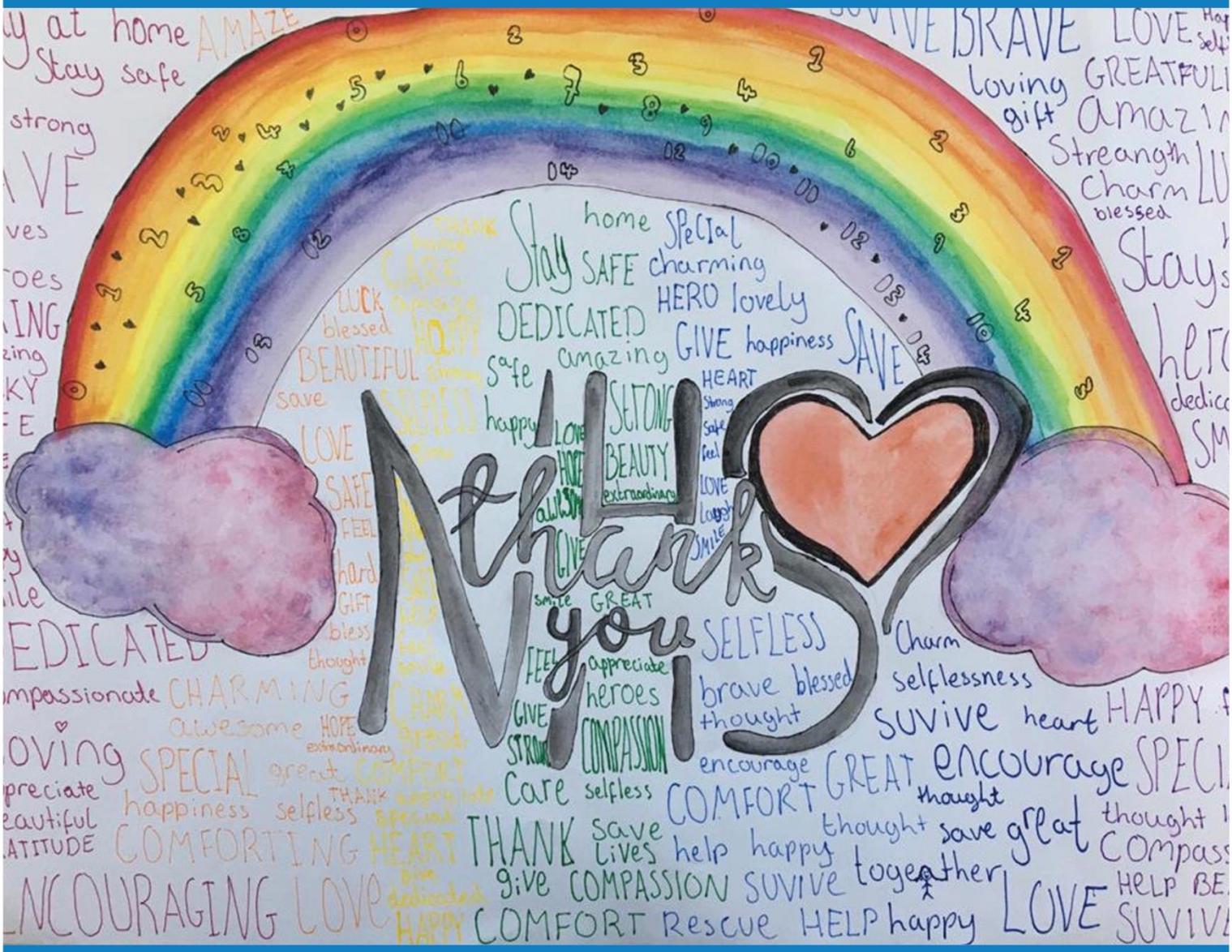
One Culture of care

NHS
Calderdale and Huddersfield
NHS Foundation Trust



Annual Report and Accounts 2019/20

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compassionate care

Calderdale and Huddersfield NHS Foundation Trust

Annual Report and Accounts

2019/20

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1. Chair's Statement

At the time of writing – the last day of April 2020 - it feels like this year's Annual Report introduction should be just be one short phrase and that is "Thank you".

Thank you to our 6000 colleagues at this Trust, thank you to all our hundreds of volunteers, thank you to our members and Governors, thank you to our partners in primary care, social care, the police, fire services, ambulance services and neighbouring hospitals, thank-you to everyone staying in their homes to protect the NHS and thank-you to everyone who is supporting us in our local communities with donations and demonstrations of support. Some of the local children's pictures you can see here.

Covid-19 has been with us now for several months and the future is still very unclear. I never thought I'd be writing as Chair of a hospital Trust where visiting can't take place because that simple show of love between families may put lives at risk.

Usually, this is where I'd be looking back over the year and thanking everyone for all the dedication, innovation and achievements further inside this report.

But this year, my thank you must be on another scale to match this time of such unprecedented threat and challenge.

The NHS is the frontline right now and absolutely every single colleague at the Calderdale and Huddersfield NHS Foundation Trust is coming together to help us provide the very, very best compassionate care for our patients and their families – as they always do.

So, back to that one short phrase owed to so, so many: Thank you.

Regards

Philip Lewer, Chair

2. PERFORMANCE REPORT

Overview of performance

Statement from the Chief Executive

I feel compelled to start my opening contribution to this year's Annual report by acknowledging the tragic loss of life that has occurred during this global Covid-19 pandemic. Many people have lost loved ones and my sympathies go out to the relatives and friends who are now having to come to terms with the personal impact of this deadly virus. It also pains me to know that a number of my brothers and sisters from across the NHS family have also given their lives to the cause of Compassionate Care and it is the very least that I can do but to recognise in this moment the ultimate sacrifice they have made.

I am writing these words in what has now become known as the Lockdown phase. By time you read this, hopefully things may have changed for the better but what is not in doubt is that we are all changed forever.

Our Trust and our partners are in a very different place to where we were at the start of 2020. For our part we have – thanks to the commitment of our colleagues - undergone a total and complete transformation to deal with the challenge of being an integrated acute and community provider needing to focus primarily on minimising the loss of life whilst at the same time keeping colleagues safe as they provide care.

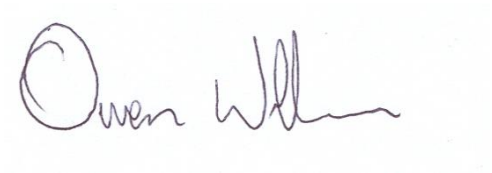
It is to the great credit of colleagues from across the Trust together with our many volunteers that in weeks we were able to adapt to meeting the needs of the numbers of very poorly patients needing critical care. Services were redesigned not just within the walls of our hospitals but out in the community and across many parts of care pathways where we intersect with mental health, social care, pharmacy and general practice.

It is my belief that we were able to make these changes because our commitment to our "one culture of care" is real and colleagues were willing to adapt their previous approaches to care and cope with the physical and emotional burden of personal protective equipment, PPE, and knowing that at any moment they themselves could become sick with Covid-19.

Unlike many other Trusts in the UK, our colleagues were ready and able to use the digital capability that has been one of the core foundations of our ongoing desire to provide Compassionate Care. Through their ingenuity, families were able to say final goodbyes to loved ones using technology in restricted visitor areas or plan with certainty to welcome them safely back home following their treatment and overcoming this terrible illness. Administrative colleagues were able to swap clinic appointments to video and telephone appointments and our colleagues in community – all gowned up from head to foot all day long – continued to reach our patients in their own homes and provide care.

This is very much a brief snapshot of where we were at a moment in time and to some degree it doesn't do justice to the around the clock effort, planning, coordination and commitment that was required by many colleagues to ensure that Compassionate Care at CHFT continues. So from the bottom of my heart I'd like to thank all our 6,000 plus

colleagues for the way that you have come together, you are a credit to our local people and a credit to your families and it is truly humbling to work alongside you all.



Dr Owen Williams OBE

Chief Executive

Performance Report: Performance Overview

The purpose of this overview section of our Annual Report is to provide a short summary of the Trust, our purpose, history, the key risks to the achievement of our objectives and our performance during the year.

Introduction to Calderdale and Huddersfield NHS Foundation Trust

Our purpose and activities

The principal purpose of the Trust is the provision of goods and services for the purpose of health care in England.

The principal location of business of the Trust is:

Trust Headquarters, Huddersfield Royal Infirmary, Acre Street, Lindley, Huddersfield, West Yorkshire HD3 3EA

In addition, the Trust has the following locations registered with the Care Quality Commission:

- Calderdale Royal Hospital, Salterhebble, Halifax, West Yorkshire, HX3 0PW
- Todmorden Health Centre, Lower George Street, Todmorden, West Yorkshire, OL14 5RN
- Broad Street Plaza, 51 Northgate, Northgate, Halifax, West Yorkshire, HX1 1UB

The Trust is registered with the Care Quality Commission without conditions and provides the following regulated activities across the stated locations:

- Assessment or medical treatment for persons detained under the Mental Health Act 1983
- Diagnostic and screening services
- Management of supply of blood and blood derived products
- Maternity and midwifery services
- Nursing care
- Surgical procedures
- Termination of pregnancy
- Transport services, triage and medical advice provided remotely
- Treatment of disease, disorder or injury

Calderdale and Huddersfield NHS Foundation Trust is an integrated trust. It provides acute and community health services. The Trust serves two populations; Greater Huddersfield which has a population of 250,000 people and Calderdale with a population of 220,000 people. The Trust operates acute services from two main hospitals; Calderdale Royal Hospital and Huddersfield Royal Infirmary and staff provide care from our community sites, health centres and in our patients' homes.

We provide a range of services including urgent and emergency care; medical; surgical; maternity; gynaecology; critical care; children's and young people's services; end of life care and outpatient and diagnostic services.

We provide community health services, including sexual health services in Calderdale from Calderdale Royal Hospital and local health centres. These include Todmorden Health Centre and Broad Street Plaza.

The Trust has approximately 800 beds. We employ 6,000 colleagues and have over 350 volunteers. In 2019/20 we cared for more than 119,000 men, women and children as inpatients (who stayed at least one night) or day cases. There were also over 445,000 outpatient attendances; over 154,000 accident and emergency attendances and just under 5000 babies delivered. There were some 261,000 adult services contacts by our community teams as well as 217,000 contacts with our therapy services.

Our history

The Trust was formed in 2001 combining hospitals in Halifax and Huddersfield to deliver healthcare for the populations of Calderdale and Huddersfield. Calderdale and Huddersfield NHS Foundation Trust is a statutory body, which became a public benefit corporation on 1 August 2006 following its approval as a NHS Foundation Trust by the Independent Regulator of NHS Foundation Trusts (Independent Regulator) authorised under the Health and Social Care (Community Health and Standards) Act 2006 (the 2006 Act). As a Foundation Trust we have the freedoms to develop and invest in our services to make sure they are tailored to the best needs of our local patients. Our governors and members ensure that we are accountable and listen to the needs and views of our patients.

Since 2001 we have expanded beyond our hospital-based services and we now also provide a range of community services in Calderdale to meet the changing healthcare demands of our population. In 2006 maternity and surgical services were reconfigured to provide obstetric maternity care and most children's inpatient services on the Calderdale site and trauma surgery on the Huddersfield site. Stroke care was also centralised on the Calderdale site. In 2015 we opened our state of the art outpatients centre in Acre Mills in Lindley, Huddersfield and won the tender to provide sexual health services in Calderdale in a joint bid with the Calderdale GP Federation. During 2017 cardiology and respiratory services were co-located at Calderdale Royal Hospital and all elderly medical services were moved to Huddersfield Royal Infirmary alongside a new frailty service which now operates on both sites. In 2018/19 our acute stroke service was delivered from the Calderdale site. During the winter we piloted a discharge lounge to support improved patient flow and introduced a same day discharge unit to support frail patients.

Our vision and values

Our vision for Calderdale and Huddersfield Foundation Trust is:

Together we will deliver outstanding compassionate care to the communities we serve

This is supported by the Trust's values, the four pillars of behaviour that it expects all employees to follow and which are embedded into the organisation so that every member of staff understands their responsibilities. These are:

Our goals

In July 2019, the Board of Directors agreed the One Year Plan which described the four goals of the Trust for the year ending March 2020. This set out the key areas of delivery to support the achievement of each of the goals described in the table below

Year Ending 2020				
Our Vision	*Together we will deliver outstanding compassionate care to the communities we serve*			
Our behaviours	We put the patient first / We go see / We do the must dos / We work together to get results			
Our goals (The result)	Transforming and improving patient care	Keeping the base safe	A workforce for the future	Financial sustainability
Our response	Achieve a regulatory approved proposal for the reconfiguration of hospital and care closer to home services that puts the patient at the centre of care.	Deliver a Single Oversight Framework rating of 2 for the agreed quality and operational performance metrics.	Achieve a retention rate of 90% and reduce vacancy rate to 5% to address recruitment and retention of key roles in CHFT.	Deliver a regulatory compliant financial plan for 2019/20 including CIP.
	Use patient feedback, both positive and negative to describe CHFT services from a patient perspective. Clinical Divisions have a patient experience plan, which incorporates service user involvement in improvements with at least 1 co-design event (service users and staff). Improvement outputs are celebrated and publicised through you said, we did messages.	Achieve a CQC rating of good with outstanding features.	Launch a colleague disability network in Sept 2019 and coordinate all our workforce ED&I activities and networks by March 2020 to improve colleague engagement and inclusion.	Develop a regulatory and Integrated Care System compliant capital plan to meet the organisation's requirements.
	Deliver all GIRFT actions in selected pathways of care to reduce variation and deliver agreed out comes.	Implement the the Quality Improvement Strategy and deliver the 19/20 agreed quality KPIs.	Roll out the health and wellbeing strategy and plan to maintain a 96% attendance rate.	Maintain a Single Oversight Framework rating of 3 or better for financial and Use of Resources performance metrics.
	Transform 10% of out-patient appointments (making best use of digital technology) to avoid the need for patients to visit the hospital.	Develop and ensure delivery of the KPIs by CHS and PFI partner, to provide a safe environment that is efficient and supports effective patient care.	Develop an 'essentials of management' development programme and a CHFT leadership programme to improve our staff engagement score to the national average (7.0 in 2018).	Progress key WYAAT work streams and capital bids including vascular; pharmacy; imaging; pathology; and elective procedures.
	Design and implement an agreed digital strategy that describes a future vision that will improve usability, breadth and continue to support the ongoing needs of a shared care record across the local health and social care community.	Deliver the annual health & safety action plan.	Assess and refresh all people management policies to enable and facilitate 'one culture of compassionate care' by March 2020.	Implement year one of the plan to strengthen budget accountability including roll out of training and performance support arrangements.

Further detail on how the Trust has progressed these goals is provided in the Performance Analysis section.

Key issues, risks and opportunities

The Trust has mechanisms in place to manage risk, supported by the Trust governance structure, risk management strategy and risk appetite. Further details can be found in the Annual Governance Statement which describe our risk management processes in detail.

As stated above in July 2019 the Board of Directors agreed the annual plan – setting out its key areas of delivery for year four of the five year plan. The plan aims to achieve the Trust vision of '*Together we will deliver outstanding compassionate care to the communities we* serve' and is built around the four goals of:

- Transforming and improving patient care
- Keeping the base safe
- A workforce for the future
- Financial sustainability

Key issues and risks 2019/20

The principal risks the Trust faced in 2019/20 to the achievement of the four goals detailed above are described in the Board Assurance Framework, a tool to assure the Board about the achievement of strategic objectives. The risks are detailed in the table below.

Board Assurance Framework risks to our goals - year ending March 2020

Transforming and improving patient care risks
The Trust does not secure approval of the Hospital Services Reconfiguration Strategic Outline Case, Outline Business Case and Full Business Case resulting in being unable to progress changes to improve quality of care, workforce resilience and mitigate estates risks.
The Trust will be unable to deliver appropriate services across seven days resulting in poor patient experience, greater length of stay and reduced quality of care.
The Trust does not listen, involve and engage patients and the public in the delivery and improvement of services and that people from protected characteristic groups receive sub optimal care due to lack of capacity and capability to respond in a meaningful way to patient and service user feedback resulting in us not designing services using patient recommendations.
The resource, capacity and capability of full optimisation of the EPR system does not continue to further enhance quality and safety.

Keeping the base safe risks
Patients do not receive high quality, safe care due to poor compliance with internally and externally set standards on quality and safety resulting in patient harm or poor patient experience.
The Trust does not deliver the necessary improvements required to achieve full compliance with NHS Improvement resulting in enforcement action.
Failure to achieve local and national performance targets resulting in patient harm, poor patient experience or enforcement action.
Failure to maintain current estate and equipment and to develop a future estates model due to lack of available capital or resources resulting in patient harm, poor quality patient care or regulatory enforcement.
Non compliance with the Health and Safety at Work Act and regulations due to lack of clarity on roles resulting in harm to staff, patients, the public, visitors, potential regulatory failure and reputational damage

A workforce for the future risks
Medical staffing - not being able to deliver safe and effective high quality care and experience for patients due to insufficient medical staff caused by an inability to attract, recruit, retain, reward and develop colleagues.
Nursing staff - not being able to deliver safe and effective high quality care and experience for patients due to insufficient nursing staff caused by an inability to attract, recruit, retain, reward and develop colleagues.
Not attracting or retaining colleagues who are confident and competent to provide compassionate care to patients and compassionate and inclusive leadership to colleagues.
Risk of not appropriately engaging all colleagues across the Trust and a failure to embed the behaviours of the organisation due to a lack of robust engagement mechanisms.

Financial sustainability risks
The Trust will not secure sufficient capital funding to maintain facilities over the longer term and meet safety and regulatory standards resulting in patient harm and regulatory intervention.
Risk that the Trust will not deliver external growth for commercial ventures resulting in potential lost financial contribution.
Risk re longer term financial sustainability of the Trust (as a going concern and providing value for money) due to the size of the underlying financial deficit.

Financial sustainability

The financial context within which the Trust operates reflects continued challenges of ensuring safe staffing levels with shortages in the available clinical workforce; the need to deliver year on year efficiency savings; requirements to invest in developing technology and maintaining facilities; and respond to increasing demand and seasonal pressures.

The Trust has used its 2019/20 financial performance to shape the business as usual plan for 2020/21 alongside detailed service demand and capacity modelling. The overall plan for 2020/21 is for a breakeven financial position after receipt of Financial Recovery Funding of £27.5m. The full financial impact of Covid-19 is unknown at this stage but is assumed to be supported by national funding for both revenue and capital.

The Trust is also planning to continue to invest in information technology, medical equipment and essential estate schemes in 2020/21. The total capital expenditure is circa £16 m, excluding specific additional investments to support the management of Covid-19.

The plan is mindful of the collaborative work of the West Yorkshire and Harrogate Integrated Care System and West Yorkshire Association of Acute Trusts. New models of service delivery working with partners continue to be developed to deliver sustainable services in the future. The Trust's own plans for service reconfiguration aim to deliver clinical and financial sustainability in the longer term. The Trust received approval in 2019/20 of the Strategic Outline Case for reconfiguration and continues to progress the business case against which £196.6m has been earmarked by the Department of Health and Social Care.

Key issues and risks 2020/21

The Annual Governance Statement within the Accountability Report in this Annual Report provides further details on the risks and challenges facing the Trust in 2020/21 including those arising from the management of the Covid-19 pandemic.

During 2020/21 challenges are expected in relation to workforce, delivery of patient care (operational performance), finances and ensuring good governance during a period of change. Operational performance will be a challenge, managing the balance between Covid-19 related demand, activity that it was not possible to undertake during the height of the pandemic and usual healthcare demand to maximise patient benefit and minimise the risk of patient harm. Obtaining reliable planning data and aligning activity and workforce plans during the year is a potential issue. Workforce redeployment will continue with a focus on the management of infection risk to patients, workforce and the public with the well-being and psychological impact on our workforce and patients a concern. Covid-19 risks will be reported to and reviewed by the Trust Board, one key risk being the sustained availability of personal protective equipment. Progress in achieving the Trust strategic objectives for 2020/21 will be variably impacted by the Covid-19 pandemic.

Opportunities for 2020/21

From March 2020 and onwards the Trust made a significant number of service changes to respond to the Covid-19 pandemic at pace. During 2020/21 this will provide opportunities for the Trust to work differently and sustain the benefits from these changes to improve care for patients and performance across the Trust and with our care partners. A selection of these opportunities are given below:

- Continuing to use technology to improve the way we care for our patients and inform our service reconfiguration plans – the Trust's digital capability enabled it to respond at pace to the Covid-19 situation moving a significant amount of healthcare from face-to-face to provision online, for example changing the way patients access services by rolling out virtual consultations for critical out patient clinics, enabling clinicians to prescribe for patients from home, use of video conferencing technology, facilitating home working for a large volume of staff and enabling virtual visiting for end of life patients

- Patients having an opportunity to lead and manage their own care

- Integrated working with health, social care and the voluntary sector– key opportunities include:

  - continuing the rapid and safe discharge of medically fit patients into social and community services with increasingly effective working across organisations
  - increasing collaboration between the Trust community services and the care home sector
  - adopting regional approaches to critical supply chain issues through the West Yorkshire Association of Acute Trusts

- A flexible workforce that can adapt to changing situations to improve care for patients - enhanced flexible working through flexible deployment of staff into different roles, workforce planning and modelling, alignment of rota patterns, redeployment and re-training of staff to maintain critical services, extension of out of hours provision across a range of support services, such as diagnostic and therapeutic services, radiology, catering and administration

- Embedding the Trust's one culture of care through tailored support packages for colleagues, including psychological and health and well-being support, recognition of staff, leadership coaching, buddying systems, supporting vulnerable staff

- Using and refreshing our business continuity arrangements internally and with the West Yorkshire Resilience Forum, learning lessons from Covid-19 to increase our local resilience

- Use of capacity in the private sector

- Using the learning and innovation that has resulted from the pandemic response (in the hospital, community and in the wider health and social care system) to inform and update our plans for service reconfiguration and estate development at CRH and HRI. This will ensure that our longer-term plans embed and sustain the examples of positive service transformation that have emerged.

- Ensuring we have 'real-time' information across the health and social care system about capacity that will enable us to respond to future demands for service as a system and protect the most vulnerable people in our communities and workforce.

Going Concern

The accounting concept of Going Concern refers to the basis on which an organisation's assets and liabilities are recorded and included in the accounts. If an organisation is a going concern, it is expected to operate indefinitely and not go out of business or liquidate its assets in the foreseeable future.

Under International Financial Reporting Standards, management are required to assess, as part of the accounts process, the NHS Foundation Trust's ability to continue as a going concern. The financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS Foundation Trust without the transfer of services to another entity or has no realistic alternative but to do so.

The Trust Board has assessed various sources of information in order to determine whether it is appropriate to prepare the accounts on a going concern basis. These include

both internal and external reporting, the Trust's long term financial plan, audit reports and dialogue with NHS Improvement.

Given the underlying deficit position, the challenge within the financial plans for 2020/21 and the additional management and financial pressure of dealing with the Covid-19 situation, further areas require consideration to be able to demonstrate that the Trust is a going concern.

The following has been taken into account:

- The year-end financial position was in line with the year-end forecast agreed with the regulator. Whilst still representing a deficit position prior to non-recurrent central support through Provider Sustainability Funding (PSF) and Financial Recovery Funding (FRF); this secures a level of confidence from NHS Improvement in the Trust's financial management.

- The Trust is supported by loan funding from the Department of Health and Social Care with a balance totalling £163.6m at 31 March 2020.

- The Trust closed the year with £9.3m of cash and is planning for a breakeven position in 2020/21 with the support of FRF which relies in part upon delivery of financial expectations by the whole Integrated Care System (ICS).

- On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £141m are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Trust.

- The Clinical Commissioning Groups continue to buy services from the Trust and contracts with main commissioners were agreed in March 2019 for business as usual expectations. These have been overridden in the immediate term through the Covid-19 emergency period by fixed value payments from all commissioners, alongside nationally calculated top-up payments and funding of genuine and reasonable additional expenditure relating to Covid-19. This combined incoming cash along with the receipt of FRF will allow the Trust to meet all its obligations and liabilities.

- From Internal Audit reports completed in 2019/20 there have been no other indications of significant financial risk or weaknesses in financial risk management. Amended financial governance specifically linked to managing Covid-19 was approved by the Audit and Risk Committee in April 2020.

- In 2019/20 a Cost Improvement Programme (CIP) of £11m was delivered. A project management office is in place which ensures that the CIP plans are robust and oversees their delivery. The programme methodology is built around a gateway approach for project design, development and delivery that includes a rigorous quality and equality impact assessment review. Delivery of the business as usual 2020/21 financial plan requires an efficiency saving of a further £14m. The national emergency financial measures in place through the Covid-19 period will compensate for the Trust's inability to deliver the savings as planned.

There is a reasonable expectation that Calderdale and Huddersfield NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. As with any Trust placing reliance on the DHSC for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on these indications the directors believe that it remains appropriate to prepare the accounts on a going concern basis.

Performance Analysis 2019/20

How we measure performance

Like all Trusts, Calderdale and Huddersfield NHS Foundation Trust is under enormous pressure to meet the health care needs of a growing and diverse population, alongside great changes to the infrastructure of the NHS and a difficult financial climate. The Trust provides hospital services to both Calderdale and Greater Huddersfield and community services in Calderdale.

The Trust's performance against a range of national targets and standards is assessed and reported internally and externally. These measures include the regulatory measures of 4-hour emergency care standard; cancer referral targets; infection control standards; staffing levels as well as many other quantitative and qualitative standards including patient experience, workforce measures such as sickness and safety metrics including harm free care. This integrated approach to performance ensures all elements of care and service delivery are balanced.

The Board considers an Integrated Performance Report (IPR) at each meeting which describes performance against these targets and any action being taken to address dips in performance and celebrate success. This is informed by detailed review at a divisional and executive level prior to the Board meeting.

There is also detailed scrutiny of the different elements of the IPR through the Board sub-committees - Finance and Performance Committee, Quality Committee and the Workforce Committee. Each quarter the Board confirms the position of each of these metrics to NHS Improvement.

Assurance that the performance data used within the Trust and reported by the Trust is of a high standard has been provided via the Trust Data Quality Board, which reports to the Audit and Risk Committee with escalation into a weekly meeting of Executive Directors as appropriate. A Data Quality Group, which meets monthly and reports into the Data Quality Board, focuses on specific data quality measures from both a corporate and service position. The Trust Data Quality Strategy confirms that "robust data quality will support consistent achievement of all national and local patient performance targets" plus assessment of data quality standards. Requests for data quality deep-dives form part of the internal audit programme.

Back in August CHFT also set up a referral to treatment (RTT) Diagnostics Project with a dedicated project team to ensure a clean RTT patient list through the development of robust data entry, validation and reporting mechanisms. This would ensure appropriate patient listing, identify areas of capacity and demand mismatch and ensure sustainable performance delivery. The team will also test the proposed changes to the RTT, elective care standard.

Specialty level and system level diagnostics have taken place to improve data quality.

Externally commissioned review of data quality

The Chief Operating Officer requested an externally commissioned review of data quality to provide further assurance around KPIs reported in the Trust IPR . This was undertaken by a Health Care Analytics company using an established process of a 'light touch' audit using a number of indicators across the CQC domains. The Trust received an excellent score and this was due to the compliance with national methods of calculating the relevant statistics, adherence to the strict exclusion criteria linked to the national guidance and the transparency of reporting across the Trust.

Programme of Deep-Dives

In addition to the above data quality assurance processes CHFT also established a formal programme of deep-dives across the key performance indicators (KPIs) within the IPR. The deep-dives provide the Board with assurance on KPIs that regularly achieve target (Green RAG rating) and an understanding of the challenges of those that are currently missing their target (Red RAG rating) with a focus on improvement. Formal reporting is via the Quality and Performance review at our Executive Board on a monthly basis with a programme established for the next 12 months.

Performance Management Framework

The Trust IPR consists of a Performance Summary and for each domain there is exception reporting where adverse performance is observed. The report is presented with variances, trends over the last 13 months and benchmarking information to illustrate areas of good and adverse performance. NHS Executive/Improvement's Oversight Framework is one key source of performance measures but also included are key metrics which the Trust would like to focus on derived from the Trust's strategy and operational priorities.

The Trust IPR supports the work of various Board sub-committees. The quality domains are the focus of the Quality Committee, the workforce domains are the focus of the Workforce Committee and the responsive, finance and efficiency domains are reported into Finance and Performance Committee which also looks at the overarching performance position. In addition, Divisional IPRs are also produced in a similar format which also show directorate level performance with current month and year to date indicators.

The production of the Divisional IPRs ensures the timely flow of information, prompt escalation and a 'golden thread' from ward to Board. Divisions hold Performance Review Meetings with Directorates and in turn the Executive Management Team hold a bi-monthly Performance Review Meeting with each Division.

Deep-dive reviews are commissioned for continued performance challenges and performance escalation with individual teams takes place where assurance through routine performance meetings is not secured.

Areas of outstanding performance are highlighted through Divisional Performance Review Meetings and associated Committees including the Council of Governors forum.

The Performance Summary for March 2020 on page 26 shows a split by domain of Trust performance during 2019/20. Trust performance continued to improve throughout the year with not one single domain showing a 'red' (< 50% performance) during this time period.

Our performance

During March 2020 Calderdale and Huddersfield NHS Foundation Trust, in line with other acute Trusts nationally, made changes to services offered in response to the Covid-19 pandemic. The Trust started to see the impact of these changes on a number of performance metrics during March 2020. At the time of writing the following service changes had been made:

- Calderdale and Huddersfield NHS Foundation Trust, along with other regional providers, was closed to all routine referrals and routine elective services were not available on the e-Referral Service (ERS). Referrals already received were clinically reviewed and, if urgent, patients were offered a non face-to-face appointment. A joint programme of learning was agreed between primary and secondary care for post Covid-19 referral management.
- Cancer 2 week wait referrals and urgent referrals and urgent advice and guidance continue via ERS, however we have agreed that any such referrals should be through/authorised by GP partners. All cancer 2 week wait referrals are clinically triaged on receipt.
- The Trust is closed to routine diagnostics; MRI, Echo, Neurophysiology and ultrasound.
- The Trust continues to offer capacity for urgent diagnostic referrals.

As a result of the above measures, performance reported in the table below was impacted for the month of March 2020.

Despite this, Calderdale and Huddersfield NHS Foundation Trust has yet again performed remarkably well during 2019/20 against the key regulatory national targets in the face of significant challenges and this is shown in the table below. Although the Trust missed the Emergency Care 4-hour Standard during 2019/20 it continued to perform in the top 7% of all Trusts nationally for this indicator.

The Trust performed even better against the Cancer 62 day wait for first treatment standard where it had the third highest performance nationally out of all acute organisations. The Trust's performance reflects the adoption of the four pillars approach across CHFT.

The Trust improved its performance in Quarter 4 compared to Quarter 4 last year in all its cancer standards with the exception of 62 day screening (missed last 2 quarters' target) and 31 day subsequent surgery.

A number of staff shortages in both Echocardiography and Neurophysiology led to the Trust missing the Diagnostic waiting list target during 2019/20. Recovery plans were put in place and enabled CHFT to get back on track prior to the Covid-19 situation in March.

The Trust has continued to update its set of around 100 key performance indicators across its six domains to measure its performance and benchmark against all West Yorkshire Trusts and also Trusts nationally and has ensured no domain was red in 2019/20.

The Trust provided safe, compassionate care for all of its patients with a high level of patient satisfaction while continuing to achieve the demanding efficiency savings.

Indicator	Target	Q1 19/20	Q2 19/20	Q3 19/20	Q4 19/20
Total time in ED under 4hrs	>=95%	90.61%	89.90%	82.95%	86.38%
% Diagnostic Waiting List Within 6 Weeks	>=99%	85.0%	90.2%	98.0%	98.1%
Referral to Treatment Time, % Incomplete Pathways <18 Weeks	>=92%	92.27%	92.05%	n/a*	n/a*
Cancer 2 week wait (all)	>=93%	97.16%	98.71%	99.25%	99.28%
Cancer 2 week wait Breast Symptomatic	>=93%	95.27%	98.98%	97.69%	99.11%
Cancer 31 days from diagnosis to first treatment	>=96%	99.79%	99.79%	99.40%	99.59%
Cancer 31 days for second or subsequent treatment – surgery	>=94%	100.00%	98.51%	100.00%	97.59%
Cancer 31 days for second or subsequent treatment – drug treatment	>=98%	100.00%	100.00%	100.00%	100.00%
Cancer 62 day wait for first treatment (urgent GP)	>=85%	89.78%	91.87%	90.15%	91.55%

Cancer 62 day wait for first treatment (NHS Cancer Screening Referral Service)	>=90%	95.38%	92.86%	87.01%	88.89%

*The field-testing of the Elective Care Clinical Review of Standards (CRS) began on 1st August 2019 and will continue to run through 2020. During this time CHFT are one of 12 field-test Trusts who are not required to report compliance against the existing 18 Week RTT standard. In its place, field-test Trusts will report against an average wait standard.

Emergency Care Standard

Like many other Trusts, CHFT has had significant challenges in achieving the Emergency Care 4-hour Standard with performance for 2019/20 at 87.48%.

Attendance rates were higher than in 2018/19 with the exception of March due to the Covid-19 pandemic. There was also an increase in the acuity of patients presenting and this was a challenge from September onwards. Staffing in both Accident and Emergency Departments remains a challenge, particularly senior medical staff availability. The teams at CHFT deliver a high level of activity per staff member in comparison to many organisations and ensure safe services are maintained.

Pressures in social care assessment and domiciliary care capacity resulted in the Trust opening additional unplanned beds and pressures on routine elective operations A discharge lounge pilot commenced at Huddersfield Royal Infirmary (HRI) in December as an alternative support to patient flow.

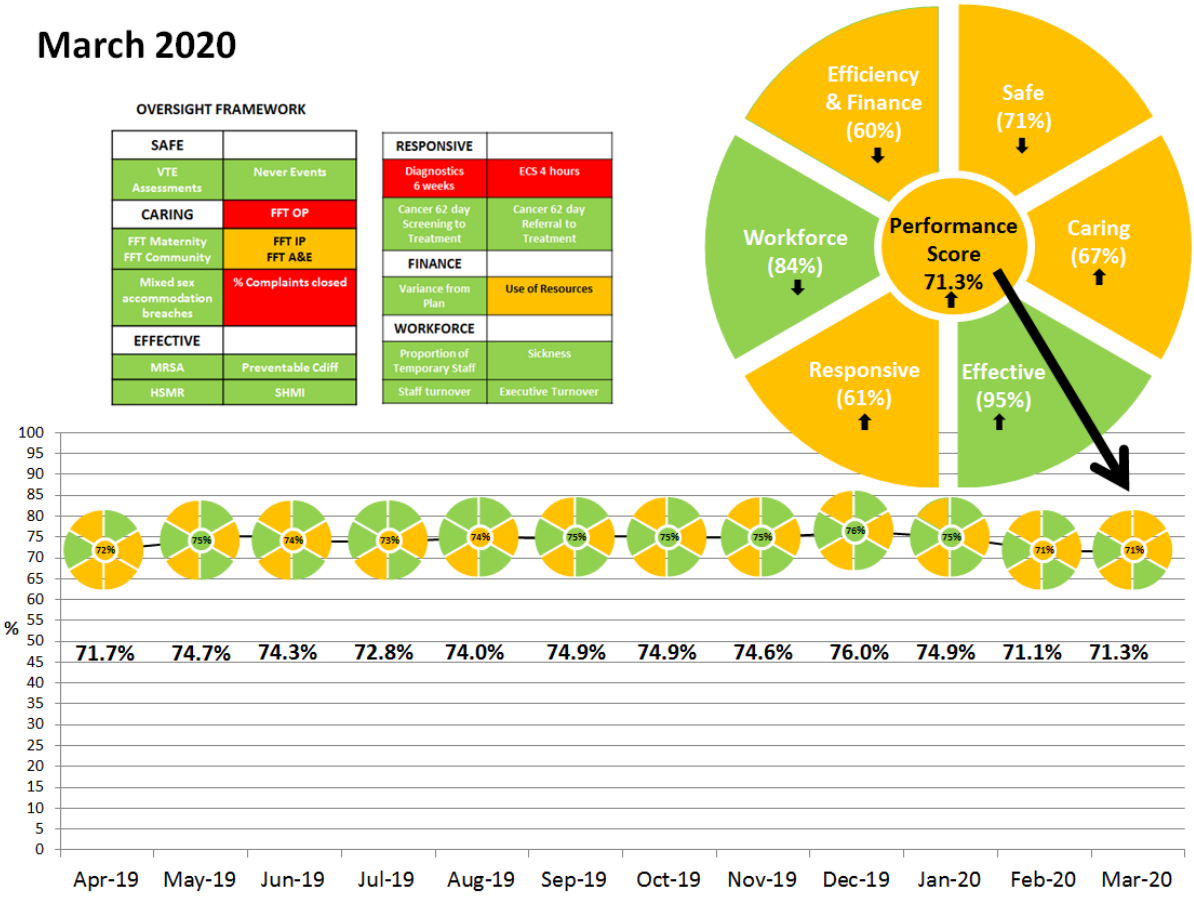
Acute Floor consultants introduced cross-site working in November and further changes to the Medical out of hours cover were introduced in January.

The Same Day Emergency Care (SDEC) Unit, co-located in the clinical decision unit in HRI, opened in November and the overall feedback showed a 10% reduction in frailty breaches compared to last winter with comprehensive geriatric assessments and more admissions avoided.

January saw an increase in non-elective activity impacting on capacity and flow over and above plan. The pressures around discharge into the Calderdale system continued to put pressure onto bed capacity with a resultant requirement to open additional beds.

CHFT was in a very small group of large acute Trusts that performed to such a high level for its Emergency Care Standard in 2019/20.

Performance Summary



Benchmarking performance

Although the Trust missed the Emergency Care 4-hour standard during 2019/20 it has benchmarked extremely well nationally when its two key metrics (Emergency Care and 62 day Cancer) are considered together. The Trust was placed third out of 115 acute organisations.

The 18 week referral to treatment (RTT) performance, which normally forms part of this combined metric, has been excluded this time as CHFT are one of 12 field-test Trusts who are not required to report compliance against the existing standard. In its place, field-test Trusts reported against an average wait standard from August 2019 onwards.

Performance against our goals

The Performance Overview section detailed our Trust plan for key areas of delivery by the end of March 2020 to support the achievement of each of the four goals of the Trust which are:

Transforming and improving patient care	Keeping the base safe	A workforce for the future	Financial sustainability

The Board received a report on progress against each of our objectives to achieve our goals during 2019/20. By March 2020, 18 of the 20 deliverables were rated as either fully completed or on track to be completed. These were:

- we secured regulatory approved proposal for our reconfiguration of services,
- we delivered actions to reduce variation in selected care pathways and agreed outcomes (GIRFT, Getting It Right First Time actions),
- we transformed 10% of out-patient appointments to avoid the need for patients to visit the hospital and designed our digital strategy,
- we developed key performance indicators for our estates partners to provide a safe environment for patient care and delivered the health and safety action plan
- we achieved targets for colleague retention, vacancies and attendance, improved colleague engagement and inclusion
- We reviewed our people policies to facilitate our “one culture of compassionate care”.

We had a Single Oversight Framework rating of 2 for quality and operational performance metrics and 3 for financial and Use of Resources performance metrics. We developed a financial and a capital plan to meet the organisation’s requirements which was consistent with the integrated care system, strengthened budget accountability and progressed key workstreams with our West Yorkshire acute hospital Trust partners.

Two of the deliverables were rated as amber as being ‘off-track’ at that point (i.e. slightly delayed) but with a clear plan for improvement in place. These areas are expected to be progressed in 2020/21:

- Using patient feedback, both positive and negative to describe CHFT services from a patient perspective
- Develop an ‘essentials of management’ development programme and a CHFT leadership programme.

In terms of digital technology, progress has been made over the year with inter-operability between our systems, General Practice and Social Care working towards having one complete view of the patient. Our use of technology has enabled us to expand patient choice and care with virtual visits. Technology has made it easier for patients to see Consultants and for Consultants to provide timely and personalised services in patients’ homes online. This means our patients do not have to travel long distances, fewer appointments are missed and our patients receive more timely care and have greater choice. More information on how virtual visits are being used to provide epilepsy and oncology services for patients can be found by accessing this internet link:

https://customers.microsoft.com/en-us/story/809500-calderdale-and-huddersfield-nhs-foundation-trust-health-provider-teams

In early 2020 we were delighted to be selected as a Trust in the first wave of a new national digital aspirant programme to further our use of digital technology to continue to transform the services we offer to our patients. This means we will benefit from investment towards our digital transformation programme enabling us to provide safe, efficient care for patients.

We continue to work with partners across Calderdale and Huddersfield as well as West Yorkshire to develop and deliver high quality, compassionate health care services for our patients. Further detail on partnership working is given in the Accountability Report section.

Sustainability and sustainable development

In 2019/20 the Trust has furthered its ambitions to reduce its environmental impacts. The Sustainable Development Action Plan has been updated with focus on embedding sustainable behaviour throughout the workforce into 2020/21. To support this, we are calculating our carbon baseline to understand the scale of our impact and where to focus attention to reduce this in future.

We have instructed our electricity suppliers to purchase renewable electricity for our estate from 2020/21 and will see energy consumption fall as we replace all non-LED light fittings with highly efficient LED replacements across the hospitals thereby lowering energy and carbon emissions.

Our Transport team tendered for fleet services and included a requirement for low emission vehicles where possible. The environmental benefit of this will be seen in 2020/21 and beyond.

With regards to waste, we changed our contractor for offensive and pharmacy waste collections to a local facility to reduce haulage of these waste streams and we became a signatory to the NHS Plastics Pledge to eliminate certain catering single use plastics. The Trust looks forward to working with NHS England as more items are included in this Pledge.

Finally, we continue to work with our local authorities of Calderdale and Kirklees Councils regarding travel strategies and active travel and how we can work together to achieve any targets as set out by the Councils following their Climate Change Emergency declarations.

Our role in the local community

Over the last year we have been maintaining our 350 strong volunteer workforce. The Pets as Therapy (PAT) initiative we introduced last year has been extremely

successful specifically within the Intensive Care Unit (ICU). We now have a regular PAT dog called Tilly who along with her handler, Helen comes into the Trust on a weekly basis covering both sites. The feedback we have had from recovering patients has been exceptional. We have also introduced PAT dogs in our dementia café, this brings a welcomed comfort to those patients who are missing their own pets.

Unfortunately, due to Covid-19 the PAT dogs are not allowed to enter the Trust at this time.

Volunteers within our Pharmacy department have also been well received across both sites. The volunteers are helping deliver the patients medication to their ward which means that our nursing colleagues can stay on the ward and our patients are discharged sooner.

Due to Covid-19 we have been overwhelmed by the number of members of our community who have come forward to offer their support. We have processed new volunteers quickly and they have been helping within the hospital with duties such as washing wheelchairs, folding linen and delivering medicines to patients. The community has also been providing many gifts of support including face masks, wash bags and hearts for grieving families.

Our work experience scheme has been refreshed to ensure equality of opportunity for all students in years 12 and 13 who attend schools and colleges in Halifax or Huddersfield.

During 2019/2020, 250 students from across 10 partner schools and colleges have been successfully placed in a range of medical and non-medical environments. The Trust is developing plans to increase the number of schools and colleges who participate in these schemes.

The Trust is currently supporting 212 staff to complete an apprenticeship programme. Of these, 137 started their apprenticeship during 2019/2020. The same period saw 58 existing CHFT staff successfully complete an apprenticeship and develop their career.

Much work has been undertaken during the year to develop the Calderdale and Huddersfield NHS Trust charity. The charitable funds team has been overwhelmed by the support shown by the local community since the Covid-19 pandemic began and has been receiving and distributing donations to support the health and well-being of our colleagues. Thank you.

The Trust and Calderdale Huddersfield Solutions Limited is working with the public health departments at Calderdale and Kirklees to help us move towards our goal of being smoke free across all our sites to protect our patients, staff and visitors from second-hand smoke and help provide a better environment for all.

The Trust’s Charity, League of Friends, has continued to support the hospital throughout the year.

We have a number of policies in place which cover social, community, counter fraud, bribery and human rights matters. A process is in place to ensure that none of our policies have an adverse or discriminatory effect on patients or staff.

Modern Slavery Act 2015

The Trust has a Board approved anti-slavery and human trafficking statement which is published on its website at www.cht.nhs.uk/publications.

Equality, Diversity and Inclusion

Equality, diversity and inclusion activities and principles are fundamental to the Trust's work to improve the experience and health outcomes for everyone in its care. Details of work that has taken place across the Trust between January and December 2019 is published on the Equality and Diversity section of the Trust's website at: https://www.cht.nhs.uk

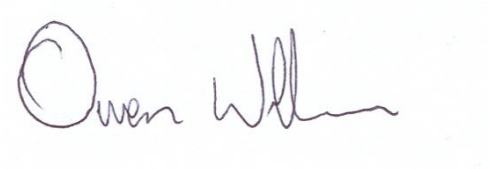
Important events since the end of the financial year 2019/20

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim loans totalling £141m as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

Overseas operations

The Trust has no overseas operational activity and has received no commercial income from overseas activity during the year.

Signed



Dr Owen Williams, OBE

Chief Executive

16 June 2020

3. ACCOUNTABILITY REPORT

Directors' Report

Governance and Organisational Arrangements

The Directors' Report has been prepared under direction issued by NHS England and NHS Improvement, the independent regulator for Foundation Trusts, as required by Schedule 7 paragraph 26 of the NHS Act 2006.

The governance structure of all NHS Foundation Trusts include:

- Public and staff membership
- A Council of Governors
- A Board of Directors

The Trust is fully compliant with the requirements of the NHS Constitution.

Composition of the Board of Directors

The Board of Directors is a unitary Board and has a wide range of experience and expertise to its stewardship of the Trust. The Board believes that it is balanced and complete in its composition with seven Non-Executive Directors and six Executive Directors with an appropriate balance of clinical, financial, business and management background and skills appropriate to the requirements of the organisation.

All the Non-Executive Directors are considered independent.

Responsibility for the appointment of the Chair and Non-Executive Directors resides with the Council of Governors and should it be necessary to remove either the Chair or any Non-Executive Director, this shall be undertaken by the Council of Governors in accordance with the Foundation Trust's Constitution.

All Board members have confirmed that they are fit and proper persons to hold the office of Director in the Trust and have no declarations to make that would be contrary to the requirements.

At the year end, the Board comprised the Chief Executive plus five Executive Directors, three non-voting Directors and seven Non-Executive Directors, including a Non-Executive Chair, ensuring the balance of power on the Board rests with the Non-Executive Directors.

The gender balance of the Board as at 31 March 2020 was:

	Female	Male
Executive Directors	3	3
Non-Executive Directors	2	5
Non-voting Directors	2	1

The age profile of the Board as at 31 March 2020 was:

Age	Number of Directors
18-40	0
41-50	3
51-60	8
61-70	5
71+	0

Biographies of the Board of Directors

Philip Lewer
Chair
Appointed: April 2018
Philip was born in Lancashire and has lived in Yorkshire for over 40 years. His professional career began as a Mental Welfare Officer. He has worked for Bradford Council and was the Group Director for Health and Social Care at Calderdale Council and a Regional Director for the Department of Health where he also served on the government's Standing Commission on Carers. He was chair of 'Mind the Gap' theatre company and a Non-Executive at Calico Housing. He was, until February 2018, Chair of NHS Leeds South and East Clinical Commissioning Group for over 5 years.

Dr Owen Williams, OBE
Chief Executive
Appointed: May 2012
Owen has been the Chief Executive of Calderdale and Huddersfield NHS Foundation Trust (CHFT) since May 2012. This represents his third Chief Executive role across Local Government and the NHS during a career which has spanned both the public and private sectors.

He is also a Trustee and Vice Chair of the NHS Confederation, a national body that brings together, and speaks on behalf of, the whole health and care system. He is passionate about providing compassionate care built on CHFT's four pillars of putting the patient first; going to see; working together to get results and doing the must dos.

Owen believes that diversity of leadership and greater colleague engagement are essential to meeting increased expectations regarding the quality of care and patient safety, together with the reality of the financial resources available.

Helen Barker
Chief Operating Officer
Appointed: January 2016
Helen joined the Trust substantively as Chief Operating Officer on 1 January 2016; she held a similar post for the previous two years in Bradford having spent her career before that working in acute trusts in West Yorkshire. Helen is a nurse by background and remains committed to providing the best experience possible for both patients and staff. With experience of leading performance improvement and transformational change programmes she brings this expertise to services across the Trust and wider community.

Dr David Birkenhead
Executive Medical Director
Appointed: June 2014
David has been working in the Trust as a Consultant Microbiologist since 2000. He has held a number of senior clinical leadership roles in the Trust and was appointed to the post of Interim Medical Director in June 2014 and then to a permanent post in July 2015. In addition to his medical degrees, David was awarded a Doctorate from the University of Manchester for his research into Campylobacter bacteria. As Medical Director, David shapes and leads the clinical services delivered by the Trust in order to drive the best health outcomes. He is also the Executive lead for Infection Control and the Trust's Director of Infection Prevention and Control.

Current large-scale projects include reviewing how the Trust delivers care across the community and the hospitals, the development of seven day services, and the ongoing implementation and development of an electronic patient record. He is the Medical Director lead for Pathology across West Yorkshire and Harrogate. The Medical Director provides a professional lead for medical staff and, as the Trust's Responsible Officer, makes recommendations to the General Medical Council around medical revalidation. David also takes the lead on education and training and research and development.

Gary Boothby
Executive Director of Finance
Appointed: November 2016
Gary Boothby has been Finance Director since November 2016. Previously he was the Deputy Director of Finance from March 2016. Gary joined the Trust from the Mid Yorkshire Hospitals NHS Trust where he had been the Deputy Director of Finance. Gary has over 25 years NHS experience and has been a Chartered Management Accountant since 1996. A large part of his career has been in senior divisional finance roles at both Mid Yorkshire Hospitals NHS Trust and at Pennine Acute Hospitals where there was a strong track record of working closely with Divisions to deliver both patient improvements and financial efficiencies.

Ellen Armistead
Executive Director of Nursing/Deputy Chief Executive
Appointed July 2019
Ellen started her career in the NHS as a nursing auxiliary in elderly care settings. She has held a number of leadership positions across the country as both Chief Nurse and Chief Executive in acute and community services. Most recently Ellen was Deputy Chief Inspector of Hospitals with the Care Quality Commission.

Ellen's passion is to ensure patients are at the heart of everything we do and the experiences of those in our care are continuously improving. Ellen believes the key to providing care to the highest standards in terms of safety and outcomes is ensuring leaders at all levels are developed and empowered to lead with compassion for our patients and colleagues.

Jackie Murphy
Executive Director
Appointed: June 2018 – Resigned July 2019
Jackie has worked in a number of leadership roles at CHFT, most recently as Executive Nurse Director. Prior to this as Chief Nurse she led the Trust's ambitious modernisation agenda. In 2018 she was awarded the Chief Clinical Information Nursing Officer (CCINO) of the Year at the Digital Health Awards for her exemplary leadership around digital transformation. She has an extensive clinical background having trained in Leeds working in both medicine and surgery; she has also held senior nurse leadership positions at Mid Yorkshire Hospitals Trust. Jackie holds a degree in Health and Community Care Management and has a master's in leadership and Management from the Nuffield Institute. She relishes her role as trustee at Overgate Hospice and is passionate about delivering consistent high quality compassionate care through strong visible, clinical leadership.

Suzanne Dunkley
Executive Director of Workforce and Organisational Development
Appointed: February 2018
Suzanne joined the Trust in 2018 with experience across both the private and public sector in strategic HR roles. Beginning her career at Pinderfields Hospital, Suzanne spent eight years leading a dotcom business before moving into Local Authority and Transport Sectors. Suzanne believes that the role of HR is to spot talent and help it grow, that a great employee experience leads to a great patient experience.

Alastair Graham
Non-Executive Director
Appointed: December 2017
Alastair is the Chair of Calderdale and Huddersfield Solutions, which is a wholly owned subsidiary of the Trust. He is also a member of the Trust's Transformation Programme Board and sits on the Research and Innovation Committee. Until recently Alastair was the Director of Golden Lane Housing (GLH), a leading UK charity providing housing for

over 1,700 people across England, Wales and Northern Ireland. Alastair has helped GLH to develop innovative new ways of enabling people with a learning disability to live and thrive as part of the mainstream community. Prior to this role, Alastair led one of the largest regeneration programmes in the north of England as Director of the Oldham Rochdale Housing Market Renewal Pathfinder. Alastair has also worked in housing in a variety of housing and support roles in London and in Buckinghamshire. Alastair has a degree, a Diploma in Management Studies and the Chartered Institute of Housing Professional Qualification. He has two sons and has lived in Calderdale for the past 26 years.

Karen Heaton
Non-Executive Director
Appointed: March 2016
Karen lives in Hade Edge, Holmfirth and is Director of Human Resources at the University of Manchester where she is responsible for developing and implementing people strategies to support the University's goal to be a world leading research led University by 2020.

Karen has held a number of senior human resource positions across different sectors including the not-for-profit and private sectors. As a member of the Chartered Institute of Personnel and Development she has operated as a Director of Human Resources for over 25 years and is very experienced in transformational change within complex organisations. Karen is a member of the CBI's employment and skills Board.

Until recently Karen served as a Non-Executive Director of One Manchester and Chair of the Remuneration Committee. She has also served as an independent member of the Prison Service Review Body advising the Government on pay and terms and conditions for staff in the prison service. Karen is Chair of the Workforce Committee at the Trust. Karen is also a member of the Trust's Quality Committee and Nominations and Remuneration committee of the Board of Directors.

Richard Hopkin
Non-Executive Director
Appointed: March 2016
Richard Hopkin lives in Sowerby Bridge and is a chartered accountant with 20 years' commercial experience as Finance Director / Company Secretary with two PLCs and a large private company, following 11 years in the accounting profession with a major international firm. He now runs his own business, providing financial consultancy advice, primarily to small and medium-sized enterprises and voluntary sector organisations. Since 2011 he has worked extensively with Age UK on both a local and national level and, until recently, was a Non-Executive Director of a housing association, Derwent Living for several years. Richard is also Treasurer of the Community Foundation for Calderdale. Within the Trust, Richard has been the SINED since January 2020, chairs the Finance and Performance Committee and is a member

of the Audit and Risk Committee, the Charitable Funds Committee and the Pharmacy Manufacturing Unit Board. Richard is married with two children.

Andy Nelson
Non-Executive Director
Appointed: October 2017
Andy is an experienced Technology and Business Transformation executive with a successful 30-year track record in Central Government, Management Consulting, Retail and Finance sectors. Key positions held include being the group executive with global responsibility for Strategy, IT and turnaround programmes at RSA Insurance and several large-scale CIO roles in the private and public sectors including HM Government CIO. He is now working in a non-executive, advisory, teaching and voluntary capacity for a wide range of organisations. He is a strategic advisor to The Law Society, a guest lecturer at Lancaster University Management School and a volunteer with the Princes Trust. Within the Trust he now chairs the Audit and Risk Committee and is a member of the Transformation Programme Board. He also chairs the Security and Resilience Governance Group and attends The Health Informatics Service Executive Board. He is married with three grown-up sons and has lived in Barkisland since 1996.

Peter Wilkinson
Non-Executive Director
Appointed October 2019
Peter is a Chartered Surveyor with significant executive level experience for over 30 years at both a Big4 consulting firm and Real Estate firm, where he was an equity partner. Peter has particular expertise in advising on the delivery of business transformation across property, infrastructure & capital projects, leading on programme and project management incorporating wider business teams and stakeholders for both public and private sector clients.

Peter's leadership of organisational wide transformation with solid and practical use of Managing Successful Programmes (MSP), PRINCE2 and Portfolio Management is especially useful as the Trust progresses with its large and complex Reconfiguration of Services at both Halifax and Huddersfield.

Peter currently has his own consultancy business, based in Holmfirth, and has a number of other Non-Executive Director roles and Consultancy commissions across the North of England. He is married with one son and has lived in Holmfirth for over 20 years.

Peter is the chair of the Transformation Programme Board, and attends Finance and Performance Committee, Charitable Funds Committee and Pennine Property Partnership Board.

Denise Sterling
Non-Executive Director
Appointed October 2019
Denise is an Occupational Therapist by profession with 38 years' experience within the NHS and has held a variety of clinical, managerial and professional leadership positions. Most recently until retirement she held the position of Head of Occupational Therapy at the Leeds Teaching Hospitals Trust.

Denise led on the delivery of a wide range of quality improvements in clinical practice with positive outcomes for patients. She believes it is essential that people work together for the best interests of patients and truly listen to patients and the communities served to understand what they need. Denise has worked closely with colleagues across health, social and voluntary sectors to develop and deliver patient centred health and care services.

A member of the Royal College of Occupational Therapists, Denise has served as Council Member and Chair of the Equalities Committee. Denise has a special interest in education and in an advisory capacity supports local universities in the development and accreditation of undergraduate and post graduate programmes. She is also a Trustee and Chair of the Secondaries Committee for Bradford Diocesan Academies Trust.

Denise has been the Chair of the Quality Committee from 1 January 2020 and attends Audit and Risk Committee and Workforce Committee.

Philip Oldfield
Non-Executive Director
Appointment: September 2013 to December 2019
Phil is a Chartered Accountant and MBA and he has a wide range of senior management experience within Retail, Manufacturing, Healthcare and Consultancy. He has over 15 years' experience at Board level and has held a number of senior management roles in Logistics, IT and Operations. Previous Healthcare experience includes Finance and Commercial Director for Nuffield Hospitals, Finance Director for Health and Social Care in Guernsey and a number of consultancy projects across the NHS. Phil grew up in the Huddersfield area. Phil was Chair of the Finance and Performance Committee, a member of the Charitable Funds Committee and Estates and Sustainability Committee.

Dr Linda Patterson
Non-Executive Director
Appointment: October 2013 to December 2019
Dr Linda Patterson OBE lives in Hebden Bridge and was a consultant physician in general and geriatric medicine. She worked in clinical practice at the East Lancashire Hospitals Trust. She has been a clinical director and has been at Board level for over 20 years as a Trust Medical Director, and the medical director of the first NHS regulator

of quality, the Commission for Health Improvement (now the Care Quality Commission). She has also been a Non-Executive Director for the National Patient Safety Agency. She was Clinical Vice-President of the Royal College of Physicians 2010-13 and is a Trustee of the Healthcare Quality Improvement Partnership (HQIP) which oversees the national clinical audits. She is passionate about improving quality of care, particularly using patient experiences to drive up quality. Linda chaired the Quality Committee.

Meetings of the Board of Directors

The Board of Directors is responsible for exercising all the powers of the Foundation Trust and is the body that sets the strategic direction, allocates the Foundation Trust's resources and monitors its performance.

The Board has an annual schedule of business which ensures it focuses on its responsibilities and the long-term strategic direction of the Foundation Trust. It meets six times a year to conduct its business. The Board also meets six times a year to discuss matters requiring strategic debate and for training**.**

The Board of Directors met seven times during 2019/20 including the Annual General Meeting.

Attendance at Board of Directors meetings

The attendance of members of the Board during 2019/20 is given below:

Name	Role	Date Commenced in CHFT	Board of Director Meetings Attended
EXECUTIVE DIRECTORS			
Dr Owen Williams	Chief Executive	14.05.2012	7/7
Helen Barker	Chief Operating Officer	01.01.2016	6/7
David Birkenhead	Executive Medical Director	01.12.1999	6/7
Gary Boothby	Executive Director of Finance	07.03.2016	5/7
Kirsty Archer	Interim Director of Finance	01.08.2008	1/1
Ellen Armistead	Executive Director of Nursing/ Deputy Chief Executive	01.07.2019	6/6
Suzanne Dunkley	Executive Director of Workforce & Organisational Development	01.02.2018	6/7

Jackie Murphy	Chief Nurse	4 June 2018 Left 19.7.19.	2/3
NON-VOTING DIRECTORS			
Mandy Griffin	Managing Director – Digital Health	19.01.2009	5/7
Anna Basford	Director of Transformation & Partnerships	15.07.2013	6/7
Stuart Sugarman **Lesley Hill**	Managing Director – Calderdale & Huddersfield Solutions Limited	30.09.2019 01.09.18 – 31.07.19.	3/3 0/2
NON-EXECUTIVE DIRECTORS			
Philip Lewer	Chair	01.04.2018	7/7
Richard Hopkin	Non-Executive Director Senior Independent Non-Executive Director *	01.03.2016	6/7
Andy Nelson	Non-Executive Director Chair of Audit & Risk Committee	01.10.2017	7/7
Alastair Graham	Non-Executive Director Chair of Calderdale & Huddersfield Solutions Limited	01.12.2017	6/7
Karen Heaton	Non-Executive Director Chair of Workforce Committee	01.03.2016	5/7
Denise Sterling	Non-Executive Director Chair of Quality Committee	01.10.2019	3/3
Peter Wilkinson	Non-Executive Director Chair of Transformation Project Board	01.10.2019	3/3
Phil Oldfield	Non-Executive Director Senior Independent Non-Executive Director*	23.09.2013 Tenure ended 23.12.19.	3/5
Linda Patterson	Non-Executive Director Chair of Quality Committee	01.10.2013 Tenure ended 30.12.19.	4/5

*Phil Oldfield was Senior Independent Non-Executive Director until his tenure ended in December 2019. Richard Hopkin was appointed as Senior Independent Non-Executive Director from January 2020

Declarations of Interest of Board of Directors

At each meeting of the Board of Directors a standing agenda item requires all Executive and Non-Executive Directors to make known any interest in relation to the agenda and any changes to their declared interests.

The Trust holds a register detailing any interest declared by a member of the Board of Directors. The Board of Directors undertakes an annual review of this register of declared interests which details company directorships and other positions held, particularly if they involve companies or organisations likely to do business or seeking to do business with the Trust. There are no interests which may conflict with their management responsibilities as per the requirements of the NHS Improvement Code of Governance. The Chair declared he had no other significant commitments that affected his ability to carry out his duties to the full and was able to allow sufficient time to undertake those duties.

A copy of the register of declared interests for the Board of Directors is held by the Foundation Trust's Company Secretary and is available for public inspection on the Trust's website at www.cht.nhs.uk.

Committees of the Board of Directors

The Board of Directors has six committees. Two are required as set out in the Trust's Standing Orders:

- Nominations and Remuneration Committee of the Board of Directors
- Audit and Risk Committee

In addition, the Board has established four Committees to carry out detailed scrutiny and provide assurance on key areas of the Trust business:

- Quality Committee
- Finance and Performance Committee
- Workforce Committee
- Transformation Programme Board

Each Committee is chaired by a Non-Executive Director/independent member and is supported by Executive Directors and managers from across the Trust.

Details of the Nominations and Remunerations Committee of the Board of Directors can be found in the Remuneration Report section of this annual report. Information on the Audit and Risk Committee is detailed below and in the Annual Governance Statement. The Transformation Programme Board was established in July 2019 to oversee and provide assurance on complex transformation programmes.

Information on the Quality Committee, Finance and Performance Committee and Workforce Committee can be found in the Annual Governance Statement within this Accountability Report.

The Trust continues to benefit from the receipt of charitable donations which are monitored and allocated separately through the Charitable Funds Committee. This Committee is chaired by the Trust Chair and reports to the Trust Board. We are extremely grateful to members of the public for their continued support in providing donations.

Audit and Risk Committee

The Audit and Risk Committee provides the Board of Directors with an independent review of financial and corporate governance and the assurance processes on which the Board places reliance, to ensure the long-term viability of the organisation. The Committee is charged with ensuring the adequacy and effective operation of the overall control systems of the organisation, with specific focus on the framework of risks, controls and related assurances that underpin the delivery of the organisation's objectives.

The Audit and Risk Committee has Board approved terms of reference which are reviewed annually. A self-assessment of the Committee's performance against the terms of reference is conducted annually and any actions for the forthcoming year identified to improve its effectiveness. Minutes and a verbal update are provided by the Committee Chair to the Trust Board following each meeting.

Membership of the Audit and Risk Committee for the financial year 2019/20 was in line with good practice recommendations. The Committee met five times during the year, with a meeting in May which specifically looked at the Annual Report and Accounts.

Membership and attendance at the Committee for the financial year 2019/20 is detailed below:

Audit and Risk Committee Membership and Attendance 2019/20

Member	Meetings Attended Actual / Possible
Richard Hopkin Chair from April to December 2019	5/5
Andy Nelson, Non-Executive Director Chair from January 2020	4/5
Linda Patterson (until 23.12.19) Non-Executive Director and Quality Committee Chair / Denise Sterling (from 1.10.19) Non-Executive Director and Quality Committee Chair	2/4 2/2

There were two changes to membership and roles during the year:

- Replacement of the Non-Executive Director and Quality Committee Chair due to the ending of tenure and a new appointment

- New Chair appointed in the last quarter of the year from an existing member due to revised Chair arrangements for other Board Committees.

Support for the Committee was provided by the Board Secretariat and meetings were regularly attended by the Executive Director of Finance, Deputy Director of Finance, Managing Director for Digital Health, Company Secretary, Internal Audit and Counter Fraud Service provided by Audit Yorkshire and External Auditors, KPMG LLP (KPMG). A governor from the Council of Governors was also invited to attend and observe each meeting.

The duties of the Audit and Risk Committee are set out below.
To provide assurance to the Board based on review of the establishment and maintenance of an effective system of governance, risk management and internal control across the Trust's activities that support the achievement of the organisation's objectives. The Audit and Risk committee was assisted in this duty by:

- the Quality Committee, which has responsibility for providing assurance in relation to clinical quality and safety aspects
- the Risk and Compliance Group, which reports into the Committee on risk and compliance matters
- the Data Quality Board, the Health and Safety Committee and the Information Governance and Records Strategy Committee
- External audit, internal audit and counter fraud findings and performance

The Committee reviewed risk management systems during the year and reviewed on a regular basis the strategic risks described within the Trust's Board Assurance Framework. The Committee also reviewed the Trust's position on the Board Assurance Framework compared to other provider organisations from a benchmarking report commissioned from internal audit.

The Committee reviewed the 2018/19 draft annual report and annual governance statement. It also received reports on topics including clinical audit, data quality processes, cyber security, salary payment and debt management processes, theatre stock management and audit, internal audit, and counter fraud performance.

In terms of financial reporting the Committee reviewed, with both management and the external auditor, the annual financial statements to determine their completeness, objectivity, integrity and accuracy. In addition, the review covered the quality and acceptability of accounting policies and practices, the clarity of the disclosures, compliance with financial accounting standards and the relevant financial reporting requirements and material areas in which significant judgements have been applied or there has been discussion with the external auditor. The Committee received and supported a paper from the Director of Finance detailing the evidence to support the preparation of the financial statement of the Trust on a going concern basis. The auditors provided the required reports on the financial statements and the Trust's value for money arrangements.

The Committee also reviewed proposed changes to the standing orders, standing financial instructions and scheme of delegation and other financial matters such as losses and special payments and standing order waivers.

The Audit Committee is authorised by the Board of Directors to investigate any activity within its terms of reference and to seek any information it requires from staff. In carrying out its work the Committee relies primarily on the work of the internal and external auditors. Last year, the Committee approved the internal audit, counter fraud and external audit work plans and received regular reports.

The external audit service is provided by KPMG. External auditors attended the Committee regularly, providing an opportunity for the Committee to assess their effectiveness. The Committee reviewed, approved and monitored the External Audit plan for 2019/20 to gain assurance of the quality and effectiveness of the service received from KPMG. The fee for the audit was £65,000 including VAT, where payable. The external auditors were appointed in 2017 following market testing in line with national guidance and approval by the Council of Governors. Their appointment was reviewed in 2019/20 with a recommendation to extend the existing contract for one year for 2020/21 accepted by the Committee in April 2020. The external audit partner KPMG was not commissioned by the Trust during the year to undertake any significant non-audit work.

The internal audit and counter fraud service provided by Audit Yorkshire meets mandatory NHS Internal Audit standards and provides appropriate independent assurance to the Audit and Risk Committee. The Committee considered the major findings of internal audit work and the management response to them. The Committee received regular progress reports from internal audit enabling it to monitor progress by management in completing the agreed actions from internal audits.

The Committee maintains an oversight function for expressions of concern, with the counter fraud specialist attending the Committee to highlight in confidence any concerns about possible improprieties in matters of financial reporting and control. The Trust Freedom to Speak Up Guardian and ambassadors encourage staff to speak up about matters of clinical quality, patient safety or other matters of concern and report on these to the Workforce Committee.

Compliance with NHS Foundation Trust Code of Governance

Calderdale and Huddersfield NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board of Directors has established governance policies that reflect the principles of the NHS Foundation Trust Code of Governance. These include:

- Standing Orders of the Board of Directors
- Standing Financial Instructions
- Scheme of Reservation and Delegation
- Constitution.
- Terms of reference of the committees and sub-committees of the Board of Directors and Council of Governors
- Robust Audit and Risk Committee arrangements
- Going Concern Report
- Annual business cycle of the Board of Directors and its Committees
- Role description and appointment of Senior Independent Director
- Well-led Governance Review report
- Board of Directors skills and capabilities competency assessment
- Integrated Performance Report
- Provision of high quality reports for the Board of Directors and Council of Governors
- Board and Committee reports and supporting minutes
- Attendance records for Directors and Governors at key meetings
- Register of Interests for Directors, Governors and senior staff
- Annual declaration of compliance with the “fit and proper” persons test described in the provider licence for the Board of Directors and Governors
- Freedom to Speak Up: Raising Concerns Policy
- Fraud, Bribery and Corruption Policy
- Non-Executive Director candidate information pack and formal induction programme
- Nominations and Remuneration Committee for Executive Directors
- Regular private meetings between the Chair and Non-Executive Directors
- Performance appraisal process for the Chair and Non-Executive Directors approved by the Council of Governors
- Standing Orders of the Council of Governors
- Nominations and Remuneration Committee of the Council of Governors for Non-Executive Directors
- Non-Executive Director recruitment process
- Council of Governors Charter
- Dispute resolution procedure between the Council of Governors and Board of Directors
- Lead Governor role
- Monthly meeting between Chair and Lead Governor to review matters discussed at the Board of Directors
- Council of Governors agenda setting process
- Collective evaluation of the Council of Governors
- Council of Governors presentation of performance at the Annual General Meeting
- Governor led process for the appointment of the External Auditor
- Membership and Engagement Strategy
- Governor’s Recruitment Pack
- Comprehensive Induction Programme for Governors
- Policy for the expulsion of Governors

The Audit and Risk Committee conducts an annual review of the Code of Governance, monitors compliance and identifies areas for further development.

Directors

The Trust is headed by a Board; it exercises its functions effectively, efficiently and economically. The Board is a unitary board consisting of a non-executive chair, six Non-Executive Directors and six Executive Directors.

The biographies of the of members of the Board can be found on page 33 including changes to the membership of the Board during 2019/20.

The Board provides active leadership within a framework of prudent and effective controls and monitors compliance with the terms of its licence. The Board meets a minimum of six times a year so that it can regularly discharge its duties.

The Board of Directors has reviewed its values and standards to ensure they meet the obligations the Trust has to its patients, members, staff and other stakeholders.

Annually the Board reviews the strategic aims and takes responsibility for the quality and safety of healthcare services, education, training and research. Day-to-day responsibility is devolved to the Executive Directors and their teams. The board of directors is committed to applying the principles and standards of clinical governance set out by NHS England, NHS Improvement, the Department of Health and Social Care and the Care Quality Commission.

Governance Arrangements

The Trust's Constitution was ratified in 2006 on authorisation as a Foundation Trust. Further changes have been made as required by changes in legislation and governance practice. The latest version of the constitution is available on the Trust's website.

The Trust complies with its Constitution, requirements set by NHS Improvement, and relevant statutory and contractual obligations The Board has approved Standing Financial Instructions and a Scheme of Delegation and Reservation of Powers which outline the decisions that must be taken by the Board and the decisions that are delegated to the management of the Trust. These documents include instructions on budgetary control, banking arrangements, contracts and tendering procedures, capital investment and security of the Trust's property and data, delegated approval limits, annual accounts and reports, payroll, borrowing and investment, fraud and corruption, risk management and insurance.

The Board has direct access to the advice and services of a Company Secretary who is responsible for ensuring that the Board and Committee procedures are followed and that sufficient information and resources are made available for them to undertake their duties. The Secretary is also responsible for advising the Board, through the Chair on all corporate governance matters.

The Non-Executive Directors hold Executive Directors accountable through scrutiny of performance outcomes, management of business process systems and quality controls, and satisfy themselves as to the integrity of financial, clinical and other information. Financial and clinical quality control systems of risk management are robust and defensible.

In addition, members of the Board undertake an annual personal skills and knowledge assessment to satisfy the Board that it is fit for purpose and to inform recruitment processes to ensure that any gaps in knowledge that arise at short notice, or can be predicted through turnover, are filled.

Directors' Remuneration

The Non-Executive Directors, through the Nominations and Remuneration Committee, fulfil their responsibility for determining appropriate levels of remuneration of Executive Directors. The Committee is provided with benchmark data to support the decisions being made about the level of remuneration for the Executive Directors. More details about the Nominations and Remuneration Committee can be found on page 68.

Non-Executive Director Appointments

The appointment of the Chair and Non-Executive Directors forms part of the information included in the standing orders written for the Council of Governors.

The Chair

A clear statement outlining the division of responsibility between the Chair and the Chief Executive has been approved by the Board of Directors. The Chair is a Non-Executive Director who chairs both the Board and the Council of Governors.

The Senior Independent Non-Executive Director

The Senior Independent Non-Executive Director (SINED) provides an alternative route for communication with Governors if they feel unable to raise a particular concern through the Chair. The Senior Independent Non-Executive Director also undertakes the Chair's appraisal using a process agreed by the Council of Governors, after seeking feedback from the rest of the Board, and from Governors and partners.

Non-Executive Director Appraisal

Each year the Chair and Non-Executive Directors receive an appraisal, the outcome of which is reviewed by the Council of Governors.

The Chair appraises the performance of Non-Executive Directors using an agreed process with a programme of appraisals run during 2019/20. This includes seeking the views of governors on Non-Executive Directors to assess their independence and

contribution to the Board of Directors and confirm that they are all effective independent Non-Executive Directors.

Governors

The role of the Council of Governors is:

- Appointment or removal of the Chairman and other Non-Executive Directors
- Approval of the appointment (by Non-Executive Directors) of the Chief Executive
- Deciding the remuneration, allowances and other terms and conditions of office of Non- Executive Directors
- Appointment or removal of the Foundation Trust's financial auditors
- Review and development of the Trust's membership strategy

The Trust has a Council of Governors which is responsible for representing the interests of the members of the Trust, partner, voluntary organisations within the local health economy and the general community served by the trust. The Council of Governors holds the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors, including ensuring that the Board of Directors acts within the terms of the licence. Governors feedback information about the Trust to members and the local community through a regular newsletter and information placed on the Trust's website.

The Council of Governors consists of elected and appointed governors. More than half are public governors elected by community members of the Trust.

Information, development and evaluation

The information received by the Board of Directors and the Council of Governors is timely, appropriate and in a form that is suitable for members of the Board and Council to discharge their duty.

The Trust runs a programme of development throughout the year for Governors and Non-Executive Directors. All Governors and Non-Executive Directors are given the opportunity to attend training sessions during the year.

The Council of Governors has agreed the process for the evaluation of the Chair and Non-Executive Directors and the process for appointment or re-appointment of the Non-Executive Directors.

A robust annual appraisal process is in place for all Board members and other senior Executives. The Chair undertakes an appraisal of the Chief Executive and the Chief Executive undertakes the appraisal of the other Executive Directors against objectives. The Chair provides the Chief Executive with his view of the Executive Directors' performance in the Board meeting.

Performance evaluation of the Board and its committees

During the year the members and attendees of each of the committees undertake a self-assessed evaluation of the committee's effectiveness against compliance with the terms of reference and the annual work plan. The results of the self-assessment form a development plan for the Committee over the year.

A number of ongoing actions from the CQC Well Led and Use of Resources inspections in 2018 were progressed during the year and monitored via a CQC action plan, CQC response group and the Board.

Resolution of disputes between the Council of Governors and the Board of Directors

The code of governance requires the Trust to hold a clear statement explaining how disagreements between the Council of Governors and the Board of Directors would be resolved.

The Board of Directors promotes effective communications between itself and the Council of Governors. The Board, through the Chief Executive and the Chair, provide regular updates to the Council of Governors on the developments being undertaken in the Trust. The Board encourages the governors to raise questions and concerns during the year and ask for further discussions at their public meetings where they feel further detail is required. The Chief Executive and any invited director or Non-Executive Director will ensure that the Governors are provided with any information when the financial standing of the Trust has materially changed or the performance of its business has changed or where there is an expectation as to performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the Trust.

Where there is a dispute between the Board and Council of Governors in the first instance the Chair of the Trust would endeavour to resolve the dispute. If the Chair is not willing or able to resolve the dispute the Senior Independent Director and the lead governor of the Council of Governors would jointly attempt to resolve the dispute. The Council of Governors also has access to the Senior Independent Non-Executive Director should there be any concerns which cannot be resolved with the Board in the course of normal business.

In the event of the Senior Independent Non-Executive Director and the lead governor not being able to resolve the dispute, the Board of Directors, pursuant to section 15(2) of Schedule 7 of the National Health Service Act 2006, will decide the disputed matter.

The Council of Governors has agreed clear and fair processes for the removal of any governor who fails to carry out their duties appropriately.

Understanding the views of the Council of Governors and members

Directors develop an understanding of the views of the Council of Governors and members about the organisation through attendance at members' events, council of governors' meetings, and attending the annual general meeting. The directors also hold a joint workshop with the governors twice a year.

Board balance, completeness and appropriateness

As at year ending 31 March 2020 the Board of Directors for Calderdale and Huddersfield NHS Foundation Trust comprised of six Executive Directors, six independent Non-Executive Directors and an independent Non-Executive Chair.

The Board of Directors maintains a register of interests as required by the constitution and Schedule 7 section 20 (1) National Health Service Act 2006 published at www.cht.nhs.uk.

The Board of Directors requires all Non-Executive Directors to be independent in their judgement. The structure of the Board and integrity of the individual Directors ensures that no one individual or group dominates the decision-making process.

Each member of the Board of Directors upholds the standards in public life and displays selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

All Board members have confirmed that they do not hold any additional interests that are not declared in the Trust's Declaration of Interests.

The Board, in relation to the appointment of Executive Directors, has an annual meeting of the Nominations and Remuneration Committee which can be convened at other times if required.

Internal audit function

The Trust has an internal audit function in place that provides support to the management of the organisation. Details of the internal audit function can be found on page 44.

Attendance of Non-Executive Directors at the council of governors

All Non-Executive Directors have an open invitation to attend the council of governors' meetings. In addition, Non-Executive Directors are required to attend on a rotational basis. The Trust has also held joint board of directors and council of governors workshops during the year which focussed on the development of strategy and the performance of the Trust.

Governors and Non-Executive Directors work together on other occasions through various groups and committees and meet on a one-to-one basis during the year.

Corporate Directors' remuneration

The Nominations and Remuneration Committee for Board of Directors meets on a regular basis and as a minimum once a year to review the remuneration of the corporate directors. Details of the work of the Nominations and Remuneration Committee can be found on page 67. The Council of Governors has a Nominations and Remuneration Committee which meets as required during the year. Part of the role of this Committee is to review the remuneration of the Non-Executive Directors. Details of the Council of Governors Nominations and Remuneration Committee can be found on page 65.

Accountability and audit

The Board of Directors has an established Audit and Risk Committee that meets on a quarterly basis, as a minimum. A detailed report on the activities of the Audit and Risk Committee is on page 42.

Care Quality Commission registration

The Trust is required to register with the Care Quality Commission (CQC) and has full registration without conditions.

CQC carried out an inspection of the Trust between 6 and 8 March 2018. The Trust was rated as good overall.

Well-led at Trust level was inspected in a separate inspection between 3 and 5 April 2018. The Trust was rated as good for well-led. Use of resources was rated as requires improvement due to the Trust's underlying deficit.

The combined rating for quality and use of resources is good. A summary of the domain ratings is given below, comparing this with those of the previous inspection.

The Trust achieved:

- 'Requires improvement' for the safe domain.
- 'Good' for all other core service areas.
- 'Requires improvement' for the Use of Resources inspection.

Reports from the CQC inspection were published on their website in June 2018 and can be found at the following link: https://www.cqc.org.uk/provider/RWY

Following the inspection in 2018, the Trust developed an improvement action plan to address all must-do and should-do recommendations. Governance of the action plan is through the CQC Response Group which has continued to meet, is chaired by the Executive Director of Nursing/Deputy Chief Executive and reports to Board through the Quality Committee.

Following the inspection, action plans remain in situ. Of the outstanding actions from the 2018 CQC inspection, the Trust still has five actions to complete. These have been defined as must do (MD) and should do (SD).

The present position in relation to CQC action plan compliance can be seen below:

CQC Exception Plan- Outstanding Action	Progress
SD9 - The Trust should ensure they work to meet the Royal College of Emergency Medicine recommendations of 16 hours consultant presence in the department.	We continue to make every effort to recruit into consultant posts, this has been under continuous review and the Trust has plans in place to cover any shortfalls.
MD1 - The Trust must improve its financial performance to ensure services are sustainable in the future	The Trust has submitted a five-year financial plan through the Integrated Care System and onward to regulators in line with the defined challenging Financial Improvement Trajectory.
MD8 - The Trust must ensure medical staffing at Calderdale is in line with Guidelines for the Provision of Intensive Care Services 2015 (GPICS) standards.	The Trust has considered a number of options to cover any gaps and in 20/21 will have taken action to address this. Throughput the year any impact on safety and quality has been closely monitored.
SD3 - The Trust should develop processes to measure the outcomes of mental health patients in order to identify opportunities to improve care	Work has progressed with the strategy which is now going for Trust approval and through relevant governance processes
SD6 - The Trust should continue to strengthen staff knowledge and training in relation to mental capacity act and deprivation of liberty safeguards.	Discussed at nursing huddles and within Divisional Governance Meeting to strengthen staff knowledge.

Based on current information provided by the CQC, the Trust anticipates an annual programme of planned and unannounced inspections. The Trust programme of improvement against CQC standards and ongoing preparation for inspection continues. Frequent relationship meetings between Trust Executives and the CQC Relationship and Inspection Managers, along with data in CQC Insight, will provide information the CQC will use to determine when the next inspection will take place and what will be inspected.

We have undertaken a review of how we perform against the CQC well-led framework, this is an expectation of all Trusts and involves a three yearly independent external assessment. This has led to the development of an action plan to guide our strategy for ensuring we maintain and improve our CQC rating going forward.

Calderdale and Huddersfield Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

Directors' Statements

Details of political donations

The Board confirmed that no political donations have been made during the year.

Compliance with HM Treasury cost allocation and charging guidance

The Trust has fully complied with all guidance relating to cost allocation and charging guidance.

Better payment practice code

Our Trust is committed to dealing fairly and professionally with all of our supplier partners. One way that we do this is by working to the Better Payment Practice Code. In short, this means that we aim to pay at least 95% of invoices within the agreed terms, unless there is a dispute. For most of our partners, this would be within 30 days of the date of invoice. During the year the Trust has not met the 95% target, however there was some progress during the current year and action continues to take place to improve performance against this target.

	Better Payment Practice Code - 18/19					
Paid to	**Total Invoices paid - Volume**	**No Invoice's Paid on Time - Volume**	**% paid within target**	**Total Invoices paid - £**	**Value Paid on Time**	**% £ paid within target**
Non - NHS Orgs	**89,413**	**32,281**	**36.10%**	**160,819,540.02**	**£82,363,619.37**	**51.21%**
NHS - Orgs	**2,592**	**873**	**33.68%**	**£29,242,339.49**	**£23,667,382.19**	**80.94%**

	Better Payment Practice Code - 19/20					
Paid to	**Total Invoices paid - Volume**	**No Invoice's Paid on Time - Volume**	**% paid within target**	**Total Invoices paid - £**	**Value Paid on Time**	**% £ paid within target**
Non - NHS Orgs	**71,477**	**45,789**	**64.06%**	**£158,083,882.83**	**£110,419,577.96**	**69.85%**
NHS - Orgs	**2,156**	**1,187**	**55.06%**	**£24,367,339.62**	**£19,834,086.94**	**81.40%**

Income disclosure

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that income from the provision of goods and services for the purposes of the health service in England must be greater than its income for the provision of goods and services for any other purpose. The Trust can confirm it has met these

requirements. Note 6.1 to the accounts confirms that the Trust does not have income from fees and charges where the full cost exceeds £1m.

Disclosure to the Auditors

All directors have confirmed that, so far as they are aware, there is no relevant audit information of which the auditor is not aware. All directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's auditor is aware of that information.

Preparation of the Annual Report and Accounts

All directors understand that it is their responsibility to prepare the annual report and accounts, and that they consider the annual reports and accounts, taken as a whole, to be fair, balanced, understandable, and to provide the information necessary for patients, regulators and other stakeholders to assess the performance of Calderdale and Huddersfield NHS Foundation Trust, including our business model and strategy.

Our accounts, which begin on page 122 of this document, have been prepared under a direction issued by NHS Improvement under the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

Partnership Working

The Board of Directors has ensured that there is satisfactory dialogue with its stakeholders during the year. Examples of the Trust working with partners can be found below:

The Trust continues to work closely with members of the public and partners to provide safe, high quality healthcare to our local communities. Partners and stakeholders are involved and engaged in the Trust's business and risks, including for example:

Patients and the public

- Public workshops and meetings have been held involving patients, carers, families and wider stakeholders to understand what matters to them in relation to health care building design. Feedback from this will be used to inform the future design of buildings at Calderdale Royal Hospital and Huddersfield Royal Infirmary. Further public involvement events are planned for 2020/21.
- Working with Calderdale and Kirklees Healthwatch members of the public and patients have been involved in the development of new pathways of care for the delivery of out-patient services and the use of digital technology to enable this. This has included specific work to meet with groups of people that have protected characteristics to ensure that their needs are met, and any potential negative impacts are mitigated.
- Regular meetings of the Trust Board are held in public and include patient stories and the opportunity for patients and members of the public to ask questions.

- The Trust uses feedback provided via the Trust's Patient Advice and Liaison Service and specific patient representative groups, the National Inpatient Survey (and other specific national surveys of areas including cancer services and maternity) and the results of Friends and Family Test surveys to inform service improvement and development.

Colleagues

- During 2019 the Trust launched its Organisational Development strategy and made information widely available for colleagues through an interactive website called 'The Cupboard'. The strategy is based on one culture of care - where we care for each other in the same compassionate way as we care for our patients.
- There continues to be a rolling programme of activities and events across the Trust that everyone can get involved in, and these are publicised in an electronic Colleague Engagement Calendar. These events including 'tea-trolley rounds' are all about engaging with people in every part of the Trust, having conversations and taking action on the back of these.
- During 2019 'Work Together Get Results' workshops have continued across several services (e.g. ophthalmology, radiology, cardiology, general surgery, orthopaedics etc). The workshops have involved members of the Directors team and colleagues working together to review, develop and implement service improvement plans.
- Significant work has been undertaken to support the collaboration of colleagues in the Trust to progress work through the "Getting it Right First Time" programme. This work has been recognised as an exemplar at national level and members of the Trust have been invited to other organisations to share this good practice.
- The Trust continues to encourage all colleagues to take time to "Go-See". This can be to other departments in the Trust or to other organisations to learn about new or different approaches to delivery of services. A wide range of external and internal collaborative visits have taken place.
- The Trust has a strong focus on encouraging staff to raise concerns through the Guardian of Safe Working, Freedom to Speak Up, Staff Surveys and the Friends and Family Test. The aim is to reach out to everyone, especially to those with a protected characteristic, to create an equitable, diverse and inclusive place to work.
- Activities to engage and develop staff have included leadership development and talent management work, ward development initiatives to improve information sharing, administrative and clerical career development, Local Negotiating Committee (LNC), and Staff Partnership Forum engagement with clinicians and staff representatives.
- Over 20 colleague involvement workshop events have been held to discuss with architects the design principles and aspirations for the development of the Trust estate at Huddersfield Royal Infirmary and Calderdale Royal Hospital.
- Colleague workshops to discuss and inform the development of the Trust's ten-year Digital Strategy have been held.
- Planning for the Covid-19 pandemic and re-focusing service delivery and workforce models involved close working with colleagues to enact change at pace

Partners

- The Trust has regular performance discussions with commissioners, NHS England and NHS Improvement.

- CHFT is part of the West Yorkshire and Harrogate Health and Care Partnership (ICS) and during 2019/20 has worked collaboratively with partners to describe how we will deliver the required transformation activities to enable the necessary improvements for patients and communities as set out in the NHS Long Term Plan.
- The Trust has continued to work with Joint Scrutiny Committees regarding plans for service reconfiguration across the two hospital sites and the community, also the reconfiguration of Vascular Services across West Yorkshire.
- The Trust is a member of the Health and Wellbeing Boards in Calderdale and Kirklees and collaborates with each Council. There are also regular executive level system leadership meetings in each place.
- Across the CHFT footprint there are established committees for partnership working with local commissioners and providers – for example this includes the A&E Delivery Board, the Outpatient Transformation Board and the Partnership Transformation Board.
- The Trust meets regularly with representatives of the Calderdale and Kirklees Local Medical Committees (LMCs) and also with the Clinical Director leads of the Primary Care Networks (PCNs) in Calderdale and Greater Huddersfield. This collaboration has led to the Trust hosting and deploying staff to work in the PCNs.
- During 2019/20 there has been extensive collaboration with primary care and with social care to support the development of fully interoperable digital systems that has enabled health and care professionals to access ‘real-time’ patient information shared across care settings.
- Working with our partners to enable the discharge of medically fit patients was a key part of planning for the Covid-19 pandemic as well as close working with partners in the planning and delivery of services.

Council of Governors (CoG)

The Council of Governors

The Council of Governors advises the Trust on how best to meet the needs of patients and the wider community we serve. The Council of Governors has a number of statutory duties, including holding the Non-Executive Directors to account for the performance of the Board of Directors and representing the interests of Trust members and members of the public.

The Council of Governors works with the Board of Directors to shape the Trust's future strategy and is responsible for providing feedback from members and stakeholders on proposed strategic developments.

The Trust keeps the Council of Governors fully informed on all aspects of the Trust's performance through formal council meetings. Comprised of elected and appointed Governors, as detailed below, the Council of Governors has decision-making powers defined by statute. These powers are outlined in the Trust's Constitution and principally refer to the appointment, removal and remuneration of the Trust Chair and Non-Executive Directors; the appointment and removal of the Trust's external auditors; the approval of the appointment of the Chief Executive; and receiving the Trust's annual accounts, any report of the auditor on the accounts and the Annual Report.

While the Council of Governors is responsible for holding the Board, and in particular, the Non-Executive Directors, to account and ensuring that it is acting in a way that means that the Trust will meet its obligations, it continues to remain the responsibility of the Board of Directors to oversee the running of the Trust.

The Council of Governors met formally five times during 2019/20. The number of meetings attended by individual governors is recorded, and attendance for 2019/20 is shown below:

Register of Council of Governors 2019-2020

CONSTITUENCY	NAME	DATE APPOINTED	TERM OF TENURE	DATE OF LEAVING/ ELECTION DUE	MEETINGS ATTENDED
PUBLIC – ELECTED					
1 – Calder and Ryburn Valleys	Jude Goddard	19.7.18	3 years	2021	3/5
1 – Calder and Ryburn Valleys	Donal Rodgers-Walker	19.7.18	3 years	1.7.19	1/1
2 – Huddersfield Central	Sheila Taylor	19.7.18	3 years	2021	3/5
2 – Huddersfield Central	Christine Mills	19.7.18	3 years	2021	3/5
3 – South Kirklees	Dianne Hughes	19.9.13 15.9.16	3 years 3 years	2016 2019	2/2
3 – South Kirklees	John Richardson	15.9.17	3 years	2020	1/5
3 – South Kirklees	Chris Owen	17.7.19	3 years	2022	2/3
4 – North Kirklees	Veronica Woollin	15.9.16 17.7.19	3 years 3 years	2019 2022	2/5
4 – North Kirklees	Nasim Banu Esmail	15.9.16	3 years	2019	2/3
4 – North Kirklees	Dianne Hughes	17.7.19	1 year	2020	1/3
5 – Skircoat and Lower Calder Valley	Stephen Baines	15.9.16 17.7.19	3 years 3 years	2019 2022	3/5
5 – Skircoat and Lower Calder Valley	Brian Richardson	18.9.14 15.9.17	3 years 3 years	2017 2020	3/5
6 – East Halifax and Bradford	Annette Bell	19.7.18	3 years 3 years	2018 2021	3/5
6 – East Halifax and Bradford	Paul Butterworth	15.9.17	3 years	2020	5/5
7 – North and Central Halifax	Lynn Moore	18.9.14	3 years 3 years	2017 2020	5/5
7 – North and Central Halifax	Alison Schofield	15.9.17	3 years	2020	4/5
8 – Lindley and the Valleys	Brian Moore	19.7.18	3 years 3 years	1.10.19	2/3
8 – Lindley and the Valleys	Rosemary Hedges	19.7.18	1 year	19.7.19	3/3
8 - Lindley and the Valleys	John Gledhill	17.7.19	3 years	2022	3/3

STAFF – ELECTED					
9 - Drs/Dentists	Dr Peter Bamber	15.9.17	3 years	2020	4/5
10 - AHPs/HCS/* Pharmacists	Sally Robertshaw	17.7.19	3 years	2022	3/3
11 - Management/ Admin/ Clerical	Linzi Jane Smith	15.9.17	3 years	2020	5/5
13 – Nurses/Midwives	Sian Grbin	15.9.17	3 years	2020	4/5
13 – Nurses/Midwives	Rosemary Hoggart (from 17.7.19)	17.7.19	3 years	2022	2/3
NOMINATED STAKEHOLDER					
University of Huddersfield	Prof Felicity Astin	16.1.18	3 years	2021	4/5
Calderdale Metropolitan Council	Cllr Megan Swift	3.10.17	3 years	2020	0/5
Calderdale Huddersfield Solutions Ltd (CHS)	Jayne Taylor	17.7.19	3 years	2022	2/3
Kirklees Metropolitan Council	Cllr Lesley Warner	14.6.19	3 years	2022	2/3
Healthwatch Kirklees	Helen Hunter	2.10.17	3 years	2020	1/5
Locala	Chris Reeve	21.11.17	3 years	2020	1/5
South West Yorkshire Partnership NHS FT	Salma Yasmeen	18.10.17	3 years	2020	1/5

As at 31 March 2020 there were 29 seats on the Council of Governors: 16 seats for publicly elected governors, 6 for elected staff governors and 7 for appointed governors from partner organisations.

Lead Governor
In line with the Foundation Trust Code of Governance, the Council of Governors elects one of its governors to be 'Lead Governor' on an annual basis. The Lead Governor acts as the main point of contact for NHS England and NHS Improvement (NHSE/I) should the regulator wish to contact the Council of Governors on an issue for which the normal channels of communication are not appropriate.

As a result of the resignation of the Lead Governor part-way through his tenure, in November 2019 a formal election process took place for a replacement, and Stephen Baines, public governor for Skircoat and Lower Calder Valley, was appointed.

Elections held within the reporting period
Council of Governor elections took place between May and June 2019. Nominations were sought for four seats to fill vacancies in two public constituencies and two staff groups. Twelve nominations were received from people who wished to stand for election and all seats were contested.

Elections are held in accordance with the election rules set out in our Constitution. The results of the elections are shown in the table below:

Constituency	Governor	Elected/ re-elected	Election turnout
South Huddersfield (public)	Chris Owen	Elected	11%
Lindley and the Valleys (public)	John Gledhill	Elected	13.6%
Allied Healthcare Professionals (staff)	Sally Robertshaw	Elected	17.2%
Nurses/Midwives (staff)	Rosemary Hoggart	Elected	9.6%

Each governor was appointed for a three-year term with a commencement date of 17 July 2019.

Lesley Warner, Appointed Governor representing Kirklees Local Authority, joined the Council of Governors in July 2019.

Full details of the composition of the Council of Governors and of the most recent election results are posted on our website.

Strengthening links between the Board and Governors and members
The Board of Directors is committed to working collaboratively with the Council of Governors. Executive and Non-Executive Directors value the role and contribution of governors and work openly and transparently with the Council.

There are four Council of Governor meetings per year, plus the Annual General Meeting. Board Directors are invited to attend and report on standing agenda items such as business planning, annual plans, service developments, quality and the Trust's financial position. Non-Executive Directors attend, giving governors the opportunity to hold them to account for the performance of the Board.

The Council of Governors receives the Integrated Performance Report at each of its meetings presented by the Chief Operating Officer and the Director of Finance.

The Chair of the Board of Directors also chairs the Council of Governors, providing a link between the two.

To strengthen the relationship further, a group of governors are invited to attend each Board of Directors meetings held in public. Governors are invited to meet with the Chair privately before each public Council of Governors meeting.

In 2019/20, bi-annual meetings between staff governors and the Chief Executive were reinstated. These give staff governors the opportunity to feed back to staff members on high level issues.

Governors sit on and observe each of the Board Committees, namely Finance and Performance, Audit and Risk, Charitable Funds, Quality, Workforce and the Nominations and Remuneration Committee of the Council of Governors. Governors also have representation on other Trust committees/groups such as the Mortality Surveillance Group and the Organ Donation Committee.

Divisional Reference Group meetings between governors and senior divisional staff take place three times a year. They are chaired by a publicly elected governor. These meetings give governors the opportunity to ask questions of senior clinical and managerial Trust colleagues, and challenge decisions as necessary. Divisional plans and performance are discussed, along with compliments and complaints, staffing and clinical issues.

Governor training and development
In order for governors to discharge their duties, the Trust provides a variety of training and development offerings. Governors are required to attend a two-day induction course and Holding to Account training at least every two years.

Optional training sessions are also provided to help our governors feel more confident in their duty to hold Non-Executive Directors to account for the performance of the Board. These include a session on NHS Finance and Understanding Quality and Patient Experience.

The Trust also has a programme of governor development sessions. These are held throughout the year and are attended by governors, the Trust Chair and Board Directors.

The Trust Chair meets regularly with the lead governor of the Council of Governors for an exchange of views and an update on current topics. In addition, each newly elected or appointed governor is offered the opportunity to meet with the Trust chair on a one-to-one basis. These meetings help to set expectations and clarify the role of the Council of Governors/the governors and the support available to them.
The chair has met on a one-to-one basis with each of the governors.

Governors meet with the full Board of directors at a workshop twice a year. These workshops enable all parties to both look back and review progress on key developments and to look forward and jointly plan future strategic initiatives.

Governors also meet separately at least twice a year with just the Non-Executive Directors. These workshops allow everyone to learn about their respective roles, and share with each other their knowledge about, and involvement in, the Trust's services.

Governors are asked to consider and comment upon proposals for the Trust's forward plan. A joint workshop of the Board of Directors and Council of Governors was held for

this purpose and discussions from the Divisional Reference Group meetings are used to inform this process. Following this discussion, and with the agreement of the Council of Governors, proposals were then submitted to the Board for final approval.

Governor self-effectiveness questionnaire

As part of the Council of Governors cycle of business it periodically undertakes a review of its own effectiveness to ensure that it continues to fulfil its role and discharge its responsibilities in an appropriate way and to strive for continuous improvement in the way it operates.

The annual governors' effectiveness questionnaire took place over summer 2019 and included a greater number of questions than in previous years in order to obtain more detailed feedback from governors.

The questionnaire was split into the following three sections:

- Statutory responsibilities
- Council of Governors/Board sub-committee meetings
- Working Together

The responses were overwhelmingly positive, with an action plan developed for the four areas highlighted from the review.

Governor involvement at the Trust

In 2019/20 governors have been involved in a variety of activities at the Trust, including:

- Sitting on "user panels" as part of the interview process for senior level posts in the organisation;
- Taking part in "familiarisation tours" around various Trust wards and departments;
- Attending "meet the team" sessions with a number of our community-based teams;
- Reviewing patient literature;
- Sitting on the panel for the tendering exercise for the Trust's orthotics service
- Helping with the review of the exemplar ward accreditation tool;
- Assisting with the annual PLACE (patient led assessment of the care environment) inspections;
- Representing the Trust and carrying out a reading at a carol service at a local church.

In the autumn, the governors were also involved in a comprehensive review of the Trust's Constitution and the Council of Governors Standing Orders. The proposed amendments were approved by both the Council of Governors and the Board of Directors.

Expenses claimed by governors during 2019/20

Governors do not receive payment for their work with the Trust. However, we do have a policy for reimbursement of any travel expenses incurred while on Trust business at a rate of 0.28p per mile.

During 2019/20 the following expenses were claimed, compared with 2018/19:

	2018/19	2019/20
Number of Governors	24	27
Number claiming expenses	3	5
Total expenses claimed	**£898.35**	**£1795.86**

Related party transactions
Under International Accounting Standard 24 'Related Party Transactions', the Trust is required to disclose, in the annual accounts, any material transactions between the NHS Foundation Trust and members of the Council of Governors or parties related to them.

There were no such transactions for the period 1 April 2019 to 31 March 2020.

Our Membership
As an NHS Foundation Trust, we are required to have a membership community. A fundamental part of being an NHS Foundation Trust is the way the organisation is structured, based upon the involvement of local people, patients, carers, partner organisations and staff employed by the Trust.

Members share their views and influence the way in which the Trust runs and develops its services. The Trust considers its membership to be a valuable asset, which helps guide its work and the decisions it makes, while also holding the organisation to account and ensuring we adhere to NHS values.

The Trust has two membership categories: public members, who are over 16 years of age and live within the Trust's catchment areas, and staff members who are employees contracted to work for the Trust for at least one year.

We encourage membership applications from all sectors of our communities, to develop a wide and diverse membership, and we try to provide different ways for the people we serve to contribute to the success of our organisation.

Membership and Engagement Strategy
In late 2019 the Trust reviewed and refreshed its Membership and Engagement Strategy for the period 2020-2023.

The strategy outlines what we will do over the next three years to achieve our vision for membership and engagement, which is that we will be directly accountable to local people by making the best use of our membership communities. It describes the methods we intend to use to create and maintain a representative membership and strengthen engagement and communication with members over the three-year period.

The strategy has three overarching goals:

- Our membership community will be active and engaged; be representative of our local communities and increase year on year;
- Our governors will have regular, meaningful, two-way engagement with our membership community and members of the public;
- Our membership community will have a voice and opportunities to get involved and contribute to the organisation, our services and our plans for the future.

The following tables show our membership breakdown as at 31 March 2020:

Public members by constituency

Constituency	Members
Calder and Ryburn Valleys	482
Huddersfield Central	1508
South Huddersfield	941
North Kirklees	430
Skircoat and Lower Calder Valley	970
East Halifax & Bradford	574
North and Central Halifax	1114
Lindley and the Valleys	1608
Total	**7627**

Our public membership is broadly representative of the communities that we serve.

Staff members by constituency (staff group)

Constituency (staff group)	Members
Doctors/Dentists	669
*Allied Health Professionals/Healthcare Scientists/Pharmacists	871
Management/Admin/Clerical	1121
Ancillary	1522
Nurses/Midwives	1964
Total	**6147**

Register of Council of Governors' interests

All Governors have a responsibility to declare relevant interests as defined in our Constitution. These declarations are made to the Company Secretary and are reported to the Council and entered into a register.

The public can access the register at www.cht.nhs.uk or by making a request in writing to:

The Company Secretary
Calderdale and Huddersfield NHS Foundation Trust
Acre Street
Lindley
Huddersfield HD3 3EA

The Chair of the Board is also required to disclose any other significant commitments to the Council of Governors. The Chair did not have any other significant commitments to disclose during 2019/20**.**

Membership of the committees and groups
The Council of Governors has established a Nominations and Remuneration Committee to consider the pay and succession arrangements for the Non-Executive Directors.

Nominations and Remuneration of Non-Executive Directors

The Nominations and Remuneration Committee (Council of Governors) met on 15 August 2019 and 13 January 2020. There was a further meeting scheduled for 25 March 2020 to review and agree the framework for conducting annual appraisals for the Non-Executive Directors and the Chair but due to the Covid19 pandemic, the information was sent to members for response by email. The following items were discussed at the meetings:

- Review and agree revised terms of reference.
- Review and agree Non-Executive Director tenures.
- Review and agree the NHS England/NHS Improvement (NHSE/I) guidance on Non-Executive Director pay arrangements.
- Review and agree the framework for conducting annual appraisals of NHS Provider Chairs and Non-Executive Directors

The Nominations and Remuneration Committee (Council of Governors) during 2019/2020 comprised a majority of Governors. The membership for the Committee was:

Philip Lewer, Chair
Brian Moore, Public Governor (lead Governor to 1.10.2019)
Linzi Smith, Staff Governor
Paul Butterworth, Public Governor
Jude Goddard, Public Governor
Stephen Baines, Public Governor (lead governor from 22.11.2019)
Veronica Woollin, Public Governor
Alison Schofield, Public Governor
Christine Mills, Public Governor
Lynn Moore, Public Governor

Attendance at the meetings was as follows:

NAME	Role	15.8.2019	13.1.2020
Philip Lewer	Chair	✓	✓
Phil Oldfield (to 23.12.2019)	Senior Independent Non-Executive Director	✗	N/A
Richard Hopkin (from 1.1.2020)		N/A	✗
Brian Moore Lead Governor (to 1.10.19)	Publicly Elected Governor	✓	N/A

Linzi Smith	Staff Elected Governor	✓	N/A
Paul Butterworth	Publicly Elected Governor	✓	✓
Jude Goddard	Publicly Elected Governor	✓	N/A
Stephen Baines Lead Governor (from 22.11.2019)	Publicly Elected Governor	✓	✓
Veronica Woollin	Publicly Elected Governor	✖	✖
Alison Schofield	Publicly Elected Governor	N/A	✓
Christine Mills	Publicly Elected Governor	N/A	✓
Lynn Moore	Publicly Elected Governor	N/A	✓

How to get in touch

If you would like to get in touch with a governor, or would like to find out more about becoming a member of the Trust, please contact the Membership Office on 01484 347342 or email: membership@cht.nhs.uk or write to The Membership Office, Calderdale and Huddersfield NHS Foundation Trust, Acre House, Acre Street, Lindley, Huddersfield HD3 3EA.

Alternatively, visit our website at www.cht.nhs.uk.

Remuneration Report

I am pleased to present the Remuneration Report for 2019/2020. At Calderdale and Huddersfield NHS Foundation Trust we recognise that our remuneration policy is important to ensure that we can attract and retain skilled and experienced leaders who are able to deliver our ambitious plans for delivering compassionate care. At the same time, it is important to recognise the broader economic environment and the need to ensure we deliver value for money.

The Nominations and Remuneration Committee (Board of Directors) is established for overseeing the recruitment and selection process for Executive Directors and for setting the remuneration of the Executive Directors and the other executives who have authority or responsibility for directing or controlling the major activities of the organisation. The following posts have been designated as fitting the criteria by the Committee and are collectively referred to as the executives within this report:

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

The Committee also considers other director-level posts that are not members of the Board.

Details of the membership of the Nominations and Remuneration Committee (Board of Directors) and individual attendance can be found below.

Annual statement on remuneration
The Nominations and Remuneration Committee (Board of Directors), in setting the pay of the Executive Directors, based its decisions on pay guidance from NHS England/NHS Improvement (NHSE/I) and available benchmarking data.

The membership of the Committee during 2019/2020 was as follows:

Philip Lewer – Chair
Alastair Graham – Non-Executive Director
Karen Heaton – Non-Executive Director
Andy Nelson – Non-Executive Director, for nomination items only from 1.1.20
Phil Oldfield – Non-Executive Director (until 23.12.19)
Dr Linda Patterson – Non-Executive Director (until 30.12.19)
Richard Hopkin – Non-Executive Director, for nomination items only until 31.12.19
Denise Sterling – Non-Executive Director (from 1.10.19)
Peter Wilkinson – Non-Executive Director (from 1.10.19)

Professional advice to the Committee was provided by the Deputy Director of Workforce and Organisational Development at the meeting on 24 April 2019, the Director of Workforce and Organisational Development and the Deputy Director of Workforce and Organisational Development at the meeting on 11 February 2020.

During 2019/2020 two meetings were held and were attended by all required members except Linda Patterson and Andy Nelson for the meeting on 24 April 2019 and Alastair Graham for the meeting on 11 February 2020.

The following items were discussed:

- Appointment of a Managing Director for Calderdale and Huddersfield Solutions Limited
- Director Pay Arrangements
- Deputy Chief Executive/Director of Nursing Pay
- Interim Director of Finance, Calderdale and Huddersfield Solutions Limited
- Review of Terms of Reference

The Trust remuneration report is subject to a full external audit and details of remuneration and pension information are detailed on pages 67 - 77.

Remuneration Policy

The Trust's remuneration policy applies equally to Non-Executive Directors, Executive Directors and non- Board Directors and is based upon open, transparent and proportionate pay decisions. All pay decisions are based on pay guidance issued by NHS England/NHS Improvement, market intelligence from the NHS and where appropriate non-NHS sectors and are designed to be capable of responding flexibly to recruitment imperatives to secure high calibre people.

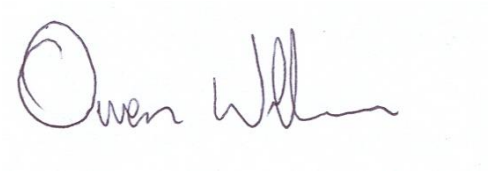
When setting levels of remuneration, the Trust's Nominations and Remuneration Committees take into account the remuneration policies and practices applicable to our other employees, along with any pay guidance received from the sector regulator and the Department of Health and Social Care. The Committees when required also access professional independent reports which capture objective evidence of pay benchmarking across a range of NHS and non-NHS comparators. The way in which the Committees operate is subject to audit scrutiny. The Committees are subject to an independent level of scrutiny by the Audit and Risk Committee and this scrutiny can be exercised at any time. This scrutiny role is set out in the Terms of Reference for the Audit and Risk Committee. The Audit and Risk Committee Chair does not sit on the Nominations and Remuneration Committee when remuneration is considered.

The Trust has well established performance management arrangements and each year I undertake an appraisal for each of the executives and I am appraised by the Chair. The Trust does not have a system of performance-related pay and therefore in any discussion on remuneration an individual's performance is considered alongside the performance of the executive team and the organisation as a whole.

The Executive Directors and non-Board Directors are employed on permanent contracts with a six month notice period. Where a contract is terminated without the executive receiving full notice, compensation would be limited to the payment of the salary for the contractual notice period. There would be no provision for any additional benefit over and above standard pension arrangements in the event of early retirement. Non-Executive Directors are requested to provide six months' notice should they wish to resign before the end of their tenure. They are not entitled to any

compensation for early termination. The Trust has no additional service contract obligations.

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



Dr Owen Williams, OBE
Chief Executive
16 June 2020

Salary, Expenses and Pension entitlements of senior managers

A. Remuneration

It is the view of the Board of Directors that the authority and responsibility for directing and controlling the major activities of the Trust is retained by the Board of Directors and is not exercised below this level. For the year ended 31 March 2020.

Name and Title	2019-20					
	Salary	Taxable Benefits	Annual Performance Related Bonuses	Long Term Performance Related Bonus	*Pension Related Benefits	Total
	(bands of £5,000) £000	£	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
P Lewer ~ Chair	50 - 55	0	0	0	0	50 - 55
L Patterson ~ Chair of Quality Committee (Note A)	5 - 10	0	0	0	0	5 - 10
P Oldfield ~ Deputy Chair and Chair of Finance & Performance Committee, Senior Independent Non Executive Director (Note B)	10 - 15	0	0	0	0	10 - 15
Prof P Roberts ~Independent Member (Note C)	0 - 5	0	0	0	0	0 - 5
R Hopkin ~Deputy Chair and Chair of Finance & Performance Committee, Senior Independent Non Executive Director, Chair of Audit and Risk Committee (Note D)	15 - 20	0	0	0	0	15 - 20
K Heaton ~ NED - Chair of Workforce Committee	10 - 15	0	0	0	0	10 - 15
A Nelson ~ NED - Chair of Audit and Risk Committee (Note E)	10 - 15	0	0	0	0	10 - 15

A Graham ~ NED - Chair of Calderdale and Huddersfield Solutions Ltd.	10 - 15	0	0	0	0	10 - 15
P Wilkinson ~ NED (Note F)	5 - 10	0	0	0	0	5 - 10
D Sterling ~ NED (Note G)	5 - 10	0	0	0	0	5 - 10
G Boothby ~ Director of Finance	135-140	0	0	0	20 - 22.5	155-160
K Archer - Director of Finance - 01.11.19 (Note H)	20-25				0 - 2.5	20-25
S Dunkley ~ Director of Workforce and Organisational Development	125-130	0	0	0	27.5 -30	155-160
D Birkenhead ~ Medical Director	230-235	0	0	0	0 - 2.5	230-235
J Murphy ~ Director of Nursing (Note I)	40-45	0	0	0	0 - 2.5	40-45
E Armistead – Deputy Chief Executive/Director of Nursing (Note J)	110-115	0	0	0	0 - 2.5	110-115
H Barker ~ Chief Operating Officer	135-140	0	0	0	5 -7.5	140-145
O Williams ~ Chief Executive	190 - 195	0	0	0	0 - 2.5	190 -195
Additional disclosure						
Band of the highest paid Director's total remuneration	230-235					
Median Total (£'000)	29,328					
Remuneration ratio	7.93					

Name and Title	2018 - 19					
	Salary	Taxable Benefits	Annual Performance Related Bonuses	Long Term Performance Related Bonus	Pension Related Benefits	Total
	(bands of £5,000) £000	£	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
P Lewer ~ Chair (Note K)	50 - 55	0	0	0	0	50 - 55
D Anderson ~ Senior Independent Non Executive Director (Note L)	5 - 10	0	0	0	0	5 - 10
L Patterson ~ Chair of Quality Committee	10 - 15	0	0	0	0	10 - 15
P Oldfield ~ Deputy Chair and Chair of Finance & Performance Committee, SeniorIndependent Non Executive Director (Note M)	10 - 15	0	0	0	0	10 - 15
Prof P Roberts ~Independent Member	5 - 10	0	0	0	0	5 - 10
R Hopkin ~ NED - Chair of Audit and Risk Committee (Note N)	15 - 20	0	0	0	0	15 - 20
K Heaton ~ NED - Chair of Workforce (Well Led) Committee (Note O)	10 - 15	0	0	0	0	10 - 15
A Nelson ~ NED	10 - 15	0	0	0	0	10 - 15
A Graham ~ NED	10 - 15	0	0	0	0	10 - 15

G Boothby ~ Director of Finance	130-135	0	0	0	0 - 2.5	130-135
L Hill ~ Director of Estates and Facilities (Note P)	130-135	0	0	0	17.5 - 20	150 -155
S Dunkley ~ Director of Workforce and Organisational Development	125-130	0	0	0	27.5 -30	150 -155
D Birkenhead ~ Medical Director	225-230	0	0	0	0 - 2.5	225-230
B Brown ~ Deputy Chief Executive/Director of Nursing (Note Q)	20 - 25	0	0	0	0 - 2.5	20 - 25
J Murphy ~ Director of Nursing (Note R)	110-115	0	0	0	252.5 - 255	360 -365
H Barker ~ Chief Operating Officer	135-140	0	0	0	0 - 2.5	135-140
O Williams ~ Chief Executive	185 - 190	0	0	0	7.5 -10	195 - 200
Additional disclosure						
Band of the highest paid Director's total remuneration	225-230					
Median Total (£'000)	27,622					
Remuneration ratio	8.24					

A, L Patterson - left 30.12.19
B, P Oldfield - left 22.12.19
C, Prof P Roberts 28.06.19
D, R Hopkin - Chair of Audit and Risk Committee , until December 2019, appointed Deputy Chair and Chair of Finance & Performance Committee, Senior Independent Non Executive Director, 22.12.19
E, A Nelson - appointed Chair of Audit and Risk Committee 01.01.20.
F, P Wilkinson - appointed 01.10.19
G, D Sterling - appointed 01.10.19
H, K Archer - Director of Finance - Acting period 01.11.19 - 07.01.20
I, J Murphy - Left 19.07.19
J, E Armistead – appointed 01.07.19

K. P Lewer - appointed Chair 01.4.18
L. D Anderson - left 22.9.18
M, P Oldfield, Senior Independent Non - Executive Director from 2.09.18
N, R Hopkin - Tenure extended from 28.02.19 -27.02.22 - The Nominations and Remuneration Committee agreed the extensions at its meeting on 14 February 2019 for a further 3 years. The Council of Governors ratified these on 11 April 2019.
O, K Heaton - Tenure extended from 28.02.19 -27.02.22 - The Nominations and Remuneration Committee agreed the extensions at its meeting on 14 February 2020 for a further 3 years. The Council of Governors ratified these on 11 April 2019.
P, L Hill - 1.9.18 transferred to Calderdale and Huddersfield Solutions Ltd, left 31.07.19, during the period 01.04.19 to 31.07.19, L Hill was not a Director of the Trust and so no details are required to be disclosed for 2019 /2020.
Q, B Brown - left 01.6.18
R, J Murphy - Interim Director of Nursing - 04.6.18

*Pension Related Benefits
The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

The pension benefit table provides further information on the pension benefits accruing to the individual.

Additional disclosure

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 in Calderdale and Huddersfield NHS Foundation Trust in the financial year 2019/20 was £230k - £235k (2018/19 was £225k - £230k). This was 8 times (2018/19, 8) the median remuneration of the workforce, which was, £29,330 (2018/19, £27,622).

In 2019/20, 4 (2018/19, 5) employees received remuneration in excess of the highest paid director. In 2019/20 remuneration ranged from £260k to £344k (2018/19 £232k to £286k).

The salary for the Medical Director is their total remuneration package, in 2019/20 and 2018/19 the Medical Director had no direct clinical activity, for which payment was made.
The Trust's remuneration policy applies equally to Non-Executive Directors, Executive Directors and non- Board Directors and is based upon open, transparent and proportionate pay decisions. All pay decisions are based on pay guidance issued by NHS England/NHS Improvement, market intelligence from the NHS and where appropriate non-NHS sectors and are designed to be

capable of responding flexibly to recruitment imperatives to secure high calibre people.

When setting levels of remuneration, the Trust's Nominations and Remuneration Committees take into account the remuneration policies and practices applicable to our other employees, along with any pay guidance received from the sector regulator and the Department of Health and Social Care. The Committees when required also access professional independent reports which capture objective evidence of pay benchmarking across a range of NHS and non-NHS comparators. The way in which the Committees operate is subject to audit scrutiny. The Committees are subject to an independent level of scrutiny by the Audit and Risk Committee and this scrutiny can be exercised at any time. This scrutiny role is set out in the Terms of Reference for the Audit and Risk Committee. The Audit and Risk Committee Chair does not sit on the Nominations and Remuneration Committee when remuneration is considered.

The Trust has well established performance management arrangements and each year I undertake an appraisal for each of the executives and I am appraised by the Chair. The Trust does not have a system of performance-related pay and therefore in any discussion on remuneration an individual's performance is considered alongside the performance of the executive team and the organisation as a whole.
The Executive Directors and non-Board Directors are employed on permanent contracts with a six month notice period. Where a contract is terminated without the executive receiving full notice, compensation would be limited to the payment of the salary for the contractual notice period. There would be no provision for any additional benefit over and above standard pension arrangements in the event of early retirement. Non-Executive Directors are requested to provide six months' notice should they wish to resign before the end of their tenure. They are not entitled to any compensation for early termination. The Trust has no additional service contract obligations.

B) Pension Benefits

Name and title	Real increase in pension at age 60 (bands of £2,500)	Real Increase in Lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2019 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2020 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2019	Real Increase/(Decrease) in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2020	Employer's contribution to stakeholder pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
G Boothby ~ Director of Finance	0 - 2.5	0 - 2.5	55 - 60	75- 80	734	40	791	0
K Archer - Director of Finance	0 - 2.5	0 - 2.5	20 -25	50-55	342	9	392	0
L Hill ~ Director of Estates and Facilities - Note A								
S Dunkley ~ Director of Workforce and Organisational Development	0 - 2.5	0 - 2.5	5 -10	0 - 5	29	27	57	0
D Birkenhead ~ Medical Director	0 - 2.5	0 - 2.5	75 - 80	215 -220	1,656	13	1,709	0
J Murphy ~ Director of Nursing	0 - 2.5	2.5 - 5	55 - 60	165 - 170	1,157	61	1,246	0
E Armistead – Director of Nursing - Note A								0
H Barker ~ Chief Operating Officer	0 - 2.5	0 - 2.5	60 - 65	150 -155	1,189	29	1,257	0
O Williams ~ Chief Executive	0 - 2.5	0 - 2.5	75 - 80	0 - 5	1,056	7	1,089	0

Note A - we have been unable to obtain Pension details from the NHS Pensions Agency for 1920

Cash Equivalent Transfer Values

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 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/ (Decrease) 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 scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Report

We employ 5722 colleagues (6156 including Calderdale and Huddersfield Solutions Limited) across our two hospitals and in the community in Calderdale.

Gender

Board of Directors	9 (56%) Male 	7 (44%) Female 
Other employees	1177 (19%) 	4963 (81%) 

Staff costs

	Group			
			2019/20	2018/19
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	191,732	17,448	**209,180**	198,250
Social security costs	19,393	-	**19,393**	18,288
Apprenticeship levy	490	-	**490**	946
Employer's contributions to NHS pension scheme	35,521	-	**35,521**	23,729
Pension cost - other	75	-	**75**	39
Other post employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	-	-	**-**	-
Temporary staff	-	7,096	**7,096**	12,489
NHS charitable funds staff	-	-	**-**	-
Total gross staff costs	**247,210**	**24,545**	**271,754**	**253,740**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**247,210**	**24,545**	**271,754**	**253,740**
Of which				
Costs capitalised as part of assets	267	-	**267**	-

Average number of employees (WTE basis)

			2019/20	2018/19
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	588	22	**610**	608
Ambulance staff	-	-	**-**	-
Administration and estates	928	52	**980**	964
Healthcare assistants and other support staff	1520	94	**1614**	1,629
Nursing, midwifery and health visiting staff	1582	111	**1694**	1,690
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	606	5	**612**	574
Healthcare science staff	112	8	**120**	124
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	**5337**	**292**	**5630**	**5,590**
Of which:				
Number of employees (WTE) engaged on capital projects		-		10

Reporting of compensation schemes -exit packages 2019/20

Payment in one case was made following an Employment Tribunal Ruling, in the second case after an agreed judicial mediation process

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	-	-	**-**
£10,000 - £25,000	-	2	**2**
£25,001 - 50,000	-	-	**-**
£50,001 - £100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**-**	**2**	**2**
Total cost (£)	£0	£22,000	**£22,000**

Reporting of compensation schemes - exit packages 2018/19

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	-	-	-
£10,000 - £25,000	-	-	-
£25,001 - 50,000	-	-	-
£50,001 - £100,000	-	1	1
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	-	1	1
Total cost (£)	**£0**	**£87,000**	**£87,000**

Exit packages: other (non-compulsory) departure payments

	2018/19	
	Payments agreed	Payments agreed
	Number	Number
Voluntary redundancies including early retirement contractual costs	-	-
Mutually agreed resignations (MARS) contractual costs	-	1
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	-	-
Exit payments following Employment Tribunals or court orders	2	-
Non-contractual payments requiring HMT approval	-	-
Total	**2**	**1**
Of which:		
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-

This related to a mutual agreed termination based on the changed personal circumstances of the postholder.

All our payroll engagements are subject to a risk-based assessment and where considered necessary, we seek assurance as to whether the individual is paying the right amount of tax. The Trust is continuing to work with agencies to ensure contractual clauses are in place.

Off payroll engagements

Table 1: For all off-payroll engagements as of 31 March 2020, for more than *£245* per day and that last for longer than six months

Number of existing engagements as of 31 March 2020	0
Of which...	
No. that have existed for less than one year at time of reporting.	0
No. that have existed for between one and two years at time of reporting.	0
No. that have existed for between two and three years at time of reporting.	0
No. that have existed for between three and four years at time of reporting.	0
No. that have existed for four or more years at time of reporting.	0

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2020, for more than *£245* per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2020	0
Of which:	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2020

Number of off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	8

Consultancy spend

During 2019/20 the Trust spent £514K on consultancy.

A workforce fit for the future

2019 staff survey

The NHS National Staff Survey is conducted annually. Everyone employed by the Trust is given the opportunity to fill in the survey and express their views across a range of questions in 10 different domains. For the 2019 survey a total of 2547 colleagues responded, giving a response rate of 46%. The survey is conducted by an external provider on behalf of the Trust, thus ensuring complete anonymity for respondents.

The Trust is rated against a benchmark group of 90 other acute trusts in England. Results for each domain are compared to the average of this group, and are presented below:-

Response Rate					
	2017	2018	2019	2019	
	Trust	Trust	Trust	Trust type Average	Trust Improvement/ deterioration
Response rate	43%	51%	46%	51%	Decrease of 5%

	2019/20		2018/19		2017/18	
	Trust	Bench-marking Group	Trust	Bench-marking Group	Trust	Bench-marking Group
Equality, diversity and inclusion	9.1	9.0	9.1	9.1	9.2	9.1
Health and wellbeing	5.5	5.9	5.6	5.9	5.7	6.0
Immediate	6.7	6.8	6.6	6.7	6.6	6.7
Morale	6.0	6.1	6.0	6.1	0	0
Quality of appraisals	5.2	5.6	5.2	5.4	5.1	5.3
Quality of care	7.4	7.5	7.4	7.4	7.3	7.5
Safe environment – bullying and harassment	8.0	7.9	8.0	7.9	8.1	8.0
Safe environment – violence	9.4	9.4	9.4	9.4	9.5	9.4

Safety culture	6.7	6.7	6.7	6.6	6.6	6.6
Staff engagement	6.9	7.0	6.9	7.0	6.9	7.0
Team working	6.4	6.6	0	0	0	0

The scores for the 2019 survey are not statistically different from those of the 2018 survey. It is likely that operational winter pressures impacted slightly earlier during the survey period over September and October which had a small negative effect on the overall response rate.

The Trust results were above the average in two domains and below the average in seven domains, with one domain remaining the same. Analysis of results, and feedback sessions with colleagues highlighted some key themes for improvement. These included the availability of IT equipment; staffing levels and management development opportunities.

Along with positive results in areas such as being free from bullying and harassment; and the very high numbers of colleagues having appraisal conversations, the results also highlighted certain areas or teams that needed additional support. Working directly with colleagues in these areas, support packages and activities have been created and implemented. The results of the survey analysis and progress on action plans for improvement are overseen by the Trust's Workforce Committee.

Investors in People

The Trust currently holds the Silver Accreditation from Investors In People (IIP). Accreditation levels are assessed on an annual basis and this took place on 22 and 29 October 2019.

The overall number of employees in scope at the time of the review was approximately 5800. The IIP assessment involved a literature review and a series of focus groups with a range of staff from across different services in the organisation.

The assessment focused on:-

- gaining a full understanding of the organisation's current operating environment and getting an update on any significant changes since the last assessment
- reviewing progress against the recommendations made at the last assessment
- reviewing trends against business key performance indicators (KPIs) and people management metrics
- agreeing continuous improvement actions for the next twelve months

The assessment concluded that the Trust is continuing to meet the requirements of Investors in People Silver accreditation. It was also clear that the organisation is continuing to move towards its ambition of achieving high performing practices across all areas of people management.

The generally high levels of positivity in relation to satisfaction, motivation and association factors were also reflected in the following comments from interviews and focus groups:-

"It feels like a privilege working here as an HCA"

"It's a very caring organisation when it comes to looking after its staff"

"I've always found it to be a very supportive place to work"

"There is more positive messaging from senior levels which is heartening"

"I feel I can go to my line manager with anything and not get judged"

"I honestly love it here – it's the best job I've had"

The Assessor identified some key areas leading to our improvement: -

- the creation of the Leadership Development Programme
- the introduction of 'Back To The Floor' week
- the use of tea trolley visits to convey appreciation to staff
- the introduction of the 'I'm CHuFT to bits' brand to recognise great work

Staff Engagement

We know that when people feel engaged, valued and involved in work, it has a direct impact on the organisation. We know that:-

- Engaged people display a positive attitude towards work and have high energy levels
- Engaged people show high levels of self-efficacy and organisational commitment
- Engaged people are inclined to go the extra mile, help their colleagues if needed and stay healthy in stressful environments

As well as fantastic, high quality care for our patients, we also know that there is an added benefit of reducing the costs associated with sickness absence, high turnover and psychological presenteeism (being at work in body but not in mind). In addition, it also impacts on our 'colleague engagement score' in our National Staff Survey; and has helped us to achieve Silver accreditation from Investors In People.

Formal engagement takes place with staff side representatives through the Staff Management Partnership Forum which meets on a monthly basis and the Medical and Dental Pay and Conditions Committee. We have six elected staff members on our Council of Governors, all of whom are active in engaging with employees of the Trust as Foundation Trust Members and ensuring that they are involved in developing the work of the Trust. The Trust has established Black, Asian and Ethnic (BAME) and Lesbian, Gay, Bisexual, Transgender and Queer/Questioning (LGBTQ) networks which help to inform, test and communicate about improving the colleague experience.

In addition, on 1 April 2019, the Trust's brand new Colleague Engagement Team was created. Great colleague engagement is when everyone knows that they can add their bit, and has a 'feel good' factor when we help deliver compassionate care. It means that we make the best decisions and have a place to work that feels open and honest. How do we do this? Very simply, we have conversations, listen to views, and create actions and activities that help everyone feel connected to, involved in and valued by CHFT. We are a proactive, 'out and about' team. We make sure we visit every area of our organisation; offer people a cup of tea and we ask what it's like around here and listen to ideas and suggestions. We have a rolling programme of activities and events across the Trust that everyone can get involved in, and we publicise all of

this in the Colleague Engagement Calendar which is in The Cupboard – the Trust's 'people strategy'.

Some examples of engagement work across the Trust are:-

Tea trolley rounds - a relaxed informal way of having a drink and a chat about what it's like to work at the Trust and an opportunity for anyone to make suggestions about how to improve things.

Staff surveys – This includes the annual NHS National Staff Survey and quarterly Staff Friends and Family Test.

Team Brief - regular updates from the Board of Directors and Executive Board meetings as well as divisional and departmental updates.

'**Hot house' events**- A Hot House is when people come together at an event to concentrate on a particular topic and come up with ideas to make it grow! We've had Hot Houses on how best to use apprenticeships; our approach to health and wellbeing; how best to recruit people; and our staff survey results.

Back to the Floor Week- Executive Directors and senior staff visited clinical areas and departments during the course of a week in September to meet with colleagues and to learn first-hand about our services for patients

Freedom to Speak Up Guardian - The Engagement Team works closely with the Trust's Freedom to Speak Up Guardian to support staff networks and help address concerns. The Freedom to Speak Up Guardian is supported by Freedom to Speak Up Ambassadors across our Trust.

CHFT Weekly - an electronic newsletter for staff sharing top news stories of the week as well as items about individual, team and Trust achievements

The 'Ask Owen' facility provides an opportunity for colleagues to raise issues directly with the Chief Executive. All of the questions and answers are available to all staff through the intranet.

Appraisal season- An appraisal season to focus on meaningful conversations about development needs as well as performance (further information outlined below)

Schwartz Rounds – a confidential and informal facilitated event which gives space for colleagues to share and listen to work events and experiences

Staff engagement activities - competitions and activities for colleagues to get involved with such as Wimbledon fortnight and Halloween to encourage teamwork, and improve morale

CHuFT activities – 2019 saw the launch of the 'CHuFT' brand, covering everything that we want to celebrate about our work at CHFT. This includes an electronic 'CHuFT' noticeboard on the intranet, 'CHuFT' poster campaigns and arrangements for the annual 'CHuFT' staff awards project.

Health & Wellbeing programme- Working alongside the Occupational Health Team, the Engagement team help to create and promote health and wellbeing initiatives

Podcasts- A digital engagement initiative, allowing colleagues to have a voice and to support one another from a distance. This has been a particular success during COVID19.

PAT dogs - Supporting the Pets As Therapy (PAT) programme, for both patients and staff

Social media- Plan, post and create content for our Twitter and Instagram pages to engage with colleagues digitally.

Staff app- Over 100 CHFT senior leaders came together to engage at The Leadership Conference in October 2019. During a range of interactive workshop sessions, colleagues proposed the idea of creating an App to keep everyone updated and informed across the organisation. This idea was researched and developed by the Engagement Team and the new app is due to launch in April. The app includes information on how to access the Electronic Staff Record (ESR), health and wellbeing initiatives, networks and CHFT weekly emails.

Our People Strategy

On 17 April 2019 the Trust's people strategy, 'The Cupboard' was launched. Through an intensive period of engagement activity, workshops and conversations, it became clear the type of organisation that colleagues wanted to work in. These conversations, together with feedback

from our Investors In People report, and from staff surveys highlighted one particular theme: 'we need to care for each other in the same way as we care for our patients'. Colleagues were already committed to delivering high quality, compassionate care but voiced the need to have resources, policies, and activities that supported and developed them in their work for patients.

This theme of the Trust having 'One Culture of Care' is fundamental to The Cupboard. Everything that colleagues need to know about their contribution to delivering compassionate care is captured in The Cupboard. Rather than being a traditional HR strategy document, it's an innovative and easy to read website and can be found at https://thecupboard.cht.nhs.uk

Each key 'people' priority has its own recipe card: equality, diversity and inclusion; health and wellbeing; colleague engagement; talent management; workforce design; corporate social responsibility; and work together, get results. In turn, recipe cards have a set of key ingredients with links through to the staff intranet for further details. This ensures that resources in The Cupboard are consistently updated and fresh!

Details on work experience and apprenticeships are included in the section on our role in the local community in the Performance Report.

The Trust is a Disability Confident employer where applicants who meet the minimum requirements of the role are guaranteed a job interview. Our intent through our Equality, Diversity and Inclusion approach is to enhance awareness and change mindsets in order to enable our colleagues to think differently about disability. The Trust reviews how we improve the recruitment, retention and development of disabled people with support from our Colleague Disability Action Group (a group of colleague volunteers who support disabled colleagues and improve the employee proposition for disabled colleagues). Members of the Colleague Disability Action Group also support equality impact assessments for policy and process management. The Trust engages with the disabled community too via Project Search. Project Search is a Transition-to-Work Programme for young people with significant learning disabilities (school or college students who are in their last year of education). This is a business-led, one-year employment

preparation programme that takes place entirely on our Trust footprint with the aim of securing employment for 70% of the interns.

Attendance Management

Sickness absence data for 2019/2020 is published by NHS Digital and the information for the Trust can be found at the following link:- https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates "

The Trust recognises that colleague health and wellbeing is a key determinant of safe and high quality services. It is a core feature of our people strategy. High rates of absenteeism are costly, from a financial point of view, impact morale levels in the organisation and result in a loss of continuity of patient care. The Trust has a policy which supports regular attendance at work that enables managers to manage attendance fairly, with a focus on rehabilitation and return to work wherever possible. In addition, colleagues are telling us that we can do more to support their health and wellbeing. In this regard, the Trust is continuing to focus attention in this area working with colleagues to ensure that the support it offers makes a positive impact on the overall colleague experience.

Appraisal and Development

The Trust runs an appraisal season each year from April to June. During the 2019/2020 appraisal season, 95% of colleagues met with their line manager for a conversation about their development needs, opportunities and their contribution to the work we do. Work is currently focused on achieving not just a high number of colleague appraisals, but to improve the quality and effectiveness of the appraisal conversation. Essential Safety Training (mandatory training) is an important organisational priority and the Trust delivered 95% compliance across a suite of nine key subjects in 2019/2020. The Essential Safety Training programme, largely comprises e-learning and enables the Trust to demonstrate that employees undertake their job roles safely and maintain a safe and healthy work environment. The Trust's approach is to identify the types of training each employee requires, how often they are required to complete the training and how to access the training. Data on appraisal compliance during the appraisal season and essential safety training compliance is reported to the weekly Executive Board.

Trade Union (Facility Time Publication Requirements) Regulations 2017

Introduction

The Trade Union (Facility Time Publication Requirements) Regulations 2017 which implement section 13 of the Trade Union Act 2016 came into force on 1 April 2017.The Regulations require public sector employers (including NHS Trusts) to publish the cost of paid facility time taken by employees who are union officials. Employers must report the required information for each 12 month period from 1 April to 31 March on their websites, in their annual reports, and on the GOV.UK website. The Trust met this requirement for 2019/20. No penalties or enforcement mechanisms have been set out in the Regulations. The intent is accountability through visibility to stakeholders, the public and the media.

The Trust introduced a Recognition and Facilities Agreement in January 2019 which sets out clear procedures on time off for trade union duties and this recognises the valuable work undertaken by Trade Unions working in partnership with the Trust. The Trust believes that partnership working

brings significant benefits to service users and staff and the spirit of the Agreement is in keeping with these principles.

The Recognition and Facilities Agreement requires trade union representatives to record their time off under these Regulations and they are required to record their time off under the Electronic Staff Record (ESR) Employee Self Service function or E-Roster as appropriate. This in turn facilitates the production of reports on time off for trade union duties. The exception to this requirement to record time off on ESR concerns those doctors undertaking trade union duties such as LNC work and who have agreed time within their job plans for this purpose.

2.Time off data for 1st April 2019 to 31st March 2020

This data represents approved time off for trade union duties for medical and non-medical local trade union representatives

Category	Total
FTE days used for trade union duties:	220.67
Estimated cost of trade union duties:	£45,244
Number of staff undertaking trade union duties:	25

3.Reporting Trade Union Data on the GOV.UK site

The Trust will also publish information on the GOV.UK website as required under Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations by the 30 September 2020 deadline. The unofficial benchmark set by the Government (according to NHS Employers) is 0.06% of the paybill spent on trade union duties, meaning that any figure above this may attract further scrutiny. The Trust's figure for 2019/20 is 0.02% which is below the benchmark figure. This is also the same figure reported for 2018/19.

Gender Pay Gap

Information on our gender pay gap can be found on the Cabinet Office website (https://gender-pay-gap.service.gov.uk/). Further additional information on the Trust's gender pay gap can be found on our own website at https://www.cht.nhs.uk/publications/gender-pay-gap-reporting/

Medical Education Services (including Library and Knowledge Service and Clinical Skills and Simulation)

It has been another busy year for Medical Education Services with changes to training programmes introduced, new training programmes, and revised medical student placements. Amidst this there have been a number of notable achievements.

- In May 2019 we hosted the Trusts inaugural 'CHFT's Got Medical Talent' Awards to recognise the fantastic contribution our doctors in training make to the organisation. The evening event was held at the Cedar Court Hotel, Ainley Top and had a wonderful celebratory atmosphere. There were originally 6 categories of awards, but one doctor was nominated time and time again across the majority of categories so a special 'Golden Buzzer' award was presented to Dr Joe Quinn who at that time was a trainee in medicine.
- The Trusts first SuppoRTT lead was appointed in September 2019, Dr Pamela Ohadike, Consultant Paediatrician. SuppoRTT (Supported Return to Training) is a programme introduced by Health Education England, which aims to support all trainees to safely and confidently return to training if they have been absent for a period of 3 months or more (for whatever the reason). The programme is appreciated by the trainees and we were successful in our bid for £6,000 to develop online materials for our returning trainees.
- In 2019 all Trusts were allocated funding by NHS England to help improve the rest facilities for doctors (in line with the BMA Fatigue and Facilities Charter). In consultation with junior doctor representatives who are members of the Junior Doctor Forum we used the funding to refurbish the Doctors Mess facilities on both sites so they are now a pleasant, relaxing area to take a break from the clinical environment.
- We again organised and hosted our 'So, you want to be a doctor?' day for sixth formers interested in a career in medicine. We were overwhelmed with applications and made the course bigger and better than ever before, doubling the number of attendees. We received tremendous feedback with a few commenting that it had given them the motivation and confidence to pursue a career in medicine.
- The clinical and simulation service continues to develop, with an expanding number of courses available. We have upgraded a number of our medium fidelity manikins.
- The Library and Knowledge Service has had a busy year with a noticeable increase in footfall since our refurbishment. We also updated the library out-of-hours room this year providing new furniture and computers providing a quiet comfortable study space which is accessible to all staff 24/7.
- In Spring we worked with a group of 1st year fine art students from the University of Huddersfield. Their work was displayed at various locations at HRI. The students worked with the children at Spring Cottage Nursery for staff as well as part of the project. Research around art in hospitals. demonstrates a beneficial effect on patients and students and can help to reduce stress and anxiety.

- Similarly, supporting CHFT Health and Wellbeing Champions agenda, we hosted a variety of events throughout the year. These included pop up library events in the staff restaurant, at both hospital sites, to showcase our Reading Well for Mental Health collection, which contains resources to promote sleep and anxiety reduction and healthy life style choices. We also hosted a number of events which included craft sessions and “blind date with a book” promotions.
- We won an HEE ERIC bid of £6K to provide access to MEDBRIDGE which is an online resource used by speech and language therapists and physiotherapists for continuing professional development and rehabilitation. Therapists can send their patients specific exercise programmes tailored to their needs which they can do via various online applications.
- The librarian became a member of the Maternity Guidelines Group.
  This is a group of librarians working together to ensure that all our local hospital guidelines around all aspects of maternity care reflect the latest evidence and are aligned to national and international guidance. As well as supporting colleagues at CHFT we have also provided evidence summaries for colleagues working at local CCGs.

Volunteers

Details of how volunteers contribute to the hospital is given in the Performance Report section entitled “Our role in the local community”.

Patient Care

We continue to use learning from patient and staff experience through continuous testing and measurement aligned to local and national drivers to develop services and improve patient care.

We have continued to work with patients, members, commissioners, regulators and colleagues to identify our patient care and improvement priorities.

Throughout the year the Trust Board received a quarterly quality report that reports on progress and activity in relation to a range of quality indicators, including those from the quality account, defined as being important to those using our services.

We have in place quality governance and reporting arrangements to ensure we have “ward to Board” assurances on the quality of care we deliver. A key element of which is to ensure we are able to share learning across the trust on areas of good practice as well as learning from when things have gone wrong.

The Audit and Risk Committee received an annual report on the work of the Quality Committee which included progress against Divisional and Trust wide patient care priorities as well as external accreditation visit updates.

During 2019/20 we have continued to strengthen our ward to Board assurance programme, increasing the visibility of senior leaders and Board members across the organisation. Our programme includes quality assurance clinical visits, exemplar ward accreditation and our well-established range of audits around cleanliness and environment.

The Exemplar Ward Accreditation Programme is based on continuous improvement principles and provides the clinical areas with a structured assessment of how well they

deliver high quality and safe care. It highlights areas of good practice and also a clear plan for improvement where we fall short of expectations of those in our care.

The Trust continues to optimise our use of digital technology, a key element of which is the use of our electronic patient record and the Knowledge Portal. Both of these allow clinical leaders to see at a glance and in real time the quality of care being delivered.

The Trust has revised its Risk Management Strategy during the year, ensuring the risk management framework and organisational governance structure for risk management is refreshed.

More information on quality governance is included within the Annual Governance Statement in the Accountability Report.

The Trust confirms that there are no material inconsistencies between the Annual Governance Statement, the annual and the quarterly Board statements.

Patient Experience

1. Aims and Objectives of Work

Measuring patient experience is essential in order to assess the delivery of the Trust's vision**:** *Together we will deliver outstanding compassionate care to the communities we serve* along with the strategic goal of: *Transforming and improving patient care.*

Analysis of patient feedback helps us to better understand our patients' expectations, their experience and their satisfaction. For example, their views of the environment in which their care and treatment was delivered, whether they were kept informed, whether they were treated with respect and dignity and how their interactions with staff made them feel.

It is important that the feedback is used to influence changes in practice; this may be about the little things as well as any large system changes. Staff from across the Trust recognise the importance of listening and responding to patient and carers' views, this is championed through the representatives on the Trust Patient Experience and Caring Group.

2. Feedback methods

The primary method of measuring the patient experience in the Trust remains through the Friends and Family Test (FFT) which is now well established across all inpatient and day case areas, as well as in the A&E and outpatient departments, maternity services and across community services.

When carrying out the FFT, the Trust takes the opportunity to ask supplementary questions, to identify what patients report as working well and what could be done better. These comments are accessible for individual teams about their own area and at a Trust level to identify any system wide issues.

More innovative approaches continue to be introduced to gather feedback and create opportunities to 'listen', through a range of feedback options that sit alongside the more formal methods of FFT, complaints, patient advice service and surveys.

These include direct patient contact through rounding by the ward managers and matrons, debriefs, surveys carried out by volunteers, social media, guest books and graffiti boards. Opportunistic engagement is also carried out to gather service user opinions to support improvements the teams are taking forwards, as well as more formal enquiries to support service evaluations.

3. Friends and Family Test

The FFT question asks, *"How likely are you to recommend our ward / department to friends & family if they needed similar care or treatment?" Performance is monitored internally against national performance baselines.*

Annual figures for percentage response rate and the percentage who would recommend the service is given below, with four of the five categories showing an improvement compared to 2018/19.

Response Rate & Would Recommend as at February 2020*

	2019/20 Response Rate (%)	Target (%)	2019/20 Would Recommend (%)	Target (%)
Inpatient	31.63	24.5	97.06	96.7
A&E	11.13	11.7	84.16	87.2
Maternity	33.18	20.8	99.15	97.3
Community	4.53	3.2	96.24	96.7
Outpatients	7.31	4.7	91.87	96.2

March FFT information not available due to coronavirus pandemic

Following the NHS England review of the way the Friends and Family Test works across the country, guidance has been published which aims to make the FFT a more effective tool in gathering patient feedback and driving local improvements in healthcare services.

The Trust has taken forward the national guidance ahead of the April 2020 deadline, including:

- revised mandatory question and standard response scale
- no limit on how often a patient or service user can give feedback
- greater emphasis on use of the FFT feedback to drive improvement

4. Local Quality Improvement Work

The Trust Patient Experience and Caring Group has taken forward a number of initiatives over the last 12 months. These demonstrate the Trust's ambition to:

- encourage feedback, and respond to emerging themes

- engage with service users and carers as active partners in their care and provide opportunities for involvement in service development and improvement
- further develop services that have a direct impact on patient experience

4.1 PRASE (Patient Reporting and Action for a Safe Environment

The Trust has worked with the Yorkshire & Humber Improvement Academy using the PRASE survey, which is conducted by trained volunteers at ward level. This approach enables patients to provide anonymised feedback (positive and negative) on the safety and quality of care experienced during their ward stay.

The questions are linked to 8 safety domains:

- communication and teamwork
- organisation and care planning
- access to resources
- the ward environment
- information flow
- staff roles and responsibilities
- staff training
- delays

In the main the surveys have shown positive results, however there have also been improvement opportunities identified regarding patient understanding of staff roles and responsibilities and the ward environment.

4.2 Experienced based co-design (EBCD):

The Trust's Patient Experience and Caring Group has championed the use of EBCD as an opportunity for service users and staff to come together to design, monitor and improve the care provided. The Trust held an event with women who had used the maternity service to understand what information they would like to be available on the CHFT website. Colleagues have continued to work with the local Maternity Voices Partnership representatives to develop the required web pages.

4.3 NHS England Always Events

The ambulatory area of the Surgical Assessment Unit has used the 'always event' framework to develop and improve the experience for patients. A vision statement has been agreed based on patient feedback – *'I will always feel up to date with the progress of my care',* a new working model has been implemented to help achieve this. Data is now being collected to determine if a sustained improvement has been achieved.

4.4 Research

The Trust is working with the University of Huddersfield in a study with the aim of promoting sleep and reducing noise for hospitalised patients at night.

4.5 Outpatient Transformational work – Project 20-20

This programme is focused on improvements and efficiencies that will lead to a better experience for patients. The programme, known as Project 20-20, has an objective of delivering 20 improvement projects by 2020. The projects are governed by a multi-organisational Board, including Healthwatch, patients' representatives and GPs.

During the year a survey was conducted with local outpatient service users to hear their views about alternative methods for accessing outpatient consultations, this was followed up with a targeted survey of patients with a protected characteristic (English not the patient's first language, sight or hearing loss, patients with a Learning Disability).

4.6 Learning Disabilities

4.6.1 Royal Mencap "Treat me well" campaign is a campaign to transform how the NHS treats people with learning disability in hospital. "Simple changes in hospital care can make a big difference, better communication, more time, and clearer information." A local "Treat me well" group has been established and following a successful response to a survey the group are taking forward some improvements:

- walked the wards of the hospital during learning disability week in June raising awareness of VIP passport and reasonable adjustments.
- hosted a stand in the main entrance at Huddersfield Royal Infirmary (HRI) and in the staff canteen at Calderdale Royal Hospital (CRH) with information and leaflets.
- prepared packs with questions for staff and resources to educate them during the interaction.

Further work over the next 12 months, includes:

- making a film for learning disability awareness which will be shown at Trust induction
- incorporating 'changing places' and quiet areas across the Trust as part of any reconfiguration plans.

4.6.2 The Trust worked with NHS Improvement as a pilot site to test an improvement toolkit based on standards for improving learning disability care in NHS Trusts. This has now been rolled out nationally through NHS Benchmarking which included 129 acute providers. Overall the Trust was in keeping with the national picture and other NHS acute Trusts.
Further audit data has been collected between November 2019 and February 2020 which has three componets covering: organisational level data collection, a staff survey and and service user survey.

4.7 Dementia

Work has continued to deliver the Trust's Dementia strategy, this includes:

- A relaunch of the Butterfly scheme, a national initiative that uses a discreet butterfly symbol as a prompt for staff that the patient requires memory support and to follow a special response plan

- The introduction of a Memory Café (Butterfly Lounge) with themed activity sessions supported by the prevention of delirium team (POD) and engagement support workers.

4.8 Interpreting service

In response to a report received from the local Healthwatch and CQC recommendations, a review of the interpreting policy has been undertaken, resulting in clarity of best practice and a standard operating procedure detailing roles, responsibilities and processes.

4.9 End of life care

Work has continued to deliver the Trust's End of Life care strategy:

- Colleagues from the Trust (chaplaincy and end of life care) are part of a local group (Horizon Group) which was set up to support patient / relatives end of life care experience. The group organised a seminar on End of Life Care with members of the local Sikh community along with colleagues from Locala and Kirkwood and Overgate Hospices to offer information and advice on the nature of palliative care and support services available.

- Increased use of Bereavement cards

- Greater uptake in the use of the Marigold (Bereavement) Cafe

- 'Marigold' bags available on wards for relatives to take home belongings of the deceased.

4.10 Divisional improvement work:

Clinical Divisions have delivered several improvements that demonstrate a real focus on delivering patient centred care, including in response to feedback:

- ***Meeting needs of local people:***
  - Introduction of a virtual patient clinic for young people transitioning to adult epilepsy services enabling a consultation from a setting of their choice.
  - Brand new play area at ENT outpatient department at Calderdale Royal Hospital –keeping young children happy whilst they wait.
  - CHFT Youth Forum launched giving an opportunity for young people to have a voice about services
  - As part of the Avoiding Term Admissions into Neonatal units programme (ATTAIN) staff are using different coloured hats (red, amber, green) as an early warning risk assessment to monitor babies
  - Public involvement in the interview process for the new Orthotics tender
  - Introduction of a maternity advice line (non-urgent)

- ***Meeting individual needs:***
  - The Trust is part of a NHSI Transition Collaborative with focused improvement work for young people with a neuro-disability – to be supported through transition to adult epilepsy services, enabling a consultation from a setting of their choice.
  - As part of a 'Think LD' campaign, the Matron for complex care is attending 'board rounds' on the Acute Floor.
  - The Frailty Team are working with the Regional Improvement Academy to increase knowledge and practice in advanced care planning
  - A bid has been made to the Roald Dahl Foundation for transition nurses.

- To support the care of young people with mental health issues a review of risk assessments, guidance and staff training has taken place
- Colouring packs have been introduced by Radiology to make their environment more child friendly.
- Creating easy read guidance regarding radiation dose consent.

- ***Supporting emotional needs:***
  - Introduction of Pets as Therapy on the Children's ward and surgical rehabilitation wards
  - The Surgical Admissions Unit (SAU) have updated their pledges in line with the "Disney" and **#if not me who** campaign, these are on display in the unit
  - Frequent visits by Tilly the therapy dog to CHFT critical care patients is having a positive impact upon patient experience

- ***Involvement / feedback opportunities***
  - New initiative in Children's Outpatients 'feedback fish' - comments can be written on the fishes' abdomen, any responses are added to the oxygen bubbles
  - BFI (Baby Friendly Initiative) Gold Award Assessment: achieved in May 2019 - CHFT are the 9th maternity service in the UK to gain this award
  - Evaluation of the 'surgery school', attended by patients on the enhanced recovery programme for bowel surgery, has demonstrated positive feedback about preparing for surgery and recovery.

- ***Promoting compassion and kindness***
  - Workshop focused on attitude and behaviours held for radiology staff recruited within the last year
  - Surgical patient experience lead promoted 'Patient Experience the Disney Way' with a focus on #ifnotmewho across the division and other clinical teams
  - Praise for going above and beyond - helping to celebrate a patient's 90th birthday and arranging a wedding on one of the wards
  - Fundraising during pregnancy loss week to improve the patient environment on the gynaecology ward

- ***Improved access to services****:*
  - Increased availability of phlebotomy in the community - new service at Broad Street Plaza (4 mornings a week)
  - MAST primary care network (Kirkburton, Kirkheaton, Skelmanthorpe, Lepton and Dearne Valley surgeries) redesigned the service to increase available phlebotomy time and offer patient choice regarding which practice within the MAST group they attend
  - CRH Phlebotomy team trained a cohort of Surgical outpatient healthcare assistants (HCAs) to improve patient flow / experience. The scheme will particularly focus on patients with mobility problems / dependent on patient transport / attending clinics which are running late after Phlebotomy has closed.

- ***Timely access***
  - Focused work with patients waiting in the Emergency Department (ED) - screening nurse to prevent inappropriate waits and undertake regular re-assessment of pain scores
  - Scheme of volunteers supporting the delivery of medicines to wards and bringing requests back to pharmacy – aim to save nursing time / get medicines to the patient quicker facilitating a faster discharge / enable nurses to remain with their patient helping patient experience / quality.
  - Dedicated Pharmacy support in the newly opened discharge lounge
  - District Nurses, Lymphoedema Nurses, Tissue Viability Nurses (TVNs) and Podiatry working together to develop a lower limb pathway to improve treatments and communication, and prevent duplication of visits between services leading to a better experience and outcomes for patients

- ***Nutrition***
  - Ingleton Falls restaurant at CRH participated in the Government 'Vegpower' campaign, each week the restaurant focussed on a vegetable highlighting the benefits
  - An additional blast chiller installed at CRH allowing the provision of 'home made' soup (a patient favourite) at lunchtime as well as teatime.

- ***Learning from feedback***
  - Community Matrons using the '15 Steps Challenge' which is providing a broad depth of insight and information
  - Chaplaincy's 'Faith Card' developed which includes guidance re dietary requirements.
  - The 15 steps challenge completed in maternity services with the help of the Maternity Voices Partnership (MVP).

5. National surveys

CHFT participates in all the national patient experience surveys.

For all of the national surveys each question is scored out of 10, a higher score is better. Trust scores for each question are also compared with the range of results from all other Trusts that took part. An analysis technique called the 'expected range' is used to determine whether a Trust performs 'about the same', 'better' or 'worse' than other trusts.
The following are the high-level results for surveys published this year:

- **Inpatient:** published June 2019, CHFT results:
  - The Trust was reported as scoring about the same for all but one of the questions.
  - The Trust was reported as scoring better than the majority of other Trusts for the question: *After leaving hospital, did you get enough support from health or social care professionals to help you recover and manage your condition?*

- **Urgent & Emergency Care (UEC) Survey 2018:** published October 2019.

- The Trust's results were ***better*** than most trusts for ***1*** question: *Did a member of staff tell you about what symptoms to watch for regarding your illness or treatment after you went home?* **Scoring 7.2**
- The Trust's results were ***about the same*** as other trusts for ***35*** questions.

- **Children and Young Peoples Survey 2018:** published November 2019.
  - The Trust's results were ***better*** than most trusts for ***1*** question: *Did the hospital staff answer your questions? (answered by C&YP aged 8 – 15)* **Scoring 9.8**
  - The Trust's results were ***worse*** than most trusts for ***1*** question: *Did staff play with your child at all while they were in hospital? (answered by parents / carers of 0-7-year olds)* **Scoring 5.7**
  - The Trust's results were ***about the same*** as other trusts for all other questions.

- **Maternity survey 2019**: results were published on the CQC website January 2020.
  - The Trust's results were ***better than*** most trusts for ***1*** question: *Thinking about your stay in hospital, how clean was the hospital room or ward you were in?* **Scoring 9.5**
  - The Trust's results were ***about the same*** as other trusts for the other ***46*** questions.

- **Cancer Patient Experience Survey 2018:** published October 2019,
  - The Trust's results were ***better than*** the expected range for ***3*** questions:
    - *Patient definitely given enough support from health or social services during treatment **61%***
    - *Practice staff definitely did everything they could to support patient **67%***
    - *Patient given a care plan **42%***
  - The Trust's results were ***lower than*** the expected range for ***2*** questions.
    - Patient completely understood the explanation of what was wrong ***69%***
    - Staff explained how the operation had gone in an understandable way ***73%***

All surveys are reviewed through Trust governance structures, with key messages and improvement work shared with teams.

Concerns, Complaints and Compliments

All complaints are dealt with in accordance with the Local Authority Social Services and NHS Complaints (England) Regulations 2009. Formal complaints that are received by the Trust undergo a full investigation and a written response is then provided. The response details the investigation outcome, along with learning and actions that have been identified as a result of the complaint, where service failings have been recognised. All complainants are contacted following the formal acknowledgment of their complaint by the lead investigator, in order to discuss and agree the issues that they wish to be investigated and addressed. Complaints and concerns remain an important focus of the Trust, as the issues that have been highlighted following a complaint investigation can improve the services that the Trust provides. The actions that are identified as a result of a formal complaint are put into place in order to prevent reoccurrence.

During the year we have focussed on:

- Improving the timeliness of responses for complainants, so we respond in the timescale agreed, ensuring staff kept complainants updated about the progress

of their complaint and ensuring that processes are in place to escalate any delays.

- Improving how we respond to complaints following feedback we received from service users.
- Identifying learning from complaints to improve services for patients and in addition working with the Patient Experience leads and the Patient Experience and Caring Group to facilitate this.
- Providing focused support to the Divisions for more complex complaints.
- Identifying training needs and support for Divisional investigators in the management and investigation of their complaints.
- Updating the Trust induction presentation in order to fully inform new starters of the issues that we receive with regards to patient experience and how their practice can affect the service that they provide.
- Considering complaints training modules to assist new complaint investigators and a mandatory training module for new starters to inform them of issues that are raised with the Complaint Team.

Performance during 1 April 2019 to 31 March 2020 for the Trust:

505	Total number of complaints received during the year – a reduction of 11% compared to 2018/19
1722	Total number of Patient Advice and Liaison Service (concerns) cases received during the year – overall PALS contacts = 3313
650	Total number of compliments cases received during the year
100%	% of complaints acknowledged within the 3 working day target
42%	% of complaints responded to within the agreed deadline

In June 2019 the Chief Executive undertook a review of the complaints process; one aspect of this review was the Trust's performance in relation to responding to complaints within the deadlines set. During the months of July and August 2019 the Chief Executives fed back his findings to many staff in meetings via a complaints presentation; this led to an improvement in the timeliness of complaint responses with 64% of complaints being responded within the target by March 2020. However, the overall percentage for complaints responded to in time in the financial year was 42%, similar to 2018/19. As the timeliness of complaint responses continued to fluctuate during the latter half of the year the Complaints Department undertook a piece of work

in February 2020 to better understand the reasons for this. A questionnaire was designed and sent to 185 members of staff who investigate or have investigated complaints. The time period for responding to this questionnaire has now closed and the findings will be analysed in early 2020/21 and used to identify actions to address issues impacting on the timeliness of responses with a view to sustaining an improved response time for our complainants.

Further information on complaints received by the Trust is contained in the 2019/20 Quality Accounts which will be published towards the end of the calendar year 2020.

Compliments can be sent directly to the Patient Advice and Complaints Service to share within the relevant specialty and are logged as such on Datix. Compliments are also regularly received directly by a service and shared appropriately. All compliments are valued by staff and can motivate them to continue to provide excellent care to their patients.

NHS Improvement's Single Oversight Framework

All NHS foundation trusts require a licence from Monitor (now NHS Improvement) stipulating the specific conditions they must meet to operate, including financial sustainability and governance requirements.

NHS Improvement's (NHSI) Single Oversight Framework (SOF) provides the framework for overseeing providers and identifying potential support needs.

The SOF aims to enable NHSI to identify the support needed by Trusts to deliver high quality, sustainable healthcare services and to help providers attain and maintain CQC ratings of 'good' or 'outstanding'.

The SOF assesses providers' performance against five themes:

1. Quality of care
2. Finance and use of resources
3. Operational performance
4. Strategic change
5. Leadership and improvement capability (well-led)

Depending on the extent of support needs identified through its oversight process and performance against the above measures, NHSI segments providers into one of four categories. Segmentation is based on:

- All available information on providers – both obtained directly and from third parties
- Identifying providers with a potential support need in one or more of the above themes
- Using NHSI's judgement, based on relationship knowledge and/or findings of formal or informal investigations, or analysis, consideration of the scale of the issues faced by a provider and whether it is in breach or suspected breach of licence conditions (or equivalent for NHS trusts).

Of the five themes, providers are clearly assessed in two areas: finance and use of resources; and operational performance.

This segmentation information is the Trust's position as at 31 March 2020.

Finance and use of resources metrics

NHS Improvement oversees and supports providers in improving financial sustainability, efficiency and compliance with sector controls such as agency staffing and capital expenditure.

Area	Weighting	Metric	Definition	Score			
				1	2	3	4[1]
Financial sustainability	0.2	Capital service capacity	Degree to which the provider's generated income covers its financial obligations	>2.5x	1.75-2.5x	1.25-1.75x	< 1.25x
	0.2	Liquidity (days)	Days of operating costs held in cash or cash-equivalent forms, including wholly committed lines of credit available for drawdown	>0	(7)-0	(14)-(7)	<(14)
Financial efficiency	0.2	I&E margin	I&E surplus or deficit / total revenue	>1%	1-0%	0-(1)%	≤(1)%
Financial controls	0.2	Distance from financial plan	Year-to-date actual I&E surplus/deficit in comparison to Year-to-date plan I&E surplus/ deficit	≥0%	(1)-0%	(2)-(1)%	≤(2)%
	0.2	Agency spend	Distance from provider's cap	≤0%	0%-25%	25-50%	>50%

Providers score 1(best) to 4 against each metric and the score is averaged across all the metrics to derive a use of resources score.

The Trust's performance ratings against the Single Oversight Framework for 2019/20 were:

2019/20	Annual Plan	Q4
Use of Resources score	3	3

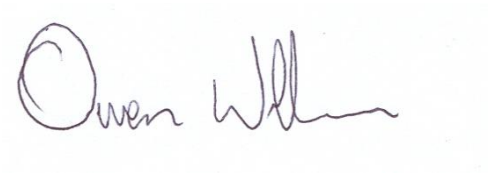
In January 2015 Monitor / NHS Improvement (the regulator of foundation trusts at that time) declared the Trust to be in breach of licence as a result of an unplanned year-end deficit position of £4.3m and set out the undertakings it expected of the Trust.

NHS Improvement issued the Trust with a certificate of compliance for two of the three undertakings relating to Board governance and effectiveness and general action.

The remaining undertaking requires the Trust to 'ensure the Licensee's clinical and financial stability is maintained from the end of the financial year 2016/2017'. The Trust's reconfiguration business case represents the planned route to financial stability and this continues to be progressed through the stages of approval to secure funding. In the meantime, the Trust remains in an underlying deficit position and therefore NHS Improvement has not certified compliance with this final undertaking.

Operational performance metrics

The operational performance metrics are those that are used for our Sustainability and Transformation Funding. The Trust approach to monitoring performance against these standards and performance against the standards for 2019/20 are detailed in the Performance Report section. NHS Improvement will consider whether there is a potential support need if a provider fails to meet any trajectory for at least two consecutive months.



Dr Owen Williams, OBE

Chief Executive

16 June 2020

Statement of the chief executive's responsibilities as the accounting officer of Calderdale and Huddersfield NHS Foundation Trust

The National Health Service Act 2006 (NHS Act 2006) states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Calderdale and Huddersfield NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Calderdale and Huddersfield NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and the NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust’s performance, business model and strategy and;
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern

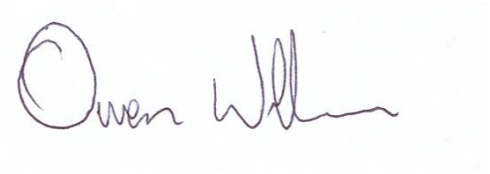
The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned Act. The Accounting Officer is also responsible for

safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

Signed



Dr Owen Williams, OBE
Chief Executive
16 June 2020

ANNUAL GOVERNANCE STATEMENT 2019/20

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Calderdale and Huddersfield NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Calderdale and Huddersfield NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Leadership for risk management and capacity to manage risk

As Chief Executive I am responsible for overseeing risk management across the Trust's clinical, financial and organisational activities, with the Board of Directors responsible for reviewing the effectiveness of the system of internal control.

The Board approved Risk Management Strategy clarifies accountability and, delegated responsibility for risk and the reporting arrangements for the management of risk within the Trust and the wholly owned subsidiary. The strategy:

- aims to promote a positive culture towards the management of risk and minimise risk to all of its stakeholders
- sets out the responsibility of the Executive Directors and senior managers in respect of leadership in risk management
- details the Committee governance structure that supports decision-making for key organisational risks
- confirms the roles and responsibilities of all staff in relation to the identification, management and control of risk
- defines the framework, processes and policies in place to pro-actively identify, manage and eliminate or reduce risks to a tolerable level and maintain sound internal control.

The Director of Nursing is responsible for ensuring the Risk Management Strategy is implemented effectively, and together with the Medical Director, is responsible for quality governance. The Director of Finance oversees the operation of the Trust's

standing financial instructions. All Executive Directors report to me and I hold them to account for their performance individually and as a team to deliver the objectives of the Board and ensuring that a strong risk management approach is embedded in all clinical and non-clinical activities of the Trust.

The corporate induction programme ensures that all new staff are provided with the details of the Trust's risk management policies and processes. The Board has set out the minimum requirements for staff training required to control key risks through a mandatory training programme. Staff are trained and equipped to manage risk in a way appropriate to their role, through targeted training, for example risk register training and investigation training.

A range of policies are in place and available to staff via the Trust's intranet which describes the roles and responsibilities in relation to the identification, management and control of risk. The risk management team provides additional support, guidance and expert advice to staff on risk management.

Lessons learnt when things go wrong are shared through directorate governance systems through various dissemination methods including newsletters and bite size learning. I chair a quarterly Adverse Events Review Group with senior clinical colleagues to ensure learning is disseminated across the organisation and the Trust participates in a regional network to share learning from serious incidents.

The Risk and Control Framework

The Trust works within one culture of care, providing compassionate care for both our patients and staff, manages premises and finances and understands that these activities have an inherent degree of risk that cannot be eradicated.

The Trust's Risk Management Strategy, Risk Management Policy and risk appetite guide staff in managing clinical and non-clinical risk which requires commitment, collaboration and participation from all members of staff.

The Risk Management Strategy confirms the Board Committee structure that provides assurance on and challenge to the Trust's risk management process. Board Committees are chaired by a Non-Executive Director providing independent scrutiny and these are key in ensuring quality, safety and management and monitoring of risk throughout the Trust, with an independent assurance through reports from the Committee Chairs to the Board of Directors. The Board Committees have oversight and scrutiny responsibility for risks within the remit of their own terms of reference, with the Non-Executive Chair reporting on assurances or escalating matters as necessary. Board Committee responsibilities for risk management are summarised below:

Board of Directors

The Trust Board is responsible for establishing the Trust's strategic objectives, achieving the identified one year objectives in support of delivery of the longer term strategic objectives and ensuring effective systems are in place to identify and manage the risks associated with achieving these objectives. Risks to the Trust strategic objectives, owned by Directors, are reviewed and reported to the Board of Directors and the Committees via the Trust's Board Assurance Framework (BAF), with significant operational risks reviewed via the high-level risk register report at each formal meeting of the Board. These reports detail the controls in place to mitigate and manage the risks and assurances that the controls are effective.

Audit and Risk Committee

On behalf of the Board, the Audit and Risk Committee reviews the effectiveness of risk management and the system of internal control, governance and overall assurance processes across the whole of the Trust's activities that support delivery of the Trust's services and achievement of objectives. This Committee also ensures effective internal and external audit.

The Audit and Risk Committee has three Non-Executive Director members. It has oversight of, and relies on, the work of the Risk and Compliance Group to monitor the risks reported on risk registers and compliance registers at a local divisional and directorate level.

The Audit and Risk Committee receives the Board Assurance Framework on a regular basis to satisfy itself that the processes for populating, updating and formatting the document remain relevant and effective for the organisation.

Quality Committee

The work of the Quality Committee is to provide assurance to the Trust Board and Audit and Risk Committee, via the Quality Committee Chair, that adequate controls are in place to monitor the quality and safety of care for patients across all services and that the quality governance structure is continuously monitoring and improving safe and effective patient care.

Finance and Performance Committee

The Finance and Performance Committee scrutinises the financial risks and targets and monitors any significant risks to activity and performance, with oversight of operational performance targets. The Committee is responsible for ensuring that there are robust financial performance reporting systems in place.

The Finance and Performance Committee received quarterly reports from the Joint Liaison Committee which is part of the governance framework between the Trust and senior leadership of the Trust's wholly owned subsidiary, Calderdale and Huddersfield Solutions Limited, CHS.

Workforce Committee

The Workforce Committee reviews workforce risks and provides assurance to the Board on the quality and impact of workforce and organisational development strategies and the effectiveness of workforce management.

The Trust Risk Management Policy sets out how risks are pro-actively and systematically identified and evaluated using a risk assessment matrix to assess potential impact and likelihood of a risk, controls for managing risks, as well as actions to address any gaps in risk control treatment. The policy provides guidance for staff to help identify, assess, score, action and monitor risk and when to escalate risks. Risks that potentially threaten the achievement of strategic objectives are included within the BAF as noted above.

Risk registers are managed through service directorates, divisional management teams and corporate services, as well as specialist risk groups such as the Health and Safety

Committee or Fire Committee; this ensures that risks are identified from the bottom up. The Trust's risk profile, captured at corporate, directorate and divisional level is reviewed regularly by the Risk and Compliance Group which reports into the Audit and Risk Committee. The governance framework in place for CHS details how risks are managed and reported within CHS via monthly Board meetings and to the Joint Liaison Committee between CHS and the Trust.

The Board Assurance Framework, BAF, provides the mechanism for the Trust Board to monitor risks, controls and the outputs of its assurance processes. A standing operating procedure for the BAF is in place which describes the key components of the assurance process, roles and responsibilities for maintaining a dynamic BAF, monitoring and review of the BAF and the Annual Board assurance schedule.

The risks to the Trust's strategic objectives identified within the BAF were reviewed regularly during the year by Director risk owners and the relevant Committees, with the oversight of the BAF process by the Audit and Risk Committee. The full BAF providing the organisation's strategic risk profile was presented to the Board during the year. This provides a regular opportunity to review progress against mitigating risks and consider new or emerging risks.

The Board reviewed the findings of an external strategic review of health and safety management arrangements it had commissioned. Recommendations from the review form part of the Trust's Health and Safety action plan which is monitored by the Health and Safety Committee. The Board approved the addition of a risk regarding health and safety compliance on the Board Assurance Framework. Governance arrangements for fire safety were strengthened in year with the appointment of an Executive Director lead for fire safety, establishment of a fire committee and commissioning of a fire strategy.

A Board development session on risk management during the year reviewed internal audit benchmarking of the Trust's BAF against other NHS Trusts. The Board re-considered its risk appetite during this session, with risk appetite categories and levels adjusted following this discussion and further review by key Executive Directors. A revised risk appetite was approved by the Board in January 2020 confirming the nature and amount of risk the Board of Directors is willing to accept in seeking to achieve its strategic objectives.

The Board Assurance Framework has been independently reviewed by Internal Audit in March 2020 and an opinion of significant assurance was given.

The Risk and Compliance Group receives both the Board Assurance Framework and high-level risk register and considers the detail included. Operationally the Risk and Compliance Group which comprises senior management representation from all divisions oversees all risk management activity and reports directly to the Audit and Risk Committee. It provides a regular report on the high-level risks and mitigating actions to the Board as well as to the Quality Committee for review of clinical risks. Each division and directorate is responsible for maintaining its own risk register. These risk registers are reviewed regularly by directorate and divisional forums as well as bi-monthly by the Risk and Compliance Group with a requirement to escalate risks, where the rating warrants this, for inclusion on the high-level risk register.

In addition to risk registers, other ways risk management is embedded within the Trust include delegation of operational responsibility for risk management to individual teams,

an open reporting culture and encouraging staff to report incidents through the electronic incident reporting system Datix. Policy, guidance and training are provided to staff on the reporting, management and investigation of incidents. The Trust has a quality impact assessment governance process in place to support cost improvement programme (CIP) management and an equality impact assessment process when developing service changes or introducing or reviewing policies. Risk registers are used to support capital planning to understand the clinical and operational risk of schemes proposed, thereby informing decisions about which schemes are progressed.

The Risk Management Strategy provides the framework for pro-active risk identification and management of risk, through risk assessment, risk registers, compliance registers and the Board Assurance Framework (BAF) and consideration of this through the governance structure. Trust risks are aligned to the Trust's five year strategy and one year plan.

Compliance and validity of the NHS foundation trust condition 4 (FT Governance): Corporate Governance Statement

The Trust remains in breach of its licence and meet regularly with NHS England and NHS Improvement.

On behalf of the Board of Directors the Audit and Risk Committee considers the validity of the Corporate Governance statement prior to submission to NHS England and NHS Improvement. All elements were confirmed when reviewed by the Audit and Risk Committee in April 2020 with no unmitigated risks to compliance identified. The assurance processes described in this statement allows the Board to issue an accurate Corporate Governance Statement, required under NHS foundation trust condition 4(8)(b) of NHS England and NHS Improvement's provider licence.

The Trust believes that effective systems and processes are in place to maintain and monitor the following conditions:

- The effectiveness of governance structures
- The responsibilities of Directors and Board Committees
- Reporting lines and accountabilities between the Board of Directors, its Committees and the Executive team
- The submission of timely and accurate information to assess risks to compliance with the Trust's licence
- The degree and rigour of oversight the Board of Directors has over the Trust's performance

The Board has undertaken phase one of a developmental review against the CQC well-led framework and in 2020/21, depending on the situation regarding Covid-19, plans to progress to phase two.

Engagement with public stakeholders in risk management

The Trust engages public stakeholders in identifying and managing risks to its strategic objectives which may impact on them in a number of ways:

- as a Foundation Trust we aim to make best use of members and the Council of Governors. Through relevant groups we engage regularly with our governors on strategic, service and quality risks, including consulting them on the development of our annual plan and selection of the Trust's quality priorities

- the public are involved in Trust activities with a range of communication and consultation mechanisms with relevant stakeholders.

- The Patient Experience Group, with the Council of Governors representing stakeholder interest, use a range of feedback methods such as national and local surveys, complaints and the Friends and Family Test as an early warning mechanism within its risk management processes

- partnership working with health and social care services, integrated care system partners, regional acute providers and working relationships with Overview and Scrutiny Committees

Workforce Safeguards
A people strategy, that captures the key ingredients for sustainable and effective services including recruitment, retention, talent management, health and wellbeing and equality, diversity and inclusion has been considered and approved by the Board of Directors.

The Trust has an established workforce planning toolkit which 'makes workforce planning everyone's business' that provides the platform on which conversations in relation to workforce requirements are held and plans identified. The Calderdale Framework, a systematic, objective method of reviewing skill, role and service design is part of the workforce planning resources we use. Workforce plans, using detailed clinical activity data, commissioning intentions and priorities and financial information, are created in specialty areas supported through annual planning events, further developed, critiqued and prioritised at divisional level and after testing approved by Directors to form a Trust wide workforce plan. An integrated quality, activity, finance and workforce plan is signed-off by Directors and the Board. Monthly workforce reports are submitted to the Board within the Integrated Performance Report which allow compliance and performance against the plan to be tracked. Hard Truths data reporting forms part of the integrated quality, activity, finance and workforce performance report considered by the Executive Board monthly and the Trust Board at its meeting.

A Workforce Committee provides assurance to the Board on the quality and impact of workforce and organisational development strategies and the effectiveness of workforce management. Workforce risks are included in the Board Assurance Framework and the high level risk register considered by the Board and the Workforce Committee regularly.

Director led Performance Review Meetings with divisional management teams allow a focus on quality, activity, finance and workforce issues and ongoing testing of service plans.

The Board received reports from the Executive Director of Nursing during the year on nursing, midwifery and care staffing capacity in line with national guidance. These confirmed that there were clear governance arrangements and oversight in place to ensure that safe and sustainable staffing levels are reviewed and monitored to ensure high quality compassionate care for patients across the Trust. A Nursing and Midwifery Workforce group provides the governance framework to ensure that workforce models

are regularly reviewed and where skill mix is altered an assessment of the quality of care is undertaken.

A medical workforce group has been established and a quarterly detailed analysis of vacancies is produced specifically for medical recruitment and retention purposes. A vacancy tracker has been designed which sets out a plan for every vacant medical post. The Trust has implemented e-rostering systems for nursing and is progressing implementations for medical staff.

The Board receives reports from the Trust's Guardian of Safer Working Hours and Freedom to Speak Up Guardian, the annual NHS staff survey and General Medical Council (GMC) doctors in training survey.

Quality Governance Arrangements

The key elements of the Trust's quality governance are described below.

Quality Committee

The Quality Committee is responsible for providing the Board with assurance on all aspects of the quality of clinical care, patient experience, clinical governance systems, clinical audit and standards of quality and safety. The Quality Committee structures its workplan around the CQC domains. It is a formal Committee of the Board and chaired by a Non-Executive Director and reports to the Board of Directors. The chair of the Quality Committee attends meetings of the Audit and Risk Committee to strengthen the links between the two Board sub committees.

The Quality Committee scrutinises the quality information within the monthly Board performance report, clinical risks within the high-level risk register and quality related internal audit reports with limited assurance during the latter part of the year.

The Quality Committee receives reports from specialist governance committees e.g. Safeguarding, Clinical Outcomes Group, Patient Safety Group and seeks assurance from divisional Quality Boards about the governance of the quality of their services.

Data Quality and Governance: Data driven performance framework

The Trust has in place policies to assure the Board on a range of issues to ensure quality care is provided to patients. Systems and processes are in place to assure data accuracy and validity into the Board ensuring there is robust ward to Board assurance on the quality of care we deliver.

The Board reviews the quality of performance information via a comprehensive Integrated Performance Report (IPR) that allows for triangulation of operational, quality, workforce and financial performance targets and indicators. Assurance data within the IPR is reviewed monthly by the Executive team and Board Committees with detailed scrutiny each month by the Finance and Performance Committee. The monthly IPR uses statistical process control to identify special cause variation that may need explaining to confirm that variation is not a result of data quality. Reporting to Board includes narrative on where performance falls short of expected ranges.

In addition to the IPR report the Board receives a regular comprehensive quality and safety report which offers a more detailed oversight of performance against nationally and locally agreed improvement requirements. This report also included updates on progress against the quality priorities selected by the governors.

Assessment of the quality of performance information
Assurance that the performance data used within the Trust and reported by the Trust is of a high standard has been via the Trust Data Quality Board, which reports to the Audit and Risk Committee with escalation into a weekly meeting of Executive Directors as appropriate. A Data Quality Group, which meets monthly and reports into the Data Quality Board, focuses on specific data quality measures from both a corporate and service position. The Trust Data Quality Strategy confirms that "*robust data quality will support consistent achievement of all national and local patient performance targets"* plus assessment of data quality standards. Requests for data quality deep-dives form part of the internal audit programme.

With regard to elective waiting time data, the Trust is one of the 12 field sites selected in the summer of 2019 for the Elective Care Clinical Review of Standards and reports against the new measure which is an average wait standard. The field testing will continue into 2020/21.

Externally commissioned review of data quality
The Chief Operating Officer requested an externally commissioned review of data quality to provide further assurance around KPIs reported in the Trust Integrated Performance Report. This was undertaken by a Health Care Analytics company using an established process of a 'light touch' audit using a number of indicators across the CQC domains. The Trust received an excellent score and this was due to the compliance with national methods of calculating the relevant statistics, adherence to the strict exclusion criteria linked to the national guidance and the transparency of reporting across the Trust.

Programme of Deep-Dives
In addition to the above data quality assurance processes CHFT also established a formal programme of deep dives across the KPIs within the Integrated Performance Report (IPR). The deep dives provide the Board with assurance on KPIs that regularly achieve target (Green RAG rating) and an understanding of the challenges of those that are currently missing their target (Red RAG rating) with a focus on improvement. Formal reporting is via the Quality and Performance WEB on a monthly basis with a programme established for the next 12 months.

The Trust has a comprehensive programme of "Getting It Right First Time" (GIRFT) which improves quality of care by bringing efficiencies and improvements. The GIRFT programme provides independent clinical assessment, challenge and benchmarking that drives quality and performance improvement. The Trust has been recognised as a national exemplar for this work

Financial Governance

The Trust is operating in an evolving financial environment with increased expectations of financial connectivity across the Integrated Care System and more recently the national and local financial impact of Covid-19. This sits alongside the continued

business as usual pressures maintaining clinical staffing ratios, managing a challenging hospital estate and responding to increasing demand. The Trust also continues to be under enforcement action from its regulator NHS England and NHS Improvement following the breach of licence with an unplanned deficit in 2014/15.

This breach of licence resulted in a number of actions which have been completed with the exception of the undertaking to 'ensure the Licensee's clinical and financial stability is maintained from the end of the financial year 2016/2017'. In 2019/20, as in previous years since the breach of licence was enacted, the Trust has successfully delivered a year-end financial position in line with the annual target position committed to the regulator. Whilst the Trust's business case for reconfiguration sets out how clinical and financial stability could be achieved; the Trust remains in an underlying deficit position at present and therefore NHS England and NHS Improvement has not certified compliance with this undertaking.

In December 2018 the Department of Health and Social Care confirmed allocation of £196.6m public dividend capital to progress the reconfiguration and the Strategic Outline Case for Reconfiguration was approved at national level by NHS England and NHS Improvement Delivery and Quality Performance Committee in November 2019 – the Trust is now working to develop the required Outline and Full Business Case that will enable the reconfiguration to be completed by 2025, subject to the impact of Covid-19.

The Trust is rated as level 3 under the Single Oversight Framework and has regular performance review meetings with NHS England and NHS Improvement.

Major Risks and Challenges

The Covid-19 pandemic declared by the NHS as a level 4 national incident has been a major challenge during March 2020 which will continue during 2020/21. The Trust responded to NHS England and NHS Improvement's letter of 17 March 2020 regarding the Covid-19 pandemic by freeing up the maximum possible inpatient and critical care capacity and postponing non-urgent elective work. This impacted on operational performance in March 2020. Business as usual planning arrangements for 2020/21 have been suspended and will impact on the Trust at the end of 2019/20 and into 2020/21.

The Trust control environment was adapted to respond promptly to the significant change in circumstances. The Trust focused its response to this pandemic by providing safe care for its patients, redeploying and re-training our workforce to support patients requiring respiratory support and maximising the availability of colleagues. Operational command arrangements were introduced, the risk register system was used to identify and report on Covid-19 risks and their management and business continuity arrangements were enacted. Urgent decision-making arrangements which existing governance arrangements facilitated were used and schemes of reservation and delegation revised in response to the situation. The Board agreed revised governance and meeting arrangements and reporting and assurance arrangements for 2020/21 in line with NHS England and NHS Improvement's guidance of 28 March 2020 on reducing burden and releasing capacity at NHS providers and commissioners to manage the Covid-19 pandemic.

The Trust focused on essential activities and streamlined its governance procedures to facilitate decision-making at pace as it adapts to emerging guidance from regulators to enable a rapid response. The delivery of the 2020/21 agreed financial plan is likely to be significantly impacted by Covid-19 however assurances have been received that this will be nationally funded therefore mitigating additional expenditure pressures. The need to source critical products which are in short supply nationally at pace has led to attempts at fraud and the Trust has implemented further safeguards to guard against this.

Leadership by the Director team with support from the Non-Executive Directors, to maintain a sound system of internal control, is key to the Trust's response to managing the crisis and associated risks.

Where appropriate staff will continue to focus on the Trust's long-term strategy to address the clinical, operational and financial challenges. The principal risks to delivery of the Trust's strategic objectives and mechanisms to control them are identified through the Board Assurance Framework, with high level operational risks which could impact on these entered onto the high-level risk register. The risks below are considered to be relevant for 2019/20 and future years.

Transforming and Improving Patient Care risks - The Strategic Outline Case that has been approved by NHS England and NHS Improvement describes how the reconfiguration of services across the two hospital sites and community will enable key clinical adjacencies of services and deliver benefits that include:

- Improved clinical quality and outcomes;
- Improved efficiency;
- improved compliance with statutory, regulatory and accepted best practices;
- better use of the available hospital estate and mitigation of the significant estate risks related to the age and condition of Huddersfield Royal Infirmary.

Development of the Outline Business Case commenced in 2019. Members of the public, patients and colleagues have worked with professional advisors (architects and healthcare planners) to develop a Design Brief that will inform the detailed plans to be included in the Outline Business Case. Further work to progress plans and improvements in 2020/21 will take place when it is nationally safe to do so. The plan to complete the reconfiguration by 2025 will be impacted by Covid-19 and a revised timeline will be developed during 2020/21.

The Trust continues to enhance quality and safety through digital capability. The Trust is one of the most digitally advanced in the country and this has been particularly important in responding to Covid-19. The Trust has been able to rapidly implement home working and virtual out-patient consultations at scale enabling continuity and safe delivery of essential services during the crisis.

Keeping the base safe risks - Patients not receiving high quality, safe care due to poor compliance with quality and safety standards, achievement of local and national performance targets and the hospital estate and equipment risks continue to be risks for the organisation. Command arrangements are in place to manage COVID-19 related

risks as these emerge. There continue to be challenges meeting Emergency Department Royal College recommendations / standards.

Workforce risks - As with all NHS organisations, attracting and retaining an adequate nursing and medical workforce of substantive staff, particularly in specialist roles, balanced with the need to deliver high quality care in the context of increasing demand and complexity is a risk. Focus now and for the remainder of 2020/21 is on the management of infection risk to patients, our workforce and the public arising from the COVID-19 pandemic and this will continue to be a challenge

Financial sustainability risks – The future continues to pose risks and challenges for long term financial sustainability, including delivering the level of efficiency increases and cost reduction in 2020/21 as well as capital funding to maintain facilities and meet regulatory standards. Financial risks and challenges are outlined below:

- Financially the Trust will continue to work with regulators to manage the deficit position and is planning an underlying deficit for the financial year, 2020/21, which is in line with the Financial Improvement Trajectory deficit set by the regulator NHS England and NHS Improvement (excluding the financial impact of Covid-19 which is assumed to be funded nationally). Achievement of the Financial Improvement Trajectory by the Trust and the wider Integrated Care System will allow the Trust access to additional central funding at a maximum level to support a planned breakeven position.
- Provision of dual services across two sites is a less efficient model, due to duplication of costs and the additional difficulties this presents in relation to recruiting and retaining staff.
- The Trust's estate presents financial challenges due to upgrade requirements and PFI contractual commitments.
- The financial impact of Covid-19 is unknown and as such remains a challenge to the financial position;it is assumed that this will be nationally funded.
- The Trust has a detailed cost improvement programme managed through a programme management office arrangement which reports to Executive Directors and works on system wide efficiencies in partnership with commissioners governed by a joint System Recovery Group. All of the programmes are required to complete a Quality Impact Assessment. Any risks identified through this process are reported and mitigation plans put in place. These are reported to the Quality Committee. Financial risks are identified and escalated for detailed scrutiny by the Finance and Performance Committee with high level strategic financial risks forming part of the Board Assurance Framework.

Progress on managing the above in 2020/21 is likely to be variably impacted by Covid-19.

Internal Audit

Internal Audit work was commissioned to review the adequacy of controls and assurances in place via a comprehensive audit programme. There were 27 finalised reports during 2019/20 with:

- 2 high assurance opinions
- 20 significant assurance opinions

- 4 limited assurance opinions
- 1 advisory report

There have been no 'No Assurance' reports this year. Four internal audits received limited assurance relating to governance in the medical division, ensuring all patient correspondence is received by GPs, estates managed expenditure for minor works and end of life care.

All reports where an opinion is provided have recommendations, with an action plan in place to address these recommendations and a target date set until all actions are completed. This is monitored by the Audit and Risk Committee.

External Audit

External audit provides independent assurance on the accounts, annual report and Annual Governance Statement.

These documents and internal and external audits of specific areas of internal control provide the Board of Directors with the information it requires to gain assurance that the Trust is meeting its objectives to protect patients, staff, the public and other stakeholders against risks of any kind, which allows the Board to support me in signing this Annual Governance Statement.

COMPLIANCE STATEMENTS

Care Quality Commission Compliance

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). Assurance on compliance with CQC requirements is achieved through the governance structure with regular reports regarding CQC provided to both the Quality Committee and the Board.

A well-led inspection completed by the Care Quality Commission (CQC) in April 2018 focussed on the Trust's integrated governance and leadership across quality, finance, operations, organisational culture, improvement and systems working. These are consistent with the well-led framework from NHS England and NHS Improvement. The Trust received an improved overall rating of "good" by the CQC, with a "requires improvement" rating for Use of Resources. The Quality Committee oversees the Trust's progress with recommendations arising from the CQC well-led inspection report, with Use of Resources also reviewed by the Finance and Performance Committee.

With regard to the NHS England and NHS Improvement well-led framework, the "good rating" from the well-led inspection and progression of the actions from the CQC inspection support the Trust in improving the governance of quality. During the latter half of 2019/20 the Trust commissioned an external well-led development governance review which will continue into 2020/21.

Register of Interests

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.

Compliance with NHS pension scheme regulations

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.

Compliance with equality, diversity and human rights legislation

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

Climate change and Adaptation Reporting requirements under the Climate Change Act 2008

Calderdale and Huddersfield Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections (UKCP18). The Trust ensures that its obligations under the Climate Change Act 2008 and Adaptation Reporting requirements are complied with.

Information governance

The reporting and management of both data and security risks are supported by ensuring that all employees of the Trust are reminded of their data security responsibilities through education and awareness. Over 95% of staff members completed updated information governance staff training in 2019/20. Regular reminders and lessons learned are shared through staff communications, including where identified as a requirement following local incident reviews and risk assessments.

In addition to mandatory staff training, a range of measures is used to manage and mitigate information risks, including, physical security, data encryption, access controls, audit trail monitoring, departmental checklists and spot checks. In addition, a comprehensive assessment of information security is taken annually as part of the Data Security and Security and Protection Toolkit and further assurance is provided from internal audit and other reviews. The effectiveness of these measures is reported to the Information Governance and Records Strategy Committee. This includes details of any personal data-related Serious Incidents, the Trust's annual Data Security and Security and Protection Toolkit compliance and reports of other information governance incidents and audit reviews.

All Trust laptops and USB data sticks issued to and used by staff are encrypted to protect the Trust IT systems from malware and cyber-attack. A password policy has been written which introduces stronger controls around the complexity and frequency of change of passwords, which conforms to national recommended standards.

Robust information governance is extremely important to the Trust. The Trust uses NHS Digital's Data Security and Protection toolkit framework to assist in the identification of risks and weakness in relation to its information assets, including the systems and media used in processing and storing of information. The existing

framework is used for the process of identification, analysis, treatment and evaluation of potential and actual information governance risks, with risks being recorded on the relevant divisional or corporate risk register.

In accordance with the Information Asset Identification Project, a centralised major information asset register is in place which supports the role of the Trust's Information Asset Owners who report to the Senior Information Risk Owner (SIRO). Any concerns identified through the registration and management of the Information Assets will be pursued through the recognised and accepted managerial line. Failure to deal with a concern through that route will be taken up by the SIRO with the appropriate Information Asset Owner within the Trust.

The Trust's SIRO supported by information asset owners, is responsible for the information risk programme within the Trust and works closely with the Caldicott Guardian. Information Governance risks are managed in accordance with compliance with the standards contained within the Data Security and Protection Toolkit, and, where appropriate, recorded on the Corporate Risk Register. Detailed scrutiny of Information Governance risks is undertaken through the Information Governance and Records Strategy Committee Group, which reports to the Audit and Risk Committee. The Governance, Risk and Compliance Group and The Health Informatics Executive Board receive ad-hoc reports when a significant issue is identified.

The Caldicott Guardian is responsible for protecting the confidentiality of patient and service-user information and enabling appropriate information-sharing. The Guardian plays a key role in ensuring that the NHS, Councils with Social Services responsibilities and partner organisations satisfy the highest practicable standards for handling patient identifiable information.

The Trust's Data Protection Officer (DPO) is the point of contact for the public and Information Commissioner's Office (ICO). The DPO is in place to inform the organisation and its employees of their obligations under the data protection regime and monitors compliance with the law, including conducting audits and advising on data protection impact assessments.

The Chief Executive has overall responsibility for all aspects of information management, including security and governance, and is accountable to the Board of Directors. All Board members received training on cyber security during the year.

The organisation is continuing with significant areas of work to ensure that systems and processes are in place to meet the DPA 2018 requirements as well as communicating what it means for staff and patients. The organisation has significant assurance regarding compliance to the regulations.

There have been two Information Commissioner's Officer (ICO) reportable incidents in the last 12 months both reported in November 2019. The first related to the loss of personal data (paper record) and the second inappropriate access to personal data. Both incidents have been closed by the ICO and Trust and mitigation/lessons learned are in place.

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

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

- Put in place systems to set, review and implement strategic and operational objectives;
- A programme management office to oversee the development and implementation of robust cost improvement plans;
- Monitored and improved organisational performance; and
- Developed engagement processes with patients, staff, members and other stakeholders to ensure key messages about services are received and acted upon.

Role of the Board

For 2019/20 the Trust produced an annual operational plan and supporting detailed financial plan which the Board approved and submitted to NHS England and NHS Improvement and detailed reports to the Board on these were provided. For 2020/21 operational planning arrangements have been suspended due to Covid-19

The Trust has quality improvement arrangements in place to ensure that resources are deployed effectively.

The Board agrees annually a set of strategic objectives which are communicated to colleagues. This provides the basis for appraisals at all levels. The Board keeps operational performance and delivery against the objectives under constant review through scrutiny at each meeting of the Integrated Performance Report covering patient safety, quality, access and experience metrics in addition to a finance performance report. In addition, detailed review of the quality aspects of the Integrated Performance Report is undertaken each month by the Quality Committee. Additional financial scrutiny is also provided by the Finance and Performance Committee each month. The Trust's Workforce Committee provides more detailed scrutiny and assurance on workforce.

The resources of the Trust are managed through various measures, including a governance structure at Executive Management level and below, divisional performance review meetings, a robust budgetary control system and the consistent application of internal financial controls and effective procurement and tendering procedures. During 2019/20 all budget holders were required to undertake specific finance training to support them to 'manage our money'.

The resource and financial governance arrangements are further supported by both internal and external audit to secure economic, efficient and effective use of the resources the Trust has at its disposal. Assurances on the operation of controls are commissioned and reviewed by the Audit and Risk Committee and, where appropriate, the Quality Committee or other sub-committees of the Board of Directors as part of their annual cycle of business. The implementation of recommendations made by Internal Audit is overseen by the Audit and Risk Committee.

The Trust uses internal and external auditors to support governance arrangements to deliver economic, effective and efficient use of resources and ensure that controls are effective. External auditors carry out the audit of financial systems and comment

specifically on the use of resources and going concern in their reports for the Audit and Risk Committee. The Head of Internal Audit Opinion provided a significant assurance on the Trust's system of internal control and the work of the internal auditors is reviewed by the relevant Committee and the Audit and Risk Committee.

Review of effectiveness

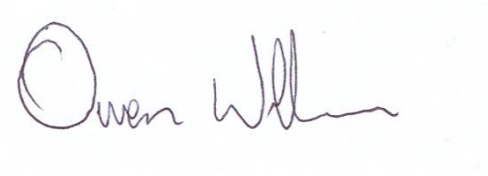
As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of 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 and Risk Committee and the Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is further informed by external audit, in particular the ISA260 audit completion report produced by our external auditor.

Conclusion

This Annual Governance Statement requires me to consider whether there are any significant internal control issues facing the Trust. Risks and challenges regarding the Covid-19 pandemic are identified above and the Trust has an internal control environment in place to manage the Covid-19 pandemic in line with national guidance.

I am assured that Calderdale and Huddersfield NHS Foundation Trust has an overall sound system of internal controls in place and that no significant internal control issues have been identified.



Dr Owen Williams, OBE
Chief Executive
16 June 2020

Independent auditor's report

to the Council of Governors of Calderdale and Huddersfield NHS Foundation Trust

. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Calderdale and Huddersfield NHS Foundation Trust ("the Trust") for the year ended 31 March 2020 which comprise the Group and Trust Statements of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion:

— the financial statements give a true and fair view of the state of the Group and the Trust's affairs as at 31 March 2020 and of the Group and Trust's income and expenditure for the year then ended; and

— the Group and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care Group Accounting Manual 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group and Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview	
Materiality: Group financial statements as a whole	£6.6mm (2019:£6.6m) 1.7% (2019: 1.8%) of total group revenue

Risks of material misstatement		vs 2019
Recurring risks	Valuation of land and buildings	◀▶
	Recognition of income from patient care activities	◀▶
	Accrued expenditure recognition	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Going concern is a significant key audit matter and is described in section 2 of our report. In arriving at our audit opinion above, the other key audit matters, in decreasing order of audit significance, were as follows:

	The risk	Our response
Valuation of land and buildings Land and buildings (£132.9 million; 2018/19: £136.0 million) *Refer to note 1.9 (accounting policy) and note 18 (financial disclosures – Annual Accounts).*	**Subjective valuation:** Land and buildings are required to be maintained at up to date estimates of year- end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC).of a modern equivalent asset that has the same service potential as the existing property (MEA). The Trust's accounting policy requires an annual review for impairment, a periodic desk top valuation (usually every three years) and a full valuation (usually in five yearly intervals). When considering the cost to build a replacement asset the Trust may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic. The valuation is undertaken by an external expert engaged by the Trust, using construction indices and so accurate records of the current estate are required. Valuations are inherently judgmental. There is a risk that the methodology, assumptions and underlying data, are not appropriate or correctly applied. The Trust last had a full valuation at 1 April 2018. An interim desktop valuation was performed as at 31 March 2020. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. **Accounting Treatment** There is a risk that the valuation is not applied to the financial statement balances appropriately to recognise the valuation gains and impairment losses in line with the requirements of the Department of Health Group Accounting Manual 2019/20. **Disclosure Quality** There is a risk that uncertainties expressed by the Trust's valuer around the impact of the Covid-19 pandemic on market-based valuations of land and buildings have not been appropriately disclosed.	Our procedures included: — **Assessing valuer's credentials**: We assessed the competence, capability, objectivity and independence of the Trust's external valuer and considered the information provided to the Trust in 2019/20 for consistency with the requirements of the DHSC Group Accounting Manual; — **Test of detail:** We critically assessed the Trust's formal consideration of indications of impairment and surplus assets within its estate, including the process undertaken. — **Test of detail:** We tested the accuracy of the estate base data provided to the valuer to complete the desktop valuation to ensure it accurately reflected the Trust's estate. — **Methodology choice:** We critically assessed the assumptions used in preparing the desktop valuation of the Trust's land and buildings to ensure they were appropriate. — **Accounting analysis:** We undertook work to understand the basis upon which any movements in the valuation of land and buildings had been classified and treated in the financial statements and determined whether they had complied with the requirements of the DHSC Group Accounting Manual 2019/20. — **Assessing transparency**: We considered the adequacy of disclosures made around the uncertainty caused by the Covid-19 pandemic on market data used to underpin the valuer's assumptions, and management's consideration of these factors when arriving at the year-end valuation figures. — We assessed whether the disclosures made were in line with the requirements of the DHSC Group Accounting Manual 2019/20, supplemented by additional guidance issued by NHS Improvement in April 2020.

2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Recognition of income from patient care activities Income from activities (£435.1 million; 2018/19: £368.8 million) *Refer to note 1.4 (accounting policy) and notes 3 and 4 (financial disclosures – Annual Accounts)*	**Subjective estimate** The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners. The Trust participates in the national Agreement of Balances (AoB) exercise for the purpose of ensuring that intra-NHS balances are eliminated on the consolidation of the Department of Health's resource accounts. The AoB exercise identifies mismatches between income and expenditure and receivable and payable balances recognised by the Trust and its commissioners, which will be resolved after the date of approval of these financial statements. Mis-matches can occur for a number of reasons, but the most significant arise were: — the Trust and Commissioners record different accruals for completed periods of healthcare which have not yet been invoiced; or — income relating to partially completed period of healthcare is apportioned across the financial years and the Commissioners and the Trust make different apportionment assumptions. Where there is a lack of agreement, mis-matches can also be classified as formal disputes as set out in the relevant contract. Other material non-NHS income relates to non-patient care services to other bodies and sales of manufactured pharmaceutical products. There is a risk that this income is recorded in the incorrect period.	Our procedures included: — **Test of detail:** We compared the actual income for the Trust's most significant commissioners against the block contracts agreed at the start of the year and checked the validity of any significant variations between the actual income and the contract via agreement to appropriate third party confirmations; — **Test of detail:** We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant income recorded in the Trust's financial statements to the expenditure balances recorded within the accounts of Commissioners. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising income from Commissioners; — **Test of detail:** We considered the impact of any identified audit adjustments on the delivery of the Trust's control total and reconciled the year-end performance to the original plan to understand any deviations. — **Test of detail**: We inspected all material items of income in the March and April 2020 cashbooks and evaluated whether these had been accounted for correctly by reference to when the service had been delivered.

2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Accrued expenditure recognition Trade and other payables (£50.6 million; 2018/19: £38.8 million) Provisions (£4.0 million; 2018/19: £2.8 million) *Refer note 1.7, 1.15 (accounting policy) and note 30 and 35 (financial disclosures –Annual Accounts)*	**Effects of irregularities** As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Trust may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures. This risk does not apply to all expenditure in the period. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of creditors and accrued non-pay expenditure at year-end, as well as the completeness of the recognition of provisions or the inappropriate release of existing provisions.	Our procedures included: – **Test of detail:** We inspected all material items of expenditure in the March and April 2020 cashbooks and evaluated whether these had been accounted for correctly by reference to when the service had been delivered; – **Test of detail:** We inspected all material items of expenditure in the April 2020 bank statements to identify if there were any unrecorded liabilities that should have been accounted for in the 2019/20 financial statements; – **Test of detail:** We vouched a sample of individual accruals to supporting documentation to confirm the method of calculation and to confirm inclusion in the correct period; – **Test of detail:** We considered the completeness of provisions based on our cumulative knowledge of the Trust and inquiries with Directors. We considered whether there were events that would require a contingent liability disclosure in the accounts. We also considered the appropriateness of releases of provisions made in year by critically assessing the justification for the release against the relevant accounting standards; – **Test of detail:** We vouched a sample of journals posted before and after the year end to supporting documentation to confirm inclusion in the correct period and to critically assess whether any manual adjustments to expenditure were appropriate; – **Test of detail:** We vouched a sample of creditor balances to supporting documentation and post year-end cash payments to agree the correct treatment as a payable at year-end; and — **Test of detail:** We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within the accounts of other providers and other bodies within the AoB boundary. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure to other providers and other bodies within the AoB boundary.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £6.6 million (2019: £6.6 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.7%) (2019: 1.9%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

Materiality for the parent Trust's financial statements as a whole was set at £6.6 million (2019: £6.6 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.7%) (2019: 1.8%).

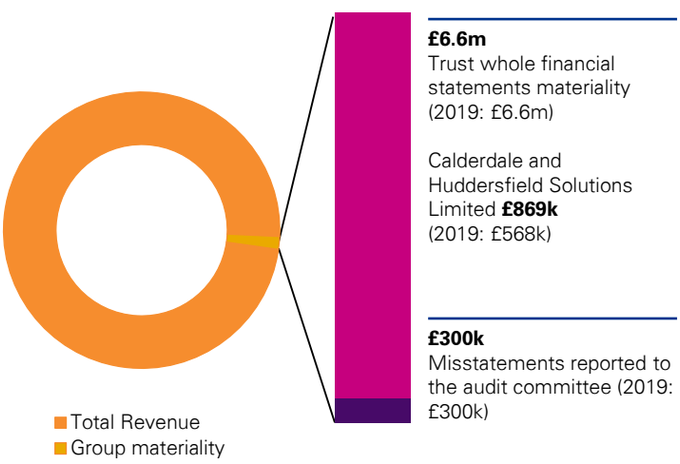
We agreed to report to the Audit and Risk Committee any corrected and uncorrected identified misstatements exceeding £300 thousand (2019:(£300 thousand), in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group's only component was subject to full scope audit for group purposes.

Our audit of the Trust was undertaken to the materiality level specified above and was all performed remotely.

Total revenue
£435m (2019: £369m)

Group Materiality
£6.6m (2019: £6.6m)



£6.6m
Trust whole financial statements materiality (2019: £6.6m)

Calderdale and Huddersfield Solutions Limited **£869k** (2019: £568k)

£300k
Misstatements reported to the audit committee (2019: £300k)

4. We have nothing to report on going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group or the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Trust's business model, including the impact of, and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Trust's available financial resources over this period was the availability and extent of temporary revenue and capital support from DHSC to enable it to meet liabilities. This is in the context of changes to the cash and capital regime published by DHSC in April 2020 alongside revised arrangements for NHS contracting and payment applicable for part of the 2020/21 year and published in March and May 2020.

As this was the risk that could potentially cast significant doubt on the Trust's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Trust's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these changes individually and collectively and evaluated the achievability of the actions the Accounting Officer consider they would take to improve the position should the risk materialise.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

Corporate governance disclosures

We are required to report to you if:

— we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or

— the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

— the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 104, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

— any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.

— any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

Our conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources is qualified

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources..

Qualified conclusion

Subject to the matters outlined in the basis for qualified conclusion paragraph below we are satisfied that in all significant respects Calderdale and Huddersfield NHS Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2020.

Basis for qualified conclusion

The Trust's outturn position for 2019/20 was a deficit of £338,000, after support funding of £38.3m. Whilst the Trust has identified efficiency schemes that will support the achievement of the Trust's short-term financial plans, as agreed with NHSI, it is unable to deliver a sustainable breakeven position without the need for further support from the DHSC.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources..

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in April 2020, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risk identified during our risk assessment is set out overleaf together with the findings from the work we carried out.

KPMG

Significant Risk	Description	Work carried out and judgements
Financial Resilience	Due to a combination of regulatory scrutiny and significant financial challenge in the sector and locally across the health economy, we undertook a detailed review of the Trust's arrangements for planning its finances effectively to support the sustainable delivery of strategic priorities and the maintenance of its statutory functions.	Our work included: — Performing an analysis of the Trust's forecast position against plan; — Considering the core assumptions in the Trust's 2020/21 Annual Plan submission; — Considering the extent to which recurrent cost improvement schemes were achieved in 2019/20 and identified for 2020/21; and — Reviewing the number of material contracts with commissioners which had been agreed for 2020/21 and the supporting risk analysis as reported to the Board. Our findings on this risk area: The Trust reported a deficit of £338,000 for 2019/20. This was supported by various support funding of £38.3m from the Department of Health and Social Care (DHSC). The current 2020/21 forecasts show a planned £27m deficit position. This has been agreed with NHSI. Delivery of this planned deficit enables the Trust to access £27 million of Financial Recovery Funding. Contracts with the Trust's main Commissioners, Calderdale CCG and NHS Greater Huddersfield CCG have not yet been signed due to the pandemic COVID-19 and the DHSC has confirmed continued block income until July 2020. Whilst the Trust continues to identify efficiency schemes that will support the achievement of the Trust's short-term financial plans, its long-term plans are not yet sufficiently progressed to achieve an underlying break-even position in the foreseeable future without additional support from the DHSC. This is evidence of weaknesses in the Trust's arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintaining statutory functions

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Calderdale and Huddersfield NHS Foundation Trust for the year ended 31 March 2020 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

Clare Partridge
for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants
1 Sovereign Square, Leeds, LS1 4DW
23 June 2020

KPMG

4. Annual Accounts 2019/20

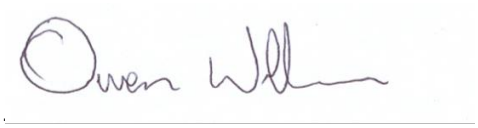
Calderdale & Huddersfield NHS Foundation Trust

Annual accounts for the year ended 31 March 2020

Foreword to the accounts

Calderdale & Huddersfield NHS Foundation Trust

These accounts, for the year ended 31 March 2020, have been prepared by Calderdale & Huddersfield NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed 

Owen Willimas (Chief Executive)

Date **16th June 2020**

Consolidated Statement of Comprehensive Income

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	352,102	328,604	351,852	328,652
*Other operating income	4	82,954	40,157	83,464	45,524
Operating expenses	7, 9	(421,219)	(425,126)	(421,262)	(430,212)
Operating surplus/(deficit) from continuing operations		**13,837**	**(56,365)**	**14,054**	**(56,036)**
Finance income	12	122	95	3,898	2,392
Finance expenses	13	(14,676)	(13,720)	(19,249)	(16,509)
PDC dividends payable		-	-	-	-
Net finance costs		**(14,554)**	**(13,625)**	**(15,350)**	**(14,117)**
Other gains / (losses)	14	488	(0)	488	(0)
Share of profit / (losses) of associates / joint arrangements	22	-	405	-	405
Corporation tax expense		(109)	(30)	-	-
Surplus / (deficit) for the year from continuing operations		**(338)**	**(69,614)**	**(808)**	**(69,748)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	15	**-**	**-**	**-**	**-**
****Surplus / (deficit) for the year**		**(338)**	**(69,614)**	**(808)**	**(69,748)**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	8	(393)	(36,491)	(393)	(36,491)
Revaluations	21	-	4,602	-	4,602
Share of comprehensive income from associates and joint ventures	22	-	-	-	-
Fair value gains / (losses) on equity instruments designated at fair value through OCI	23	-	-	-	-
Other recognised gains and losses		-	-	-	-
Other reserve movements		-	-	-	-
May be reclassified to income and expenditure when certain conditions are met:					
Fair value gains/(losses) on financial assets mandated at fair value through OCI	23	-	-	-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	14	-	-	-	-
Foreign exchange gains / (losses) recognised directly in OCI		-	-	-	-
Total comprehensive income / (expense) for the period		**(732)**	**(101,504)**	**(1,202)**	**(101,638)**
Surplus/ (deficit) for the period attributable to:					
Non-controlling interest, and		-	-	-	-
Calderdale & Huddersfield NHS Foundation Trust		(338)	(69,614)	(808)	(69,748)
TOTAL		**(338)**	**(69,614)**	**(808)**	**(69,748)**
Total comprehensive income/ (expense) for the period attributable to:					
Non-controlling interest, and		-	-	-	-
Calderdale & Huddersfield NHS Foundation Trust		(732)	(101,504)	(1,202)	(101,638)
TOTAL		**(732)**	**(101,504)**	**(1,202)**	**(101,638)**
Adjusted financial performance (control total basis):					
Surplus / (deficit) for the period		(338)	(69,614)	(808)	(69,748)
Remove impact of consolidating NHS charitable fund		0	-	808	69,748
Remove net impairments not scoring to the Departmental expenditure limit		453	26,510	453	26,510
Remove (gains) / losses on transfers by absorption		-	-	-	-
Remove I&E impact of capital grants and donations		(65)	65	(65)	65
Prior period adjustments		-	-	-	-
Remove non-cash element of on-SoFP pension costs		-	-	-	-
Remove 2018/19 post audit PSF reallocation (2019/20 only)		-	-	-	-
Adjusted financial performance surplus / (deficit)		**50**	**(43,040)**	**388**	**26,575**

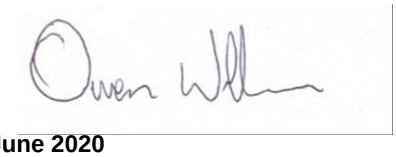
* Other operating income for 19/20 includes £38.322m of Sustainability and Transformation Fund income, the Trust did not receive any in 18/19

** The surplus / (deficit) for 19/20 includes £0.453m impairments; for 18/19 this was £65.510m of impairments.

Statements of Financial Position

		Group		Trust	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	17	8,526	8,124	8,526	8,124
Property, plant and equipment	19	162,001	160,007	161,711	159,738
Investments in associates and joint ventures	22	4,162	4,162	4,162	4,162
Other investments / financial assets	23	-	-	2,543	3,500
Receivables	26	4,045	2,984	66,462	68,844
Other assets	27	-	-	-	-
Total non-current assets		**178,733**	**175,276**	**243,404**	**244,367**
Current assets					
Inventories	25	6,509	6,615	4,832	5,480
Receivables	26	40,879	18,945	47,798	26,141
Other investments / financial assets	23	4,000	-	4,967	936
Other assets	27	-	-	-	-
Non-current assets held for sale	28	1,114	1,798	1,114	1,798
Cash and cash equivalents	29	9,289	2,036	7,655	1,785
Total current assets		**61,791**	**29,393**	**66,366**	**36,140**
Current liabilities					
Trade and other payables	30	(50,589)	(38,778)	(50,831)	(41,403)
Borrowings	32	(145,564)	(44,461)	(152,224)	(48,322)
Other financial liabilities	33	-	-	-	-
Provisions	35	(2,546)	(1,213)	(2,546)	(1,213)
Other liabilities	31	(3,304)	(2,040)	(3,304)	(1,992)
Liabilities in disposal groups	28	-	-	-	-
Total current liabilities		**(202,003)**	**(86,493)**	**(208,904)**	**(92,933)**
Total assets less current liabilities		**38,521**	**118,177**	**100,866**	**187,575**
Non-current liabilities					
Trade and other payables	30	(29)	(43)	(109)	(43)
Borrowings	32	(90,787)	(174,895)	(153,657)	(244,427)
Other financial liabilities	33	-	-	-	-
Provisions	35	(1,487)	(1,622)	(1,487)	(1,622)
Other liabilities	31	(1,027)	(1,063)	(1,027)	(1,063)
Total non-current liabilities		**(93,330)**	**(177,623)**	**(156,280)**	**(247,155)**
Total assets employed		**(54,809)**	**(59,446)**	**(55,414)**	**(59,580)**
Financed by					
Public dividend capital		122,410	117,042	122,410	117,042
Revaluation reserve		5,321	7,243	5,321	7,243
Financial assets reserve		-	-	-	-
Other reserves		-	-	-	-
Merger reserve		-	-	-	-
Income and expenditure reserve		(182,540)	(183,732)	(183,145)	(183,866)
Non-controlling Interest		-	-	-	-
Total taxpayers' equity		**(54,809)**	**(59,446)**	**(55,414)**	**(59,580)**

The notes 1- 42 on the folowwing pages form part of these accounts.



Owen Williams
Chief Executive
Date **16th June 2020**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Non-controlling interest	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**117,042**	**7,243**	**(183,732)**	**-**	**(59,446)**
Surplus/(deficit) for the year	-	-	(338)	-	**(338)**
Other transfers between reserves	-	(186)	186	-	**-**
Impairments	-	(393)	-	-	**(393)**
Transfer to retained earnings on disposal of assets	-	(1,343)	1,343	-	**-**
Public dividend capital received	5,368	-	-	-	**5,368**
Taxpayers' and others' equity at 31 March 2020	**122,410**	**5,321**	**(182,540)**	**-**	**(54,809)**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Non-controlling interest	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**116,190**	**39,310**	**(114,124)**	**-**	**41,376**
Impact of implementing IFRS 15 on 1 April 2018	**-**	**-**	**(155)**	**-**	**(155)**
Impact of implementing IFRS 9 on 1 April 2018	**-**	**-**	**(15)**	**-**	**(15)**
Surplus/(deficit) for the year	**-**	**-**	**(69,614)**	**-**	**(69,614)**
Other transfers between reserves	-	(177)	177	-	**-**
Impairments	-	(36,491)	-	-	**(36,491)**
Revaluations	-	4,602	-	-	**4,602**
Public dividend capital received	852	-	-	-	**852**
Taxpayers' and others' equity at 31 March 2019	**117,042**	**7,243**	**(183,732)**	**-**	**(59,446)**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**117,042**	**7,243**	**(183,866)**	**(59,580)**
Surplus/(deficit) for the year	-	-	(808)	**(808)**
Other transfers between reserves	-	(186)	186	**-**
Impairments	-	(393)	-	**(393)**
Transfer to retained earnings on disposal of assets	-	(1,343)	1,343	**-**
Public dividend capital received	5,368	-	-	**5,368**
Taxpayers' and others' equity at 31 March 2020	**122,410**	**5,321**	**(183,145)**	**(55,414)**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**116,190**	**39,310**	**(114,124)**	**41,376**
Impact of implementing IFRS 15 on 1 April 2018	-	-	(155)	**(155)**
Impact of implementing IFRS 9 on 1 April 2018	-	-	(15)	**(15)**
Surplus/(deficit) for the year	-	-	(69,748)	**(69,748)**
Other transfers between reserves	**-**	**(177)**	**177**	**-**
Impairments	-	(36,491)	-	**(36,491)**
Revaluations	-	4,602	-	**4,602**
Public dividend capital received	852	-	-	**852**
Taxpayers' and others' equity at 31 March 2019	**117,042**	**7,243**	**(183,866)**	**(59,580)**

Information on reserves

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

Statements of Cash Flows

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus / (deficit)		13,837	(56,365)	14,054	(56,036)
Non-cash income and expense:					
Depreciation and amortisation	7.1	10,103	8,861	10,058	8,835
Net impairments	8	453	26,510	453	26,510
Income recognised in respect of capital donations	4	(141)	(31)	(141)	(31)
Amortisation of PFI deferred credit		-	-	-	-
Non-cash movements in on-SoFP pension liability		-	-	-	-
(Increase) / decrease in receivables and other assets		(22,996)	4,503	(19,276)	(68,554)
(Increase) / decrease in inventories		106	221	648	1,356
Increase / (decrease) in payables and other liabilities		8,079	372	5,825	2,948
Increase / (decrease) in provisions		1,196	(367)	1,196	(367)
Movements in charitable fund working capital		-	-	-	-
Tax (paid) / received		(109)	(30)	-	-
Other movements in operating cash flows		-	-	(4)	-
Net cash flows from / (used in) operating activities		**10,528**	**(16,327)**	**12,813**	**(85,339)**
Cash flows from investing activities					
Interest received		122	95	3,901	2,392
Purchase and sale of financial assets / investments		-	-	924	-
Purchase of intangible assets		(1,568)	(1,714)	(1,568)	(1,714)
Sales of intangible assets		-	-	-	-
Purchase of PPE and investment property		(9,196)	(8,252)	(9,131)	(8,252)
Sales of PPE and investment property		3,537	-	3,537	296
Receipt of cash donations to purchase assets		141	31	141	31
Net cash flows from / (used in) investing activities		**(6,964)**	**(9,839)**	**(2,197)**	**(7,246)**
Cash flows from financing activities					
Public dividend capital received		5,368	852	5,368	852
Public dividend capital repaid		-	-	-	-
Movement on loans from DHSC		18,654	40,290	18,654	40,290
Movement on other loans		-	-	-	-
Other capital receipts		-	-	-	-
Capital element of finance lease rental payments		(8)	(1)	(3,871)	(2,132)
Capital element of PFI, LIFT and other service concession payments		(1,698)	(1,609)	(1,698)	(1,609)
Interest on loans		(3,086)	(2,067)	(3,086)	(2,067)
Other interest		(6)	(9)	(6)	(9)
Interest paid on finance lease liabilities		-	-	(4,573)	(2,790)
Interest paid on PFI, LIFT and other service concession obligations		(11,535)	(11,386)	(11,535)	(11,386)
PDC dividend (paid) / refunded		-	132	-	132
Cash flows from (used in) other financing activities		(4,000)	-	(4,000)	71,090
Net cash flows from / (used in) financing activities		**3,689**	**26,202**	**(4,747)**	**92,371**
Increase / (decrease) in cash and cash equivalents		**7,253**	**36**	**5,869**	**(215)**
Cash and cash equivalents at 1 April - brought forward		**2,036**	**2,000**	**1,785**	**2,000**
Prior period adjustments			-		
Cash and cash equivalents at 1 April - restated		**2,036**	**2,000**	**1,785**	**2,000**
Cash and cash equivalents at 31 March	29	**9,289**	**2,036**	**7,655**	**1,785**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Accounting convention

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

Note 1.2 Going concern

The accounting concept of Going Concern refers to the basis on which an organisation's assets and liabilities are recorded and included in the accounts. If an organisation is a going concern, it is expected to operate indefinitely and not go out of business or liquidate its assets in the foreseeable future.

Under International Financial Reporting Standards, management are required to assess, as part of the accounts process, the NHS Foundation Trust's ability to continue as a going concern. The financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS Foundation Trust without the transfer of services to another entity, or has no realistic alternative but to do so.

The Trust Board has assessed various sources of information in order to determine whether it is appropriate to prepare the accounts on a going concern basis. These include both internal and external reporting, the Trust's long term financial plan, audit reports and dialogue with NHS Improvement.

Given the underlying deficit position, the challenge within the financial plans for 2020/21 and the additional management and financial pressure of dealing with the Covid-19 situation, further areas require consideration to be able to demonstrate that the Trust is a going concern.

The following has been taken into account:
-The year-end financial position was in line with the year-end forecast agreed with the regulator. Whilst still representing a deficit position prior to non-recurrent central support through Provider Sustainability Funding (PSF) and Financial Recovery Funding (FRF); this secures a level of confidence from NHS Improvement in the Trust's financial management.
-The Trust is supported by loan funding from the Department of Health and Social Care with a balance totalling £163.601m at 31 March 2020.
-The Trust closed the year with £9.289m of cash and is planning for a breakeven position in 2020/21 with the support of FRF which relies in part upon delivery of financial expectations by the whole Integrated Care System (ICS).
-On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £141m are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Trust.
-The Clinical Commissioning Groups continue to buy services from the Trust and contracts with main commissioners were agreed in March 2019 for business as usual expectations. These have been overridden in the immediate term through the Covid-19 emergency period by fixed value payments from all commissioners, alongside nationally calculated top-up payments and funding of genuine and reasonable additional expenditure relating to Covid-19. This combined incoming cash along with the receipt of FRF will allow the Trust to meet all its obligations and liabilities.
-From Internal Audit reports completed in 2019/20 there have been no other indications of significant financial risk or weaknesses in financial risk management. Amended financial governance specifically linked to managing Covid-19 was approved by the Audit and Risk Committee in April 2020.
-In 2019/20 a Cost Improvement Programme (CIP) of £11m was delivered. A project management office is in place which ensures that the CIP plans are robust and oversees their delivery. The programme methodology is built around a gateway approach for project design, development and delivery that includes a rigorous quality and equality impact assessment review. Delivery of the business as usual 2020/21 financial plan requires an efficiency saving of a further £14m. The national emergency financial measures in place through the Covid-19 period will compensate for the Trust's inability to deliver the savings as planned.

There is a reasonable expectation that Calderdale and Huddersfield NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. As with any Trust placing reliance on the DHSC for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on these indications the directors believe that it remains appropriate to prepare the accounts on a going concern basis.

Note 1.3 Consolidation
Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

NHS Charitable Funds
The trust is the corporate trustee to Calderdale and Huddersfield NHS Foundation Trust charitable fund. The trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The trust has assessed that the values involved are not of a material nature and the Board of Directors has approved and agreed not to consolidate the charitable funds.

Other subsidiaries
The trust has a wholly owned subsidiary company, Calderdale and Huddersfield Solutions (CHS) Ltd. The function of the company is to provide a managed health care facility to the trust.

CHS Ltd. commenced trading on 1 September 2018. The year end for the company is 31 March to align with the Trust.

Joint ventures
Joint ventures are arrangements in which the trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

Note 1.4 Revenue from contracts with customers

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

Revenue from NHS contracts

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

Under the Payment by Results pricing system the Trust does not receive income where a patient is readmitted within 30 days of discharge from a previous planned stay. This is considered an additional performance obligation to be satisfied under the original transaction price.

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

In 2019/20 the Trust agreed an Aligned Incentive Contract with its two main commissioners NHS Calderdale CCG and NHS Greater Huddersfield CCG. This contract is at a fixed value, including an agreed readmissions deduction and CQUIN value. The contract included agreed activity thresholds for review. In light of the fixed value nature of this contract agreement no adjustment has been made for incomplete spells for patients relating to these commissioners. In addition, based on national guidance, the Trust agreed fixed block values for the closure of the year end contracts for 2019/20 due to the Covid-19 situation. Again, based on these agreements no adjustments have been made for incomplete spells for other commisioners with whom the Trust holds contracts.

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

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

Note 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.

Other Income

Other income for non patient care services is accounted for in the period in which the specific service is delivered. Where income is received for an activity to be delivered in a subsequent financial year that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Note 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 Schemes

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.

Note 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.

Note 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.

Note 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.

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 and also for the HRI site as any construction would be completed by Calderdale and Huddersfield Solutions under a managed service contract making the cost also recoverable for VAT.

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.

A full on-site valuation was carried out as at 1st April 2018. A desktop revaluation was undertaken as at 31 March 2020. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

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' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

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 all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

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

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

Donated and grant funded assets

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

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

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

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	15	84
Dwellings	15	80
Plant & machinery	5	15
Transport equipment	7	7
Information technology	5	8
Furniture & fittings	5	10

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

Note 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. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

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, e.g. 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	5
Development expenditure	-	-
Websites	-	-
Software licences	5	5
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.The cost valuation is considered to be a reasonable approximation to a fair value due to the high turnover of stock.

Note 1.12 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.

Note 1.13 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.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income as a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

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).

Expected credit losses are determined by using the aging of debt as a means of determining the likelihood of receipt of payment. All Non NHS receivables over 90 days are provided in full and specific high risk debt categories over 30 days are provided in full. Debt in relation to other NHS bodies is not recognised in expected credit losses.

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 derecognised 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 derecognised when the obligation is discharged, cancelled or expires.

Note 1.14 Leases

The trust as a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as 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.

Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020:

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

		Inflation rate

Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 35.3 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.

Note 1.16 Contingencies

Note 1.17 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated and grant funded assets,
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the “pre-audit” version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.18 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.

Note 1.19 Corporation tax

Calderdale and Huddersfield Solutions Ltd. Is a wholly owned subsidiary of Calderdale and Huddersfield NHS Foundation Trust and is subject to corporation tax on its profits.

Note 1.20 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.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

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.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.21 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*.

Note 1.22 Losses and special payments
Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way 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.

Note 1.23 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.

Note 1.24 Early adoption of standards, amendments and interpretations

Note 1.25 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty around expected leasing activity from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Other standards, amendments and interpretations

As required by IAS 8, the Trust declares the following other standards, amendments and interpretations have been issued but are not yet effective or adopted for the public sector. IFRS 14: Applies to first time adoptors of IFRS after 1 January 2016, therefore not appliccable to the Trust. IFRS17 Insurance Contracts: Application required for accounting periods beginning on or after 1 January 2023 but not yet adopted by the FReM, early adoption is not therefore permitted.

Note 1.26 Critical judgements in applying accounting policies

The preparation of the financial information , in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of income and expenses and of assets and liabilities. The estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under all the circumstances. Actual results may vary from these estimates. The estimates and assumptions are reviewed on an on-going bases. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision of future periods, if the revision affects both the current and future periods.

Note 1.27 Sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 18.1

The revaluation of the hospital has been carried out by Cushman Wakefield, who have applied the modern equivalent asset valuation. This approach assumes that the asset would be replaced with a modern equivalent, not a building of identical design. The modern equivalent may well be smaller than the existing asset, for example due to technological advances in plant and machinery or reduced operational use.

The valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 (‘Red Book’), the valuer has declared a ‘material valuation uncertainty’ in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The valuer states ' As at the valuation date, we consider that we can attach less weight to previous market evidence and published build cost information for comparison purposes, to inform opinions of value. Indeed, the current response to COVID 19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.'

The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Note 2 Operating Segments

The Foundation Trust's core activities fall under the remit of the Chief Operating Decision Maker ("CODM") as defined by IFRS 8 'Operating Segments', which has been determined to be the Foundation Trust Board which includes senior professional non-executive directors. These core activities are primarily the provision of specialist NHS healthcare, the income for which is received through contracts with commissioners. The planned level of activity is agreed with our main commissioners for the year, and are listed in the related party disclosures (see Note 42).

Healthcare

The large majority of the Foundation Trust's income originates with the UK Whole of Government Accounting (WGA) bodies. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust together with the related supplies and overheads needed to establish this production. The business activities which earn revenue and incur expenses are therefore of one broad combined nature and therefore a segment of 'Healthcare' is deemed appropriate.

The operating results of the Foundation Trust are reviewed monthly or more frequently by the Trust's chief operating decision maker which is the overall Foundation Trust Board. The Trust Board reviews the financial position of the Trust as a whole in their decision making process, rather than individual components included in the totals, in terms of allocating resources. This process again implies a distinct operating segment under IFRS8.

The finance report considered monthly by the Trust Board contains summary figures for the whole Trust together with graphical line and bar charts relating to different total income activity levels, and directorate expense budgets with their cost improvement positions. Similarly only total balance sheet positions and cash flow forecasts are considered for the whole Foundation Trust. The Board as chief operating decision maker therefore only considers this segment of healthcare in its decision-making process.

	Group Healthcare			Trust Healthcare	
	2019/20 £000	**2018/19 £000**		**2019/20 £000**	**2018/19 £000**
Income	**435,056**	**368,761**	Income	**435,316**	**374,176**
Surplus / (Deficit)	**(338)**	**(69,614)**	Surplus / (Deficit)	**(808)**	**(69,748)**
Net Liabilities	**(54,809)**	**(59,446)**	Net Liabilities	**(55,414)**	**(59,580)**

Note 3 Operating income from patient care activities (Group)

Note 3.1 Income from patient care activities (by nature)	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Acute services				
Elective income	44,969	42,309	44,969	42,309
Non elective income	109,335	102,450	109,335	102,450
First outpatient income	19,719	19,952	19,719	19,952
Follow up outpatient income	24,125	23,221	24,125	23,221
A & E income	22,458	19,138	22,458	19,138
*High cost drugs income from commissioners	23,511	21,179	23,511	21,179
**Other NHS clinical income	64,186	64,276	64,186	64,324
Community services				
Community services income from CCGs and NHS England	26,687	24,827	26,687	24,827
Income from other sources (e.g. local authorities)	-	-	-	-
All services				
Private patient income	924	1,126	924	1,126
***Agenda for Change pay award central funding	-	3,780	-	3,780
****Additional pension contribution central funding	10,354	-	10,354	-
**Other clinical income	5,834	6,346	5,584	6,346
Total income from activities	**352,102**	**328,604**	**351,852**	**328,652**

* Due to a change in reporting guidance in 2019/20 High cost drugs income from commissioners the 2018/19 numbers have been restated for comparability purposes. £21.114m has been reclassified from Other NHS clinical income to High Cost drugs income from commissioners.

**Other NHS Clinical Income and Other Clinical Income includes income for services with a National Tariff including: Direct access and outpatient diagnostic imaging £6m, maternity pathways £10.4m and Chemotherapy £2m. It also includes income for service without a National Tariff including: critical care £7.8m, rehabilitation £3m, direct access pathology tests £8m, rehabilitation £3.1m, block funding covering a range of services £19m and CQUIN £3.6m. Other income covers Local Authority funded services £2.2m, provision of services to Independent Sector and Hospices £2.2m, provider to provider services £1m and Injury Cost Recovery income £1.7m.

***Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.

****The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
Income from patient care activities received from:	£000	£000	£000	£000
NHS England	42,516	28,571	42,516	28,571
Clinical commissioning groups	301,414	287,617	301,414	287,617
Department of Health and Social Care	-	3,780	-	3,780
Other NHS providers	1,085	665	1,085	665
NHS other	-	-	-	-
Local authorities	2,257	2,614	2,257	2,614
Non-NHS: private patients	924	1,126	924	1,126
Non-NHS: overseas patients (chargeable to patient)	133	270	133	270
Injury cost recovery scheme	1,732	1,945	1,732	1,945
Non NHS: other	2,041	2,016	1,791	2,064
Total income from activities	**352,102**	**328,604**	**351,852**	**328,652**
Of which:				
Related to continuing operations	352,102	328,604	351,852	328,652
Related to discontinued operations	-	-	-	-

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

	Group and Trust	
	2019/20	2018/19
	£000	£000
Income recognised this year	133	270
Cash payments received in-year	199	20
Amounts added to provision for impairment of receivables	473	229
Amounts written off in-year	55	-

Note 4 Other operating income (Group)

	Group 2019/20			Group 2018/19			Trust 2019/20			Trust 2018/19		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Research and development	1,051	-	**1,051**	1,354	-	**1,354**	1,051	-	**1,051**	1,354	-	**1,354**
Education and training	12,260	490	**12,750**	10,889	305	**11,195**	12,263	490	**12,753**	10,889	305	**11,195**
*Non-patient care services to other bodies	10,889	-	**10,889**	10,427	-	**10,427**	10,866		**10,866**	10,416		**10,416**
Provider sustainability fund (PSF)	4,765	-	**4,765**	-	-	**-**	4,765		**4,765**	-		**-**
Financial recovery fund (FRF)	27,410	-	**27,410**	-	-	**-**	27,410		**27,410**			
Marginal rate emergency tariff funding (MRET)	6,147	-	**6,147**	-	-	**-**	6,147		**6,147**			
Income in respect of employee benefits accounted on a gross basis	-	-	**-**	-	-	**-**	-		**-**	-		**-**
Receipt of capital grants and donations	-	141	**141**	-	31	**31**		141	**141**		31	**31**
Charitable and other contributions to expenditure	-	282	**282**	-	388	**388**		282	**282**		388	**388**
Support from the Department of Health and Social Care for mergers	-	-	**-**	-	-	**-**		-	**-**		-	**-**
Rental revenue from finance leases	-	-	**-**	-	-	**-**		-	**-**		-	**-**
Rental revenue from operating leases	-	395	**395**	-	442	**442**		66	**66**		285	**285**
Amortisation of PFI deferred income / credits	-	-	**-**	-	-	**-**		-	**-**		-	**-**
Charitable fund incoming resources	-	-	**-**	-	-	**-**		-	**-**		-	**-**
**Other income	19,125	-	**19,125**	16,118	203	**16,320**	19,983	-	**19,983**	21,653	203	**21,855**
Total other operating income	**81,647**	**1,307**	**82,954**	**38,788**	**1,369**	**40,157**	**82,486**	**978**	**83,464**	**44,312**	**1,212**	**45,524**
Of which:												
Related to continuing operations			**82,954**			**40,157**			**83,464**			**45,524**
Related to discontinued operations			**-**			**-**			**-**			**-**

* Non-patient care services to other bodies includes £7.3m income for The Health Informatics Service, for IT services provided to other bodies and £3.414m income for Corporate Services for recharges to other bodies for use of buildings, including £3.25m to SWYPFT for use of the Dales unit.

** Group- Other contract income of £19.125m includes £14.8m sales of manufactured pharmaceutical products, £1.56m car parking income, £0.092m property rental income, £0.667m catering income (In 2018/19 the comparative figures were £11.9m for sale of manufactured in pharmaceutical products, £1.4m car parking income, £0.228m property rental income, £0.4m catering income). Trust - also includes income from the subsidiary.

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period - (Group and Trust)

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	1,272	392
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 5.2 Transaction price allocated to remaining performance obligations

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	£000	£000	£000	£000
within one year	3,305	2,040	3,305	2,040
after one year, not later than five years	447	386	447	386
after five years	579	677	579	677
Total revenue allocated to remaining performance obligations	**4,331**	**3,103**	**4,331**	**3,103**

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 5.3 Income from activities arising from commissioner requested services -(Group)

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2019/20	2018/19
	£000	£000
Income from services designated as commissioner requested services	300,293	284,195
Income from services not designated as commissioner requested services	51,808	44,408
Total	**352,102**	**328,604**

Following a review of commissioner requested services, the 2018/19 numbers have been restated, designated 2018/19 was £316,895, now £284,195 and not designated was £11,798 now £44,408.

Note 5.4 Profits and losses on disposal of property, plant and equipment- (Group and Trust)

The Trust disposed of Property and Equipment in 2019/20 with a profit of £488k (£311k 2018/19)

Note 6.1 Fees and charges (Group and Trust)

The Trust does not have Income from fees and charges levied by the trust where the full cost exceeds £1 million.

Note 7.1 Operating expenses (Group and Trust)	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Purchase of healthcare from NHS and DHSC bodies	2,932	3,819	2,880	3,839
Purchase of healthcare from non-NHS and non-DHSC bodies	1,758	1,311	1,254	1,217
Purchase of social care	-	-	-	-
Staff and executive directors costs	271,488	253,343	261,695	247,667
Remuneration of non-executive directors	151	158	151	158
Supplies and services - clinical (excluding drugs costs)	28,037	28,933	3,621	21,497
Supplies and services - general	2,532	2,555	412	1,372
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	40,316	36,736	40,275	36,723
Inventories written down	-	-	-	-
Consultancy costs	514	206	333	132
Establishment	3,557	3,623	1,878	3,251
Premises	21,516	20,343	62,898	41,746
Transport (including patient travel)	429	481	180	373
Depreciation on property, plant and equipment	8,936	7,861	8,891	7,835
Amortisation on intangible assets	1,167	1,000	1,167	1,000
Net impairments	453	26,510	453	26,510
Movement in credit loss allowance: contract receivables / contract assets	856	716	856	716
Movement in credit loss allowance: all other receivables and investments	-	-	-	-
Increase/(decrease) in other provisions	767	98	767	98
Change in provisions discount rate(s)	84	(25)	84	(25)
Audit fees payable to the external auditor				
audit services- statutory audit	73	65	62	55
other auditor remuneration (external auditor only)	-	12	-	12
Internal audit costs	89	137	89	137
Clinical negligence	15,995	16,130	15,995	16,130
Legal fees	248	779	27	774
Insurance	-	-	-	-
Research and development	13	16	9	14
Education and training	951	1,162	674	994
Rentals under operating leases	3,583	4,202	3,308	4,047
Early retirements	-	-	-	-
Redundancy	-	-	-	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	13,168	12,836	13,168	12,836
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-	-	-
Car parking & security	-	-	-	-
Hospitality	-	15	-	15
Losses, ex gratia & special payments	-	-	-	-
Grossing up consortium arrangements	-	-	-	-
Other services, eg external payroll	-	-	-	-
Other NHS charitable fund resources expended	-	-	-	-
Other	1,607	2,105	136	1,089
Total	**421,219**	**425,126**	**421,262**	**430,212**
Of which:				
Related to continuing operations	421,219	425,126	421,262	430,212
Related to discontinued operations	-	-	-	-

Note 7.2 Other auditor remuneration (Group and Trust)

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Other auditor remuneration paid to the external auditor:				
1. Audit of accounts of any associate of the trust	-	-	-	-
2. Audit-related assurance services	-	12	-	12
3. Taxation compliance services	-	-	-	-
4. All taxation advisory services not falling within item 3 above	-	-	-	-
5. Internal audit services	-	-	-	-
6. All assurance services not falling within items 1 to 5	-	-	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-	-	-
Total	**-**	**12**	**-**	**12**

Note 7.3 Limitation on auditor's liability (Group and Trust)

There is no limitation on auditor's liability for external audit work carried out for the financial years 2019/20 or 2018/19.

Note 8 Impairment of assets (Groupand Trust)

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Net impairments charged to operating surplus / deficit resulting from:				
Loss or damage from normal operations	-	-	-	-
Over specification of assets	-	-	-	-
Abandonment of assets in course of construction	-	-	-	-
Unforeseen obsolescence	-	-	-	-
Loss as a result of catastrophe	-	-	-	-
Changes in market price	453	26,510	453	26,510
Impairments of charitable fund assets	-	-	-	-
Other	-	-	-	-
Total net impairments charged to operating surplus / deficit	**453**	**26,510**	**453**	**26,510**
Impairments charged to the revaluation reserve	393	36,491	393	36,491
Total net impairments	**846**	**63,001**	**846**	**63,001**

The impairments and reversal of impairments charged to operating costs and the revaluation reserve are due to changes in market values and all relates to Land Buildings and Dwellings.

Note 9 Employee benefits (Group and Trust)

	Group		Trust	
	2019/20 Total £000	2018/19 Total £000	2019/20 Total £000	2018/19 Total £000
Salaries and wages	209,180	198,250	200,953	193,542
Social security costs	19,393	18,288	18,796	17,938
Apprenticeship levy	490	946	464	938
Employer's contributions to NHS pensions	35,521	23,729	34,590	23,148
*Pension cost - other	75	39	62	39
Other post employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Temporary staff (including agency)	7,096	12,489	7,096	12,459
NHS charitable funds staff	-	-	-	-
Total gross staff costs	**271,754**	**253,740**	**261,962**	**248,063**
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	**271,754**	**253,740**	**261,962**	**248,063**
Of which				
Costs capitalised as part of assets	267	397	267	397

* The 2018/19 numbers for Group and Trust have been restated was £4k is now £39k this was a movement between Pension Cost other Salaries and Wages of £35k.

Note 9.1 Retirements due to ill-health (Group)

During 2019/20 there were 2 early retirements from the trust agreed on the grounds of ill-health (5 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £124k (£401k in 2018/19).

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

Note 10 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 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Other Pension costs

The Foundation Trust Group offers an additional defined contribution workplace pension scheme, the National Employment Savings Scheme (NEST) for those staff ineligible to contribute to the NHS Pension.

The cost to the Foundation Trust of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

Note 11 Operating leases (Group)

Note 11.1 Calderdale & Huddersfield NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Calderdale & Huddersfield NHS Foundation Trust is the lessor.

The lease revenue is for property leased to other organisations

	Group		Trust	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Operating lease revenue				
Minimum lease receipts	394	434	65	277
Contingent rent	1	8	1	8
Other	-	-	-	-
Total	**395**	**442**	**66**	**285**

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Future minimum lease receipts due:				
- not later than one year;	389	350	389	81
- later than one year and not later than five years;	794	979	794	286
- later than five years.	1,076	1,382	1,076	133
Total	**2,259**	**2,711**	**2,259**	**500**

Note 11.2 Calderdale & Huddersfield NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Calderdale & Huddersfield NHS Foundation Trust is the lessee.

	Group		Trust	
	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
Operating lease expense				
Minimum lease payments	3,589	4,212	3,314	4,057
Contingent rents	-	-	-	-
Less sublease payments received	(6)	(10)	(6)	(10)
Total	**3,583**	**4,202**	**3,308**	**4,047**

	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Future minimum lease payments due:				
- not later than one year;	3,041	2,959	3,041	2,870
- later than one year and not later than five years;	8,039	7,500	8,039	7,465
- later than five years.	15,442	15,049	15,442	15,041
Total	**26,522**	**25,508**	**26,522**	**25,375**
Future minimum sublease payments to be received	(27)	(40)	(27)	(40)

Of the operating lease expenditure £1.9m is for the leasing of buildings (£1.9m 2018/19), £1.7m is for the leasing of plant and machinery (£2.2m 2018/19).

Note 12 Finance income (Group)

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Interest on bank accounts	122	95	122	95
Interest income on finance leases	-	-	3,776	2,297
Interest on other investments / financial assets	-	-	-	-
NHS charitable fund investment income	-	-	-	-
Other finance income	-	-	-	-
Total finance income	**122**	**95**	**3,898**	**2,392**

Note 13.1 Finance expenditure (Group)

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

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Interest expense:				
Loans from the Department of Health and Social Care	3,134	2,324	3,134	2,324
Other loans	-	-	-	-
Overdrafts	-	-	-	-
Finance leases	-	-	4,573	2,790
Interest on late payment of commercial debt	6	9	6	9
Main finance costs on PFI and LIFT schemes obligations	6,333	6,470	6,333	6,470
Contingent finance costs on PFI and LIFT scheme obligations	5,202	4,916	5,202	4,916
Total interest expense	**14,674**	**13,719**	**19,247**	**16,509**
Unwinding of discount on provisions	1	1	1	1
Other finance costs	-	-	-	-
Total finance costs	**14,676**	**13,720**	**19,249**	**16,509**

Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-	-	-
Amounts included within interest payable arising from claims made under this legislation	6	9	6	9
Compensation paid to cover debt recovery costs under this legislation	-	-	-	-

Note 14 Other gains / (losses) (Group)

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Gains on disposal of assets	488	-	488	-
Losses on disposal of assets	-	(0)	-	(0)
Gains / losses on disposal of charitable fund assets	-	-	-	-
Total gains / (losses) on disposal of assets	**488**	**(0)**	**488**	**(0)**
Gains / (losses) on foreign exchange	-	-	-	-
Fair value gains / (losses) on investment properties	-	-	-	-
Fair value gains / (losses) on financial assets / investments	-	-	-	-
Fair value gains / (losses) on charitable fund investments & investment properties	-	-	-	-
Fair value gains / (losses) on financial liabilities	-	-	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-	-	-
Other gains / (losses)	-	-	-	-
Total other gains / (losses)	**488**	**(0)**	**488**	**(0)**

The Trust had no discontinued operations to disclose in 2019/20 or 2018/19.

Note 16.1 Intangible assets - 2019/20

	Software licences	Internally generated information technology	Intangible assets under construction	Other (purchased)	Charitable fund intangible assets	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**709**	**10,419**	**300**	**-**	**-**	**11,428**
Transfers by absorption	-	-	-	-	-	**-**
Additions	-	428	1,140	-	-	**1,568**
Impairments	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	(455)	(610)	-	-	-	**(1,065)**
Valuation / gross cost at 31 March 2020	**254**	**10,237**	**1,440**	**-**	**-**	**11,930**
Amortisation at 1 April 2019 - brought forward	**649**	**2,655**	**-**	**-**	**-**	**3,304**
Transfers by absorption	-	-	-	-	-	**-**
Provided during the year	15	1,152	-	-	-	**1,167**
Impairments	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	(455)	(610)	-	-	-	**(1,065)**
Amortisation at 31 March 2020	**208**	**3,197**	**-**	**-**	**-**	**3,405**
Net book value at 31 March 2020	**46**	**7,040**	**1,440**	**-**	**-**	**8,526**
Net book value at 1 April 2019	**60**	**7,764**	**300**	**-**	**-**	**8,124**

Note 16.2 Intangible assets - 2018/19

Group	Software licences	Internally generated information technology	Intangible assets under construction	Other (purchased)	Charitable fund intangible assets	Total
	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**709**	**9,005**	**-**	**-**	**-**	**9,714**
Transfers by absorption	-	-	-	-	-	**-**
Additions	-	1,414	300	-	-	**1,714**
Impairments	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	**-**
Valuation / gross cost at 31 March 2019	**709**	**10,419**	**300**	**-**	**-**	**11,428**
Amortisation at 1 April 2018 - as previously stated	**634**	**1,670**	**-**	**-**	**-**	**2,304**
Transfers by absorption	-	-	-	-	-	**-**
Provided during the year	15	985	-	-	-	**1,000**
Impairments	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	-	**-**
Amortisation at 31 March 2019	**649**	**2,655**	**-**	**-**	**-**	**3,304**
Net book value at 31 March 2019	**60**	**7,764**	**300**	**-**	**-**	**8,124**
Net book value at 1 April 2018	**75**	**7,335**	**-**	**-**	**-**	**7,410**

Note 17.1 Intangible assets - 2019/20

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**709**	**10,419**	**300**	**11,428**
Transfers by absorption	-	-	-	-
Additions	-	428	1,140	1,568
Impairments	-	-	-	-
Reversals of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disposals / derecognition	(455)	(610)	-	(1,065)
Valuation / gross cost at 31 March 2020	**254**	**10,237**	**1,440**	**11,930**
Amortisation at 1 April 2019 - brought forward	**649**	**2,655**	**-**	**3,304**
Transfers by absorption	-	-	-	**-**
Provided during the year	15	1,152	-	**1,167**
Impairments	-	-	-	**-**
Reversals of impairments	-	-	-	**-**
Revaluations	-	-	-	**-**
Reclassifications	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	**-**
Disposals / derecognition	(455)	(610)	-	**(1,065)**
Amortisation at 31 March 2020	**208**	**3,197**	**-**	**3,405**
Net book value at 31 March 2020	**46**	**7,040**	**1,440**	**8,526**
Net book value at 1 April 2019	**60**	**7,764**	**300**	**8,124**

Note 17.2 Intangible assets - 2018/19

Trust	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**709**	**9,005**	**-**	**9,714**
Transfers by absorption	-	-	-	**-**
Additions	-	1,414	300	**1,714**
Impairments	-	-	-	**-**
Reversals of impairments	-	-	-	**-**
Revaluations	-	-	-	**-**
Reclassifications	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	**-**
Disposals / derecognition	-	-	-	**-**
Valuation / gross cost at 31 March 2019	**709**	**10,419**	**300**	**11,428**
Amortisation at 1 April 2018 - as previously stated	**634**	**1,670**	**-**	**2,304**
Transfers by absorption	-	-	-	**-**
Provided during the year	15	985	-	**1,000**
Impairments	-	-	-	**-**
Reversals of impairments	-	-	-	**-**
Revaluations	-	-	-	**-**
Reclassifications	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	**-**
Disposals / derecognition	-	-	-	**-**
Amortisation at 31 March 2019	**649**	**2,655**	**-**	**3,304**
Net book value at 31 March 2019	**60**	**7,764**	**300**	**8,124**
Net book value at 1 April 2018	**75**	**7,335**	**-**	**7,410**

Note 18.1 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**10,077**	**124,936**	**1,000**	**1,219**	**32,543**	**70**	**38,691**	**1,924**	**-**	**210,458**
Transfers by absorption	-	-	-	-	-	-	-	-	-	**-**
Additions	53	3,890	-	3,309	3,284	15	3,220	369	-	**14,140**
Impairments	(49)	(2,557)	(110)	-	-	-	-	-	-	**(2,715)**
Reversals of impairments	-	958	11	-	-	-	-	-	-	**969**
Revaluations	-	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	(1,089)	1,089	-	-	-	-	**-**
Transfers to / from assets held for sale	(681)	(477)	(306)	-	-	-	-	-	-	**(1,464)**
Disposals / derecognition	-	-	-	-	(93)	-	(9,933)	-	-	**(10,026)**
Valuation/gross cost at 31 March 2020	**9,400**	**126,750**	**595**	**3,439**	**36,823**	**85**	**31,978**	**2,293**	**-**	**211,362**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**0**	**(0)**	**-**	**23,024**	**54**	**25,721**	**1,653**	**-**	**50,451**
Transfers by absorption	-	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	3,869	21	-	1,865	6	3,132	43	-	**8,936**
Impairments	-	(0)	-	-	-	-	-	-	-	**(0)**
Reversals of impairments	-	-	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(93)	-	(9,933)	-	-	**(10,026)**
Accumulated depreciation at 31 March 2020	**-**	**3,870**	**20**	**-**	**24,797**	**59**	**18,919**	**1,696**	**-**	**49,361**
Net book value at 31 March 2020	**9,400**	**122,880**	**574**	**3,439**	**12,026**	**26**	**13,058**	**598**	**-**	**162,001**
Net book value at 1 April 2019	**10,077**	**124,935**	**1,000**	**1,219**	**9,518**	**16**	**12,970**	**272**	**-**	**160,007**

Note 18.2 Property, plant and equipment - 2018/19

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**31,991**	**159,322**	**1,815**	**439**	**31,903**	**70**	**38,418**	**1,924**	**-**	**265,882**
Prior period adjustments	-	-	-	-	-	-	-	-	-	**-**
Valuation / gross cost at 1 April 2018 - restated	**31,991**	**159,322**	**1,815**	**439**	**31,903**	**70**	**38,418**	**1,924**	**-**	**265,882**
Transfers by absorption	-	-	-	-	-	-	-	-	-	**-**
Additions	-	4,021	-	780	1,461	-	273	-	-	**6,534**
Impairments	(22,014)	(43,850)	(884)	-	-	-	-	-	-	**(66,748)**
Reversals of impairments	100	3,647	-	-	-	-	-	-	-	**3,747**
Revaluations	-	1,795	69	-	-	-	-	-	-	**1,864**
Reclassifications	-	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(821)	-	-	-	-	**(821)**
Valuation/gross cost at 31 March 2019	**10,077**	**124,936**	**1,000**	**1,219**	**32,543**	**70**	**38,691**	**1,924**	**-**	**210,458**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**-**	**-**	**-**	**22,102**	**48**	**22,396**	**1,602**	**-**	**46,148**
Prior period adjustments	-	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 1 April 2018 - restated	**-**	**-**	**-**	**-**	**22,102**	**48**	**22,396**	**1,602**	**-**	**46,148**
Transfers by absorption	-	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	2,714	24	-	1,743	6	3,325	51	-	**7,861**
Impairments	-	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	-	**-**
Revaluations	-	(2,714)	(24)	-	-	-	-	-	-	**(2,738)**
Reclassifications	-	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(820)	-	-	-	-	**(820)**
Accumulated depreciation at 31 March 2019	**-**	**0**	**(0)**	**-**	**23,024**	**54**	**25,721**	**1,653**	**-**	**50,451**
Net book value at 31 March 2019	**10,077**	**124,935**	**1,000**	**1,219**	**9,518**	**16**	**12,970**	**272**	**-**	**160,007**
Net book value at 1 April 2018	**31,991**	**159,322**	**1,815**	**439**	**9,801**	**22**	**16,022**	**322**	**-**	**219,734**

Note 18.3 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020										
Owned - purchased	9,400	56,195	574	3,439	11,757	26	13,042	598	-	**95,031**
Finance leased	-	-	-	-	48	-	-	-	-	**48**
On-SoFP PFI contracts and other service concession arrangements	-	65,779	-	-	-	-	-	-	-	**65,779**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	-	-	-	**-**
Owned - donated	-	906	-	-	222	-	16	-	-	**1,144**
NBV total at 31 March 2020	**9,400**	**122,880**	**574**	**3,439**	**12,026**	**26**	**13,058**	**598**	**-**	**162,001**

Note 18.4 Property, plant and equipment financing - 2018/19

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019										
Owned - purchased	9,731	57,583	1,000	1,219	9,318	16	12,944	272	-	**92,082**
Finance leased	346	-	-	-	59	-	-	-	-	**405**
On-SoFP PFI contracts and other service concession arrangements	-	66,442	-	-	-	-	-	-	-	**66,442**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	-	-	-	**-**
Owned - donated	-	911	-	-	141	-	26	-	-	**1,078**
NBV total at 31 March 2019	**10,077**	**124,935**	**1,000**	**1,219**	**9,518**	**16**	**12,970**	**272**	**-**	**160,007**

Note 19.1 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**10,077**	**124,936**	**1,000**	**1,219**	**32,232**	**31**	**38,631**	**1,917**	**210,042**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	53	3,890	-	3,309	3,234	-	3,220	369	**14,075**
Impairments	(49)	(2,557)	(110)	-	-	-	-	-	**(2,715)**
Reversals of impairments	-	958	11	-	-	-	-	-	**969**
Revaluations	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	(1,089)	1,089	-	-	-	**-**
Transfers to / from assets held for sale	(681)	(477)	(306)	-	-	-	-	-	**(1,464)**
Disposals / derecognition	-	-	-	-	(93)	-	(9,933)	-	**(10,026)**
Valuation/gross cost at 31 March 2020	**9,400**	**126,750**	**595**	**3,439**	**36,463**	**31**	**31,918**	**2,286**	**210,880**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**0**	**(0)**	**-**	**22,924**	**31**	**25,697**	**1,652**	**50,304**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	3,869	21	-	1,838	-	3,120	43	**8,891**
Impairments	-	(0)	-	-	-	-	-	-	**(0)**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(93)	-	(9,933)	-	**(10,026)**
Accumulated depreciation at 31 March 2020	**-**	**3,870**	**20**	**-**	**24,669**	**31**	**18,883**	**1,695**	**49,169**
Net book value at 31 March 2020	**9,400**	**122,880**	**574**	**3,439**	**11,793**	**0**	**13,034**	**591**	**161,711**
Net book value at 1 April 2019	**10,077**	**124,935**	**1,000**	**1,219**	**9,308**	**0**	**12,934**	**265**	**159,738**

Note 19.2 Property, plant and equipment - 2018/19

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**31,991**	**159,322**	**1,815**	**439**	**31,903**	**70**	**38,418**	**1,924**	**265,882**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Valuation / gross cost at 1 April 2018 - restated	**31,991**	**159,322**	**1,815**	**439**	**31,903**	**70**	**38,418**	**1,924**	**265,882**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	4,021	-	780	1,461	-	273	-	**6,534**
Impairments	(22,014)	(43,850)	(884)	-	-	-	-	-	**(66,748)**
Reversals of impairments	100	3,647	-	-	-	-	-	-	**3,747**
Revaluations	-	1,795	69	-	-	-	-	-	**1,864**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(1,131)	(39)	(60)	(7)	**(1,237)**
Valuation/gross cost at 31 March 2019	**10,077**	**124,936**	**1,000**	**1,219**	**32,232**	**31**	**38,631**	**1,917**	**210,042**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**-**	**-**	**-**	**22,102**	**48**	**22,396**	**1,602**	**46,148**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	2,714	24	-	1,727	2	3,318	50	**7,835**
Impairments	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	(2,714)	(24)	-	-	-	-	-	**(2,738)**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(905)	(20)	(17)	(0)	**(942)**
Accumulated depreciation at 31 March 2019	**-**	**0**	**(0)**	**-**	**22,924**	**31**	**25,697**	**1,652**	**50,304**
Net book value at 31 March 2019	**10,077**	**124,935**	**1,000**	**1,219**	**9,308**	**0**	**12,934**	**265**	**159,738**
Net book value at 1 April 2018	**31,991**	**159,322**	**1,815**	**439**	**9,801**	**22**	**16,022**	**322**	**219,734**

Note 19.3 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020									
Owned - purchased	9,400	56,195	574	3,439	11,524	0	13,018	591	**94,741**
Finance leased	-	-	-	-	48	-	-	-	**48**
On-SoFP PFI contracts and other service concession arrangements	-	65,779	-	-	-	-	-	-	**65,779**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	-	-	**-**
Owned - donated	-	906	-	-	222	-	16	-	**1,144**
NBV total at 31 March 2020	**9,400**	**122,880**	**574**	**3,439**	**11,793**	**0**	**13,034**	**591**	**161,711**

Note 19.4 Property, plant and equipment financing - 2018/19

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	9,731	3,531	420	1,219	5,114	0	12,908	265	**33,187**
Finance leased	346	54,645	580	-	4,106	-	-	-	**59,677**
On-SoFP PFI contracts and other service concession arrangements	-	66,442	-	-	-	-	-	-	**66,442**
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	-	-	**-**
Owned - donated	-	318	-	-	88	-	26	-	**432**
NBV total at 31 March 2019	**10,077**	**124,935**	**1,000**	**1,219**	**9,308**	**0**	**12,934**	**265**	**159,738**

Note 20 Donations of property, plant and equipment

Note 21 Revaluations of property, plant and equipment

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.

All 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.

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.

A full on-site valuation was carried out as at 1st April 2018. A desktop revaluation was undertaken as at 31 March 2020. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institure of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Note 22 Investments in associates and joint ventures

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	**4,162**	**3,757**	**4,162**	**3,757**
Transfers by absorption	-	-	-	-
Acquisitions in year	-	-	-	-
Share of profit / (loss)	-	405	-	405
Net impairments	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Disbursements / dividends received	-	-	-	-
Disposals	-	-	-	-
Share of Other Comprehensive Income	-	-	-	-
Other equity movements	-	-	-	-
Carrying value at 31 March	**4,162**	**4,162**	**4,162**	**4,162**

Note 23 Other investments / financial assets (non-current)

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	**-**	**-**	**3,500**	**-**
Impact of implementing IFRS 9 on 1 April 2018		-		-
Transfers by absorption	-	-	-	-
Acquisitions in year	-	-	-	3,500
Movement in fair value through income and expenditure	-	-	-	-
Movement in fair value through OCI	-	-	-	-
Net impairments	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-
Amortisation at the effective interest rate	-	-	-	-
Current portion of loans receivable transferred to current financial assets	-	-	(957)	-
Disposals	-	-	-	-
Carrying value at 31 March	**-**	**-**	**2,543**	**3,500**

Note 23.1 Other investments / financial assets (current)

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Loans receivable within 12 months transferred from non-current financial assets	-	-	957	-
Deposits with the National Loans Fund	-	-	-	-
Other current financial assets	4,000	-	4,010	936
Total current investments / financial assets	**4,000**	**-**	**4,967**	**936**

Note 24 Disclosure of interests in other entities

The Trust entered into a joint venture with Henry Boot Development Ltd on 24th March 2011. This partnership is the Pennine Property Partnership LLP (PPP LLP) and is owned 50/50 by the Trust and Henry Boot Development Ltd.

It developed a new 56,000 sq. ft. healthcare facility following the exchange of a pre-let agreement with the Trust to operate the building.

The development involved the substantial reconstruction and refurbishment of an existing derelict stone mill, known as Acre Mill, and now provides a range of modern outpatient facilities. The facility has been in use since the end of January 2015.

The Pennine Property Partnership LLP's principal place of business is within the UK.

The Trust has used the equity accounting method.

There are no contingent liabilities of the JV for which the Trust is jointly and contingently liable.

The JV has no capital commitments.

Disclosure of aggregate amounts for assets and liabilities of jointly controlled operations	**2019/20**	**2018/19**
	£000	**£000**
Non current assets	14,843	14,243
Current assets	7,757	1,127
Total assets	**22,600**	**15,370**
Current liabilities	(7,733)	(194)
Non current liabilities	(6,545)	(6,600)
Total liabilities	**(14,278)**	**(6,794)**
Net Assets Attributable to members	**8,322**	**8,576**
Operating income	6,690	674
Operating expenses	(7,198)	(228)
Fair Value revaluation Gain	608	364
Surplus /(deficit) for the year	**100**	**810**

Note 25 Inventories

	Group		**Trust**	
	31 March 2020	**31 March 2019**	**31 March 2020**	**31 March 2019**
	£000	**£000**	**£000**	**£000**
Drugs	2,292	2,558	1,750	2,558
Work In progress	344	309	344	309
Consumables	3,873	3,748	2,738	2,613
Energy	-	-	-	-
Other	-	-	-	-
Charitable fund inventory	-	-	-	-
Total inventories	**6,509**	**6,615**	**4,832**	**5,480**
of which:				
Held at fair value less costs to sell	-	-	-	-

Inventories recognised in expenses for the year were £69,818k (2018/19: £65,678k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 26.1 Receivables

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current				
Contract receivables	34,271	15,093	38,845	18,941
Contract assets	-	-	-	-
Capital receivables	79	79	79	79
Allowance for impaired contract receivables / assets	(1,713)	(1,304)	(1,713)	(1,304)
Allowance for other impaired receivables	-	-	-	-
Deposits and advances	-	-	-	-
Prepayments (non-PFI)	3,310	1,669	2,124	1,345
PFI prepayments - capital contributions	-	-	-	-
PFI lifecycle prepayments	-	-	-	-
Interest receivable	-	-	-	-
Finance lease receivables	-	-	3,443	3,263
PDC dividend receivable	-	-	-	-
VAT receivable	4,931	3,407	5,020	3,817
Corporation and other taxes receivable	-	-	-	-
Other receivables	-	-	-	-
NHS charitable funds receivables	-	-	-	-
Total current receivables	**40,879**	**18,945**	**47,798**	**26,141**
Non-current				
Contract receivables	3,334	2,098	3,334	2,098
Contract assets	-	-	-	-
Capital receivables	1,437	1,516	1,437	1,516
Allowance for impaired contract receivables / assets	(726)	(630)	(726)	(630)
Allowance for other impaired receivables	-	-	-	-
Deposits and advances	-	-	-	-
Prepayments (non-PFI)	-	-	-	-
PFI prepayments - capital contributions	-	-	-	-
PFI lifecycle prepayments	-	-	-	-
Interest receivable	-	-	-	-
Finance lease receivables	-	-	62,417	65,860
VAT receivable	-	-	-	-
Corporation and other taxes receivable	-	-	-	-
Other receivables	-	-	-	-
NHS charitable funds receivables	-	-	-	-
Total non-current receivables	**4,045**	**2,984**	**66,462**	**68,844**
Of which receivable from NHS and DHSC group bodies:				
Current	27,763	8,915	27,763	8,915
Non-current	-	-	-	-

Note 26.2 Allowances for credit losses - 2019/20

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2019 - brought forward	**1,934**	**-**	**1,934**	**-**
Transfers by absorption	**-**	**-**	**-**	**-**
New allowances arising	856	-	856	-
Changes in existing allowances	-	-	-	-
Reversals of allowances	-	-	-	-
Utilisation of allowances (write offs)	(351)	-	(351)	-
Changes arising following modification of contractual cash flows	-	-	-	-
Foreign exchange and other changes	-	-	-	-
Allowances as at 31 Mar 2020	**2,439**	**-**	**2,439**	**-**

Note 26.3 Allowances for credit losses - 2018/19

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2018 - as previously stated	**-**	**999**	**-**	**999**
Prior period adjustments	**-**	**-**	**-**	**-**
Allowances as at 1 Apr 2018 - restated	**-**	**999**	**-**	**999**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	1,578	(999)	1,578	(999)
Transfers by absorption	-	-	-	-
New allowances arising	716	-	716	-
Changes in existing allowances	-	-	-	-
Reversals of allowances	-	-	-	-
Utilisation of allowances (write offs)	(360)	-	(360)	-
Changes arising following modification of contractual cash flows	-	-	-	-
Foreign exchange and other changes	-	-	-	-
Allowances as at 31 Mar 2019	**1,934**	**-**	**1,934**	**-**

Note 27 Other assets

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Current	**£000**	**£000**	**£000**	**£000**
EU emissions trading scheme allowance	-	-	-	-
Other assets	-	-	-	-
Total other current assets	**-**	**-**	**-**	**-**
Non-current				
Net defined benefit pension scheme asset	-	-	-	-
Other assets	-	-	-	-
Total other non-current assets	**-**	**-**	**-**	**-**

Note 28 Non-current assets held for sale and assets in disposal groups

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**1,798**	**1,798**	**1,798**	**1,798**
Prior period adjustment	-	**-**		**-**
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	**1,798**	**1,798**	**1,798**	**1,798**
Transfers by absorption	-	-	-	-
Assets classified as available for sale in the year	1,464	-	1,464	-
Assets sold in year	(3,048)	-	(3,048)	-
Impairment of assets held for sale	-	-	-	-
Reversal of impairment of assets held for sale	900	-	900	-
Assets no longer classified as held for sale, for reasons other than disposal by sale	-	-	-	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	**1,114**	**1,798**	**1,114**	**1,798**

The assets classified as held for sale as at 31 March 2020 were three assets of land and buildings namely: Acre House, The Poplars nursery building and 62 Acre Street (GP Surgery).

The Poplars sale had been agreed with the current occupants of the building and the sale completed on 9th April 2020.

At the Board of Directors meeting in January 2016 it was agreed to transfer the St Luke's Hospital (SLH) site to the Pennine Property Partnership (PPP) in line with the agreement in place on the establishment of the PPP 24th March 2011. This transfer happened on 22nd Oct 2019. Also in 19/20 the Trust sold Acre House Avenue on 21st Nov 2019 and Glen Acre House on 31st March 2020 .

Note 28.1 Liabilities in disposal groups

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Categorised as:				
Provisions	-	-	-	-
Trade and other payables	-	-	-	-
Other	-	-	-	-
Total	**-**	**-**	**-**	**-**

Note 29.1 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.

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
At 1 April	**2,036**	**2,000**	**1,785**	**2,000**
Prior period adjustments	-	-	-	-
At 1 April (restated)	**2,036**	**2,000**	**1,785**	**2,000**
Transfers by absorption	-	-	-	-
Net change in year	7,253	36	5,870	(215)
At 31 March	**9,289**	**2,036**	**7,655**	**1,785**
Broken down into:				
Cash at commercial banks and in hand	60	56	60	56
Cash with the Government Banking Service	9,229	1,980	7,595	1,729
Deposits with the National Loan Fund	-	-	-	-
Other current investments	-	-	-	-
Total cash and cash equivalents as in SoFP	**9,289**	**2,036**	**7,655**	**1,785**
Bank overdrafts (GBS and commercial banks)	-	-	-	-
Drawdown in committed facility	-	-	-	-
Total cash and cash equivalents as in SoCF	**9,289**	**2,036**	**7,655**	**1,785**

Note 29.2 Third party assets held by the trust

Calderdale & Huddersfield NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March 2020	31 March 2019
	£000	£000
Bank balances	0	3
Monies on deposit	8	7
Total third party assets	**8**	**10**

Note 30.1 Trade and other payables

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Current				
Trade payables	17,046	11,013	11,896	9,024
Capital payables	7,945	3,000	7,945	3,000
Accruals	16,658	14,903	25,717	21,891
Receipts in advance and payments on account	-	-	-	-
PFI lifecycle replacement received in advance	-	-	-	-
Social security costs	-	-	-	-
VAT payables	109	30	-	-
Other taxes payable	5,410	5,061	5,264	4,919
PDC dividend payable	1	1	1	1
Other payables	3,420	4,770	8	2,569
NHS charitable funds: trade and other payables	-	-	-	-
Total current trade and other payables	**50,589**	**38,778**	**50,831**	**41,403**
Non-current				
Trade payables	-	-	-	-
Capital payables	-	-	-	-
Accruals	-	-	-	-
Receipts in advance and payments on account	-	-	-	-
PFI lifecycle replacement received in advance	-	-	-	-
VAT payables	-	-	-	-
Other taxes payable	-	-	-	-
Other payables	29	43	109	43
NHS charitable funds: trade and other payables	-	-	-	-
Total non-current trade and other payables	**29**	**43**	**109**	**43**
Of which payables from NHS and DHSC group bodies:				
Current	5,605	3,852	5,605	3,852
Non-current	-	-	-	-

Note 30.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

Group and Trust	31 March 2020 £000	31 March 2020 Number	31 March 2019 £000	31 March 2019 Number
- to buy out the liability for early retirements over 5 years	-	-	-	-
- number of cases involved	-	-	-	-

Note 31 Other liabilities

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current				
Deferred income: contract liabilities	3,304	2,040	3,304	1,992
Deferred grants	-	-	-	-
Deferred PFI credits / income	-	-	-	-
Lease incentives	-	-	-	-
Other deferred income	-	-	-	-
NHS charitable funds: other liabilities	-	-	-	-
Total other current liabilities	**3,304**	**2,040**	**3,304**	**1,992**
Non-current				
Deferred income: contract liabilities	1,027	1,063	1,027	1,063
Deferred grants	-	-	-	-
Deferred PFI credits / income	-	-	-	-
Lease incentives	-	-	-	-
Other deferred income	-	-	-	-
NHS charitable funds: other liabilities	-	-	-	-
Net pension scheme liability	-	-	-	-
Total other non-current liabilities	**1,027**	**1,063**	**1,027**	**1,063**

Note 32 Borrowings

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current				
Bank overdrafts	-	-	-	-
Drawdown in committed facility	-	-	-	-
Loans from DHSC	143,723	42,756	143,723	42,756
Other loans	-	-	-	-
Obligations under finance leases	8	8	6,668	3,870
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	1,833	1,697	1,833	1,697
NHS charitable funds: other current borrowings	-	-	-	-
Total current borrowings	**145,564**	**44,461**	**152,224**	**48,323**
Non-current				
Loans from DHSC	19,878	102,144	19,878	102,144
Other loans	-	-	-	-
Obligations under finance leases	41	50	62,911	69,583
Obligations under PFI, LIFT or other service concession contracts	70,868	72,701	70,868	72,701
NHS charitable funds: other current borrowings	-	-	-	-
Total non-current borrowings	**90,787**	**174,895**	**153,657**	**244,427**

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £141m are classified as current liabilities within these financial statements. Normal course of business capital loans still stand as per the original terms.

In 2018/19 the equivalent interim revenue and capital loan funding was split between current and non-current borrowings based upon the repayment profile at that time.

Note 32.1 Reconciliation of liabilities arising from financing activities (Group)

Group - 2019/20	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2019	**144,900**	**-**	**58**	**74,398**	**219,355**
Cash movements:					
Financing cash flows - payments and receipts of principal	18,654	-	(8)	(1,698)	**16,948**
Financing cash flows - payments of interest	(3,086)	-	-	(6,332)	**(9,418)**
Non-cash movements:					
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	-	-	**-**
Application of effective interest rate	3,134	-	-	6,333	**9,466**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2020	**163,601**	**-**	**49**	**72,701**	**236,351**

Group - 2018/19	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2018	**103,860**	**-**	**-**	**76,007**	**179,867**
Cash movements:					
Financing cash flows - payments and receipts of principal	40,290	-	(1)	(1,609)	**38,680**
Financing cash flows - payments of interest	(2,067)	-	-	(6,470)	**(8,537)**
Non-cash movements:					
Impact of implementing IFRS 9 on 1 April 2018	492	-	-	-	**492**
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	59	-	**59**
Application of effective interest rate	2,324	-	-	6,470	**8,794**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2019	**144,900**	**-**	**58**	**74,398**	**219,355**

Note 32.2 Reconciliation of liabilities arising from financing activities

	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2019	**144,900**	**-**	**73,453**	**74,398**	**292,750**
Cash movements:					
Financing cash flows - payments and receipts of principal	18,654	-	(3,871)	(1,698)	**13,085**
Financing cash flows - payments of interest	(3,086)	-	(4,753)	(6,332)	**(14,171)**
Non-cash movements:					**-**
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	-	-	**-**
Application of effective interest rate	3,134	-	4,750	6,333	**14,216**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	-	-	-	-	**-**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2020	**163,601**	**-**	**69,578**	**72,701**	**305,880**

Trust	Loans from DHSC	Other loans	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2018	**103,860**	**-**	**-**	**76,007**	**179,867**
Prior period adjustment	**-**	**-**	**-**	**-**	**-**
Carrying value at 1 April 2018 - restated	**103,860**	**-**	**-**	**76,007**	**179,867**
Cash movements:					
Financing cash flows - payments and receipts of principal	40,290	-	(2,132)	(1,609)	**36,549**
Financing cash flows - payments of interest	(2,067)	-	(2,790)	(6,470)	**(11,327)**
Non-cash movements:					**-**
Impact of implementing IFRS 9 on 1 April 2018	492	-	-	-	**492**
Transfers by absorption	-	-	-	-	**-**
Additions	-	-	-	-	**-**
Application of effective interest rate	-	-	75,585	6,470	**82,055**
Change in effective interest rate	-	-	-	-	**-**
Changes in fair value	2,324	-	2,790	-	**5,114**
Early terminations	-	-	-	-	**-**
Other changes	-	-	-	-	**-**
Carrying value at 31 March 2019	**144,900**	**-**	**73,453**	**74,398**	**292,750**

Note 33 Other financial liabilities

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Current				
Derivatives held at fair value through income and expenditure	-	-	-	-
Other financial liabilities	-	-	-	-
Total current other financial liabilities	**-**	**-**	**-**	**-**
Non-current				
Derivatives held at fair value through income and expenditure	-	-	-	-
Other financial liabilities	-	-	-	-
Total non-current other financial liabilities	**-**	**-**	**-**	**-**

Note 34 Finance leases

Note 34.1 Calderdale & Huddersfield NHS Foundation Trust as a lessor

Future lease receipts due under finance lease agreements where the trust is the lessor:

This is for Building leases with the Subsidiary

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Gross lease receivables	**-**	**-**	**92,603**	**99,506**
*of which those receivable:				
- not later than one year;	-	-	6,902	6,902
- later than one year and not later than five years;	-	-	27,608	27,608
- later than five years.	-	-	58,093	64,995
Unearned interest income	-	-	(26,743)	(30,382)
Allowance for uncollectable lease payments	-	-	-	-
Net lease receivables	**-**	**-**	**65,860**	**69,123**
**of which those receivable:				
- not later than one year;	-	-	3,443	3,263
- later than one year and not later than five years;	-	-	15,779	14,954
- later than five years.	-	-	46,638	50,906
The unguaranteed residual value accruing to the lessor	-	-	-	-
Contingent rents recognised as income in the period	-	-	-	-

* The 31st March 2019 numbers have been restated. Later than one year and not later than five years was £34,511k now £27,608k and later than five years, £58,092k now £64,995k.

**The 31st March 2019 numbers have been restated. Later than one year and not later than five years was £19,222k, now £14,954k and later than five years, £46,638k now £50,906k.

Note 34.2 Calderdale & Huddersfield NHS Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Gross lease liabilities	**49**	**58**	**101,338**	**109,785**
of which liabilities are due:				
- not later than one year;	8	8	8,443	8,443
- later than one year and not later than five years;	41	34	31,900	33,082
- later than five years.	-	16	60,996	68,261
Finance charges allocated to future periods	-	-	(31,760)	(36,332)
Net lease liabilities	**49**	**58**	**69,578**	**73,453**
of which payable:				
- not later than one year;	8	8	6,668	3,870
- later than one year and not later than five years;	41	34	15,363	17,830
- later than five years.	-	16	47,548	51,753
Total of future minimum sublease payments to be received at the reporting date	-	-	-	-
Contingent rent recognised as expense in the period	-	-	-	-

The Trust lease payable is for building leases with the Subsidiary.

Note 35.1 Provisions for liabilities and charges analysis (Group)

Group	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re-structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	**769**	**1,148**	**102**	**0**	**-**	**-**	**815**	**2,835**
Transfers by absorption	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in the discount rate	20	64	-	-	-	-	-	**84**
Arising during the year	146	29	141	550	-	-	1,639	**2,505**
Utilised during the year	(248)	(104)	(72)	-	-	-	(20)	**(444)**
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	**-**
Reversed unused	(12)	-	(70)	-	-	-	(867)	**(949)**
Unwinding of discount	1	1	-	-	-	-	-	**1**
Movement in charitable fund provisions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 March 2020	**676**	**1,138**	**101**	**550**	**-**	**-**	**1,567**	**4,033**
Expected timing of cash flows:								
- not later than one year;	247	104	101	550	-	-	**1,544**	**2,546**
- later than one year and not later than five years;	309	351	-	-	-	-	**24**	**685**
- later than five years.	120	682	0	0	-	-	**(0)**	**803**
Total	**676**	**1,138**	**101**	**550**	**-**	**-**	**1,567**	**4,033**

Note 35.2 Provisions for liabilities and charges analysis (Trust)

Trust	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re-structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	**769**	**1,148**	**102**	**0**	**-**	**-**	**815**	**2,835**
Transfers by absorption	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in the discount rate	20	64	-	-	-	-	-	**84**
Arising during the year	146	29	141	550	-	-	1,639	**2,505**
Utilised during the year	(248)	(104)	(72)	-	-	-	(20)	**(444)**
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	**-**
Reversed unused	(12)	-	(70)	-	-	-	(867)	**(949)**
Unwinding of discount	1	1	-	-	-	-	-	**1**
At 31 March 2020	**676**	**1,138**	**101**	**550**	**-**	**-**	**1,567**	**4,033**
Expected timing of cash flows:								
- not later than one year;	247	104	101	550	-	-	**1,544**	**2,546**
- later than one year and not later than five years;	309	351	-	-	-	-	**24**	**685**
- later than five years.	120	682	0	0	-	-	**(0)**	**803**
Total	**676**	**1,138**	**101**	**550**	**-**	**-**	**1,567**	**4,033**

Note 35.3 Clinical negligence liabilities

At 31 March 2020, £194,199k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Calderdale & Huddersfield NHS Foundation Trust (31 March 2019: £181,724k).

Note 36 Contingent assets and liabilities

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Value of contingent liabilities				
NHS Resolution legal claims	-	-	-	-
Employment tribunal and other employee related litigation	-	-	-	-
Redundancy	-	-	-	-
Other	-	-	-	-
Gross value of contingent liabilities	**-**	**-**	**-**	**-**
Amounts recoverable against liabilities	-	-	-	-
Net value of contingent liabilities	**-**	**-**	**-**	**-**
Net value of contingent assets	**-**	**-**	**-**	**-**

Note 37 Contractual capital commitments

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Property, plant and equipment	1,704	612	1,704	612
Intangible assets	-	-	-	-
Total	**1,704**	**612**	**1,704**	**612**

Note 38 Other financial commitments

The group / trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
not later than 1 year	3,021	2,495	3,021	2,495
after 1 year and not later than 5 years	12,089	7,485	12,089	7,485
paid thereafter	-	4,832	-	4,832
Total	**15,110**	**14,812**	**15,110**	**14,812**

This commitment relates to a contract with Cerner Ltd to deliver an Electronic Patient Record system and includes costs relating to Bradford Teaching Hospital NHS Foundation Trust. The contractual commitment remains with Calderdale and Huddersfield NHS Foundation Trust as the contract signatory.

Calderdale and Huddersfield NHS Foundation Trust has a back to back legal agreement with Bradford Teaching Hospital NHS Foundation Trust to imdemnify Calderdale and Huddersfield NHS Foundation Trust against any associated risk.

Note 39 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has a PFI scheme for Calderdale Royal Hospital. The PFI contractor is Calderdale Hospitals SPC Ltd (formerly Catalyst Healthcare Ltd). The Trust is responsible for the provision of all clinical services, Calderdale Hospitals SPC Ltd provide fully serviced hospital accommodation.

Note 39.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Gross PFI, LIFT or other service concession liabilities	**232,611**	**244,788**	**232,611**	**244,788**
Of which liabilities are due				
- not later than one year;	13,482	13,176	13,482	13,176
- later than one year and not later than five years;	65,073	61,445	65,073	61,445
- later than five years.	154,056	170,167	154,056	170,167
Finance charges allocated to future periods	(159,910)	(170,390)	(159,910)	(170,390)
Net PFI, LIFT or other service concession arrangement obligation	**72,701**	**74,398**	**72,701**	**74,398**
- not later than one year;	1,833	1,697	1,833	1,697
- later than one year and not later than five years;	14,389	12,120	14,389	12,120
- later than five years.	56,479	60,581	56,479	60,581

Note 39.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**394,810**	**420,855**	**394,810**	**420,855**
Of which payments are due:				
- not later than one year;	28,589	27,896	28,589	27,896
- later than one year and not later than five years;	120,189	117,274	120,189	117,274
- later than five years.	246,033	275,685	246,033	275,685

Note 39.3 Analysis of amounts payable to service concession operator

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

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Unitary payment payable to service concession operator	**28,087**	**27,412**	**28,087**	**27,412**
Consisting of:				
- Interest charge	6,333	6,470	6,333	6,470
- Repayment of balance sheet obligation	1,698	1,609	1,698	1,609
- Service element and other charges to operating expenditure	12,441	12,137	12,441	12,137
- Capital lifecycle maintenance	1,686	1,581	1,686	1,581
- Revenue lifecycle maintenance	727	699	727	699
- Contingent rent	5,202	4,916	5,202	4,916
- Addition to lifecycle prepayment	-	-	-	-
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	-	-	-	-
Total amount paid to service concession operator	**28,087**	**27,412**	**28,087**	**27,412**

Note 40 Financial instruments

Note 40.1 Financial risk management

Because of the continuing service provider relationship that the NHS Foundation Trust has with local Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS Foundation 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. The Trust neither buys or sells financial instruments. The NHS Foundation Trust has limited powers to invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Foundation Trust in undertaking its activities.

Investment risk

The Board of Directors has approved a Treasury Management policy which sets out the parameters for investing any surplus operating cash in short-term deposits. This includes the restriction of any such investment to permitted institutions with appropriate credit ratings; these ratings are in line with the guidance issued by Monitor 'Managing Operating Cash in NHS Foundation Trusts'. In addition the policy sets out the maximum limits for any such investments and the Trust's approach to borrowing. The policy, and its implementation, are reviewed by the Audit & Risk Committee and the Board of Directors. The Trust's treasury management activity is subject to review by the Trust's internal auditor's.

Interest rate risk

All of the Trust's currently held financial liabilities carry nil or fixed rates of interest. The Trust therefore currently has low exposure to interest rate fluctuations.

Liquidity risk

The Trust's operating costs are largely incurred under contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust receives cash each month based on an annually agreed level of contract activity with regular in-year reconciliations to monitor actual levels of performance as contractually required.

To finance the Trust's deficit position the Trust required loan funding in 2019/20 as was the case in prior years. The drawdown of revenue borrowing totalled £22.2m in 2019/20 and was secured from Department of Health in the form of an Interim Revenue Support Facility at an interest of 1.5%.

In 2019/20 the Trust has financed its capital expenditure from internally generated funds generated through depreciation charges supplemented by capital loans from DHSC and Public Dividend Capital received.

The Trust's 2020/21 plan recognises a change to the NHS financial architecture that will see the conversion of all historic revenue support borrowing and elements of historic capital loans to non repayable Public Dividend Capital (PDC). In addition, the plans assume that following receipt of Financial Recovery Funding a breakeven position will be achieved thus not extending the need for operational cash support. The Trust is therefore, not exposed to significant liquidity risk.

Currency risk

The Trust is principally a domestic organisation with negligible transactions, assets and liabilities in foreign currencies. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Note 40.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	36,683	-	-	**36,683**
Other investments / financial assets	4,000	-	-	**4,000**
Cash and cash equivalents	9,289	-	-	**9,289**
Consolidated NHS Charitable fund financial assets	-	-	-	**-**
Total at 31 March 2020	**49,972**	**-**	**-**	**49,972**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	15,243	-	-	**15,243**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	2,036	-	-	**2,036**
Consolidated NHS Charitable fund financial assets	-	-	-	**-**
Total at 31 March 2019	**17,279**	**-**	**-**	**17,279**

Note 40.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	107,116	-	-	**107,116**
Other investments / financial assets	7,510	-	-	**7,510**
Cash and cash equivalents	7,655	-	-	**7,655**
Total at 31 March 2020	**122,281**	**-**	**-**	**122,281**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	88,306	-	-	**88,306**
Other investments / financial assets	4,436	-	-	**4,436**
Cash and cash equivalents	1,785	-	-	**1,785**
Total at 31 March 2019	**94,527**	**-**	**-**	**94,527**

Note 40.4 Carrying values of financial liabilities (Group)

	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	163,601	-	**163,601**
Obligations under finance leases	49	-	**49**
Obligations under PFI, LIFT and other service concessions	72,701	-	**72,701**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	45,098	-	**45,098**
Other financial liabilities	-	-	**-**
Provisions under contract	-	-	**-**
Consolidated NHS charitable fund financial liabilities	-	-	**-**
Total at 31 March 2020	**281,449**	**-**	**281,449**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	144,900	-	**144,900**
Obligations under finance leases	58	-	**58**
Obligations under PFI, LIFT and other service concessions	74,398	-	**74,398**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	33,711	-	**33,711**
Other financial liabilities	-	-	**-**
Provisions under contract	-	-	**-**
Consolidated NHS charitable fund financial liabilities	-	-	**-**
Total at 31 March 2019	**253,067**	**-**	**253,067**

Note 40.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	163,601	-	**163,601**
Obligations under finance leases	69,578	-	**69,578**
Obligations under PFI, LIFT and other service concessions	72,701	-	**72,701**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	45,674	-	**45,674**
Other financial liabilities	-	-	**-**
Provisions under contract	-	-	**-**
Total at 31 March 2020	**351,555**	**-**	**351,555**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	144,900	-	**144,900**
Obligations under finance leases	73,453	-	**73,453**
Obligations under PFI, LIFT and other service concessions	74,398	-	**74,398**
Other borrowings	-	-	**-**
Trade and other payables excluding non financial liabilities	36,526	-	**36,526**
Other financial liabilities	-	-	**-**
Provisions under contract	-	-	**-**
Total at 31 March 2019	**329,277**	**-**	**329,277**

Note 40.6 Fair values of financial assets and liabilities

The book value (carrying value of financial assets and liabilities) is a reasonable approximation of fair value.

Note 40.7 Maturity of financial liabilities

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
In one year or less	188,661	78,173	193,379	84,850
In more than one year but not more than two years	5,239	37,999	9,688	42,144
In more than two years but not more than five years	18,022	63,042	31,412	76,693
In more than five years	69,528	73,853	117,076	125,590
Total	**281,449**	**253,067**	**351,555**	**329,277**

Note 41 Losses and special payments

	2019/20		2018/19	
Group and Trust	**Total number of cases**	**Total value of cases**	**Total number of cases**	**Total value of cases**
	Number	**£000**	**Number**	**£000**
Losses				
Cash losses	-	-	-	-
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	18	59	-	-
Stores losses and damage to property	1	149	3	65
Total losses	**19**	**208**	**3**	**65**
Special payments				
Compensation under court order or legally binding arbitration award	11	74	12	51
Extra-contractual payments	-	-	-	-
Ex-gratia payments	14	12	19	10
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**25**	**85**	**31**	**61**
Total losses and special payments	**44**	**293**	**34**	**126**
Compensation payments received		(0)		-

Note 42 Related parties

The Trust has established which entities and individuals are its related parties, in accordance with International Accounting Standard 24.

The Department of Health and Social Care are the parent department and all bodies within the scope of 'Whole of Government Accounts' (WGA) are related parties. Accordingly, the table below details material transactions.

Related party transactions - WGA organisations	**2019/20**	**2018/19**
	£000	**£000**
Income - NHS Calderdale CCG	150,255	142,557
Income - NHS Greater Huddersfield CCG	133,443	126,688
Income - NHS North Kirklees CCG	8,109	8,198
Income - NHS Bradford Districts CCG	7,441	7,316
Income - NHS Wakefield CCG	4,014	3,737
Income - Leeds Teaching Hospitals NHS Trust	1,470	1,157
Income - South West Yorkshire Partnership NHS Foundation Trust	4,526	3,860
Income - Health Education England	11,854	11,189
Income- Yorkshire and the Humber Commissioning Hub	20,878	20,804
Income- North East & Yorkshire Regional Office was (Yorkshire and the Humber Local Office)	5,744	5,792
Income - Other WGA	46,325	21,169
Income - Total with WGA organisations	**394,059**	**352,467**
Charitable Funds	436	558
Income - Total	**394,495**	**353,025**
Expenditure - Bradford Teaching Hospitals NHS Foundation Trust	504	1,022
Expenditure - Leeds Teaching Hospitals NHS Trust	4,240	3,737
Expenditure - NHS Pension Scheme	35,521	23,729
Expenditure - NHS Resolution	16,205	16,388
Expenditure - HMRC	19,883	19,234
Expenditure - Other WGA	16,048	3,650
Expenditure - Total with WGA organisations	**92,401**	**67,760**
Joint Ventures	1,424	1,308
Expenditure - Total	**93,825**	**69,068**

Related party balances - WGA organisations	**2019/20**	**2018/19**
	£000	**£000**
Receivables - NHS Calderdale CCG	1,818	2,446
Receivables - NHS Greater Huddersfield CCG	1,969	1,902
Receivables - NHS England	8,659	556
Receivables - HMRC	4,931	3,407
Receivables - Other WGA	4,891	4,489
Charitable Funds	187	209
Receivables - Total with WGA organisations	**22,455**	**13,009**
Payables - NHS Pension Scheme	-	3,307
Payables - HMRC	5,410	5,061
Payables - Other WGA	5,936	3,850
Payables - Total with WGA organisations	**11,346**	**12,218**

During the year, the following Board Members or members of the key management staff have declared the following interest or parties related to them.

P Lewer ~ Chair - Member of: West Yorkshire Association of Acute Trusts (WYAAT) – Committee in Common / West Yorkshire NHS Chairs meeting / Pennine GP and CHFT Board to Board meetings / Partnership Transformation Board

O Williams ~ Chief Executive - Member of West Yorkshire Association of Acute Trusts – Committee in Common / Chair of the West Yorkshire and Harrogate Capital & Estates Board / Vice Chair of NHS Confederation / Chair of the Local School Committee for Beckfoot Thornton School, Leaventhorpe Lane, Bradford, BD13 3BH

G Boothby ~ Director of Finance - is a Director of Pennine Property Partnership LLP / Member of the West Yorkshire Association of Acute Trusts Finance Group / Member of Integrated Care System Directors of Finance Forum / Member of the Partnership Transformation Board

S Dunkley ~ Exec Director of Workforce & OD - Not a Director of any other company.

L Patterson ~ Non Executive Director - is a Director of Dr Linda Patterson Ltd. Left 30-12-19

P Oldfield ~ Non Executive Director - Director of Company with no business with the public sector. Left 22-12-19

K Archer ~ Acting Director of Finance - Acting Director of Pennine Property Partnership LLP

L Hill ~ Director of Calderdale & Huddersfield Solutions. Left 31-07-19

D Birkenhead ~ Medical Director - Is Chair / Partner of Woodlands Meltham PLC & Benson Medical Services. Vice-Chair of the WYAAT Pathology Network / Member of the WYAAT Medical Directors Group / Chair of the WYAAT LIMS Procurement Group / Medical Director Local Workforce Action Board Representative / Infection control advice to the BMI Huddersfield. Wife - Partner at Benson Medical Services.

H Barker~ Chief Operating Officer - Company Secretary and Shareholder of Expert Lighting Direct Ltd which makes sales to NHS.

R Hopkin ~ Non Executive Director - Directorship of Capri Finance Ltd- own consultancy company / Treasurer (Hon) Community Foundation for Calderdale / Finance Consultant Age UK Calderdale & Kirklees , Age UK Wakefield District and the The OnSide Foundation / Other project work through consultancy company Capri Finance Limited

K Heaton ~ Non Executive Director - University of Manchester – Director of Human Resources / Member of Confederation of British Industry (Employment & Skills Board) From 09/19

A Nelson~ Non Exec Director- Non-Executive Director & Strategic Advisor to the Board of The Law Society / 1 or 2 lectures per year for Lancaster University

A Graham ~ Non Exec Director- is a Director of Calderdale & Huddersfield Solutions Ltd.

J Murphy ~ Chief Nurse- Not a Director of any other company. Left 19-07-19

E Armisted ~ Exec Director of Nursing- Member of WYATT Chief Nurse group

D Sterling ~ Non Exec Director- Non paid Trustee, Board of Bradford Diocesan Academies Trust

R P Wilkinson ~ Non Exec Director- Leeds Grand Theatre and Opera House Ltd – independent member of the Board and Trustee. Non-Executive Director Decipher Consulting UK Ltd. Consultancy business based in Manchester/MacclesfieldPW Advisory Ltd – own consultancy company based in Holmfirth

In 2019/20 there were transactions between Calderdale & Huddersfield NHS Foundation Trust and related parties, additional to those declared under the scope of Whole of Government accounts.

The Foundation Trust had expenditure with Pennine Property Partnership LLP in 2019/20 of £1,423,581 (2018/19 £1,307,516)

The expenditure between the Trust and NHS Confederation in 2019/20 was £6,245 (2018/19 £6,245) .

If you need this annual report in other formats please call 01484 347342

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