to Trust reception areas, such as toiletries, clothing and non-perishable foods. These are then delivered to the ward by a Trust volunteer and given to the patient.

Laundry from Loved Ones

This new service was introduced at the beginning of 2021 and enables patients to safely send their used laundry home to wash. Previously, visitors often took patients' laundry home during their stay in hospital. Trust Volunteers are now supporting patients to return laundry to their families, whilst avoiding the need for them to attend the ward to pick it up.

Talking to Loved Ones

The Patient Experience team sourced a supply of iPods which were configured with a video calling app and distributed to all wards. The iPods have been a real source of support during the pandemic as they enable patients to video call their friends and families, which has helped them to stay connected. This has particularly been comforting for people who didn't own a device themselves that could do this and for parents of babies in the Paediatric ICU.

> *"...mum and dad are self-isolating and the baby is only three weeks old! Dad has only met him a couple of times and mum hasn't been in at all since self-isolating over a week ago! It made mum and dad's day, he's been on PICU since just after birth so this was really special!"*

Comfort Packs

The Leeds Hospital Charity funded 700 comfort packs to support patients who were admitted to hospital in an emergency during the pandemic and who didn't have essential items with them. The packs included toiletries such as toothbrush, toothpaste, soap, hair care and skin care products. Trust volunteers assisted with delivering these to designated areas so ward staff could obtain them for patients as and when they were needed.

> *"It was really nice to get this as I came in, in a rush and hadn't brought anything with me. I didn't expect it, thank you"*

Patient and Volunteer Support Fund

It was identified that some patients were suffering financial hardship as a result of their healthcare plans being affected by the pandemic. As a result a fund was set up to support people in need of financial help. The money to support this funding was generously donated to the Leeds Hospital Charity from NHS Charities Together. The fund is intended to assist (but not limited to):

- Bereaved relatives facing immediate financial pressures.
- Patients isolating for 14 days in advance of admission to hospital and suffering income loss.
- Patients, their immediate families or volunteers who have experienced significant household income loss as a result of the pandemic and are struggling with financial obligations.
- Those experiencing significant increases in costs as a direct result of the pandemic, e.g. increased childcare costs.

It is lovely to know that we have been able to help a significant number of patients as a result of this financial support being available to them.

Support for bereaved families

Sadly, many relatives and friends have lost a loved one during this time. Families who find themselves in this situation have been receiving a handwritten condolence card, with support from the Volunteer Service. The card contains a letter from the Trust Bereavement Nurse with contact details and an invitation to get in touch if they would like to do so. As of November 2020, 901 cards had been sent.

The Trust mortuary also introduced an initiative which offered bereaved people a knitted heart in memory of their loved ones. This was offered alongside a note acknowledging their loss and letting them know a second identical heart had been placed with their loved one.

Aims for 2021/2022

We will continue to strive to find ways to help patients and their friends and families feel more connected and to improve the experience of patients and families.

3.2 Involving patients and the public

National restrictions which have been introduced in response to the COVID-19 pandemic have had a significant impact on the way in which we involve and engage with patients, carers and members of the public. Face to face involvement and engagement remains difficult and so most opportunities for involvement are currently offered virtually, via digital routes. The Patient, Carer and Public Involvement (PCPI) team are aware not everyone is able to engage digitally or that may not be people's preference, and for that reason are planning a return to some face to face involvement and engagement activity once restrictions are lifted.

We will be continuing to use methods and approaches developed in response to the COVID pandemic once restrictions are lifted, as well as returning to more traditional PCPI techniques. This will provide a broader range of opportunities for participation and will make involvement and engagement more accessible for all.

PCPI volunteers

All Trust volunteers are now offered the opportunity to become a PCPI volunteer. This provides volunteers with the option to gift additional hours, in addition to their regular volunteering hours, to support PCPI projects.

Key achievements in 2020/2021

- Recruitment of PCPI volunteers for Leeds Dental Institute to conduct telephone interviews for Dental Implant patients.
- Recruitment of PCPI volunteers to support the Communications team with public health messaging.

Aims for 2021/2022

- We will continue to review the role of the PCPI volunteers and include them in new opportunities and activities as they arise.

Patient Reference Group

The Patient Reference Group (PRG) offers an opportunity for patients and members of the public to provide feedback on Trustwide, as well as service led initiatives. The group meets four to six times a year. As it is not possible to hold physical PRG meetings at the moment, they are currently being held virtually.

Key achievements in 2020/2021

- We have held virtual PRG meetings since October 2020 and have trialled evening meetings for those who may not be able to attend during the day.
- The PRG has contributed heavily to the development of the Trust Patient Experience Strategy 2021-2024.
- Quarterly 'Get Involved' updates are shared with Engage/PRG members, the CCG and Healthwatch Leeds who now publicise the PRG and share the work that it does.

Aims for 2021/2022

- To continue to promote the PRG within the Trust to broaden the range of opportunities for members to be involved and engaged in our work.
- To increase the size and diversity of group membership by offering choice in the ways people are able to participate.

Patient Stories

The Trust patient story programme aims to capture current stories from patients who wish to share their experience of care. The PCPI team offer support and advice to patients who would like to take part in the programme. A patient story is shown at every Trust Board meeting and at many of the senior meetings held throughout the Trust. They are a powerful tool for reflection and learning and assist teams to identify areas for celebration and improvement.

Key Achievements 2020/2021

We have been learning how to develop a consistent approach to sourcing, supporting and producing patient story videos whilst avoiding face to face contact with people who may wish to take part.

Aims for 2021/2022

To promote a more comprehensive Patient Story programme both within and outside the Trust to increase the range and diversity of experience we capture.

Engaging with the Public

1,422 people are in regular contact with the PCPI 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. Typically, database members are asked to review patient information, complete questionnaires or contribute to focus groups. The People's Voices database can also be used by trusted strategic partners in the city and as an example; the database has been used to circulate Healthwatch Leeds' regular check-in surveys during the COVID-19 pandemic.

PCPI Website

The PCPI webpage is now live on the Trust's Internet site. The pages feature patient stories and explain how the public can get involved in the work of the Trust. They describe work that is currently being supported by the PCPI team and give examples of how services have responded to patient and public feedback. The site also provides access to any surveys or questionnaires that are currently live and posted by the Trust or trusted partners.

3.3 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.

Carers

It is recognised that Carers have been significantly affected during the pandemic as a result of the restrictions to visiting that have been applied to reduce spread of coronavirus. The Trust continues to seek ways to support Carers and to recognise the essential role they play in maintaining the well-being of patients.

Key achievements in 2020/2021

The Trust patient experience team has been working with the West Yorkshire and Harrogate Partnership to introduce a Carers Passport across the Trust, which aims to provide Carers with additional support whilst patients they care for are inpatients in the Trust. Preliminary work has taken place on this and will be continued during the remainder of 2021.

The Trust Visiting Guidance was reviewed following a national requirement to restrict visiting at the start of the pandemic. The review that took place recognised that, in some situations, it is important

that patients continue to have access to their main Carer. As such, the guidance that was developed ensured there was provision for this, where it is needed. Visiting guidance has continued to be regularly reviewed throughout the period.

The Trust recognises that where visiting is not possible, it has been difficult for Carers to feel they are receiving all the information they require about the care and treatment being given to the person they care for. The Trust has piloted a process to improve regular communication with Carers, in recognition of the distress this has caused.

Aims for 2021/2022

- We aim to launch the Carers passport in the Trust by June 2021.
- We also aim to develop training for staff to access, to support them to better meet the needs of Carers.

Interpreting

The Trust provides patients with the support of spoken interpreting, British Sign Language (BSL) and deaf/ blind communicator guide interpreting. Spoken interpreting can be provided face to face, by video and by telephone. Video interpreting is also available to support some consultations that are taking place remotely. BSL is provided face to face or by video.

The Trust website offers access to 'Browsealoud', which is software that provides translation and visual aids to improve accessibility to written information. During 2020 the 'Browsealoud' app was accessed 103,430 times.

Key achievements in 2020/2021

- Since the beginning of the pandemic, face to face interpreting has only been provided in exceptional circumstances. As a result, access to telephone, video and remote interpreting has been improved or made available to ensure patients continue to be appropriately supported. This has included the piloting of video interpreters to support video outpatient consultations and an increase in the number of 'interpreters on wheels' that are available in clinical areas. Video interpreting has been made available on Trust iPads for clinical service use.
- Remote interpreting, with patients at home, has been piloted within the Children's Hospital. BSL interpreting is also available via video link.
- A befriending service was set up with interpreters attached to Leeds Society for Deaf and Blind People. This was made available to inpatients who are deaf, because this community group had reported feeling particularly isolated on the wards in the absence of visitors.
- The interpreting team has been involved in trialling clear face masks for use with patients who rely on lip reading.
- A video to raise awareness of the challenges that patients who are deaf face during the pandemic was developed and shared with staff.

Aims for 2021/2022

- We will continue to promote the technology accessible on the Trust website to enable patients to access patient information 24 hours a day.
- We also aim to fully implement video interpreting in support of video outpatient consultations to enable all clinical teams using that technology to interact with patients.

Friends and Family Test

Until March 2020, the main method of collecting FFT feedback from patients was through using postcards. Due to the pandemic, NHS England requested that all postcard collection was suspended. The FFT team therefore concentrated their efforts during the year on obtaining FFT feedback using electronic methods. New FFT questions were introduced nationally on 1 April 2020 and the team also supported this change.

Key achievements in 2020/2021

- Ensuring patients can leave feedback digitally, by making the FFT survey available via the Trust website, on ward ipads and via a QR code.
- A QR code to the FFT survey has been added to all new Trust developed patient information leaflets and patient letters.
- Clinical services have been through a challenging period. Positivity posters have been developed to share positive FFT comments with ward staff during this time.
- The Trust website has been further developed to provide an overview of FFT feedback.
- We have improved the technology supporting the FFT, which means outpatients can now leave feedback linked to a particular service.
- FFT has been created in Easy Read formats including a version for maternity services. A Dementia friendly version has also been developed.

Aims for 2021/2022

- We aim to implement a new digital survey tool which can be used alongside the FFT. The tool supports further questions to be asked in addition to the national mandatory questions.
- We would also like to explore the use of FFT to recognise and celebrate individual wards and staff who have been the subject of positive patient feedback.

National Patient Surveys

The Trust received one nationally mandated survey report during 2020/2021. The 2020 Maternity survey was cancelled as part of the national effort to reduce pressure on the NHS at the beginning of the pandemic. The 2020 Inpatient survey was delayed but did go ahead and the CQC will be reporting the results of this in November 2021. Sampling for the bi-annual Urgent and Emergency Care survey took place in October and November 2020 and sampling for the bi-annual Children and Young People Survey will take place later in 2021.

Key achievements in 2020/2021

The CQC Inpatient Survey 2019 was published on 2 July 2020. 533 patients who had been in hospital during July 2019 responded, which resulted in a response rate of 45% - this was slightly higher than in recent years.

Although Trust scores had increased across most sections of the questionnaire this increase did not reach statistical significance when benchmarked against all other Trusts. The Trust was not statistically better or worse than any other Trust for all 63 questions. When compared with 2018 results, performance was statistically significantly better for one question: 'Did you have confidence in the decisions made about your condition or treatment?' Historical performance was also statistically significantly worse for one question: 'Did you see, or were you given, any information explaining how to complain to the hospital about the care you received?'

Aims for 2021/2022

- 2021/2022 will be a busy year for nationally mandated surveys as all four surveys will be reported. These are: the Inpatient Survey; the Maternity survey; the Urgent and Emergency Care survey and the Children and Young People's survey.
- We will continue to use the national patient survey results to drive improvement activity and to monitor that activity through the Trust Patient Experience sub-group.

3.4 Resolving complaints

The focus of the Trust complaints service during 2020-2021 was to improve the experience of people using the service. An external review of the service was undertaken to support this and the Trust has been working on implementing the recommendations arising from that review since they were received in June 2020.

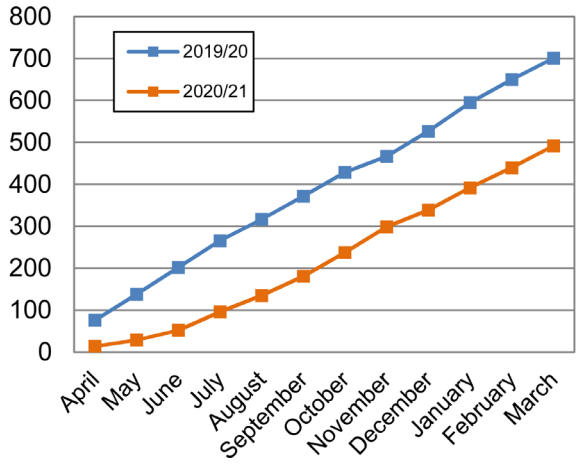
Key Achievements in 2020/2021

- A new Complaints Policy has been published which has been written in a style that is more accessible for the person who has felt the need to make a complaint.
- We have implemented a new internal standard for the amount of time it should take for a person using the complaint service to receive a response to their concerns.
- An improvement programme was initiated using quality improvement techniques known as the Leeds Improvement Method (LIM). The programme aims to improve the quality and timeliness of complaint responses. Four Trust Clinical Service Units have taken part in the programme to date.

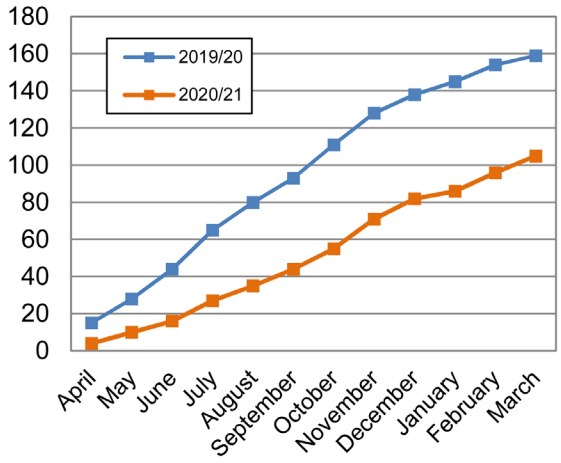
Aims for 2021/2022

- We aim to continue the complaint improvement programme and make it available to more CSUs.
- We also aim to develop a complaints training and coaching strategy for staff involved in complaint management.

Number of complaints received (cumulative)



Complaints reopened (cumulative)



Patient Advice and Liaison Service (PALS)

During 2020/2021 the Trust recorded a reduction in the number of PALS concerns received. This is related to an overall reduction in clinical activity at the Trust during the pandemic. The graph below shows that PALS numbers are now slowly returning to more usual levels.

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.

Despite the reduction in the amount of activity in the Trust since the beginning of the COVID-19 outbreak, the number of compliments received into LTHT via the PALS team has remained much the same.

PALS concerns are currently showing they are returning to the levels of concerns raised before the pandemic. As part of their work, the PALS team has been involved in supporting staff and members of the public with concerns and enquiries relating to the vaccination programme.

Key achievements in 2020/2021

The PALS team has continued to work with clinical colleagues to reduce the number of open PALS concerns. A new daily report is shared with all CSUs, which gives up to date information on the number of times contact has not been made within 48 hours of an individual raising a concern. This provides a prompt for clinical services and improves the experience of people using the service, who are being contacted more quickly.

PALS posters - An initiative was launched providing new information for staff, patients and relatives. Posters have been designed to encourage patients, relatives and front line staff to resolve concerns they may have at the point at which they arise. This will provide a better experience for patients and will help to reduce the number of PALS concerns and Complaints received into the Trust.

The PALS team introduced a textphone to their service for the use of people who are deaf, following feedback from the community which suggested they would like the opportunity to communicate with the team via that route. The service has found this is also a preferred method of communication for some other communities in Leeds.

Aims for 2021/2022

- 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 find ways to interact with community groups to share information about the service and the work they do.
- We aim to gather feedback about the PALS service from people who have used it, via a survey. Survey findings will be used to make improvements to the service.
- We also aim to raise awareness of the PALS textphone so that more people are aware it is an option available to them when they wish to access the service.

3.5 Working with partners

Partner Programme

Funding was secured in 2019 to test involving interested members of the public in Trust Quality Improvement (QI) work. We used this to recruit and pilot the involvement of Partners in QI Collaboratives. These are groups set up to focus on areas of care in the Trust where we know quality or safety could be improved. One of the groups focuses on reducing the number of people who fall whilst an inpatient in hospital, as an example. A first cohort of partners were matched to a collaborative and commenced supporting the Trust. The work was paused between March and July 2020 due to the pandemic. As QI Collaborative meetings reconvened, Partners who were able to join virtual meetings began once again to bring the valued voice of patients, carers and the public to our improvement conversations.

Key achievements in 2020/2021

- We have expanded the roles we offer to Partners, enabling them to become involved in workstreams delivering the Leeds Improvement Method, another quality improvement approach we have in the Trust. Partners also support the Drugs and Therapeutics Committee (DTC) and have recently become part of a newly created opportunity to join our Patient Safety Response Incident Framework (PSRIF) project team.
- We undertook a second round of Partner recruitment in Autumn 2020. Existing Partners supported us in the selection process. The second cohort of 12 Partners were welcomed virtually into the organisation over a period of five weeks.
- We now have 17 Partners making a worthwhile contribution to our Quality and Safety Improvement work.

Aims for 2021/2022

- We aim to continue with our Partner Peer Meetings. These give our Partners an opportunity to support each other and feedback to us about what works well for them when working with us and what development they would like.
- We are establishing mechanisms to measure how we demonstrate the difference having the Partner perspective in our meetings is making.
- We will continue to demonstrate we are responding to the NHS Improvement Patient Safety Strategy - by developing the involvement of partners in our safety work and reducing inequalities.
- We aim to expand our pilot of involving Partners in recruiting senior staff in the organisation.

Volunteering

Prior to the pandemic, the Volunteer Services Team were supporting over 500 volunteers in the Trust. This reduced to 100 active volunteers by February 2021.

Under normal circumstances volunteers would support patients in ward and clinical areas, however during the pandemic they have not been able to carry out duties in those areas. Despite this, staff and volunteers have continued to support patients in different ways and their help throughout has been truly invaluable. Volunteers have gifted 3512 hours to the Trust during this time.

Key achievements in 2020/2021

- We created a Trust Covid Volunteer role which enabled volunteers to be deployed to support whatever activity was required on a particular day.
- We developed an improved way of recruiting and training volunteers which enabled us to bring new recruits on board much more quickly than had been possible previously.
- We are coordinating the recruitment of the many volunteers required for the COVID mass vaccination sites in Leeds.
- We have continued with our work to support a Pears funded Youth Volunteering Programme, which focuses on engaging volunteers 16 years + to volunteer.
- Two Trust volunteers were shortlisted for the Yorkshire Women Volunteer Awards in May 2020.

Aims for 2021/2022

- We have been successful in securing NHS England and Improvement funding to test schemes which will develop new ways for volunteers to support patients remotely. We aim to undertake our first pilot on an Older Adult ward, where we will be exploring how digital contact with a volunteer can help reduce isolation and support patient discharge.
- We have also been successful in securing funding from HelpForce to support a Volunteer to Career pilot project. This project aims to create a pathway for volunteers to progress from volunteering to a career in the Trust.

3.6 Leeds Hospitals Charity

Leeds Hospitals Charity (previously Leeds Cares) is the charity partner for the Trust. The charity's vision is to enhance Leeds Teaching Hospitals ability to be the best NHS Trust, in one of the healthiest cities in the UK.

In January 2021, in conjunction with support from Trust staff, the charity renamed to 'Leeds Hospitals Charity. This was done to reflect the close relationship between the charity and the Trust and to ensure the NHS staff at the hospitals felt ownership and affiliation with the charity.

The charity is independent of the Trust and is governed by a Board of Trustees, with Dr Edward Ziff OBE DL as the Chairman and Dame Linda Pollard DBE DL Hon as the linked Trustee. Esther Wakeman is the Chief Executive, supported by a senior leadership team and a further 38 paid staff.

Supporting the Trust through the coronavirus pandemic

In a year that has been undeniably challenging for everyone in the UK, the charity has also faced a difficult year. In March 2020, when the pandemic was declared, all fundraising activity had to be halted and the charity quickly had to diversify, moving to a working from home model and identifying new ways of generating income.

The charity has proved its resilience, generating income of over £7million in the year. This included £5 million in donations, gifts in kind and fundraising income, supported by a grant of £670,000 from NHS Charities Together who distributed national fundraising following the pandemic from supporters like Capt. Sir Tom Moore.

Local companies showed their support for the charity in droves, providing corporate donations and giving 'Gift in Kind' items worth nearly £700,000. Charity staff responded swiftly, with the help of volunteers, launching a logistics operation in just a few weeks that allowed hard-working staff to receive care packages, fresh fruit & vegetables, toiletries and treats whilst caring for patients on the front-line.

Continued financial support from our donors, in an unprecedented year, has enabled the charity to provide funding grants of nearly £4 million to Leeds Teaching Hospitals, over £1.3 million of which was allocated to health and wellbeing projects; helping both staff and patients to cope during and after the most difficult stages of the pandemic.

In addition, £1 million was given (via a generous donation from a Foundation) to support the de-linking of the Day One Trauma Support charity, which was previously a linked charity organisation. Day One is now completely independent and will provide ongoing trauma support services to the Major Trauma Unit at Leeds Teaching Hospitals.

In April 2020, Leeds Hospitals Charity made the difficult decision to close their normal funding application process and instead accept only those applications that were classed as urgent for supporting the coronavirus response effort. Over £1.5 million was awarded for specific applications relating to the outbreak, including grants to two 'support funds', one to financially help staff who might have been adversely affected and the other to provide financial assistance to volunteers and patients. Grants of up to £500 per application were given, which often went to pay accommodation or food costs for those who found themselves struggling during the initial lockdown period. In total, nearly 200 grants were provided through the scheme, helping to save many patients, volunteers and staff from further debt and anxiety.

The charity also provided around £1 million in grant funding for an extensive staff health and wellbeing programme which included the continuation of clinical psychological support for those staff working directly with COVID-19 patients. The first wave of the virus brought with it a variety of mental health concerns, with many staff worried about their own health, the risks to their families or the challenges that came with being redeployed to support on respiratory wards.

The additional funding also paid for a dedicated health and wellbeing project manager, mental health first aid training and a specialist staff chaplain.

> "I want staff across our hospitals to feel comfortable to approach me, I'm here to provide support to any staff member regardless of their background, faith and beliefs – even if someone just wants a five-minute chat, I'm here to listen.
>
> This year has affected us all differently, producing a whole range of thoughts and feelings from anger to anxiety, exhaustion to confusion. You don't need to be feeling at the end of yourself to talk to a chaplain - we are here for the good as well as the challenging times, to uncover hope in the busyness of life, to celebrate the small wins and share the life changing moments."

New staff chaplain Andrea Farley-Moore

Making a difference through grant funding

Following the second wave in November 2020, the charity reopened their funding application process for all non-COVID related projects. Over £3 million worth of applications were approved, the majority of which was for Research and Innovation projects, supporting Leeds Teaching Hospitals to invest in new and upcoming research interns, pilot projects and new technology. From continuing to support existing projects like research into inflammatory diseases to exploring new treatments for cystic fibrosis, charity support for research at the Trust have provided a real opportunity to improve patient care.

Working towards a cure for cystic fibrosis

Cystic fibrosis is caused by a genetic mutation that disrupts the body's ability to regulate salt and water transport in the body. The average life expectancy of a sufferer is currently just 31 years old.

The research, funded partly by charitable donations, has shown for the first time that inflammation is a major part of the disease, and using inflammation - rather than lung function - as a measure of progress is key to better treatment and patient outcomes. By using drugs and therapies - such as Kaftrio, which has recently been approved by the NHS - to increase the function of a key protein, the damaging inflammation is reduced over three months.

Professor Daniel Peckham, director of the adult cystic fibrosis unit at Leeds Teaching Hospitals said:

"In the past, we've always thought that inflammation was due to infection and so we've attempted to treat that with antibiotics. In Leeds, we have shown that it's inflammation that is causing a lot of damage in terms of the destruction of the lungs. We think that this work is going to really contribute to the clinical improvement. And we strongly believe that within the next ten years, we will be able to cure cystic fibrosis."

The charity also continued to support education projects, providing 'top-up' funds to the Chief Nurse Educational Fund which supports Nurses, Midwifes, ODPs and AHPs to further their careers through education and training.

More than 50 funding applications were approved to purchase new medical equipment for the Trust and many of these projects are already showing benefits for both patients and staff.

£2,843.00 - specialist seating shower chair for the Neurology ward

This shower chair is designed to ensure that patients are safe and comfortable in the shower and it can be easily cleaned in between uses. The ward cares for patients who have had strokes and neurological conditions, and around a quarter of patients struggle with mobility issues as a result of their condition.

Before the shower chair was funded, many patients could spend months on the ward and only have bed baths because of their mobility problems and the bedside chairs available were unsuitable for use in the showers.

After spending 72 days in hospital, patient Stellio was finally able to have his first proper shower since being admitted to hospital thanks to the new shower chair. He said,

"It feels wonderful to have a shower, it has helped me to feel so much better!"

Jess Farman, Senior Sister on the Neurology ward said,

"We're so grateful to Leeds Hospitals Charity for funding this shower chair. It means so much for our patients to be able to have a proper shower and have their hair washed, you can see how much joy it brings them, and it definitely makes a huge difference to their mental wellbeing."

£23,840 - BabyLeo Incubator

Following a successful public fundraising appeal, more than 1200 people made donations to the charity which resulted in them reaching their target in just a few weeks in December 2020.

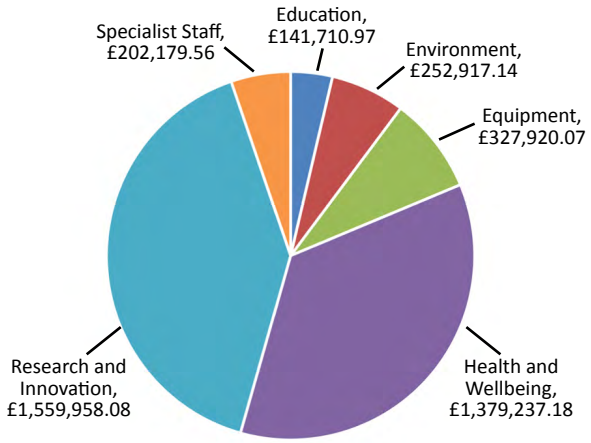
New parents, Chris Burns and Emma Bailey were in hospital with their one-month old baby Archie when the charity launched their Urgent Equipment Appeal. Archie spent two weeks in an incubator on the Neonatal Intensive Care Unit and grew from strength to strength until the family were able to return home together three weeks ago. Chris said:

> *"We're absolutely over the moon that the appeal has raised enough to buy a new incubator for the ward! We see the nurses, doctors and surgeons as Archie's first family, Emma and I will forever be in their debt."*

Dr Lawrence Miall, Consultant on the Neonatal Unit at Leeds Children's Hospital, said:

> *"We are thrilled that we're receiving this specialist piece of equipment which will improve the care and support we can provide to premature babies in Leeds. I mentioned at the start of this appeal that throughout my career I've always been struck by the kindness and generosity of the people of Leeds, and once again they have proven me right."*

Value of applications by funding priority



SECTION FOUR

FINANCIAL STATEMENTS

Section 4: Financial Statements for 2020/2021

4.1 Statements of responsibility

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

28th May 2021

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board

Name: **Julian Hartley**
Position: **Chief Executive**

Name: **Simon Worthington**
Position: **Director of Finance**

Date: **28th May 2021**

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

Qualified opinion on the financial statements

We have audited the financial statements of Leeds Teaching Hospitals NHS Trust ('the Trust') for the year ended 31 March 2021, 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 accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2020/21 as contained in the Department of Health and Social Care Group Accounting Manual 2020/21, 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, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of our report, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 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 2020/21; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for qualified opinion

The carrying amount of the Trust's inventory balance held at 31 March 2021 is £22.545 million. We were unable to obtain sufficient appropriate audit evidence about the existence and condition of the inventory balance held by the Trust at 31 March 2021 because we were unable to attend the year-end physical inventory counts due to COVID-19 related travel restrictions. We were unable to satisfy ourselves by alternative means concerning the existence and condition of inventory held by the Trust as at 31 March 2021 by using other audit procedures because of the nature of the Trust's accounting records. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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 2020/21 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accountable Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the NAO in April 2021.

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.

Report on 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 2021.

We have not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Controller and Auditor General in April 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2021.

We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Accountable Officer

As explained in the Statement of Accountable Officer's responsibilities, the Accountable Officer is responsible for putting in place proper arrangements for securing 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 under section 21(1)(c) 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, and to report where we have not been able to satisfy ourselves that it has done so. 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 work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021.

Report on other legal and regulatory requirements

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 under the Code of Audit Practice

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; 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 respect of these matters.

Use of the audit report

This report is made solely to the Board of Directors of 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.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources and issued our assurance statement to the group auditor in respect of the Trust's consolidation schedules.

Mark Dalton, Key Audit Partner

For and on behalf of Mazars LLP

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

10 June 2021

Audit Completion Certificate issued to the Directors of Leeds Teaching Hospitals NHS Trust for the year ended 31 March 2021

In our auditor's report dated 10 June 2021 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources. In addition, we were not able to conclude our audit as we had not completed work required to report to the National Audit Office as group auditor of the Consolidated Provider Account.

This work has now been completed.

No matters have come to our attention since 10 June 2021 that would have a material impact on the financial statements on which we gave our qualified opinion.

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

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 2021.

We have nothing to report in this respect.

Certificate

We certify that we have completed the audit of 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

30 July 2021

4.3 Leeds Teaching Hospitals NHS Trust Annual Accounts 2020/21

Statement of Comprehensive Income for the year ended 31 March 2021

	Note	2020-21 £000	2019-20 £000
Operating income from patient care activities	3	1,282,204	1,192,986
Other operating income	4	314,591	221,754
Operating expenses	5, 7	(1,603,609)	(1,370,203)
Operating (deficit)/surplus from continuing operations		**(6,814)**	**44,537**
Finance income	10	15	421
Finance expenses	11	(14,770)	(15,192)
PDC dividends payable		(5,818)	(6,298)
Net finance costs		**(20,573)**	**(21,069)**
Other gains / (losses)	12	735	309
(Deficit)/Surplus for the year		**(26,652)**	**23,777**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	-	(38,844)
Total comprehensive (expense) for the year*		**(26,652)**	**(15,067)**

*The adjusted financial performance for 2020/21 is a surplus of £8.1m (2019/20 £13.0m) and is disclosed in note 36

Statement of Financial Position as at 31 March 2021

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Intangible assets	13	9,281	9,518
Property, plant and equipment	14	571,668	545,099
Receivables	18	3,522	5,244
Total non-current assets		**584,471**	**559,861**
Current assets			
Inventories	17	22,545	19,093
Receivables	18	43,314	102,095
Non-current assets for sale and assets in disposal groups	19	-	914
Cash and cash equivalents	20	105,304	27,594
Total current assets		**171,163**	**149,696**
Current liabilities			
Trade and other payables	21	(176,288)	(161,441)
Borrowings	23	(12,136)	(74,095)
Provisions	25	(3,637)	(778)
Other liabilities	22	(13,215)	(10,302)
Total current liabilities		**(205,276)**	**(246,616)**
Total assets less current liabilities		**550,358**	**462,941**
Non-current liabilities			
Borrowings	23	(173,784)	(175,962)
Provisions	25	(6,252)	(6,127)
Other liabilities	22	(30)	(62)
Total non-current liabilities		**(180,066)**	**(182,151)**
Total assets employed		**370,292**	**280,790**
Financed by			
Public dividend capital		458,415	342,261
Revaluation reserve		4,182	4,182
Income and expenditure reserve		(92,305)	(65,653)
Total taxpayers' equity		**370,292**	**280,790**

The notes on pages 96 to 128 form part of these accounts.

The accounts were approved by the Board of Directors at its meeting on 28th May 2021 and were signed on its behalf by:

Name:	Julian Hartley	Simon Worthington
Position:	Chief Executive	Director of Finance
Date:	28 May 2021	

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2021

	Public Dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**342,261**	**4,182**	**(65,653)**	**280,790**
(Deficit) for the year	-	-	(26,652)	**(26,652)**
Public dividend capital received	116,154	-	-	**116,154**
Taxpayers' and others' equity at 31 March 2021	**458,415**	**4,182**	**(92,305)**	**370,292**

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' and others' 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' and others' equity at 31 March 2020	**342,261**	**4,182**	**(65,653)**	**280,790**

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 NHS 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 2021

	Note	2020-21 £000	2019-20 £000
Cash flows from operating activities			
Operating (deficit)/surplus		(6,814)	44,537
Non-cash income and expense:			
Depreciation and amortisation	5.1	32,736	20,622
Net impairments	6	37,478	(9,215)
Income recognised in respect of capital donations	4	(3,239)	(1,695)
Decrease in receivables and other assets		57,777	5,011
(Increase) in inventories		(3,452)	(2,198)
Increase in payables and other liabilities		17,700	23,112
Increase in provisions		2,997	823
Net cash flows from operating activities		**135,183**	**80,997**
Cash flows from investing activities			
Interest received		15	421
Purchase of intangible assets		(1,570)	(2,090)
Purchase of Property, Plant and Equipment		(80,770)	(53,403)
Sales of Property, Plant and Equipment		1,660	1,074
Receipt of cash donations to purchase assets		921	1,860
Net cash flows (used in) investing activities		**(79,744)**	**(52,138)**
Cash flows from financing activities			
Public dividend capital received		116,154	3,155
Movement on loans from DHSC		(65,072)	(3,492)
Capital element of finance lease rental payments		(169)	(40)
Capital element of PFI and other service concession payments		(8,856)	(8,554)
Interest on loans		(777)	(1,633)
Interest paid on finance lease liabilities		(384)	(5)
Interest paid on PFI and other service concession obligations		(13,721)	(13,549)
PDC dividend (paid)		(4,904)	(7,360)
Net cash flows from / (used in) financing activities		**22,271**	**(31,478)**
Increase / (decrease) in cash and cash equivalents		**77,710**	**(2,619)**
Cash and cash equivalents at 1 April - brought forward		**27,594**	**30,213**
Cash and cash equivalents at 31 March	20.1	**105,304**	**27,594**

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 2020/21 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. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The Directors have a reasonable expectation that this will continue to be the case.

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 accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the Trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a Integrated Care System level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer

in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

Revenue was recognised to the extent that collection of consideration was probable. Where contract challenges from commissioners were expected to be upheld, the Trust reflected this in the transaction price and derecognised the relevant portion of income.

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

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

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled 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.

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.

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 grant is used to fund capital expenditure, it is credited to the consolidated 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 cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have 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 an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute 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) scheme 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.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. 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.

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.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously

been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

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 the criteria in IFRS 5 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 and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's 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.

In 2020/21 this includes assets donated to the Trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

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 Years	Max life Years
Land	-	-
Buildings, excluding dwellings	2	80
Dwellings	2	41
Plant & machinery	5	18
Transport equipment	5	10
Information technology	5	11
Furniture and 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.

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 Years	Max life Years
Information technology	5	12
Software licences	5	12

1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

In 2020/21, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

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)

In 2019/20 the Trust registered with the CRC scheme. The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. In 2019/20 the Trust was required to surrender to the Government an allowance for every tonne of CO2 it emitted during the financial year. A liability and related expense was recognised in respect of this obligation as CO2 emissions were made.

The carrying amount of the liability at the financial year end therefore reflected the CO2 emissions that had 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 was measured at the amount expected to be incurred in settling the obligation. This was the cost of the number of allowances required to settle the obligation.

In 2020/21 this was replaced by the climate change levy (see Note 1.22).

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 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 income and expenditure. 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 income and expenditure 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 income and expenditure.

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 and 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 income and expenditure, 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 income and expenditure.

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 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 2021:

		Nominal rate
Short-term	Up to 5 years	-0.02%
Medium-term	After 5 years up to 10 years	0.18%
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	1.20%
Year 2	1.60%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.95% 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 25 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 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 26, 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, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

1.23 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.

1.24 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

1.25 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.

1.26 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.

1.27 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

1.28 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 2022. 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 2022, 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 defined

by HM Treasury. Currently this rate is 0.91% 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 2022 for existing finance leases.

For leases commencing in 2022/23, 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.

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Other standards, amendments and interpretations

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.

1.29 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 Note 1.9 and Note 28 PFI transactions.
- The Energy Centre development at St James's University Hospital site has been judged to be a finance lease. The site is being developed under a 15 year contractual arrangement with Vital Energy and following an assessment under IFRIC 4, the arrangement has been assessed as containing a lease.

1.30 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 16

  The Trust has used valuations carried out at 31 March 2021 and 31 March 2020 by its expert independent professional valuer (Cushman & Wakefield) to determine the value of property. These property valuations and useful lives are based on the Royal Institute of Chartered Surveyors valuation standards insofar as these are consistent with the requirements of HM Treasury and the Department of Health and Social Care.
- Provision for Impairment of Receivables - Note 1.15 and Note 18.2

  The Trust is required to judge when there is sufficient evidence to impair individual receivables which is undertaken taking into account the age profile and class of receivable. The Trust adopts a prudent approach when setting the expected credit loss based on a forward look of credit risk. Every effort is made to collect the debt, even when it has been impaired, and it is only written off as a final course of action after all possible recovery efforts have been made. The actual level of debt eventually written off may be different to that which has been judged as impaired.
- Provisions - Note 1.17 and Note 25

  Provisions, by their nature, are a matter of judgement, with the best estimate made based on the information available at that the time. Once realised provisions can differ from the original estimate, but not materially so.

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.

During 2020-21 the Trust was responsible for the operation of the NHS Nightingale Yorkshire & Humber Hospital (see note 5.2), the operation of the hospital is considered to be in the same segment as its other operations (provision of healthcare). 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)

	2020/21 £000	2019/20 £000
Acute services		
Elective income	-	187,591
Non elective income	-	257,728
First outpatient income	-	54,251
Follow up outpatient income	-	82,773
A & E income	-	34,358
Block contract / system envelope income*	994,897	-
High cost drugs income from commissioners (excluding pass-through costs)	230,017	218,534
Other NHS clinical income	1,426	304,428
All services		
Private patient income	3,706	5,535
Additional pension contribution central funding**	35,270	32,525
Other clinical income	16,888	15,263
Total income from activities	**1,282,204**	**1,192,986**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. This does not reflect the contracting and payment mechanisms in place during the prior year. As a result the analysis of acute services income is not directly comparable with the prior year.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have 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:	2020/21 £000	2019/20 £000
NHS England	619,924	589,857
Clinical commissioning groups	652,430	588,855
Other NHS providers	83	385
NHS other	1,633	1,085
Local authorities	3	750
Non-NHS: private patients	3,706	5,535
Non-NHS: overseas patients (chargeable to patient)	264	689
Injury cost recovery scheme	3,477	4,569
Non NHS: other	684	1,261
Total income from activities	**1,282,204**	**1,192,986**
Of which: Related to continuing operations	1,282,204	1,192,986

Income from NHS England includes £35.3m (2019/20 £32.5m) to cover the increase in the cost of employers contributions to the NHS Pension Scheme (see Notes 7 and 8).

3.3 Overseas visitors (relating to patients charged directly by the provider)

	2020/21 £000	2019/20 £000
Income recognised this year	264	689
Cash payments received in-year	125	185
Amounts written off in-year	299	145

4. Other operating income

	2020/21			2019/20		
	Contract income £000	Non-contract income £000	Total £000	Contract income £000	Non-contract income £000	Total £000
Research and development	24,782	-	**24,782**	25,703	-	**25,703**
Education and training	77,785	2,535	**80,320**	72,438	2,299	**74,737**
Non-patient care services to other bodies*	44,562	-	**44,562**	59,669	-	**59,669**
Provider sustainability fund (2019/20 only)	-	-	-	17,173	-	**17,173**
Financial recovery fund (2019/20 only)	-	-	-	901	-	**901**
Marginal rate emergency tariff funding (2019/20 only)	-	-	-	6,169	-	**6,169**
Reimbursement and top up funding	126,494	-	**126,494**	-	-	-
Income in respect of employee benefits accounted on a gross basis	11,602	-	**11,602**	11,237	-	**11,237**
Receipt of capital grants and donations	-	3,239	**3,239**	-	1,695	**1,695**
Charitable and other contributions to expenditure	-	13,437	**13,437**	-	4,294	**4,294**
Rental revenue from operating leases	-	1,394	**1,394**	-	1,575	**1,575**
Other income**	8,761	-	**8,761**	18,601	-	**18,601**
Total other operating income	**293,986**	**20,605**	314,591	**211,891**	**9,863**	221,754
Of which: Related to continuing operations			**314,591**			**221,754**

*Non - patient care services to other bodies includes £1.4m of income (2019/20 £9.0m) 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. This arrangement ceased in April 2020.

**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. In 2019/20 the amount included income from car parking, but due to the COVID-19 pandemic and the guidance issued on car parking charges, income is significantly reduced in 2020/21.

5. Operating expenses

5.1 Operating expenses analysis

	2020/21 £000	2019/20 £000
Purchase of healthcare from non-NHS and non-DHSC bodies	12,421	13,302
Staff and executive directors costs	903,440	811,112
Remuneration of non-executive directors	166	141
Supplies and services - clinical (excluding drugs costs)*	164,954	156,404
Supplies and services - general	19,983	8,581
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	237,243	200,947
Inventories written down*	482	-
Consultancy costs	1,007	274
Establishment	7,099	5,398
Premises**	78,021	68,597
Transport (including patient travel)	5,336	6,490
Depreciation on property, plant and equipment	30,128	19,721
Amortisation on intangible assets	2,608	901
Net impairments	37,478	(9,215)
Movement in credit loss allowance: contract receivables / contract assets	675	132
Change in provisions discount rate(s)	123	207
Audit fees payable to the external auditor:		
audit services- statutory audit***	98	96
other auditor remuneration*** (external auditor only)	-	3
Internal audit costs	335	355
Clinical negligence	36,800	30,639
Legal fees	1,560	371
Insurance	896	715
Research and development	21,215	19,244
Education and training	7,421	6,295
Rentals under operating leases	2,282	1,823
Redundancy	-	16
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI)	10,065	9,520
Car parking & security	415	346
Hospitality	41	140
Losses, ex gratia & special payments	57	238
Other services, eg external payroll	4,873	1,497
Other expenses****	16,387	15,913
Total	**1,603,609**	**1,370,203**
Of which: Related to continuing operations	1,603,609	1,370,203

*Supplies and services expenditure includes the use of donated PPE that was purchased by the DHSC and issued to the Trust of £12.3m. Inventory written down reflects the PPE stock that was deemed unfit for use as well the adjustment to the carrying value to reflect the current market price.

**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.

***Audit fees include irrecoverable VAT (see Note 1.20)

****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).

5.2 Nightingale Hospital

During 2020/21 the Trust was a host Trust for a Nightingale facility as part of the regional coronavirus pandemic response.

The costs incurred by the Trust in operating the facility have been included within the operating expenses note in these accounts. The total costs associated with the facility are disclosed below for information; this includes where existing resources were redeployed so the note below does not represent the additional cost to the Trust of operating the facility. Incremental costs associated with operating the facility have been reimbursed by NHS England. The licence agreement for the Yorkshire and the Humber Nightingale was agreed between NHS England and Harrogate Borough Council, the Trust made no payment for rent of the facility. There were, however, payments made to Harrogate Borough Council for staffing and utility costs.

	2020/21 £000
Set up costs:	
Staff costs	259
Other operating costs	11,792
Running costs:	
Staff costs	893
Other operating costs	6,018
Decommissioning costs:	
Other operating costs	5,828
Total gross costs	**24,790**

5.3 Other auditor remuneration

Other auditor remuneration paid to the external auditor	2020/21 £000	2019/20 £000
Audit-related assurance services (Quality Accounts)	-	3
Total	**-**	**3**

5.4 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2020/21 or 2019/20.

6. Impairment of assets

Net impairments charged to operating (deficit)/surplus resulting from:	2020/21 £000	2019/20 £000
Changes in market price	37,478	(9,215)
Total net impairments charged to operating (deficit)/surplus	**37,478**	(9,215)
Impairments charged to the revaluation reserve	-	38,844
Total net impairments	**37,478**	29,629

The impairments arise following the full valuations of the Trust's estate undertaken by an independent valuer. Full details can be found in Note 16.

7. Employee benefits

	2020/21 £000	2019/20 £000
Salaries and wages	687,232	622,463
Social security costs	63,312	58,106
Apprenticeship levy	3,275	2,990
Employer's contributions to NHS pensions	116,025	106,853
Termination benefits	-	16
Temporary staff (including agency)	57,743	42,039
Total staff costs	**927,587**	**832,467**
Of which: Costs capitalised as part of assets	3,018	2,095

7.1 Retirements due to ill-health

During 2020/21 there were 15 early retirements from the trust agreed on the grounds of ill-health (8 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £649k (£340k in 2019/20).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

8. 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 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 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

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 3% employers contribution of qualifying earnings. Employer contributions are charged directly to the Statement of Comprehensive Income and paid to NEST monthly. At 31st March 2021 there were 341 employees enrolled in the scheme (298 at 31 March 2020). Further details of the scheme can be found at www.nestpensions.org.uk.

9. Operating leases

9.1 Leeds Teaching Hospitals NHS Trust as a lessor

This note discloses income generated in operating lease agreements where The 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.

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease receipts	1,394	1,575
Total	**1,394**	**1,575**

Future minimum lease receipts due:	31 March 2021 £000	31 March 2020 £000
- not later than one year;	1,440	1,279
- later than one year and not later than five years;	4,268	1,523
- later than five years.	1,549	2,032
Total	**7,257**	**4,834**

9.2 Leeds Teaching Hospitals NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where The 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:

	2020/21 £000	2019/20 £000
Operating lease expense		
Minimum lease receipts	2,282	1,823
Total	**2,282**	**1,823**

Future minimum lease payments due:	31 March 2021 £000	31 March 2020 £000
- not later than one year;	2,384	1,113
- later than one year and not later than five years;	5,992	3,020
- later than five years.	2,431	3,107
Total	**10,807**	**7,240**

10. Finance Income

Finance income represents interest received on assets and investments in the period.

	2020/21 £000	2019/20 £000
Interest on bank accounts	15	421
Total finance income	**15**	**421**

11. Finance Expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

11.1 Interest Expense

	2020/21 £000	2019/20 £000
Loans from the Department of Health and Social Care	678	1,631
Finance leases	384	5
Main finance costs on PFI schemes obligations	6,035	6,123
Contingent finance costs on PFI scheme obligations	7,686	7,426
Total interest expense	**14,783**	**15,185**
Unwinding of discount on provisions	(13)	7
Total finance costs	**14,770**	**15,192**

11.2 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.

12. Other gains / (losses)

	2020/21 £000	2019/20 £000
Gains on disposal of assets	746	484
Losses on disposal of assets	(11)	(175)
Total gains / (losses) on disposal of assets	**735**	**309**

During each of the years the Trust completed the disposal of a property asset. One was sold in 2019/20 and one in 2020/21. Obsolete and surplus items of equipment were also sold during the current and preceding financial year. This resulted in an overal surplus of £735k (2019/20 £309k).

13. Intangible assets

13.1 Intangible assets - 2020/21

	Software licences £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2020 - brought forward	1,502	14,496	15,998
Additions	819	751	1,570
Reclassifications	-	801	801
Valuation / gross cost at 31 March 2021	2,321	16,048	18,369
Amortisation at 1 April 2020 - brought forward	994	5,486	6,480
Provided during the year	233	2,375	2,608
Amortisation at 31 March 2021	1,227	7,861	9,088
Net book value at 31 March 2021	1,094	8,187	9,281
Net book value at 1 April 2020	508	9,010	9,518

13.2 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. Property Plant and Equipment

14.1 Property, Plant and Equipment - 2020/21

	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 2020 - brought forward	10,705	407,530	941	30,232	209,898	532	59,428	1,387	720,653
Additions	-	25,812	-	44,060	19,429	-	5,687	-	94,988
Impairments	-	(52,241)	(49)	-	-	-	-	-	(52,290)
Reversals of impairments	902	-	-	-	-	-	-	-	902
Reclassifications	-	10,065	-	(15,133)	-	-	4,267	-	(801)
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	(4,798)	-	-	-	(4,798)
Valuation/gross cost at 31 March 2021	11,607	391,166	892	59,159	224,529	532	69,382	1,387	758,654
Accumulated depreciation at 1 April 2020 - brought forward	-	-	-	-	139,809	532	33,826	1,387	175,554
Provided during the year	-	13,883	27	-	6,487	-	9,731	-	30,128
Impairments	-	(13,883)	(27)	-	-	-	-	-	(13,910)
Disposals / derecognition	-	-	-	-	(4,786)	-	-	-	(4,786)
Accumulated depreciation at 31 March 2021	-	-	-	-	141,510	532	43,557	1,387	186,986
Net book value at 31 March 2021	11,607	391,166	892	59,159	83,019	-	25,825	-	571,668
Net book value at 1 April 2020	10,705	407,530	941	30,232	70,089	-	25,602	-	545,099

14.2 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
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

14.3 Property, Plant and Equipment Financing- 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021							
Owned - purchased	11,607	267,939	892	58,985	59,191	25,747	424,361
Finance leased	-	523	-	-	-	-	523
On-SoFP PFI contracts and other service concession arrangements	-	115,198	-	-	13,696	-	128,894
Owned - donated/granted	-	7,506	-	174	10,132	78	17,890
NBV total at 31 March 2021	11,607	391,166	892	59,159	83,019	25,825	571,668

14.4 Property, Plant and Equipment Financing- 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Total
	£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 and other service concession arrangements	-	119,605	-	-	12,474	-	132,079
Owned - donated/granted	-	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. Donations of property, plant and equipment

During the year the Trust received grants and donations to fund capital assets from the following:

	2020/21 £000	2019/20 £000
Leeds Hospitals Charity (previously Leeds Cares)	406	1,181
Northern Pathology Imaging Co-operative	1,035	-
Cancer Research UK	166	-
Health Education England	78	120
Department of Health & Social Care	1,220	-
Take Heart	21	15
Others	313	379
Total donations for property, plant and equipment	3,239	1,695

16. Revaluations of property, plant and equipment

A full 5 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. For 2020/21 a desktop exercise was conducted by Cushman and Wakefield, who issued their report dated 31 March 2021. The valuation was based on existing use. The report, completed in accordance with guidance issued by RICS, gave a value of the estate of £404m.

For 2019/20, due to the COVID-19 pandemic, the valuation was reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. For 2020-21, in accordance with RCIS guidance the independent valuer included the following in the report:

"The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards ."

17. Inventories

	31 March 2021 £000	31 March 2020 £000
Drugs	7,798	7,499
Consumables	14,217	11,073
Energy	530	521
Total inventories	**22,545**	**19,093**

Inventories recognised in expenses for the year were £361,451k (2019/20: £305,503k). Write-down of inventories recognised as expenses for the year were £482k (2019/20: £0k).

In response to the COVID-19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £12,339k of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

18. Receivables

18.1 Receivables analysis

	31 March 2021 £000	31 March 2020 £000
Current		
Contract receivables	31,671	87,026
Capital receivables	1,194	95
Allowance for impaired contract receivables / assets	(2,897)	(2,490)
Prepayments (non-PFI)	7,506	8,604
PFI lifecycle prepayments	911	2,640
PDC dividend receivable	582	1,496
VAT receivable	4,004	4,258
Other receivables	343	466
Total current receivables	**43,314**	**102,095**
Non-current		
Contract receivables	3,072	4,767
Allowance for impaired contract receivables / assets	(689)	(1,039)
PFI lifecycle prepayments	-	546
Other receivables	1,139	970
Total non-current receivables	**3,522**	**5,244**
Of which receivables from NHS and DHSC group bodies:		
Current	12,388	60,202
Non-current	1,139	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 25.1).

18.2 Allowances for credit losses

	2020/21	2019/20
	Contract receivables and contract assets £000	Contract receivables and contract assets £000
Allowances as at 1 April - brought forward	**3,529**	**3,547**
New allowances arising	675	132
Utilisation of allowances (write offs)	(618)	(150)
Allowances as at 31 Mar 2021	**3,586**	**3,529**

18.3 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 2021 are in receivables from customers, as disclosed in the contracts receivables note (Note 18.1).

19. Non-current assets held for sale

	2020/21 £000	2019/20 £000
NBV of non-current assets for sale at 1 April - brought forward	**914**	**-**
Assets classified as available for sale in the year	-	914
Assets sold in year	(914)	-
NBV of non-current assets for sale at 31 March	**-**	**914**

During 2019/20 the Trust took the decision to dispose of two property assets. One completed duing that financial year and the other completed during 2020/21. Further details are disclosed at Note 12.

20. Cash and cash equivalents

20.1 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.

	2020/21 £000	2019/20 £000
At 1 April - brought forward	**27,594**	**30,213**
Net change in year	77,710	(2,619)
At 31 March	**105,304**	**27,594**
Broken down into:		
Cash at commercial banks and in hand	20	20
Cash with the Government Banking Service	105,284	27,574
Total cash and cash equivalents as in SoFP and SoCF	**105,304**	**27,594**

20.2 Third party assets held by the Trust

The 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 2021 £000	31 March 2020 £000
Bank balances	15	11
Total third party assets	**15**	**11**

21. Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	56,323	67,686
Capital payables	17,004	16,976
Accruals	71,496	49,060
Social security costs	10,243	8,820
Other taxes payable	9,324	7,521
Other payables	11,898	11,378
Total current trade and other payables	**176,288**	**161,441**
Of which payables from NHS and DHSC group bodies:		
Current	2,805	5,811

22. Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	13,215	10,302
Total other current liabilities	**13,215**	**10,302**
Non-current		
Deferred income: contract liabilities	30	62
Total other non-current liabilities	**30**	**62**

Deferred income: Contract Liabilities includes, amongst other elements, Maternity Pathways for 2019/20 only 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.

23. Borrowings

23.1 Borrowings analysis

	31 March 2021 £000	31 March 2020 £000
Current		
Loans from DHSC	2,582	65,198
Obligations under finance leases	383	40
Obligations under PFI contracts	9,171	8,857
Total current borrowings	**12,136**	**74,095**
Non-current		
Loans from DHSC	17,450	20,006
Obligations under finance leases	9,801	254
Obligations under PFI contracts	146,533	155,702
Total non-current borrowings	**173,784**	**175,962**

On 2nd April 2020 Department of Health and Social Care's announced that interim loans will be converted into Public Dividend Capital ("PDC") during 2020/21. This was transacted in September 2020 with new PDC of £62m being issued to the Trust and used to repay interim revenue support loan of £37.3m and interim capital loans of £24.7m.

23.2 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from DHSC £000	Finance leases £000	PFI schemes £000	Total £000
Carrying value at 1 April 2020	**85,204**	**294**	**164,559**	**250,057**
Cash movements:				
Financing cash flows - payments and receipts of principal	(65,072)	(169)	(8,856)	**(74,097)**
Financing cash flows - payments of interest	(777)	(384)	(6,034)	**(7,195)**
Non-cash movements:				
Additions	-	10,059	-	10,059
Application of effective interest rate	677	384	6,035	**7,096**
Carrying value at 31 March 2021	**20,032**	**10,184**	**155,704**	**185,920**

23.3 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. Finance Leases

24.1 Leeds Teaching Hospitals NHS Trust as a lessee

Obligations under finance leases where Leeds Teaching Hospitals NHS Trust is the lessee.

	31 March 2021 £000	31 March 2020 £000
Gross lease liabilities	**13,904**	**313**
of which liabilities are due:		
- not later than one year;	808	45
- later than one year and not later than five years;	3,480	177
- later than five years.	9,616	91
Finance charges allocated to future periods	(3,720)	(19)
Net lease liabilities	**10,184**	**294**
of which payable:		
- not later than one year;	383	40
- later than one year and not later than five years;	1,964	167
- later than five years.	7,837	87
	10,184	**294**

Finance lease obligations include 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.

During 2020/21 the Trust entered into an arrangement with Vital Energi Energy Solutions for the energy centre at St James's University Hospital. The Combined Heating and Power plant at the St James University Hospital Site is a privately funded development with Vital Energi Energy Solutions to supply sustainable, efficient heating and power supply for the hospital. The plant was formally commissioned for operational use on the 18 June 2020 with a contract service concession period of 15 years. Following an assessment under IFRIC 4, the arrangement has been assessed as containing a lease.

25. Provisions for liabilities and charges

25.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Other £000	Total £000
At 1 April 2020	**2,926**	**2,611**	**291**	**1,077**	**6,905**
Change in the discount rate	-	123	-	-	**123**
Arising during the year	143	91	2,753	420	**3,407**
Utilised during the year	(246)	(135)	(88)	-	**(469)**
Reversed unused	(2)	-	-	(62)	**(64)**
Unwinding of discount	-	(13)	-	-	**(13)**
At 31 March 2021	**2,821**	**2,677**	**2,956**	**1,435**	**9,889**
Expected timing of cash flows:					
- not later than one year;	245	140	2,956	296	**3,637**
- later than one year and not later than five years;	980	560	-	-	**1,540**
- later than five years.	1,596	1,977	-	1,139	**4,712**
Total	**2,821**	**2,677**	**2,956**	**1,435**	**9,889**

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 £206k (£161k in 2019/20) 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. Legal claims also includes provision for contractual disputes which are subject to on-going legal discussions.

Other provisions include those for employment related claims where the Trust disputes liability but recognises some probability of payment.

Other provisions also include clinician's pension tax reimbursement. 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. This remains the case for 2020/21. A provision is recognised in the Trust's accounts with a corresponding receivable from NHS England (Note 18.1)

25.2 Clinical negligence liabilities

At 31 March 2021, £601,592k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of The Leeds Teaching Hospitals NHS Trust (31 March 2020: £574,148k).

26. Contingent assets and liabilities

	31 March 2021 £000	31 March 2020 £000
Value of contingent liabilities		
NHS Resolution legal claims	(124)	(82)
Employment tribunal and other employee related litigation	-	(3,400)
Other	(282)	(319)
Gross value of contingent liabilities	**(406)**	**(3,801)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(406)**	**(3,801)**

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. The claim for 2019/20 related to a specific external case for which guidance was received on the accounting treatment for 2020/21. "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.

27. Contractual capital commitments

	31 March 2021 £000	31 March 2020 £000
Property, plant and equipment	16,250	18,747
Intangible assets	5,308	4,048
Total	**21,558**	**22,795**

28. 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.

28.1 On-SoFP PFI arrangement obligations

The following obligations in respect of the PFI arrangements are recognised in the Statement of Financial Position:

	31 March 2021 £000	31 March 2020 £000
Gross PFI liabilities	**222,208**	**238,301**
Of which liabilities are due		
- not later than one year;	16,094	16,094
- later than one year and not later than five years;	55,425	58,144
- later than five years.	150,689	164,063
Finance charges allocated to future periods	(66,504)	(73,742)
Net PFI obligation	**155,704**	**164,559**
- not later than one year;	9,171	8,857
- later than one year and not later than five years;	31,028	32,425
- later than five years.	115,505	123,277
	155,704	**164,559**

28.2 Total on-SoFP PFI commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2021 £000	31 March 2020 £000
Total future payments committed in respect of the PFI arrangements	**521,646**	**552,587**
Of which payments are due		
- not later than one year;	35,212	34,741
- later than one year and not later than five years;	125,211	129,182
- later than five years.	361,223	388,664
	521,646	**552,587**

28.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2020/21 £000	2019/20 £000
Unitary payment payable to service concession operator	**33,758**	**32,732**
Consisting of:		
- Interest charge	6,035	6,123
- Repayment of balance sheet obligation	8,856	8,547
- Service element and other charges to operating expenditure	10,065	9,520
- Capital lifecycle maintenance	1,116	1,116
- Contingent rent	7,686	7,426
Total amount paid to service concession operator	**33,758**	**32,732**

29. Financial Instruments

29.1 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 2021 are in receivables from customers, as disclosed in the contracts receivables note (Note 18.1).

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.

29.2 Carrying values of financial assets

	Held at amortised cost £000	Total book value £000
Carrying values of financial assets as at 31 March 2021		
Trade and other receivables excluding non financial assets	33,833	**33,833**
Cash and cash equivalents	105,304	**105,304**
Total at 31 March 2021	**139,137**	**139,137**
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**

29.3 Carrying values of financial liabilities

	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2021		
Loans from the Department of Health and Social Care	20,032	**20,032**
Obligations under finance leases	10,184	**10,184**
Obligations under PFI contracts	155,704	**155,704**
Trade and other payables excluding non financial liabilities	156,721	156,721
Provisions under contract	2,622	**2,622**
Total at 31 March 2021	**345,263**	**345,263**
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**

29.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2021 £000	31 March 2020 restated* £000	31 March 2020 original £000
In one year or less	178,827	226,437	219,195
In more than one year but not more than five years	67,629	69,045	43,316
In more than five years	169,031	173,436	132,646
Total	**415,487**	**468,918**	**395,157**

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

29.5 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.

30. Losses and special payments

	2020/21		2019/20	
	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	7	1
Bad debts and claims abandoned	142	637	101	245
Stores losses and damage to property	3	-	2	14
Total losses	**152**	**638**	**110**	**260**
Special payments				
Ex-gratia payments	166	150	129	256
Total special payments	**166**	**150**	**129**	**256**
Total losses and special payments	**318**	**788**	**239**	**516**

31. 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 Hospitals Charity (formerly the Leeds Cares). Leeds Hospitals Charity have given £1.0m in revenue (19/20 - £4.5m) and £0.4m in capital donations (19/20 - £1.2m). At 31 March 2021 £0.7m of these donations were still to be received (at 31st March 20 - £3.4m). The Trust's Chair, Dame Linda Pollard and Chris Schofield, a Non Executive Director are both Trustees of Leeds Hospitals Charity. Leeds Hospitals Charity 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 to 30 November 2020, is Dean of the School of Medicine, University of Leeds and a Director of Northern Health Science Alliance ("NHSA"). Laura Stroud, Non Executive Director, is the Deputy Dean and Director of the Institute of Medical Education at the University of Leeds. During the year the Trust's income from the University was £5.9m (19/20 - £7.2m) of which £1.1m remained to be paid at 31 March 2021 (31 March 2020 - £0.9m). Expenditure with the University was £17.6m (19/20 - £13.6m) of which £22k remained to be paid at 31 March 2021 (31 March 2020 - £1.6m). Expenditure with the NHSA was £18k (19/20 - £18k). Mark Chamberlain, Non Executive Director and Chair of the Quality Committee until 3 January 2021 is an Associate of Capsticks LLP and a member of the Court of Leeds University. Yvette Oade, Chief Medical Officer until 30 April 2020 is a Lay Council Member of Leeds University and a Trustee of Yorkshire Cancer Research. During the year the Trust purchased £112k of legal services from Capsticks LLP (19/20 - £57k) and did not receive any income from Yorkshire Cancer Research (19/20 - £65k).

In addition Gillian Taylor, Non Executive Director, is a board member of Beyond Housing, a housing association, Professor Moria Livingston, Non Executive Director until 31 January 2021, 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 2020/21 or 2019/20.

32. Events after the Reporting Date

There are no events after the reporting date to disclose which would have an effect on the accounts for 2020/21.

33. Better Payment Practice Code

	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Non-NHS payables				
Total non-NHS trade invoices paid in the year	230,823	781,468	235,448	637,736
Total non-NHS trade invoices paid within target	209,323	707,607	165,076	468,816
Percentage of non-NHS trade invoices paid within target	**91%**	**91%**	**70%**	**74%**
NHS payables				
Total NHS trade invoices paid in the year	20,318	101,955	16,928	90,667
Total NHS trade invoices paid within target	16,490	89,005	9,485	60,422
Percentage of NHS trade invoices paid within target	**81%**	**87%**	**56%**	**67%**

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.

34. External Financing Limit

The Trust is given an External Financing Limit against which it is permitted to underspend:

	2020/21 £000	2019/20 £000
Cash flow financing	(35,653)	(6,312)
External financing requirement	**(35,653)**	**(6,312)**
External Financing Limit (EFL)	62,202	11,591
Underspend against EFL	**97,855**	**17,903**

35. Capital Resource Limit

The Trust is given a Capital Resource Limit which it is not permitted to overshoot:

	2020/21 £000	2019/20 £000
Gross capital expenditure	96,558	66,148
Less: Disposals	(926)	(765)
Less: Donated and granted capital additions	(3,239)	(1,695)
Charge against Capital Resource Limit	**92,393**	**63,688**
Capital Resource Limit (CRL)	92,436	63,939
Underspend against CRL	**43**	**251**

36. Breakeven duty financial performance

	2020/21 £000	2019/20 £000
Adjusted financial performance surplus (control total basis)	8,107	13,039
Add back income for impact of 2018/19 post-accounts PSF reallocation	-	917
Breakeven duty financial performance surplus	**8,107**	**13,956**

*Adjusted financial performance (control total basis):	2020/21 £000	2019/20 £000
(Deficit) / surplus for the year	(26,652)	23,777
Remove net impairments not scoring to the Departmental expenditure limit	37,478	(9,215)
Remove I&E impact of capital grants and donations	(1,861)	(606)
Remove 2018/19 post audit PSF reallocation (2019/20 only)	-	(917)
Remove net impact of inventories received from DHSC group bodies for COVID response	(858)	-
Adjusted financial performance surplus	**8,107**	**13,039**

37. Breakeven duty rolling assessment

	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Breakeven duty in-year financial performance		963	2,051	4,207	3,089	1,615	(24,386)
Breakeven duty cumulative position	3,868	4,831	6,882	11,089	14,178	15,793	(8,593)
Operating income		910,556	934,527	970,709	1,002,444	1,044,916	1,086,638
Cumulative breakeven position as a percentage of operating income		**0.5%**	**0.7%**	**1.1%**	**1.4%**	**1.5%**	**(0.8%)**

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Breakeven duty in-year financial performance	(30,194)	(1,901)	18,880	52,925	13,956	8,107
Breakeven duty cumulative position	(38,787)	(40,688)	(21,808)	31,117	45,073	53,180
Operating income	1,115,720	1,172,927	1,238,267	1,335,847	1,414,740	1,596,795
Cumulative breakeven position as a percentage of operating income	**(3.5%)**	**(3.5%)**	**(1.8%)**	**2.3%**	**3.2%**	**3.3%**

The Leeds Teaching Hospitals NHS Trust
1st Floor, Trust HQ, St. James's University Hospital

communications.lth@nhs.net

www.leedsth.nhs.uk

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