NHS
York Teaching Hospital
NHS Foundation Trust

Annual Report & Accounts 2019-20

York Teaching Hospital NHS Foundation Trust

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

Contents

This Annual Report and Accounts have been prepared on a Group basis and include references to York Teaching Hospital Facilities Management Limited Liability Partnership which is a subsidiary company.

Our vision, mission and values

Vision

Be collaborative leaders in a system that provides great care to our communities

Mission

Start well, live well, age well. We want everyone in our area to have a great start in life and to have the opportunities and support they need to stay healthy and to age well

Strategic Goals

- To deliver safe and high quality patient care as part of an integrated system
- To support an engaged, healthy and resilient workforce
- To ensure financial stability

Strategic Themes

- Deliver clinically sustainable services for our patients
- Develop people to improve care
- Adopt a Home First approach
- Work collaboratively in our partnerships and alliances
- Make best use of every pound

Values

Caring about what we do

Always doing what we can to be helpful

Respecting and valuing each other

Listening in order to improve

Statement from the Chair

This has been a year in three parts for our trust: the months prior to our new chief executive Simon Morritt joining the trust, the months in which he established his leadership of our trust and the transformation of our trust in response to the global COVID19 pandemic.

We have experienced 'the best and the worst of times' with much to celebrate and progress being made in many areas, along with multiple challenges which have stretched the board and the trust overall.

Our trust values- caring, helping, respecting and listening – have long defined the kind of trust we aspire to be, the culture of the organisation we aspire to lead, the quality of the care we aspire to provide for our patients. We are ambitious for our trust, for our staff and for our patients.

Yet a tension has existed in achieving balance between prioritising safe patient care and working within the very tight financial constraints historically faced across the NHS. NHS England and NHS Improvement apply pressure in relation to financial risk. The CQC apply pressure in relation to managing risks for patients.

The challenge for the board of directors has been to find a way through these pressures and their resultant risks, for our patients, and in order to define the way forward for the trust in both the immediate future and for the sustainable long-term future. During the year both our performance and our financial results were impacted by these pressures, much of which resulted from an acute staffing crisis which impeded our performance, the care we sought to provide our patients and our ability to achieve financial balance.

But our trust didn't falter. We stayed absolutely focused on our patients and their wellbeing. We sought to deliver the very best services in a safe way across all of our sites. We refocused our efforts on engaging with our staff and collectively made very significant progress in the ways in which we work with our partners and stakeholders.

One of the key ways we can shape the sustainable future and strength of our trust is by seeking to build the best and strongest board of directors for our leadership task, which we have sought to do over the year.

We said a fond farewell to Mike Proctor, who led our trust from May 2018 to July 2019 with huge commitment, personal conviction and passion for our patients, never shying away from difficult decisions.

At the start of August, we welcomed Simon Morritt as our new chief executive. The trust offered Simon a very warm welcome as he immediately set about a significant listening exercise, enabling him to understand first-hand all those things about which our trust is so proud and in turn those challenges which can impede progress. In November, Simon

was able to share feedback from this successful exercise and start a whole trust engagement: “Our voice, our future.”

In July we welcomed two new non-executive directors to our board, Dr Stephen Holmberg and Jim Dillon. Steve is a retiring cardiologist and Jim a retired local government chief executive. Heather McNair joined the trust as chief nurse in July, Lucy Brown became our substantive director of communications in February, Delroy Beverley joined the trust as Managing Director of York Teaching Hospital Facilities Management LLP (following the retirement of Brian Golding) in March and at the end of March we appointed Dylan Jones as chief digital information officer. In addition, Professor Matt Morgan deputy dean of Hull York Medical School will join our board as a stakeholder non-executive director in June, serving to strengthen our links with the university and in particular the medical school.

This significant and important set of board appointments signals clearly our absolute commitment to developing the capability and the capacity of our board to provide appropriately talented leadership to this trust. To establish and embed this new team we designed a comprehensive board development programme to be delivered during 2020, which for now, is on hold.

As 2020 arrived our trust was poised to take significant strides forward in the achievement of our ambitions. And then, our trust, along with all areas of the NHS, faced the single greatest challenge the NHS has ever faced as the extent of the global pandemic emerged. At the time of writing, the effects and the future remain unclear: we know that COVID19 will be with us for months even years. We know that our hospitals cannot return to ‘normal’ as we once knew it. We also know that we have a remarkable team of absolutely dedicated staff, who can rise to the greatest of challenges by working together, united by their shared commitment to patient care.

Despite all this uncertainty, we are able to conclude this review with a positive mindset: our trust is poised to fulfill its ambitions. Our staff are our focus, more than ever before. Our patients are our priority, as they always have been. Along with our stakeholders and partners we have a compelling vision for the future of health services for our patients and service users.

It would be absolutely impossible not to conclude this review without giving recognition and heartfelt thanks to all of those people who enable our trust to be the vibrant, positive place that it is. Firstly, all of our staff, in all roles, at all levels. Without them, there would be no trust. Our Council of Governors who offer huge commitment to our trust. Our partners with whom we will work tirelessly to create sustainable health services for those we serve, and our volunteers and fundraisers and those who donate to our trust for the benefit of our patients.

I began describing this as the ‘best and worst’ of years and while that is true, what emerges from this, is knowledge that this trust is a very special place, populated by very special people with a clear shared purpose to define and build ‘Our voice, our future’ for the benefit of those we serve.

Susan Symington, Chair
25 June 2020

SECTION 1

Performance Report

Statement from the Chief Executive

I want to start my overview of the year by thanking everyone for making me feel welcome and helping me to get to know the trust in my first few months as chief executive.

It is my belief that one of the chief executive's key roles is to support staff and make it easier for everyone to perform their role to the best of their abilities.

To support this, upon joining the trust I began a large-scale listening exercise to hear and understand the barriers facing our staff.

This began with me writing to a cross-section of staff inviting them to tell me about the key things they feel prevent them from doing their most vital work, and culminated in our first Our Voice Our Future online workshop.

Collectively almost 25,500 contributions were made and one in four of our staff engaged in the process. As well as a vast array of ideas and suggestions for fixing the basics, many of which we were able to implement straight away, the workshop also resulted in a draft co-created vision and values for the trust, alongside a set of behaviours that staff felt strongly should be adopted by the organisation to support these refreshed values.

These will be the principles that guide everything we do, and we will be embedding them across our Trust. We will continue to use these methods to ensure the voice of our colleagues really does lead to improvements.

What has been clear to me is that I have joined a group of people who are deeply committed to the patients they serve, and I have seen a real determination to overcome challenges. Some of these challenges have been apparent throughout the time I have been at the trust, in particular in relation to operational performance and our ability to meet key access targets.

In both of our acute hospitals we continued to face difficulties in consistently meeting the emergency care standard, and were identified as being part of a system in need of support. We accepted offers of support from a number of expert teams within NHS England and NHS Improvement and the Emergency Care Intensive Support Team (ECIST) to help us to develop solutions and to support staff in delivering the plans we already have in place. This focuses on a number of areas including seven day working, same day emergency care, ambulance handover and delayed transfers of care.

In the autumn we also saw the publication of the CQC's report into its inspection of core services, with the trust's overall rating remaining as Requires Improvement. The inspection took place in the summer and concentrated primarily on Scarborough and Bridlington Hospitals. In addition, a use of resources assessment and a well led review were also carried out, and fed in to the overall rating. Further follow-up visits took place,

and we have remained in regular contact with the CQC and are responding positively to the requirements they set out in the report.

The areas the CQC particularly focused on perhaps unsurprisingly mirror our greatest areas of concern, namely recruiting sufficient numbers of staff, our ability to meet targets and the subsequent effect this may have on patient experience and safety.

I know that all staff recognise that there are things we could and should do better. I believe the key to this is listening to staff and learning from what they say, and that this will help us to find the solutions that will benefit staff and patients alike.

For the 2019/20 financial year, with agreed support from NHS England and NHS Improvement, we have been successful in meeting our financial control total. This means the Trust is eligible for all of its sustainability funding. This is a positive result, particularly given the pressure on the Trust's finances this year from a number of sources.

Increasingly we are moving ever closer to true system working, with a requirement to work together and engage collectively with our local communities, our staff, and other stakeholders. There is emerging clarity in terms of a future Integrated Care System, and at a national level the approach being described is one of 'system by default'.

It is of course impossible to talk about the 2019/20 year without talking about the COVID19 pandemic, which radically changed the way we work for the last weeks of the financial year, and in all likelihood for many months to come.

We have rapidly implemented changes to the hospitals and how we deliver our services to enable us to respond to the Level 4 National Incident, postponing routine work and redeploying staff in order to create capacity for the anticipated demand created by the pandemic.

As the peak of hospital admissions subsides, we must turn our attention to working with our health and social care partners to step up non-Covid19 urgent services. At the time of writing, we are still some distance from 'business as usual', and we continue to admit and treat patients with COVID19.

There will be much to learn from this and I am in no doubt that the NHS will look very different after the pandemic is over from how it did before: however, post-COVID19, the challenges that faced us before will still remain. These include difficulties in sustaining services in Scarborough, the future of Bridlington, CQC and other performance and quality challenges, significant investment required across our estate, and a financially-restricted and complex system.

Our response to this, as with any challenge, will require us to listen to our staff, ensure York and Scarborough are at the heart of our system as it evolves, and continue to put the needs of patients at the centre of everything we do.

Simon Morritt, Chief Executive
25 June 2020

Overview of Performance

The purpose of the overview is to provide a short summary of the organisation, its purpose, key risks and how it has performed during the year.

Statement of Purpose and Activities

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

The Trust is registered with the Care Quality Commission to provide safe care that is responsive and effective. The Trust provides a comprehensive range of acute hospital and specialist healthcare services for approximately 800,000 people living in and around York, North Yorkshire, North East Yorkshire and Ryedale – an area covering 3,400 square miles.

Our annual turnover is over £0.5bn. We manage eight hospital sites and have a workforce of around 9,000 staff working across our hospitals and in the community. The main sites are York, Scarborough and Bridlington Hospitals, two Community Hospitals (Selby and Malton), and three Community Rehab Hospitals.

The Trust provides:

- Outpatient and diagnostic services;
- Surgical procedures;
- Management and assessment of medical conditions;
- Family planning and sexual health services;
- Maternity services;
- Terminations of pregnancy;
- Management and supply of blood derived products;
- Treatment of patients detained under the Mental Health Act;
- Out of hospital care (community services).

The Trust is an NHS Foundation Trust. Foundation Trusts operate independently of the Department of Health, but remain part of the National Health Service. This gives greater freedom and more formal links with patients and staff. We are accountable to them through an elected and appointed Council of Governors.

The Trust is proud to be a partner with the Hull York Medical School (HYMS) in providing clinical placements and training for future doctors at Scarborough and York Hospitals.

The National Health Service (NHS) is one of the largest public sector organisations in the world. It was set up in 1948 to provide healthcare for all British Citizens based on need and not the ability to pay.

York Teaching Hospital NHS Foundation Trust covers one of the biggest geographical areas in the country. The Trust works in partnership with local Clinical Commissioning

Groups (CCGs) and Local Authorities to ensure services are developed to continue to meet the needs of our patients. Our main partners include:

- Vale of York CCG
- Scarborough and Ryedale CCG
- East Riding of Yorkshire CCG
- City of York Council
- North Yorkshire County Council
- East Riding of Yorkshire Council

The challenging environment facing the Trust presents an opportunity for us to work in new ways, working across traditional boundaries and seeking innovative solutions that will help all parts of our health and social care system become truly integrated around the needs of our communities. We also know that the role of the hospital is changing, and we recognise the part we must play in preventing ill health.

Providing great care is the result of thousands of daily human interactions and the efforts of individuals working across multi-disciplinary teams.

The Trust developed a new five-year strategy in 2018, which has been shaped by what we know about the people we serve, including:

- Demographic changes and the ageing population;
- Deprivation in some of our communities;
- The national move towards Integrated Care Systems;
- The drive to avoid unnecessary hospital admissions and longer stays;
- Public perception and expectations.

In this strategy we describe how we will support our staff to do this. We celebrate diversity whilst recognising our collective strength. The strategy will guide us through the transformation required to deliver this alongside our values, which remain constant. We always put patients at the centre of everything that we do.

Our strategy pyramid on page 6 shows how all of the elements fit together and support the achievement of our ambitions.

Brief History

York Hospital opened on its current site on Wigginton Road in 1976. When it first opened the Hospital had 600 beds and replaced numerous smaller sites, including Acomb Hospital, City Hospital, York County Hospital, Deighton Grove Hospital, Fulford Hospital, Military Hospital and Yearsley Bridge Hospital.

York Health Authority became a single district Trust in April 1992, known as York Health Services NHS Trust and became York Hospitals NHS Foundation Trust on 1 April 2007. The Trust then decided to adopt ‘Teaching’ into its name, which was approved by NHS Improvement (formerly Monitor) and came into effect from 1 August 2010.

In April 2011 we took over the management of community-based services in Selby, York, Scarborough, Whitby and Ryedale and in July 2012 acquired Scarborough and North East Yorkshire Healthcare NHS Trust, bringing Scarborough and Bridlington Hospitals into the organisation.

The Trust provides specialist services from other sites, including renal dialysis in Easingwold and Harrogate, and sexual health services in Monkgate Health Centre in York. The Trust also works collaboratively in certain specialties through clinical alliances with Harrogate and District NHS Foundation Trust and Hull Teaching Hospital NHS Trust to strengthen the delivery of services across North and East Yorkshire.

York Teaching Hospital Facilities Management

York Teaching Hospital NHS Foundation Trust's Limited Liability Partnership (LLP) formally came in to being on 1 October 2018. York Teaching Hospital Facilities Management (YTHFM) provides the Trust's estates and facilities services, previously provided by the Trust's Estates and Facilities Directorate. The terms of the contract and its performance requirements are set out in the Master Services Agreement, which divides the function into 14 service lines:

- Car parking and traffic management;
- Catering services;
- Domestic services;
- Grounds maintenance;
- Health and safety;
- Linen services;
- Medical devices management;
- Estates services;
- Pest control;
- Portering;
- Security;
- Waste management and disposal;
- Switchboard and multimedia services;
- Energy and utilities management.

After looking carefully at all of the available options, the Trust's Board of Directors chose to create a Limited Liability Partnership (LLP). Several NHS organisations had already been through this process and the Trust worked with NHFML, a wholly-owned subsidiary of Northumbria Healthcare NHS Foundation Trust on setting up the company. NHFML created their company more than five years ago and had considerable experience in this field. They shared our values as an organisation and have maintained NHS terms and conditions for both the staff that transferred when the company was created, and for new starters. NHFML is the Trust's minority partner in YTHFM and have provided advice and support in setting up the company.

The background to this decision was that the way that we operated estates and facilities had not changed for many years and, with the continued financial pressure across the NHS, both nationally and locally, it was becoming increasingly difficult to maintain the standards that the Trust aspires to for these essential services.

If no action had been taken by the Trust, the pressure to reduce budgets further would inevitably have continued and there would have been the very real risk that the Trust would have needed to put these services out to tender. By creating an LLP the Trust has been able to access the commercial benefits enjoyed by the private sector whilst keeping these services under the ownership of the NHS. This change will bring not only commercial advantages to the Trust, but will allow the estates and facilities team to focus on its core functions, making YTHFM an employer of choice in the region, providing development opportunities for staff and growing the business as opportunities arise.

Approximately 1,000 staff transferred to the company with their existing NHS Agenda for Change terms and conditions on 1 October 2018. New starters to the LLP have terms and conditions that mirror Agenda for Change, thereby ensuring that the Trust does not create a 'two tier' workforce.

A Membership Agreement has been agreed between the Trust and NHFML and York Teaching Hospital Facilities Management LLP which sets out the agreement between the partners, the representation of members and all decisions which require a members' resolution. A Master Services Agreement has also been agreed and this sets out how the partnership will operate.

The LLP has set up a Management Group which has three Trust representatives and one NHFML representative and other officers of the Trust attend as required. The Management Group provides feedback to the Board, Resources Committee and Group Audit Committee.

A Business Plan was agreed in March 2020 and supports the Trust's goals, strategic themes and values and also endorses the staff engagement programme being run by the Trust called 'Our Voice, Our Future' in which YTHFM will actively participate. The document also sets out a unique opportunity to look at the way it communicates and uses digital options in order to link approximately 1,000 staff spread over 7 sites.

YTHFM's strategy can be summed up in three words: Safe, Satisfactory and Sustainable.

Safe – we will deliver all of our services in a demonstrably safe way, protecting and promoting the health and wellbeing of all our staff and service users alike.

Satisfactory – we will aim to surpass customer expectations, ensuring that YTHFT and other customers have confidence in us to deliver. We want our staff to get job satisfaction and feel that they are doing a worthwhile job that is contributing to the health of their communities.

Sustainable – we will manage our resources as if they are our own. We need to ensure that we are able to continue to deliver our services for years to come and will be conscious of our impact on the communities we serve and the environment at large. We will offer personal development opportunities for all our staff and develop apprenticeships at all levels.

YTHFM's objectives are set out in the 'Members' Agreement' as follows:

i) Combine skills and strengths of the Members to enable public healthcare organisations to innovate and collaborate in relation to the management of the estates and facilities.

ii) Find ways of improving long term healthcare outcomes and reduce the long-term costs of healthcare in areas including provision of managed healthcare facilities, procurement of clinical supplies and service delivery.

iii) Improve the patient experience of the services delivered, whilst maintaining both financial effectiveness and business efficiency.

iv) Focus on achieving the best value for money operational performance within agreed timescales.

v) Develop of deliver new or additional complementary services and capital projects within the private sector and third sector (including charities and not for profit organisations).

The Managing Director of YTHFM retired at the end of March 2020 and a new Managing Director has been recruited and started in April 2020.

Key Issues & Risks

Financial Sustainability

The NHS Long Term Plan, published in January 2019, set out the transformation of services and outcomes the NHS will deliver by 2023-24 by investing the long term revenue settlement the NHS has received from the government. The NHS and its partners have used this stability to develop local system-wide strategic plans during 2019 that will put the NHS on a sustainable financial footing whilst expanding and improving the services and care it provides patients and the public.

Putting the NHS back onto a sustainable financial path is a key priority in the Long Term Plan and is essential to allowing the NHS to deliver the service improvements in this Plan. This means:

- The NHS (including providers) will return to financial balance;
- The NHS will achieve cash-releasing productivity growth of at least 1.1% a year, with all savings reinvested in frontline care;
- The NHS will reduce the growth in demand for care through better integration and prevention;
- The NHS will reduce variation across the health system, improving providers' financial and operational performance;
- The NHS will make better use of capital investment and its existing assets to drive transformation.

COVID19

At the time of writing, the biggest issue which currently looms large over the country and in particular the NHS is the COVID19 pandemic. From a financial perspective the NHS is currently operating in, what can only be described as, a state of emergency. The current position, from a planning perspective, is that draft finance and activity plans have been submitted and approved by the Board of Directors. However, the process for updating and finalising these plans has been suspended for the period from April to the end of July 2020.

Alongside this, the normal payment mechanisms have also been suspended until at least the end of July 2020, although this is likely to extend beyond this period. All Provider costs are being fully covered, including any extraordinary COVID19 expenditure. The efficiency requirement has also been suspended during this period.

All Trusts are being provided with adequate liquidity during this period to ensure all commercial partners and suppliers are paid promptly, within 7 days where possible. As part of these emergency measures, the Secretary of State for Health and Social Care has announced that all Trusts' working capital loans will be written off by the end of September 2020. For YTHFT this figure amounts to £32m and the writing of these loans will significantly strengthen the Trust's going concern assessment.

ISA 570 Going Concern Statement

This report outlines the concept of the going concern accounting basis and considers the appropriateness of this for the 2019-20 Trust Annual Accounts.

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern.

International Standards for Auditors (ISA) 570 requires the auditor to consider the appropriateness of management's assessment as part of the annual accounts audit.

Going Concern Concept - The going concern basis assumes that the Trust will be able to realise its assets and liabilities in the normal course of business and that it will continue in business for the foreseeable future. The future should be at least, but is not limited to, a period of twelve months from the end of the reporting period. For Foundation Trusts there is no automatic presumption that they will always be a going concern, particularly where difficult economic conditions and/or financial difficulties prevail.

The Department of Health Group Accounting Manual (DHSC GAM) 2019/20 outlines the interpretation of going concern for the public sector context.

Paragraph 4.12 states: For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern. DHSC group bodies must therefore prepare their accounts on a going concern basis unless informed by the relevant national body or DHSC sponsor of the intention for dissolution without transfer of services or function to another entity. A trading entity needs to consider whether it is appropriate to continue to prepare its financial statements on a going concern basis where it is being, or is likely to be, wound up.

Paragraph 4.15 states: Where a DHSC group body is aware of material uncertainties in respect of events or conditions that cast significant doubt upon the going concern ability of the entity, these uncertainties must be disclosed. This may include for example where continuing operational stability depends on finance or income that has not yet been approved.

Paragraph 4.16 states: Should a DHSC group body have concerns about its "going concern" status (and this will only be the case if there is a prospect of services ceasing altogether) it must raise the issue with its sponsor division or relevant national body as soon as possible.

IAS 1 - requires management to assess, as part of the accounts preparation 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.

Directors' Assessment - The specific factors that the Directors should consider include:

a) Financial conditions:
- A poor financial risk rating;
- Significant operating losses, historical or projected;
- Loss of income from commissioners, actual or anticipated;
- Major cost improvement programme with high risk of non-achievement;
- Major losses and/or cash flow problems;
- Inability to repay loans.

b) Operating conditions:
- Loss of key staff and/or management without replacement;
- A poor governance risk rating;
- Significant failure to achieve Care Quality Commission standards;
- Fundamental market changes to which the Trust is unable to adapt.

c) Other conditions:
- Serious non-compliance with regulatory or statutory requirements;
- Pending legal or regulatory proceedings against the Trust;
- Changes in legislation or Government policy expected to adversely affect the Trust.

Trust position and national context 2019-20 - At the end of the financial year, the Trust reported an income and expenditure deficit of (£2.6m): this position includes £19.8m of in year PSF, FRF & MRET funding and a (£3.7m) technical impairment loss and (£0.9m) of other small technical adjustments. If all these items are excluded, the pre PSF position of the Trust is a (£19.6m) deficit which is £0.2m ahead of the original NHSI control total of a (£19.8m) deficit. In addition to this the Trust received £3.8m from the Deficit Support Scheme (DSS): this was primarily to support the Trust in providing enhanced staffing levels in key clinical areas.

The Trust reported a positive cash position of £11.4m at the end of the financial year.

The Trust has had another very challenging year, with significant challenges around the system financial position, the continued challenges around adequate substantive staffing levels, especially on the East Coast, and continuing challenges around operational targets. In this context the financial position is very encouraging and fully supports the liquidity of the Trust.

The financial position also needs to be considered in the context of the wider NHS acute sector position which was forecasting a £672m deficit (excluding unallocated PSF) at the last published position at the end of Q2. In spite of the extremely challenging local and national financial position, the Trust has continued to provide uninterrupted, high quality clinical services to its patients and the Directors fully expect this to continue for the foreseeable future.

The main component of this variance related to additional staff costs linked to agency/locum usage, bank usage and decisions made to supplement staffing above

budgeted levels in the interests of safety, some of which was supported through the DSS, as described above.

The Trust has achieved its financial plan for 2019-20, please see page 156 for more detail.

The Trust had a balance of £32m of working capitals loans at the end of 2019-20 and these will be written off in September 2020.

Financial Year 2020-21 – The immediate concern and pressure for 2020-21 is the COVID19 pandemic and this offers a unprecedented level of uncertainty at the current time. However, the Trust is being fully and adequately supported in terms of its financial position and liquidity.

In terms of the medium-term outlook, post COVID19, the Trust is part of the Humber Coast and Vale system (HCV) and will enter into the newly formed Integrated Care System (ICS). The issues noted above, in particular COVID19 and the wider system financial pressures, represent a level of uncertainty that may cast some doubt about the Trust's ability to continue as a going concern. However, this is mitigated by the following:

Planning and Budgets - Following the recent release of the planning guidance the Trust has prepared a 1 year draft operational plan for the Board of Directors which has been approved, and the final plan will be completed in line with the revised timetable when this is released. The clear focus of the planning process has been a full system approach, which the Trust has fully engaged in:

- Trust management have engaged with the NHSE/I regional team and the wider system on the significant components of the operational plan, the draft plan has been prepared on the basis of being both 'stretching and realistic'. It is fully expected that the final plan will meet the NHSE/I control total for 2020-21;
- The draft Board agreed plan will be used to set the Trust's operational budgets initially.

Working Capital & Liquidity - The Trust continues to operate enhanced cash management with monthly operational cash meetings and the cash position is regularly reviewed with the Director of Finance and the Senior Finance Team:

- The main commissioner contracts have been substantially agreed for 2019-20 which ensures no significant activity, cash or payment risk will carry over into 2020-21;
- 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: this equates to £32m for the Trust. The new centrally imposed cash regime will focus on providing Trusts with adequate liquidity. Working capital loans will become the exception within the new regime;
- The Trust's cash position is expected to be robust in 2020-21.

Sustainable Resource Deployment - The Trust and the wider system have worked closely with the NHSI Operational Productivity team on an extensive programme of work using the Model Hospital over the last 12 months. This work is expected to continue:

- The Trust has fully engaged and has worked very closely with the national Getting It Right First Time (GIRFT) team in 2019-20, and this work has developed significantly during the year;
- The Trust is a key partner within the Humber Coast and Vale (HCV) STP, and the system will now progress to become an Integrated Care System (ICS). This is a really positive step forward in the context of supporting the Trust in finding a solution for financially challenged health economies with diverse geographies, specifically on the East Coast;
- The Trust has a solid record in over delivery of its Cost Improvement Programme (CIP) and has over delivered by £0.3m in 2019-20, of which £10.8m (63%) was recurrent delivery.

Financial and Operational Risk Management - The Trust continues to address shortfalls in meeting the 4 hour Emergency standard. Actions are being taken to meet the standard and improve patient flows across the Trust, including full engagement with regulators. The members of the East Coast health economy commissioned a very significant piece of work last year from McKinsey and this work continues, with a focus on evaluating sustainable clinical models for east coast services:

- During 2018-19 the Trust was successful in its outline bid for £40m capital for a major investment in the Scarborough Hospital site. This continues to move through the formal Treasury Business Case approval process to progress the scheme and this shows a high level of confidence in the system;
- The Trust continues to address shortfalls in RTT performance and to achieve long term sustainability in this area. This position will now be managed in line with the revised planning guidance post COVID19;
- The Trust has a well-developed performance management framework with all Care Groups attending an executive performance management meeting monthly;
- Corporate governance continues to be high on the Trust's agenda. Revised arrangements have been implemented and governance continues to be monitored, reviewed and strengthened where applicable;
- Following the NHSI licence breach investigation, the Trust has been re-visited by NHSI and they have reported that the Trust has made significant progress and the Trust is in the process of applying to have the licence breach undertakings lifted. The regulator was due to re-assess this in November/ December 2019 but, given the COVID19 situation, this has been delayed.

Partnership Working - The system continues to work collaboratively under the System Delivery Board (SDB). The Board has full system engagement, including the Trust, system commissioners and NHSE/I, and is overseeing the development of a multi-year system recovery plan:

- The Trust is in positive dialogue with all its system partners within HCV and the system regulators to develop a sustainable financial plan for 2020-21;
- The Trust is fully engaged in the HCV STP work programme on the development of an STP/ICS multi-year financial recovery plan;
- The Trust is a member of the local Health & Wellbeing Board.

As is the case for most of the NHS, the Trust is facing extremely challenging trading conditions given the overall financial climate. However, the Trust has and is taking significant actions to mitigate and manage these and the Board of Directors is fully sighted on this challenge.

In summary, after making enquiries, the Directors have a reasonable expectation that the Trust has adequate resources, or access to appropriate support should this be necessary, to continue in operational existence and to continue to provide all licensed services for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the Trust's accounts on a going concern basis.

Clinical Sustainability

The Trust has continued to work with some of our most challenged and pressured specialties across all sites to improve outcomes for patients and ensure service provision in the long term.

As a main strategic objective for 2020-21, the Trust is undertaking a dedicated work programme to formally assess the clinical sustainability of key clinical services at its main sites to build and develop a coherent Clinical Strategy. The work will include an analysis of the current and future workforce requirements, current and future activity in each service and an assessment of clinical service interdependency within the Organisation and with neighbouring partners.

As an important part of this programme, the Scarborough Acute Services Review will be completed to ensure that services are configured in a way that ensures they are clinically sustainable.

The Review has featured the active involvement of clinicians and managers from the locality and wider Trust, along with a number of partners and colleagues from primary care, commissioning organisations and the Humber, Coast and Vale Health and Care Partnership.

The Review has been focusing on a detailed appraisal of existing Hospital clinical services, evaluating potential clinical models to address identified issues which contain proposals for sustainable future service delivery. Documents summarising the progress of the Review to date can be found at https://humbercoastandvale.org.uk/scarboroughreview/.

An important strand of the Review relating to the development of a potential vision, plan and implementation programme for integrated out of hospital care is also being progressed by the multi-agency Scarborough Partnership Board chaired by Humber Mental Health NHS Foundation Trust (which includes YTHFT representatives as members).

Notwithstanding the work that will be undertaken in 2020-21, the Trust has already been involved in a number of transformational initiatives and service changes to improve the clinical sustainability of some of its services. In working with Health and Care Partnership partners on a larger geographical footprint, the Trust is part of collaborative networks for Major Trauma, Critical Care, Cardiology and Specialist Rehabilitation and Radiology and Pathology services.

The Radiology group, involving senior clinicians and managers from the Trust, Hull University Teaching Hospital Trust (HUTHT) and North Lincs & Goole FT (NLAGFT), has established a cross- organisational reporting hub to share capacity across partner Trusts, improve access to specialist reporting and maximise flexibility and working patterns for staff.

The Pathology group of senior clinicians and managers from the Trust and HUTHT is developing a detailed work programme of shared equipment investment to improve reporting, training of advanced practitioner staff to create additional capacity and progression of a common information management system.

Outside of the Humber, Coast and Vale Health and Care Partnership, the Trust continues to work and develop its longstanding relationship with Harrogate and District NHS Foundation Trust on a number of service areas, where there are mutual benefits. This includes working together on Vascular, Head and Neck, Renal and Breast Screening services to improve clinical quality and sustainability for patients across our shared geographical footprint.

The Trust recognises that the retention of existing staff and recruitment of new staff is a crucial part of the sustainability work. Further recruitment campaigns for key clinical groups and new degree and apprenticeship qualifications are being developed in partnership with local universities and colleges.

Workforce Sustainability

The role of Physician Associate (PA) is one of several new roles that have emerged in the field of Medical Associate Professions. PAs support hospital doctors and GPs in the diagnosis and management of patients. The 11 newly-qualified PAs that the Trust employed in October 2018 are coming to the end of their two-year preceptorship period. Over this time, they have been deployed in a diverse range of medical specialties, including Paediatrics, Care of the Elderly, Acute Medicine and Rheumatology. Verbal feedback, so far, from the multi- disciplinary teams that have been working within, has been excellent. The PAs have settled well into the Trust and their final work placements will be agreed from September 2020 onwards. Discussions are underway around further recruitment for October 2020.

There are now 36 Advanced Clinical Practitioners (ACPs) working within the Trust, including:

- cohorts 1 and 2 - eleven qualified ACPs;
- cohort 3 - ten now completing their dissertation / preceptorship year. So, twenty-one qualified by April 2020;
- cohort 4 - eleven trainees in the second year of their Masters qualification;
- cohort 5 - four new recruits from January 2020.

Work continues with the regional Humber, Coast and Vale ACP/PA Steering group to promote and develop these individuals.

The rolling programme started in 2018 for Trainee Nursing Associates (tNAs) and Trainee Associate Practitioners (tAPs) continues. So far 15 tNAs (Wave 3 HEE Pilot) qualified in April 2019. 12 have expressed a wish to do the Registered Nurse apprenticeship (which will be available to 15 qualified NA/AP's to start in September 2020). The tender for education provision for this is currently in progress.

In addition:

- February 2019 – 26 Nursing Associate Apprentices commenced with Coventry University Scarborough (CUS-17 employed at East Coast and 9 employed at York/Community). Due to complete February 2021;
- December 2019- 16 Nursing Associate Apprentices commenced with University of York. Due to complete December 2021;
- January 2020 – 11 Nursing Associate Apprentices commenced with Coventry University Scarborough. Due to complete January 2022;
- There are also 24 Assistant Practitioner apprentices in training with the University of Leeds; 19 are due to qualify in February 2021 and 5 due to qualify in October 2022).

Projected NA starts from September 2020 are 40 (20 x East Coast with CUS and 20 x University of York). These will be the next apprenticeship cohorts in line with the Nursing Workforce Strategy and the Trust Apprenticeship Tender for the next 5 years. Progress with Apprenticeships has been varied over the last year based on an organisational training needs analysis. This number continues to increase with 189 in post in March 2019. Beyond this, starting numbers will be determined by the rate at which standards are approved nationally and how quickly HEIs can adapt their Level 7 courses to meet these standards.

In regard to its learning infrastructure, work continues to source additional teaching facilities in response to an increase in undergraduate places at the Hull York Medical School (HYMS) which took effect in August 2019. HYMS has been working to develop Teaching Fellowships (TF) for post Foundation doctors wanting to step off their training programmes for two years to gain more experience in a particular area. In addition to the five that were appointed in December 2018, another five TFs are planned to be recruited for 1 Aug 2020. Two of the original cohort will be leaving to continue their education and doctors from the new recruits will replace them. A significant change going forwards is a shift from one day teaching and the rest clinical, to 4 days teaching and 1 day clinical. 100% of their salary at CT1/2 level (this is the level the job is aimed at) will be paid from HYMS tariff and the one day clinical per week will be 'gifted' to a clinical department. The latter is still to be agreed. Contracts will be 10-12 months duration with the potential to extend to 24 by mutual agreement.

Following a successful application for employer provider status on the Register of Apprenticeship Training Providers (RoATP) in 2017, a decision was made nationally in 2019, to review all membership. This followed feedback from early Ofsted inspections of some members, resulting in a new register with more rigorous specifications. The Trust was invited to re-apply for member status in 2019 and this was granted in January 2020. A number of original members from the register have not been re-admitted. On the back of this the Trust had been developing a pilot apprenticeship programme for Internal

Healthcare Support workers, to commence no later than September 2019. This has been put on hold for 12 months due to a Trust restructure and a low level of applicants. However, the planning work was completed and the programme is ready to run when the new Care Groups have reviewed their workforce plans. The longer-term aspiration is still that the Trust becomes a main training provider, allowing us to deliver training to other organisations.

The Trust completed a successful application to become part of a regional Excellence Centre (National Skills Academy) in April 2018 and continues to collaborate with partners across the STP and within the Excellence Centre to develop appropriate projects. These cover topics such as 'improving learning environments' and greater engagement with the 'People Plan' to promote flexibility, recruitment and retention of staff.

Making temporary staffing arrangements sustainable

The use of temporary staff continues to be an essential requirement within the Trust. The management of all non-nursing, non-medical temporary staffing requirements has been centralised and as a result there has been a reduction in agency spend in these groups, along with the successful conversion of some agency workers into bank or substantive posts. The team is currently implementing software to enable direct engagement for Allied Health Professional's (AHP's) which is being supported by the Trust's master vendor supplier. It is hoped this work will help streamline the supply of workers further and provide additional cost savings for the organisation. In addition to this, the Trust is an active member of the AHP Master Vendor Stakeholder Group, attended by many Trusts in the region and chaired by the NHS North of England Commercial Procurement Collaborative (NOECPC). The group is working to address spiralling agency rates for hard-to-fill AHP roles and to bring continuity to the supply within the region. It is anticipated that the Trust will benefit from improved supply and cost savings as a result of this work. Beyond agency for non-nursing, non-medical staffing, the team continues to focus on centralising all existing bank posts within the Trust, after which they will work to grow the banks for other staffing groups, thereby bringing the Trust in line with NHSI best practice guidelines to provide in-house solutions to temporary staffing rather than automatically defaulting to agency.

The Temporary Staffing Team has also started to work collaboratively with other Trusts in our Integrated Care System by signing up to a Temporary Staffing Cluster, again chaired by the NOECPC. The primary focus of the Cluster is to consolidate nursing agency supply within the region, thereby reducing agency expenditure and ensuring best practice and consistency in agency supply across the patch. It is the aim of the Cluster to start implementing the agreement within the next 6 months. Once the work with nursing agency has imbedded, the Cluster will move to look at other staffing groups and also use the forum to progress talk of collaborative banks.

With regards to workforce deployment, following the successful launch of Patchwork's Bank Management software for medical staff, this software was rolled out across the organisation in 2019, revolutionising the Locum booking process. As anticipated following the recruitment campaign by Patchwork, the number of active workers on the Bank has increased significantly, with Bank fill rate now in excess of 50% each week (an increase of 14%). The Trust can expect to achieve further cost avoidance and the reduction of Agency in 2020-21. The introduction of Patchwork has seen the Trust make positive

steps to comply with NHSE/I guidelines to provide technology solutions to increase utilisation of Locum Bank Workers.

The Medical Direct Engagement model continues to grow. Over 80% of Agency Locums are now contracted under this model.

The Trust has brought forward its plans to roll out electronic rostering to all staff groups following the introduction of Levels of Attainment by March 2021. The Trust is actively working to implement our existing electronic rostering system across all clinical roles (within Agenda for Change) by this date. We are also working towards procuring a software system to manage electronic rostering for our medical and dental staff, with a view to start implementation this year. The Trust's job planning system is currently used by a large proportion of our medical workforce: it is our aim to start expanding job planning into other staffing groups within the next year and to work towards delivering greater workforce efficiencies by linking job plans to rosters through our software.

Performance Analysis

How performance is measured in the organisation

The Trust provides services within hospitals and to the community, using a variety of measures to track performance. These measures cover areas including emergency care, cancer care, waits for elective treatment, infection controls standards, the delivery of healthcare for people with learning disabilities and data completeness.

On a monthly basis the Board considers performance against these measures, and on a quarterly basis the Board confirms the position of each of the metrics to NHS Improvement. More detailed discussions take place in the Board's Sub Committees which meet monthly. Details of the Trust's performance during the year can be seen in the following table.

Performance against key targets 2019-20

Indicator	2018-19	Target 2019-20	Q1 2019-20	Q2 2019-20	Q3 2019-20	Q4 2019-20	Total 2019-20
Total time in ED under 4 hours – national*	87.69%	95%	81.86%	80.27%	77.10%	79.88%	79.78%
*The Trust is monitored on the total for the Trust (type 1) and (type 3) the minor injuries units Type 1 attendances at the main Emergency Departments only, compliance for 2019-20 was 65.86%							
Referral to treatment time, 18 weeks in aggregate, incomplete pathways	82.8%	92%	79.6%	76.7%	75.1%	72.5%	75.9%
Cancer 2 week wait (all)	90.5%	93%	84.9%	88.7%	93.7%	92.6%	89.9%
Cancer 2 week wait Breast Symptomatic	94.9%	93%	87.8%	96.8%	98.0%	97.4%	94.9%
Cancer 31 days from diagnosis to first treatment	98.1%	96%	98.0%	98.7%	97.8%	97.7%	98.0%
Cancer 31 days for second or subsequent treatment – surgery	95.4%	94%	95.4%	92.6%	94.3%	88.2%	92.5%
Cancer 31 days for second or subsequent treatment – drug treatment	100%	98%	100.0%	100.0%	99.1%	100.0%	99.8%

Cancer 62 day wait for first treatment (urgent GP)	79.5%	85%	81.9%	80.3%	77.7%	78.0%	79.5%
Cancer 62 day wait for first treatment (NHS Cancer Screening Referral Service)	91.1%	90%	97.1%	96.2%	93.4%	94.1%	95.1%
Cancer 28 day Faster Diagnosis Standard **(*Target 2020-21)**		75%*	65.3%	61.0%	68.0%	68.1%	65.5%
Diagnostics – 6 week wait referral to test	94.2%	99%	87.6%	84.0%	83.4%	81.3%	84.0%

From February 2020 the Trust responded to the national directives in preparing for the COVID-19 pandemic, with the impact seen in the end of March 2020 performance figures.

The Trust has continued to experience challenges in Emergency and Planned Care throughout 2019-20. The Trust saw a 4% rise in attendances for the year compared with 2018-19, despite a 25% fall in March due to COVID-19 compared to March 2019. The overall rise has impacted on the ability to see patients in a timely way.

The Trust has supported site-based Emergency Care through the establishment of Care Groups, with site specific recovery plans in operation. In addition, the Trust has implemented Same Day Emergency Care (SDEC) sites and has established an integrated Acute Frailty services at both sites.

The Planned Care targets (Referral to Treatment Times and Diagnostic waiting times) have been affected by the reduction in outsourcing and waiting list initiatives, required to support the financial position throughout 2019-20 and towards the end of the year the impact of the COVID-19 Pandemic.

The Trust had maintained a strong focus on long wait patients and preventing patients waiting more than 52 weeks for treatment, projecting a reduction from 30 patients in 2018-19, to a predicted 7 patients for 2019-20. However, following national COVID-19 response guidance, a number of patients had their planned TCI dates cancelled in March. This resulted in the Trust having 32 patients waiting 52 weeks or longer at the end of March 2020.

The Trust is engaged in discussions across the Humber Coast and Vale area on managing clinical risk for Planned Care patients, in particular the increasing number of patients waiting for routine elective surgery.

The Trust has seen improvements on the Cancer two week waiting times for urgent referrals and improvements on the 62-day targets, although further work remains to achieve compliance with the national target. The Trust is working to deliver the Faster Diagnosis Target (patients to have a diagnosis by day 28 on their pathway) which was due to become operational in April 2020, but has been deferred to next year due to the pandemic.

The Trust has completed a major reorganisation to Care Groups, which have included additional focused resource on planning and performance through dedicated Business Manager and Business Analyst roles to support the Care Groups. These roles will continue to develop, and provide a strong basis for internal performance management within Care Groups.

A review of the Trust's performance management framework is planned for 2020 to ensure it provides the rigour and scrutiny in order to assure the Board that plans are on trajectory or mitigating actions are put in place where performance is off-track. The Trust is working with partners across the system to improve performance through the Health and Care Resilience Board, Planned Care Steering Group and Cancer Alliance. The Trust is a key member of the Humber Coast & Vale Health and Care Partnership (HCP), with a number of Directors and Senior Managers leading and sitting on HCP work streams.

Yorkshire and the Humber Local Health Resilience Partnership (LHRP)
Emergency Preparedness, Resilience and Response (EPRR) assurance 2019-2020

STATEMENT OF COMPLIANCE

York Teaching Hospital NHS Foundation Trust has undertaken a self-assessment against required areas of the EPRR Core standards self-assessment tool v2.2

Where areas require further action, York Teaching Hospital NHS Foundation Trust will meet with the LHRP to review the attached core standards, associated improvement plan and to agree a process ensuring non-compliant standards are regularly monitored until an agreed level of compliance is reached.

Following self-assessment, the organisation has been assigned as an EPRR assurance rating of Substantial against the core standards.

Overall EPRR assurance rating	Criteria
Fully	The organisation is 100% compliant with all core standards they are expected to achieve. The organisation's Board has agreed with this position statement.
Substantial	The organisation is 89-99% compliant with the core standards they are expected to achieve. For each non-compliant core standard, the organisation's Board has agreed an action plan to meet compliance within the next 12 months.
Partial	The organisation is 77-88% compliant with the core standards they are expected to achieve. For each non-compliant core standard, the organisation's Board has agreed an action plan to meet compliance within the next 12 months.
Non-compliant	The organisation compliant with 76% or less of the core standards the organisation is expected to achieve. For each non-compliant core standard, the organisation's Board has agreed an action plan to meet compliance within the next 12 months. The action plans will be monitored on a quarterly basis to demonstrate progress towards compliance.

I confirm that the above level of compliance with the core standards has been agreed by the organisation's board / governing body along with the enclosed action plan and governance deep dive responses.

HNScott

Signed by the organisation's Accountable Emergency Officer

Date signed 25/09/2019

23/09/2019	25/09/2019	01/09/2020
Date of Board/governing body meeting	Date presented at Public Board	Date to be published in organisations Annual Report

New and Significantly Revised Services

The Trust has continued to innovate in order to achieve our aim of delivering high quality services, better clinical outcomes and improving the experience of patients. This includes our approach to transforming services through quality improvement and workforce redesign to maximise effectiveness, efficiency and productivity. To do this we are working in partnership across the Humber, Coast and Vale Health and Care Partnership, through our alliances with neighbouring hospitals and at a local level with primary care, Local Authorities and community organisations.

The Trust's Corporate Improvement Team supports a multi-faceted approach to quality improvement via its 'Dial I for Improvement' toolkit across the organisation, utilising a variety of tools and techniques to address problems and systematic issues. The Trust approach to quality improvement applies a systematic method to engagement and involves all key stakeholders to help discover and develop solutions to complex problems or issues.

Initiatives progressed over the last year include a review of the Head and Neck Cancer pathway and enhancements to the Ophthalmology Urgent Care Clinics at both Scarborough and York Hospitals.

The Trust has been engaged with the NHS Improvement Operational Productivity team over the last 18 months, working closely on a number of work streams including Trauma and Orthopaedics, Cardiology and Radiology. This collaborative piece of work between NHS Improvement and the Trust's clinical, operational, improvement, finance and efficiency teams uses information from a variety of sources, including the national 'Model Hospital', Service Line Reporting and the 'Getting It Right First Time' (GIRFT) programme.

The Trust has also recently established a GIRFT Project Assurance Board to ensure corporate oversight of the GIRFT programme. The local NHS Improvement GIRFT team is working closely with the Trust's Programme Manager to support our delivery of best practice.

The Trust is one of six in the region to receive additional support to improve theatre productivity through collaborative working and shared learning. The support offer involves a new approach to transforming theatre services, with NHS Improvement and the national GIRFT team supporting the Trust.

Planning work is underway to develop a consolidated Day Unit facility on the Scarborough Hospital site to maximise and extend elective operating capacity.

The Trust continues to increase and develop its use of new and alternative roles and to develop different workforce models. These include:

- Physician Associates - these have already been deployed in a diverse range of medical specialties, including Paediatrics, Care of the Elderly, Acute Medicine and Rheumatology.

- Trainee Advanced Clinical Practitioners (ACPs) - ACPs were recruited for Emergency Medicine in Scarborough and the Acute Medical Unit in York during 2018. The new trainees are the fourth cohort of ACPs recruited by the Trust in recent years.

- Trainee Nursing Associates - cohorts of Trainee Nursing Associates have been appointed alongside a small cohort of Trainee Associate Practitioners. The training is being delivered in partnership with the University of York and Coventry University, and represents the start of a rolling programme for clinical apprenticeships at the Trust.

The Trust is part of a whole system Planned Care Transformation Programme working with colleagues in Clinical Commissioning Groups and primary care to review pathways, pool resources and introduce innovative staffing roles.

As part of this Programme, the Trust has recently introduced a new service called “Advice and Guidance”. The service allows teams in GP surgeries to send a clinical query directly to the relevant specialist at the hospital for a quick written response.

By communicating directly and quickly with specialists, patients can be better supported by their General Practice team, often without the need to be seen at the hospital. It also means for patients that do need to be seen by a specialist relevant tests and treatments have already been completed outside the hospital, all helping to deliver a safer, more efficient service.

A similar approach for outpatient referrals involving a new direct interface between GP and Consultant called Referral for Expert Opinion has also been developed and implemented, which will help inform the most appropriate clinical pathway to be followed.

Excellent progress has also been made with the implementation of patient video consultations with hospital clinicians which have been introduced across forty pathway areas.

Key Programme initiatives have been implemented in relation to the Musculo Skeletal service, including the appointment of Physiotherapy First Contact Practitioners in Primary Care to assess, treat and discharge patients in conjunction with GPs, improvements in diagnostic provision (especially MRI and Ultrasound) and the introduction of a nationally accredited back pain pathway.

Other developments have included the introduction of a revised Acute Chest Pain pathway and the management of other Cardiology presentations, a review of the Pathology requesting process and the updating of Ophthalmology referral guidance for cataracts.

For patients with skin conditions, the specialist Dermatology team has worked with GP colleagues to ensure that practices have access to dermatoscopes – cameras that can take detailed images which can be included with referrals. This has supported a reduction in the time patients with a suspected skin cancer wait for a specialist review and improved communication between clinical teams.

For patients in York requiring blood thinning medication (anti-coagulation), the service has moved from being provided by a hospital-based team to teams based in

GP practices. The Trust, Vale of York Clinical Commissioning Group and local GP practices have worked collaboratively to manage the change and address any issues as they have arisen.

A number of pathway changes have been agreed, both locally with commissioners and GPs and across the wider Humber, Coast and Vale Health and Care Partnership. These have been implemented to improve the effectiveness of services, reduce waiting times and help patients to get the right diagnostic test, first time. They include pathways for patients with new atrial fibrillation, back pain and glaucoma.

A revised patient pathway for Scarborough areas residents accessing Stroke Services has been introduced in May 2020. Patients contacting the Yorkshire Ambulance Service with Stroke symptoms or presenting at Scarborough Hospital will be taken by ambulance to the nearest Hyper Acute Stroke Unit in York, Hull or South Tees.

This temporary service change, which has been introduced as a result of staffing challenges, will ensure quicker access to Hyper Acute Stroke Units and will be closely monitored by the Humber Coast and Vale Stroke Network as part of a formal service review to be completed by early 2021.

The new Endoscopy Unit at York Hospital opened in late 2019, reducing the time patients wait for an Endoscopy procedure and supporting improved access to bowel screening to identify colorectal cancer earlier. The Trust has also recently approved a business case for a new Radiology Information System which will be implemented shortly and which supports delivery of a two-year transformation of Diagnostic Imaging services.

The Trust has expanded services available for children who require urgent assessment in both York and Scarborough Hospitals. The Child Assessment Units provide a child-friendly environment to diagnose and treat illnesses, reducing the time children need to spend in the Emergency Department. On both hospital sites the service has extended the hours it is available each day.

The Trust has also worked with colleagues in the Yorkshire Ambulance Service to reduce the time spent in Emergency Departments by ambulance crews who have brought patients to hospital. This has initially focused on the Scarborough Hospital site, with the lessons learnt also being applied through a similar initiative at York Hospital. It is recognised that this represents an ongoing challenge for the organisation, particularly during periods with high numbers of ambulance arrivals.

The Trust also continues to develop its approach to providing same-day Emergency Care. Sometimes referred to as ambulatory care, this prevents the need for patients to stay in hospital overnight.

The Trust has been working closely with the national Emergency Care Intensive Support Team (ECIST) to progress this area of work in tandem with the promotion of the SAFER patient flow process which encourages senior clinical review and timely discharge planning.

In Scarborough, investment in the Dales Unit (attached to the Emergency Department) has resulted in a dedicated five-trolley Same Day Emergency Care Unit which recently

opened. A Frail Elderly pathway service has also been successfully introduced in early 2020 in conjunction with primary care, which has reduced and prevented emergency admissions.

In York there has been expansion of senior medical roles (supported by the wider multi-disciplinary team) providing earlier specialist assessment of patients who present in an emergency.

Out of Hospital Care

The Trust is in the penultimate year of its Out of Hospital Care strategy that described a vision based on 'Home First'. The three key themes for the strategy are to:

- Develop integrated community services for localities;
- Develop the interface between acute and community services;
- Move services from acute to community settings.

The Trust has worked with a range of partners to continue to deliver our vision. This includes being a core member of locality forums in all of the communities that we serve alongside primary care networks, social care, community health partners, community and voluntary sector leads and mental health. These groups are leading the design and development of joined up services to meet the needs of local people and address health inequalities.

Developments during 2019-20 included the implementation of workforce transformation in community nursing teams. This has seen the introduction of five locality teams based around geographical areas and the new Primary Care Networks. It has increased the number of staff available outside of traditional hours to respond to urgent patient needs. It has involved significant changes for those teams involved who are to be commended for their efforts in minimising the impact on patients through the transitional period.

During the year the Trust provided laptop devices to over 300 community staff to allow them access to clinical records whilst undertaking home visits. This includes nurses, therapists and midwives. Further progress was made in sharing records between community health teams and colleagues in General Practice.

The Trust has continued work to ensure patients do not spend any longer in a hospital bed than they need to. Whether through developments to prevent the need for an inpatient admission in the first place, through daily reviews to ensure progress is being made towards discharge or moving assessment processes that patients traditionally waited in hospital for into home environments – our 'Why not home, why not today' ethos guides our work, both in our acute hospital sites and our community inpatient units.

To support this, we have continued to work with partners in local authority, independent care and primary care to develop integrated services to provide rehabilitation, reablement and recovery at home. In York the emergence of a joint 'Home First' service provides a single point to triage referrals to ensure patients get the most appropriate team for their needs and teams are aligning how they work. The Trust has worked with partners and our commissioners to develop a single specification for all teams to work as an alliance to deliver.

We have expanded the ability for care homes to refer directly to our community therapy teams, avoiding the delay and duplication for homes needing to request a GP to do this. As a group, our allied health professionals have developed capacity and demand models to support service redesign, an AHP Assurance Framework to monitor standards of care and a Post Graduate Education Certificate in partnership with local universities.

Our outreach pharmacists continue to support better use of medicines for patients in the community, including those being supported by our home-based rehabilitation services and care home residents. The City of York Better Care Fund has invested in additional capacity during 2019-20 so that more local people could benefit from a pharmacist review of their medicines.

Review of Financial Performance – Fair view of the Trust

The table below provides a high-level summary of the Trust's financial results for 2019-20.

Table 1 - Summary financial performance 2019-20

	Plan £million	Actual £million	Variance £million
Clinical income	467.4	465.1	-2.3
Non-clinical income	45.2	64.6	19.4
Total income	**512.6**	**529.7**	**17.1**
Pay spend	357.1	376.7	-19.6
Non-pay spend	160.5	163.4	-2.9
Total spend before dividend, and interest	**517.6**	**540.1**	**-22.5**
Operating surplus (loss) before exceptional items	**-5.0**	**-10.4**	**-5.4**
Sparsity Funding	2.6	2.6	0
Provider Sustainability Funding (PSF), Financial Recovery Funding (FRF) and Marginal Rate Emergency Tariff (MRET)	19.8	20.4	0.6
Deficit Support Scheme (DSS)	0	3.8	3.8
Dividend, finance costs and interest	-17.4	-19.0	-1.6
Net profit/ (loss)	**0**	**-2.6**	**-2.6**

Statement of Comprehensive Income 2019-20 - Clinical income totalled £462.1m, and arose mainly from contracts with NHS Commissioners, including Vale of York CCG, Scarborough CCG, East Riding CCG, NHS England and Local Authorities (£462.1m), with the balance of (£3.0m) from other patient-related services, including private patients, overseas visitors and personal injury cases.

Other income totalled £64.6m and comprised funding for education & training, research & development, and for the provision of various non-clinical services to other organisations and individuals. The major variance in other income substantially relates to additional income relating to the increase in staff pension contributions: this income is netted off in

full within pay expenditure. There is also an additional income claim for exceptional COVID19 expenditure from the national reimbursement programme in 2019-20.

As part of the action to strengthen financial performance and accountability in the NHS, a Sustainability and Transformation Fund (STF) was created nationally in 2016-17 and all Trusts with an emergency care contract were allocated a proportion of the fund. For 2018-19 this was renamed as the Provider Sustainability Fund (PSF), and in 2019-20 this was further complicated and split into 3 separate funds, PSF, Financial Recovery Funding (FRF) and Marginal Rate Emergency Tariff (MRET). The maximum Trust base allocation in 2019-20 was £19.8m. In addition to this, the Trust received £3.8m from the Deficit Support Scheme (DSS): this was primarily to support the Trust in providing enhanced staffing levels in key clinical areas.

Access to the funding is primarily linked to the Trust's financial performance based on the achievement of agreed quarterly financial control totals; the only exception to this was the MRET which was allocated to eligible trusts. The link to operational targets was removed in 2019-20. The Trust has fully secured all this additional funding ensuring that it finished the year with a small operational surplus.

The Trust re-values all of its property fixed assets, including land, buildings and dwellings, at the end of each year (accounts note 1.26), to reflect the true value of land and buildings, taking into account in year changes in building costs and the initial valuation of new material assets. In 2019-20, there has been an overall downward valuation of the Trust assets, linked primarily to the re-valuation of the new Endoscopy unit. This has led to a technical and non-cash fixed asset impairment of £3.7m in year.

At the end of the financial year the Trust reported an income and expenditure deficit of (£2.6m): this position includes £19.8m of in year PSF, FRF & MRET funding and a (£3.7m) technical impairment loss and (£0.9m) of other small technical adjustments. If all these items are excluded, the pre PSF position of the Trust is a (£19.6m) deficit which is £0.2m ahead of the original NHSI control total of a (£19.8m) deficit.

Accounting policies - The Trust has adopted international financial reporting standards (IFRS), to the extent that they are applicable under the Department of Health Group Accounting Manual (DH GAM).

Cash - The Trust's cash balance at the end of the year totalled £11.4m.

Capital investment - During 2019-20 the Trust invested £13.8m in capital projects across the estate. The major projects on site during this period included:

- Scarborough – Fire alarm replacement
- Scarborough & York – Essential back log maintenance
- York – Community stadium
- York – Endoscopy development

The Trust continued its programme of essential replacement of medical and IT equipment and plant across all sites, through a combination of purchasing and lease finance.

Planned capital investment - Capital investment plans for 2020-21 include:

- Scarborough – Transformation of Urgent & Urgent Care
- York – Vascular Imaging Unit
- Scarborough & York – Essential back log maintenance

During 2018-19 the Trust was successful in its outline bid for £40m capital for a major investment in the Scarborough Hospital site: £22m has been allocated for the redesign and build of a major new facility to modernise the delivery of Emergency Care services on the East Coast and £18m has been allocated for essential enabling and infrastructure work on the site. This process will now move through the formal Treasury Business Case approval process to progress the scheme. This programme of work continues to move forward through the necessary process and the project is expected to be finally completed in 2024.

A key Trust focus remains on reducing backlog maintenance and investing in our IT infrastructure across all Trust sites, although capital funding has been extremely tight and there has been a requirement to prioritise the work within the capital programme.

Land interests - There are no significant differences between the carrying amount and the market value of the Trust's land holdings.

Investments - There are no significant differences between the carrying amount and the market value of the Trust's investment holdings.

Value for money – 2019-20 has proved to be another extremely challenging year, both financially and operationally, with demand on services continuing to grow, thereby putting significant pressure on the Trust ECS and referral to treatment (RTT) targets. The Trust has, however, managed to deliver to its financial control total and achieve a total of £19.8m of cash backed PSF, FRF & MRET funding.

In spite of these challenges, 2019-20 saw the Trust over deliver its £17.1m efficiency target by £0.3m, delivering a total of £17.4m, of which £10.8m (63%) was recurrent delivery: this was a tremendous organisational effort.

The Trust has a proven record of achievement of a resource management cost improvement programme aimed at delivering efficiencies, to support the Trust in making outstanding use of its available money, staff, equipment and premises. Good resource management provides clarity of focus and is usually linked to improved patient care, when backed by a rigorous Quality Impact Assessment (QIA) process. The work involves linking across the Trust to identify and promote efficient practices.

The Trust continues to engage positively with both the NHSI Operational Productivity and the national GIRFT teams, and the further development of the GIRFT programme within the Trust has been a particular focus in year. The Model Hospital continues to be a major source of information for efficiency identification and the latest data suggests the Trust is in the lower cost quartile for cost per weighted unit of activity (WAU). A member of the Trust's Corporate Efficiency Team is also a Model Hospital Ambassador: this network allows for national networking opportunities to share good practice and ideas.

Work is continuing with the Trust's two main commissioners in terms of working much more closely together to provide system benefits, particularly in the areas of system savings, efficiencies and potential service re-design and provision.

Better payment practice - The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date, or within 30 days of receipt of goods or receipt of a valid invoice, whichever is later. The Trust's in year performance is detailed in Table 2 below: -

Table 2

	Number	Value
		(£'000)
Total Non-NHS trade invoices paid in year	107,568	263,040
Total Non-NHS trade invoices paid within target	60,281	186,803
Percentage of Non-NHS trade invoices paid within target	56.04%	71.02%
Total NHS trade invoices paid in year	4,947	44,678
Total NHS trade invoices paid within target	2,940	32,307
Percentage of NHS trade invoices paid within target	59.43%	72.31%

The Trust's performance in this area has significantly improved during 2019-20 and is expected to further improve in 2020-21. The total amount of any liability to pay interest which accrued by virtue of failing to pay invoices within the 30-day period was £3,000.

The Trust has complied with the cost allocation and charging requirements set out in the HM Treasury and Office of Public Sector Information guidance.

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

Insurance Cover - The Trust has purchased Officer and Liability Insurance that covers all officers of the Trust against any legal action, as long as the officer was not acting outside their legal capacity.

Political and charitable donations - No political or charitable donations were made during the year.

Accounting policies for pensions and other retirement benefits - Past and present employees are covered by the provisions of the NHS pension scheme. The scheme is

accounted for as a defined contribution scheme. Further details are included in the accounting policies notes to the Trust's annual accounts.

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

Statement as to disclosure to auditors - Each Director at the time of approving this report has confirmed that, as far as the Director is aware, there is no relevant audit information of which the NHS Foundation Trust's Auditor is unaware. The Director has taken all the necessary steps in order to be aware of the relevant audit information and to establish that the Trust's Auditor is aware of that information.

Counter Fraud Policies and Procedures – The Foundation Trust's counter fraud arrangements are in compliance with the NHS Standards for Providers: fraud, bribery and corruption. These arrangements are underpinned by the appointment of accredited Local Counter Fraud Specialists and a Trust-wide countering fraud and corruption policy. An annual counter fraud plan identifying actions to be undertaken to create an anti-fraud culture, deter, prevent, detect and, where not prevented, investigate suspicions of fraud, is produced and approved by the Trust's Audit Committee.

In the News – Moments in Our Year

April 2019: 'Hospital Bus' takes to the road

In April a new park and ride service from Rawcliffe Bar in York was launched in partnership with First York, supported by York Teaching Hospital Charity.

Both staff and visitors are able to take advantage of this frequent and fast service, which has been designed to operate at convenient times around staff shift patterns and peak visiting times. In addition, a new dedicated bus stop was created on the grounds of the hospital, meaning it's only a few short steps from the bus into the main hospital reception.

It is hoped that the partnership solution will help reduce congestion around York Hospital by providing a viable alternative to parking.

May 2019: Junior doctors showcased

Junior doctors, staff and guests gathered for the Trust's first annual junior doctor awards in May. The event provided an invaluable opportunity to showcase the achievements of the Trust's professional, caring and dedicated junior doctors. Junior doctors are some of the unsung heroes of healthcare, often balancing the bulk of a hospital's day to day legwork alongside their ongoing training. Taking time out to celebrate our junior doctors, who everyday go to extraordinary lengths to provide exceptional care and fantastic services, is really important.

June 2019: Ride on cars take children to theatres

Children at York and Scarborough hospitals can now drive themselves for their own surgery in a ride-on electric car, following a generous donation from the Tesla owners group.

The mini Teslas play an important part in helping distract children who are nervous about going for an operation by offering a fun way to travel to theatres.

Having to come into hospital can be a daunting time for anyone, especially for children, so equipment like this can really make a child's stay more enjoyable.

The donation follows a bid by the Trust, in partnership with York Teaching Hospital Charity, to provide a car for the children's wards at both York and Scarborough hospitals.

July 2019: Nursing associates graduate

In July, the Trust's first cohort of trainee nursing associates graduated after two year intensive study.

Starting back in April 2017 in partnership with the University of York, the course was the first of its kind at the Trust.

Now fully qualified, the nursing associates are able to support registered nurses with a range of duties, within a defined scope of practice. Nursing associates have gone from strength to strength since their conception. In September 2018 the Nursing and Midwifery Council approved all elements of regulation and it is now offered as an apprenticeship at the Trust.

August 2019: LGBT rainbow badge launched

In August the Trust's Staff LGBT+ Network launched an NHS rainbow badge for staff to wear to show support towards LGBT staff and patients.

The badges, funded by York Teaching Hospital Charity, were created in response to data confirming that LGBT+ people have specific and significant health needs which are often not met by the NHS - where unhealthy attitudes towards LGBT+ people unfortunately are still all too common.

Wearing the pin badge is a signal to LGBT+ patients and families that the person wearing it is a good person to speak to about issues of gender and sexuality, and that they will try to provide help if needed.

September 2019: Hospital open days

In September, both York and Scarborough hospitals opened their doors to the public - giving people a rare opportunity to discover more about the daily workings of a hospital and the services provided.

Information stands from clinical and corporate teams and tours offered an exclusive insider look at some of the hospital departments. Interactive tours and seminars gave people a rare opportunity to find out what goes on behind the scenes within the hospital, not normally seen by the public. Tours were extremely popular, including the boiler house, laboratory medicine, the mortuary at York Hospital, arts, neurophysiology and the diabetes department.

For those interested in opportunities and careers in the NHS, there were recruitment and specialist staff on hand to offer advice, as well as on-the-day interviews for registered or newly qualified nurses.

October 2019: New multi-million pound home for endoscopy opens

York Hospital's new £10million Endoscopy and GI physiology unit, one of the most modern and largest Endoscopy units in England, was officially opened in October. The unit, which took eighteen months to complete, significantly increases capacity to reflect the growing need for endoscopic investigations nationally and will provide around 15,000 treatments each year.

Using advanced technology, the Trust will be able to introduce new procedures, such as a transnasal endoscopy, which means that patients having a gastroscopy will be more comfortable. The unit will also teach and support the next generation of nurse endoscopists to develop their skills.

November 2019: Learning disability liaison service celebrates 10 years

In November, the learning disability liaison service turned 10 years old and the team have never been prouder of their achievements.

Since their launch they have delivered individualised care to over 2,000 patients, helping provide reasonable adjustments to enable them to access healthcare.

December 2019: National Elf Service

In December the Trust took part in 'National Elf Service 2019' to raise money for York Teaching Hospital Charity.

The charity helps to funds the extras to improve our healthcare facilities above and beyond the NHS, making patients feel better. They support staff in our hospitals to make the hospital experience the best it can be for all who visit and stay there.

The costumes were fantastic and it was great fun seeing staff with the 'Elfie Selfie Frame'!

January 2020: Frailty unit launches at Scarborough Hospital

In January, a new frailty unit opened at Scarborough Hospital, providing dedicated care for older people who come into hospital.

Elderly patients, who are frail and aged over 65, presenting at the Emergency Department are now rapidly assessed and any patient who can be safely managed in a same day setting, rather than being admitted to the hospital, will be moved into the hospital's new 'Home First' Unit.

The new unit brings together experts from a range of clinical teams to offer patient-centred care and rapid assessment. This means that treatment and care can begin sooner and many patients who are medically well and stable are able to go home the same day.

Acute frailty units have been proven to provide the best quality of care for older patients. By focusing on bringing together the right resources and range of clinicians, it reduces the number of older patients being admitted to hospital.

February and March 2020: Global pandemic

In February and March the Trust ramped up its response to the global COVID-19 pandemic, declared a NHS level 4 incident - the highest category of emergency.

At the start of the pandemic we put in place a robust operational plan which ensures that measures are in place to safely test and treat patients with coronavirus. In readiness, we cancelled planned surgery, all routine outpatient appointments and suspended all visiting to our hospital sites. None of these were easy decisions to make but the right choice to enable us to maximise capacity for patients and to keep our staff safe. We also reconfigured our Emergency Departments, wards and critical care areas at both York and Scarborough to create 'COVID' and 'non-COVID' zones to help more effectively manage different patient groups.

COVID-19 presents the NHS with arguably the greatest challenge it has faced since its creation. However, our health service - through our skilled and dedicated staff - is renowned for the professional, flexible and resilient way that it responds to adversity and as an entire Trust we pulled together, as one, in a coordinated effort.

As a Trust we are incredibly proud and thankful for everything our staff are doing, and continue to do, in the face of pressure and challenges of the global pandemic.

Sustainability

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets, we can improve health both in the immediate and long term even in the context of rising cost of natural resources. Demonstrating that we consider the social and environmental impacts ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met.

In order to fulfil our responsibilities for the role we play, York Teaching Hospital NHS Foundation Trust has the following sustainability mission statement in its Sustainable Development Management Plan (SDMP):

"**The York Teaching Hospital Foundation Trust strives to actively encourage, promote and achieve environmental sustainability in all that it does."**

As a part of the NHS, public health and social care system, it is our duty to contribute to the targets set by the Climate Change Act 2008 and this Trust has a Board commitment to sustainability and carbon reduction in line with the Act targets.

The NHS Long Term Plan (2019) states that whilst the carbon footprint of health and social care as a whole has reduced by 19% since 2007 (despite a 27% increase in activity), this leaves a significant challenge to deliver the Climate Change Act target of 34% by 2020 and 51% by 2025.

Policies

In order to embed sustainability and carbon reduction within our business it is important to explain where in our processes and procedures sustainability features.

Area	Is sustainability considered?
Travel	Yes
Business Cases	Yes
Procurement (environmental & social aspects)	Yes
Suppliers' Impact	Yes

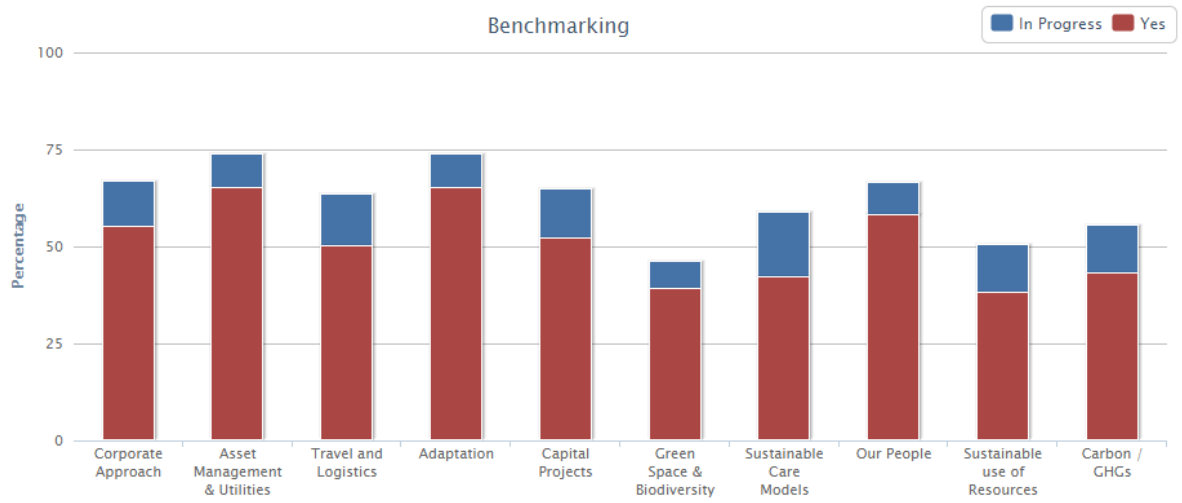
Our organisation embeds sustainability is through the use of a Sustainable Development Management Plan (SDMP). The action taken in relation to this Trust's Board approved SDMP is reviewed annually so our plans for a sustainable future are well known within the organisation and are clearly laid out. The Director of Nursing/ Chief Nurse is the current Board level lead for Sustainability and, over the last year, the Resources Committee has received regular updates on the work of the Trust wide Sustainable Development Group (facilitated by the Head of Sustainability).

This sustainability commitment includes measuring carbon reduction, environmental, social and economic impacts through the Sustainable Development Assessment Tool (SDAT) and the NHS Sustainability Reporting Portal.

Our organisation adopts a sustainability impact assessment during business case development, which leads on to a procurement process incorporating a specification and tender evaluation award. The Sustainability Impact Assessment is a mandatory part of business cases and contract award procedures require evidence of the account taken in relation to the Public Services (Social Value) Act.
One of the ways in which we measure our impact as an organisation on corporate social responsibility is through the use of the SDAT. The last time we used SDAT was in March 2020, scoring 62% (as compared with 55% in 2019 and 49% in 2018).

Sustainable Development Assessment Tool (SDAT) Results for March 2020

Performance has improved in all areas over the last year, although the score on Capital Projects has not improved due to the lead in time necessary to implement the Trust Sustainable Design Guide.



As an organisation that acknowledges its responsibility towards creating a sustainable future, we undertake awareness raising events and campaigns that promote the benefits of sustainability to our staff. It is the personal responsibility of all staff to ensure that the Trust's resources are used efficiently with minimum wastage throughout their daily activities. This is now in all new job descriptions (since 2017). In 2019 a network of Green Champions was established across the whole of the Trust, who helped generate new ideas and promote resource efficiency.

United Nations Sustainable Development Goals (SDGs)

The SDAT process also identifies which Sustainable Development Goals are being tackled that contribute to the UK's national contribution to this UN commitment (see the table below).

The Trust attaches great importance to sustainability and Corporate Social Responsibility. Our statement on modern slavery is available to view at: https://www.yorkhospitals.nhs.uk/search-results/?search=modern+slavery.

Adaptation

Climate change brings new challenges to our business, both in direct effects to the healthcare estates, but also to patient health. Examples of recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods, droughts etc. Our Board approved SDMP makes reference to the plans to address the potential need to adapt the delivery of the organisation's activities and infrastructure to climate change and adverse weather events.

Formal emergency planning procedures are in place to deal with any adverse circumstances which would include current and future climate change risks. Events such as heatwaves, cold snaps and flooding are expected to increase as a result of climate change. To ensure that our services continue to meet the needs of our local population during such events we have developed and implemented a number of policies and protocols in partnership with other local agencies.

The Emergency Planning Steering Group (EPSG) maintain a risk register, including the risks of severe weather such as flooding, heatwave etc. Issues arising from these risks can include risk to life, damage and disruption to properties, utilities and infrastructure, short term homelessness and increased admissions and hospital attendances. The EPSG also tests, reviews and monitors related plans and policies such as the Incidence Response Plan, and Adverse Weather Plans.

The Trust's Business Continuity Management Policy sets out the Business Continuity Planning process, including guidance for the writing, implementation, annual review and monitoring of Business Continuity Plans, which are tested by the Business Continuity Sub Group, and then any concerns are raised through the Emergency Planning Steering Group (EPSG). Work during the last year has included testing out various business continuity plans and the Incident Response Plan. Further work is planned in 2020 to review the adverse weather plan and improve monitoring and reporting arrangements in relation to increasing heatwave impacts.

In addition to the above, the Trust's Sustainable Building Design Guide was introduced in 2018 to provide guidance on the measures which can be taken to reduce the impact of the changing climate.

Sustainable Care Models

The Trust works with partners in the health and care system to promote prevention and self-care. This is a key element of the Trust Out of Hospital Care Strategy.

In an aim to reduce the number of patients having to make avoidable visits to the Trust's sites, two new patient video conferencing systems are being trialled:

The first is a bespoke project using the Refero system, and bespoke hubs have been set up in Scarborough. A number of consultants from Cancer and Diabetes clinics are using the technology to reduce the need for patient journeys between Scarborough and York. This will be especially significant for improving the patient experience with an aim to remove 10% of patient journeys to Trust sites for appointments.

Another system is currently being used as part of the NHS-wide Attend Anywhere (NHSE funded) trial as part of the Covid-19 response until April 2021. This is essentially a 'virtual waiting room' with an online consultation. One hub is currently being used in Scarborough and more will be set up. Services currently joining the trial include Dermatology, Rheumatology and Sexual Health.

Both trials have the opportunity to improve experience and quality of life for patients. So far feedback from patients is positive and more data will be available as the trial continues. The trial started in January 2020 and will continue throughout 2020.

The Trust's work has continued with overseas partners through the Global Health Steering Group, who have a strategy aimed at building up contacts and liaison with international healthcare systems involving the development and publicity of mutually beneficial educational and staff exchange programmes.

The rationale for the Group's work is as follows:

- A means of exchanging ideas and sharing best practice with other health care systems in improving outcomes;
- The development of professional and managerial skills and valuable two-way learning and educational opportunities;
- The enhancement of the reputation of the Trust as an outward-looking and forward-thinking organisation helping to promote general recruitment.

The ongoing work programme of the Group includes the management of a well-established clinical observership scheme with the Chinese Health system involving an agreement that two clinical cohorts visit the Trust each year and that an annual educational visit of Trust staff to partner hospitals also takes place. The Trust and participating Specialties receive income for the clinical attachments.
Plans are being worked up for the potential development and delivery of bespoke training programmes in the areas of patient safety and patient involvement with Chinese partner organisations.

The Trust is a participant in the two-year clinical fellowship scheme organised by the British Association of Physicians of Indian Origin (BAPIO) and Health Education England which has resulted in the recruitment of middle grade doctors to vacant posts within the organisation. Discussions are ongoing with contacts in the Sri Lankan Health Service to promote a similar scheme.

The Trust has well-developed contacts with Healthcare UK, the Government agency supporting international healthcare collaborative opportunities, and the United Kingdom International Healthcare Management Association, a network of British Healthcare organisations interested in Global Health activities.

It is planned to hold a staff engagement event later this year for Global Health, work utilising and building on existing and potential contacts as part of the ongoing development of the Trust's Global Health strategy.

Capital Projects

A Sustainable Building Design guide was introduced in 2018 to incorporate capital project procedures and sustainability checklists, together with the objectives to achieve Building Research Establishment Environmental Assessment Method (BREEAM) 'Excellent'/'Very Good', including the need to gain 'innovation credits' in the field of sustainable performance by incorporating innovative technology where practicably feasible and economically viable to do so, also tackling issues around resilience, biodiversity and the use of green space. The use of the Design Guide will embed sustainability into work to refurbish and develop the estate through the use of a whole life costing approach which will help to reduce running costs and future proof the organisation.

The Trust's Capital Project meetings include input from the Head of Sustainability together with the Trust's Estates Strategy which also includes a section on sustainability and sets out how the Trust's buildings can serve the needs of the sustainable healthcare in the local community.

The Trust procurement for a minor schemes contractor was awarded to contractors that would benefit the local economy and social value outcomes (e.g. engagement of local small businesses, local labour, certified considerate construction, and local skills development). These principles are also embedded into the design specification for the proposed Vascular Imaging Unit (VIU). The Trust will also be ensuring that the new VIU Facility is accredited using BREEAM.

Our People

NHS Health Checks are now offered to all staff over 40 years of age, with advice provided which is tailored to the individual. In addition, positive management behaviours training has been introduced, with a focus on supporting mental wellbeing and staff with mental ill health.

In relation to physical activity/sedentary behaviour, the Trust is continuing to widen and improve the offers around physical activity via Staff Benefits. There is a staff cycle scheme / salary sacrifice promotion that has good levels of uptake. A cycle mileage rate is also available for those who cycle whilst at work.

In 2019 the Trust gathered feedback from staff members through face to face, written and online communications which will help to form our action plans for 2020. Sustainability featured in the staff feedback and the organisation's sustainability journey will be shared with staff through our internal communication channels.

Also, in 2019 a team of green champions was established to promote sustainability opportunities more widely with staff and to reduce waste.

Green Space and Biodiversity

Supporting access to green space has benefits for mental and physical wellbeing. It also can lead to improved air quality, noise reduction, and supports the local biodiversity, to combat some of the impacts of our changing climate.

In the past, where sites have been developed, consideration has been given to making best use of green space. e.g. around Scarborough Hospital car park to encourage wildlife.

The Trust's Sustainable Design Guidance highlights the need to give consideration to green walls and green roofs. These additions have biodiversity benefits, as well as improving the appearance, reduce the impact of surface water flooding and surface water drainage, provide insulation and can also protect underlying building materials from increasing rainfall intensity. Any new building schemes under development will now follow this guidance.

Partnerships

The NHS policy framework already sets the scene for commissioners and providers to operate in a sustainable manner. Crucially for us as a provider, evidence of this commitment will need to be provided in part through contracting mechanisms. Strategic partnerships are established with the following organisations: Humber, Coast and Vale Health and Care Partnership and the Clinical Commissioning Groups, North Yorkshire County Council, and City of York Council and its partners.

The Trust's Sustainable Development Group has continued to deliver sustainability communication and engagement work through a range of events and activities across several sites e.g. personal travel planning and active travel advice, National Clean Air Day, recycling and waste reduction promotions, energy efficiency advice, energy centre open day and staff messages on a variety of sustainability and carbon/ reduction measures. Many of these activities have been undertaken in partnership with others, for example Local Councils, Citizens Advice, contractors and are often based on best practice from other Trusts and the Sustainable Development Unit.

Performance - Organisational change

Since the 2007 baseline year, the NHS, as a whole has undergone a significant restructuring process and one which is still on-going. Therefore, in order to provide some organisational context, the following tables may help explain how both the Trust and its performance on sustainability has changed over time.

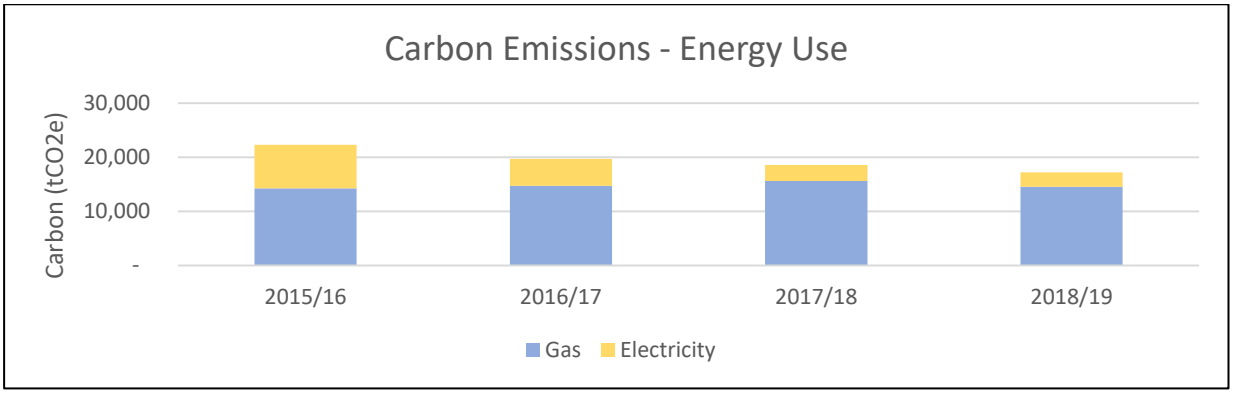
Context info	2015/16	2016-17	2017-18	2018-19
Floor Space (m^2)	204,404	191,234	158,642	156,646
Number of Staff	6,838	6,968	8,621	8,113

The available floor space has reduced as the Trust property portfolio has gone down from 72 sites to 53 sites, whilst at the same time staff numbers have increased. As staff numbers have increased, so do Trust services resulting in greater carbon emissions through use of equipment, but a reduction in floor area leads to a reduced demand for heating

In 2014 the Sustainable Development Strategy outlined an ambition to reduce the carbon footprint of the NHS as a system by 28% (from a 2013 baseline) by 2020. We have supported this ambition through:

- Significant reduction in our carbon emissions by installing combined heat and power plants at our major sites, along with improvements to insulation, lighting and heating controls;
- Encouraging staff to use the travel hierarchy and consider alternatives to travelling by car as a sole occupant;
- Considering our procurement options and undertaking sustainability impact of all new business cases;
- Ensuring that as much of our waste is recycled or used in waste to energy plant as possible;
- Encouraging increased use of teleconferencing to reduce inter-site travel;
- Using the material reuse portal "Warp It" to reduce waste and procurement cost and save carbon emissions by encouraging internal reuse of items;
- Running switch off campaigns to encourage staff to reduce energy use and increase engagement;
- Through groups of key staff to review and reduce energy use;
- Embarking on a Carbon Reduction project with Environmental Consultants WRM;
- Working with Theatres Staff to encourage reduction in the use of Desflurane in favour of more environmentally friendly anaesthetic gases.

Energy



Energy Use 2018/19					
Resource		**2015/16**	**2016/17**	**2017/18**	**2018/19**
Gas	Use (kWh)	68,020,203	70,495,528	73,615,758	69,598,117
	tCO2e	14,235	14,733	15,608	14,583
Electricity	Use (kWh)	14,046,336	9,579,760	6,629,918	7,422,655
	tCO2e	8,076	4,951	2,955	2,618
Total Energy tCO2e		**22,311**	**19,683**	**18,563**	**17,201**
KgCO2e/Patient Contact		20	17	16	15
Total Energy Spend		**£3,454,371**	**£2,660,680**	**£2,796,746**	**£2,708,382**
Additional CRC Cost		£155,547	£125,250	£115,793	£103,486

Energy data is calculated from gas and electricity bill data from energy suppliers. CO_2 tonnages are calculated through the Sustainable Development Unit, using appropriate government carbon factors. CRC is the mandatory Carbon Reduction Commitment energy efficiency reporting scheme. tCO2e is a tax paid on the carbon emissions resulting from the use of gas and electricity.

The Trust spent £2,708,382 on energy in 2018-19, a decrease of 3.1% from the previous year.

Trust emissions from energy have reduced from 22,311 tCO2e in 2015-16 to 17,201 tCO2e in 2018-19; this represents a reduction of 22.9%. The reduction from 2017-18 to 2018-19 was 7.3% These reductions have largely been due to the adoption of gas fired combined, heat and power (CHP) technology and decarbonisation of the grid. CO2 emissions per patient contact have reduced by 25% between 2015-16 and 2018-19. In October 2019 a carbon reduction staff engagement project was introduced with consultants WRM.

The Trust does not use oil or coal as primary fuels. The Trust moved to a Green Electricity Tariff on 1 April 2020.

Whilst the majority of the Trust's carbon emissions were reported through the mandatory Carbon Emission Reduction (CRC) scheme, York Hospital reports under the European Union Emissions Trading System (EUETS) as the site produces more than 20MW of thermal energy.

EUETS Charges 2016-2019	
Year	**Cost**
2016	£13,812
2017	£9,839
2018	£11,202
2019	£29,949

Due to the recent exponential growth in carbon costs, the Trust is currently reviewing the size of its gas boilers so that they are more closely matched to the actual heat demand. Potentially, the Trust could replace the oldest largest boiler with a much smaller boiler so that the Trust's emissions would fall below the EUETS threshold. If the Trust's 2020 emissions are identical to 2019, this will mean an excess of 2474tCO2e and so the charges would be £54,254.82 in 2020. If the boiler sizes collectively fall below the threshold, this would reduce the annual carbon tax cost by circa £50k per annum, reduce carbon emissions and improve the boiler efficiency.

In 2019 the Trust successfully applied for the fully funded sub-metering programme from the BEIS Modern Energy Partners Programme which is planned for implementation from the summer of 2020.

Re-use of goods and equipment

The re-use of goods and community equipment in the NHS has several key co-benefits: reducing cost to the NHS, it also reduces emissions from procuring and delivery of new goods and can provide social value when items are re-used in the community.

The Trust implemented a re-use portal in December 2019. The portal allows staff within the Trust to donate and claim items, such as furniture and redistribute to other users in

the Trust. Using the system has saved the Trust £4,800, nearly 3000kg of CO2 and avoided 800kg of materials being turned into waste in the first 3 months of use.

Work has started to reduce the amount of single use plastic being used within the Trust. Plastic straws have been removed from Trust restaurants and from regular meal service. (A small number of plastic straws are still used by patients who require a flexible necked straw). Work is underway to remove single use plastics and introduce compostable alternatives, as well as to encourage staff to bring their own reusable products. The Trust signed the NHS Plastics Pledge in March 2020, committing to reducing the number of single use plastics used in the Trust.

Paper

The movement to a Paperless NHS can be supported by staff reducing the use of paper at all levels: this reduces the environmental impact of paper, reduces cost to the NHS and can help improve data security.

In 2018 the Trust introduced unbleached 100% recycled paper. 2017-18 was the first year we quantified our paper use and this equated to 8 tonnes of paper. In 2018-19 usage remained consistent at 8 tonnes.

Travel and Logistics

The table below outlines the number of miles and attributable CO_2 emissions for each transport category

Travel Overview 2018/19					
Category		**2015/16**	**2016/17**	**2017/18**	**2018/19**
Staff commute	miles	6,568,424	6,696,334	7,985,614	7,796,593
	tCO2e	2,375	2,420	2,845	2,875
Business Travel	miles	1,328,734	2,073,809	2,833,765	3,904,085[1]
	tCO2e	481	749	1,011	1,440
Active and public transport	miles	-	-	242,970[2]	283,924
	tCO2e	-	-	48	29
Owned Electric and PHEV mileage	miles	-	29,790	83,845	83,845[3]
	tCO2e	-	3	10	10
Annual Totals	miles	7,897,158	8,799,933	11,146,194	12,068,447
	tCO2e	2,856	3,173	3,915	4,354

[1] **This figure has increased on previous years, largely due to hire car data being available in FY 18-19 that had not previously been available.**

[2] **This figure has been corrected from the previous years' report due to more accurate reporting. (Previously reported as 529,878 miles)**

[3] **Previous years data used due to lack of reliable data for 18-19. A recording system has now been implemented which will allow for more accurate reporting in future years.**

We can improve local air quality and improve the health of our community by promoting active travel – to our staff and to the patients and public that use our services.

The 2019 Trust travel plan which is currently being reviewed to take account of the NHS Long Term Plan Targets and the recent staff and patient/visitor travel surveys. The travel plan has five aims around which various targets and prioritised actions have been developed:

1. Support and encourage healthy and active travel;
2. To reduce travel related pollution and traffic congestion;
3. To reduce single occupancy car journeys;
4. To ensure that there is fair, consistent and adequate provision of transport and travel choices for all staff, patients and visitors;
5. To contribute to the Trust wide environmental sustainability agenda.

Work has continued to promote healthy and active travel through a range of promotional events at our York and Scarborough hospital sites (in conjunction with City of York Council and North Yorkshire County Council / external providers such as Halfords). This has been combined with new supporting infrastructure (York Park & Ride bus stop) and policy review projects consistent with meeting the above aims, such as implementing elements of the Travel Plan aims into the new Trust Green Plan, the standard contract and the ongoing fleet vehicle replacement/emission reduction work.

The 2017 NICE Guidance (NG70) on Air Pollution: Outdoor Air Quality and Health, which covers road-traffic related air pollution and its links to ill health, has served to highlight the need for action based on the links between action to improve air quality and the prevention of a range of health conditions and deaths. The Trust has recorded its current status on NG70 as 'Partially compliant with an action plan'

Air quality monitoring work with City of York Council (CYC) and North Yorkshire County Council around the York and Scarborough sites showed low air pollutants below legal limits in 2019.

The York Hospital Park and Ride was established in April 2019 to provide staff and visitors with the opportunity to park on the outer ring road and travel direct to the hospital. The bus service helps to reduce local emissions in peak periods and improve the hospital car parking availability for those who need it. The increasing numbers of both staff and visitor users and the positive feedback about the service has led to agreement to continue this service for at least a further 3 years.

The Trust continues to use the Lift-Share (a car journey sharing platform) where colleagues can travel together to work and compensate the driver for petrol. This has a number of benefits:

1. Reduced cost of travel for staff;
2. Reduced single occupancy car journeys and associated emissions;

3. Increased availability of on-site parking.

As of March 2020, the Trust LiftShare scheme had 538 members, exceeding the 468-member target set in the Travel Plan.

The Trust is also working in partnership with NHS Supply Chain to consolidate the number of deliveries that are made to site. Currently 44% of our goods are received via this route (an increase of 9% on the previous year) but over the next year we are seeking to move this to 50%. Work has been undertaken by the catering department to optimise food delivery. Work is ongoing to investigate the feasibility of delivery lorries that can transport ambient, refrigerated and frozen food on the same run.

Waste

Total waste in 2018/19 reduced by 303 tonnes to 2325 tonnes, representing a reduction of 11.5% from 2017/18.

Waste Overview 2018/19						
Waste	**Column1**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Recycling	tonnes	314	496	599	645	615
	tCO2e	7	10	13	14	13
	Cost			£60,829	£81,947	£73,388
Other recovery	tonnes	628	487	938	1371	1364
	tCO2e	13	10	20	30	29
	Cost			£185,157	£298,161	£536,157
High Temp disposal	tonnes	244	284	253	0	279
	tCO2e	54	62	56	0	61
	Cost			£94,790	£0	£382,397
Landfill	(tonnes)	980	791	590	613	67
	tCO2e	240	193	183	211	0
	Cost			£175,144	£186,183	£13,413
Other Waste Costs						£113,818
Total Waste	tonnes	**2166**	**2058**	**2380**	**2628**	**2325**
% Recycled or Re-used	%	**14.49%**	**24.10%**	**25.18%**	**24.53%**	**26.45%**
Total CO2 from waste	tCO2e	**313**	**275**	**271**	**255**	**127**
Total Waste Cost	£	**£610,492**	**£555,527**	**£515,920**	**£566,291**	**£1,119,173**

Please note that a full breakdown of costs for each category is only available from 2016/17 onwards. 2018/19 is the first year that has a separate category for "other waste costs"

Total waste CO2 emissions in 2018-19 were 127 tCO2e, 50% lower than in 2017/18 (255 tCO2). This was largely due to the 89% reduction in waste being sent to landfill. Recycling rates have increased from 24.5% to 26.4% which is an increase of 1.9%.

Staff members from the Trust recently undertook a visit to Allerton Park Waste Recovery centre near Rufforth, where the Trust non-recyclable domestic waste is now converted to energy via incineration and the energy produced is supplied to the local grid as electricity.

Food waste is converted to compost in an anaerobic digestor, which provides additional electricity to the grid.

Work has been undertaken with staff in various departments to increase awareness of the importance of waste segregation. A network of “Green Champions” have been established who have been key in spreading awareness to other staff, this work will continue into 2020-21.

Water

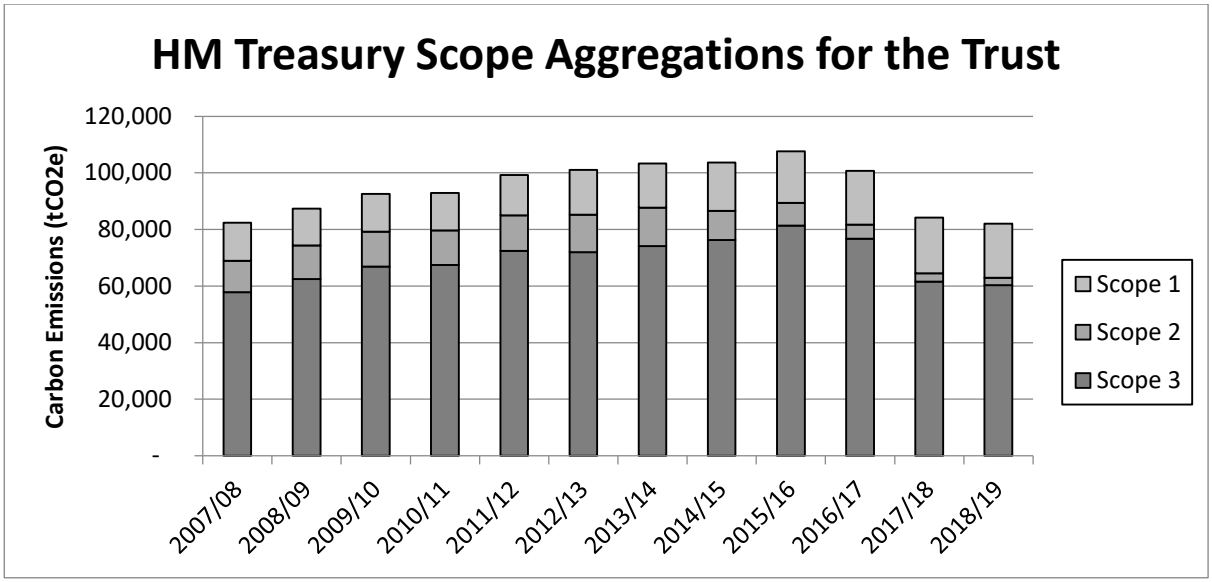
Water consumption is monitored and reported internally at all sites on a monthly basis. Any significant variations in consumption and cost from the budget projections are reviewed and investigated as necessary.

Water Overview 2018/19					
Water		2015/16	2016/17	2017/18	2018/19
Mains Water	m^3	274,172	270,981	287,488	297,250
	tCO^2e	250	247	262	271
Water & Sewage Spend		£554,745	£558,727	£609,078	£675,883

Mandatory Carbon Emission Reduction Reporting

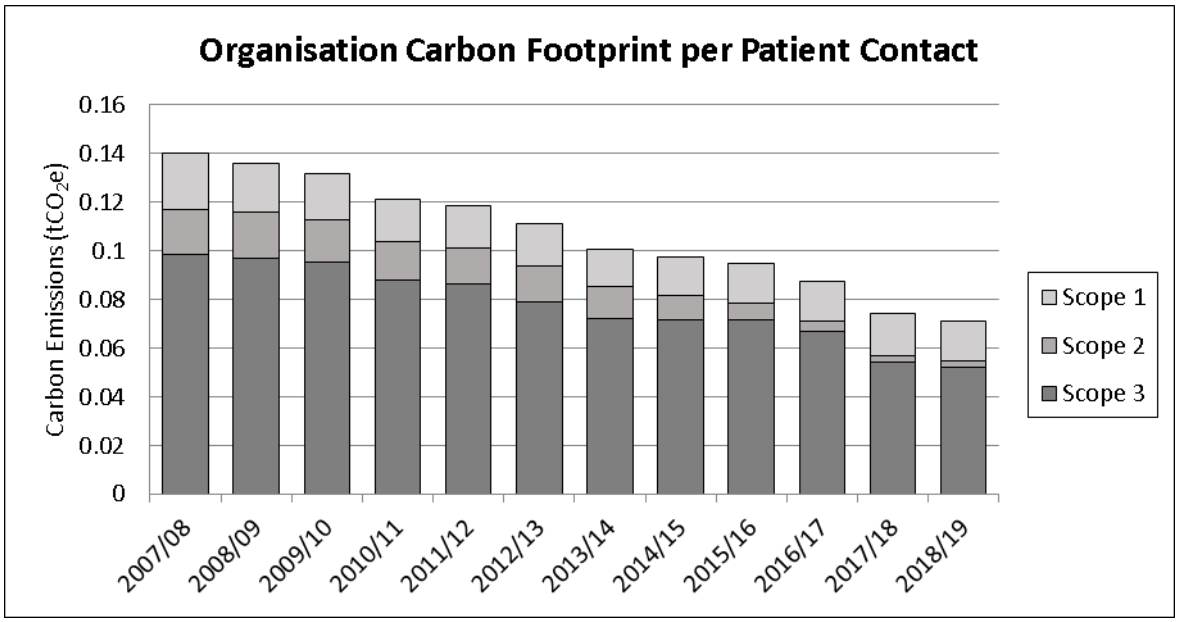
The Trust records CO_2 emissions under three different scopes, Scope 1, 2 and 3, as required. The table below lists what is included in each Scope as sources of CO_2, and the quantities in each category for 2018-19:

Total CO2 Emissions by Scope 2018/19	
Scope 1 (Direct)	**Carbon Emissions tCO_2e**
Gas	14,583
Oil	-
Coal	-
Owned Vehicles	237
Anaesthetic Gases	4,236
Scope 1 Total	**19,057**
Scope 2 - (Indirect)	
Thermal Energy (Net of any imports)	-
Electricity (Net of any imports)	2,618
Scope 2 Total	**2,618**
Scope 3 - Indirect	
Procurement	38,620
Travel	21,306
Waste	127
Water	271
Scope 3 Total	**60,324**
Total	**81,998**



The table above shows this information in a graph for each scope total from the previous table. The total reported carbon emissions increased year on year between 2007-08 and 2015-16, the last three years have shown a significant decrease in Scope 3 (the indirect emissions with the largest decrease as a result of our procurement decisions) and Scope 2 (reduced as a result of the efficient operation of the Combined Heat and Power Plants at 4 of the Trust's major sites).

2018-19 shows a 2.5% decrease in carbon emissions from 2017-18 levels. This is the third year in which the Trust has been able to record an overall reduction in annual carbon emissions since adopting the NHS Sustainable Development Unit Annual Report format. The Trust is able to report a 20.6% reduction from the 2013-14 baseline. Although this reduction is positive, work needs to be completed to reach the 28% reduction target from 2013-14 by 2020-21 (the target for the Health and Social Care Sector).



Using this data, the Trust can show a 49% reduction in carbon footprint per patient contact since 2007/2008 (i.e. the total carbon emissions have been divided by the total patient contacts so that you can see against the 2007/8 baseline data how the carbon emissions over time have changed).

SECTION 2

Accountability Report

Directors' Report

Composition of the Board of Directors

The Board membership during the year was as follows:

Executive Directors			
Name	Role	Current Appointment	
		From	To
Susan Symington	Chair	April 2015	Present
Mike Proctor	Interim Chief Executive	May 2018	July 2019
Simon Morritt	Chief Executive	August 2019	Present
Andrew Bertram	Finance Director Deputy Chief Executive	January 2009 May 2018	Present
Wendy Scott	Chief Operating Officer	Sept 2017	Present
Jim Taylor	Medical Director	October 2015	Present
Helen Hey	Interim Chief Nurse	March 2019	June 2019
Heather McNair	Chief Nurse	July 2019	Present
Polly McMeekin	Director of Workforce & OD	February 2019	Present

Non-Executive Directors			
Name	Role	Current Appointment	
		From	To
Jennie Adams	Non-Executive Director Vice Chair	Sept 2012 January 2020	Present
Mike Keaney	Non-Executive Director	Sept 2012	Jan 2020
Jenny McAleese	Non-Executive Director Senior Independent Director	March 2017 May 2019	Present Feb 2020
Lynne Mellor	Associate NED Non-Executive Director	April 2018 July 2018	June 2018 Present
Lorraine Boyd	Associate NED Non-Executive Director	April 2018 July 2018	June 2018 Present
Jim Dillon	Non-Executive Director	July 2019	Present
Stephen Holmberg	Non-Executive Director Senior Independent Director	July 2019 March 2020	Present
Dianne Willcocks	Non-Executive Director	January 2016	April 2019

	Senior Independent Director	Sept 2017	April 2019

The Board of Directors has included additional non-voting Directors in the membership of the Board. They are:

Non-voting Directors			
Name	Role	Current Appointment	
		From	To
Brian Golding	Director of Estates & Facilities	Sept 2013	Dec 2019
	Managing Director of YTHFM LLP	October 2018	Mar 2020
Lucy Brown	Acting Director of Communications	June 2018	Feb 2020
	Director of Communications	February 2020	Present

The following changes occurred in the Board membership during the year:

- Mike Proctor, Interim Chief Executive, retired in July 2019;
- Simon Morritt was appointed Chief Executive in August 2019;
- Heather McNair was appointed Chief Nurse in July 2019;
- Helen Hey, Interim Chief Nurse, returned to her substantive post in July 2019;
- Brian Golding retired from his position as Director of Estates & Facilities in December 2019 and as Managing Director of YTH FM LLP in March 2020;
- Jim Dillon was appointed Non-Executive Director in July 2019;
- Stephen Holmberg was appointed Non-Executive Director in July 2019;
- Dianne Willcocks, NED & Senior Independent Director, completed her time in post in April 2019;
- Jenny McAleese, NED, was appointed Senior Independent Director in May 2019 – February 2020;
- Stephen Holmberg, NED, was appointed Senior Independent Director in March 2020;
- Mike Keaney retired from his NED position in January 2020;
- Jennie Adams, NED, was appointed as Vice Chair in January 2020;
- Lucy Brown was appointed Director of Communications in February 2020.

The gender balance and age profile of the Board at 31 March 2020 was:

	Female	Male
Non-Executive Directors including Chair	5	2
Executive Directors	3	3
Corporate Directors	1	0

Age	No. of Directors
18-39	1
40-49	1
50-59	8
60-69	4
70+	0

Directors' Biographies

Under section 17 and 19 of Schedule 7 of the National Health Service Act 2006, the Chair, Chief Executive, Executive and Non-executive Directors were appointed to the Board of Directors as follows:

Chair – Susan Symington

Appointed 1 April 2015 to 31 March 2018
Reappointed 1 April 2018 to 31 March 2021

Prior to being appointed as Chair of our Trust on 1 April 2015, Susan was a Non-executive Director and Vice Chair of Harrogate and District NHS Foundation Trust. She served on the Board at Harrogate District NHS Foundation Trust from 2008 and continues to act as a Non-executive Director at the Beverley Building Society since appointment in 2013. Susan's executive background is within human resources / organisational development. She was previously HR Director for Bettys and Taylors of Harrogate.

Chief Executive – Simon Morritt

Appointed August 2019

Simon joined the Trust from Chesterfield Royal Hospital NHS Foundation Trust, where he had been Chief Executive since 2016. He has more than 25 years' experience in the NHS, which he joined in September 1989 as a General Management Trainee in Greater Manchester. After roles across Yorkshire he went on to be successful in number of senior positions. His first Chief Executive post was for the Doncaster Central Primary Care Trust in October 2000 and he was appointed Chief Executive of the former Bradford and Airedale Teaching Primary Care Trust (now NHS Bradford and Airedale) in October 2006. Following his time in commissioning organisations, he became Chief Executive of Sheffield Children's Hospital.

Deputy Chief Executive – Mike Proctor

Appointed 1993
Interim Chief Executive - appointed May 2018 to July 2019

Mike joined the NHS in 1975 as a Trainee Operating Department Assistant in Sheffield. He undertook nurse training from 1982-85 before working in a variety of clinical roles at the Royal Hallamshire Hospital Sheffield. He became a Charge Nurse in Intensive Care Northern General Hospital, Sheffield in 1987. Mike undertook various nurse and business manager roles at York before becoming Director of Nursing in 1998. Mike was then appointed to Chief Operating Officer/Deputy Chief Executive in 2005. Mike continued as Deputy Chief Executive and took executive responsibility for education, training and organisational development and research. He was appointed Interim Chief Executive in May 2018 until a new Chief Executive was appointed.

Executive Finance Director – Andrew Bertram

Appointed January 2009
Deputy Chief Executive - appointed May 2018

Andrew has previously held a number of roles at the Trust, first joining in 1991 as a Finance Trainee as part of the NHS Graduate Management Training Scheme. On qualifying as an accountant, he undertook a number of finance manager roles supporting many of the Trust's clinical teams. He then moved away from finance to take a general management role as Directorate Manager for Medicine. Andrew then joined the senior finance team, firstly at York, subsequently at Harrogate and District NHS Foundation Trust, as their Deputy Finance Director, and then returning to York to become the Executive Finance Director. He has since been appointed Deputy Chief Executive in May 2018.

Executive Medical Director – Jim Taylor

Appointed October 2015

Jim graduated with a dental degree from Glasgow University in 1983. He then worked in posts in Bristol, Manchester and Greater London before re-entering medical school and graduating from Charing Cross and Westminster Medical School in 1993. Jim was appointed Medical Director for the Trust in October 2015. He has served as a Consultant Maxillofacial Surgeon with the Trust since 2001, providing services across North Yorkshire, including Scarborough and Bridlington, during that time.

Executive Chief Nurse – Heather McNair

Appointed July 2019

Heather joined the Trust from her previous position as Director of Nursing & Quality at Barnsley Hospital NHS Foundation Trust. She is a qualified midwife and became Head of Midwifery at Huddersfield Royal Infirmary in 1998 before becoming Deputy Director of Nursing in 2001, a post she held

for 10 years.

Interim Executive Chief Nurse – Helen Hey

Appointed as Deputy Chief Nurse - 2015
Appointed as Interim Executive Chief Nurse – February 2019 to May 2019

Helen has worked at York Teaching Hospitals NHS Foundation Trust as Deputy Chief Nurse for 4 years. Prior to this Helen held senior nursing posts in Mid Yorkshire and in Bradford. Helen's background is in cancer care as a Cancer Nurse Specialist and as Lead Cancer Nurse supporting people having chemotherapy and radiotherapy. Helen entered nursing as a diploma nurse and studied specialist diplomas, a degree and a masters during her career. In Helen's last three jobs she has managed patient experience and is passionate about giving people the best care and exploring every opportunity for people to be involved in designing their own services, pathways and care packages.

Executive Chief Operating Officer – Wendy Scott

Appointed September 2017

Wendy joined York Hospital NHS Foundation Trust in July 2012, managing Scarborough, Whitby and Ryedale and York and Selby Community Services. She was the Director of Out of Hospital Care from October 2015 to August 2017, when she took up her current post as Chief Operating Officer. Wendy is a nurse by background and then moved into commissioning roles.

Executive Director of Workforce & Organisational Development – Polly McMeekin

Appointed February 2019

After graduating from Durham University in 2000, Polly began her career in Financial Services. In 2002 she joined the NHS working for Great Ormond Street Hospital, where she trained in Human Resource Management. Polly joined Harrogate and District NHS Foundation Trust 2009 and progressed to Deputy Director of Workforce and Organisational Development before she left in 2015. She joined the Trust in September 2015 as Deputy Director of Workforce reporting into the Chief Executive. She was subsequently appointed to the position of Director of Workforce and Organisational Development in February 2019. Her portfolio includes Human Resources, Organisational Development, Corporate Learning and Equality and Diversity.

Non-executive Director – Jennie Adams

Appointed 1 September 2012 to 31 August 2014
Reappointed 1 September 2014 to 31 August 2017
Reappointed 1 September 2017 to 31 August 2018
Reappointed 1 September 2018 to 31 August 2019
Reappointed 1 September 2019 to 31 August 2020
Vice Chair from 1 January 2020

Jennie joined the Trust in September 2012. She has a first-class honours degree in Economics from Southampton University and has a professional background in investment management. She moved to Scarborough 18 years ago with her husband (a hospital consultant) and young family and has taken on a number of Non-executive roles within the private and public sector.

Non-executive Director – Mike Keaney

Appointed 1 September 2012 to 31 August 2014
Reappointed 1 September 2014 to 31 August 2017
Reappointed 1 September 2017 to 31 August 2018
Reappointed 1 September 2018 to 31 August 2019
Reappointed 1 September 2019 to 31 January 2020

Mike was appointed as a Non-executive Director in September 2012. He is a Business Director with over 40 years' experience in the private sector, mainly in manufacturing, and has held senior management positions including CEO, Managing Director and been a Board Member with companies operating in Europe and North America.

Non-executive Director – Dianne Willcocks

Vice Chair until August 2017
Senior Independent Director from September 2017 to April 2019
Appointed 1 May 2010 to 30 April 2013
Reappointed 1 May 2013 to 30 April 2016
Reappointed 1 May 2016 to 30 April 2019

Dianne Willcocks, Emeritus Professor at York St John University, is a Leadership Consultant, advocate and practitioner for socially inclusive citizenship. As former Vice Chancellor at York St John University, Dianne Willcocks engages contemporary debates around new learners and new learning styles in higher education and the distinctive role and contribution of Church Colleges and Universities. She is an Associate of the Leadership Foundation for Higher Education.

Non-executive Director - Jenny McAleese

Appointed 1 March 2017 to 28 February 2020
Senior Independent Director from May 2019 – February 2020

After graduating from Jesus College, Oxford in French and German, Jenny joined Grant Thornton and qualified as a chartered accountant. She remained with the firm for ten years, becoming an Audit Manager and then a Senior Healthcare Financial Consultant advising NHS Trusts. For 18 months she was seconded to the NHS Management Executive as a Business Analyst. In 1996, Jenny joined The Retreat Psychiatric Hospital in York as Director of Finance and a year later became Chief Executive until retiring in October 2016.

Non-executive Director – Lynne Mellor

Associate Non-executive Director from 1 April to 30 June 2018
Appointed 1 July 2018 to 30 June 2021

Lynne brings over 26 years of experience in the public and private sector, having held a wide-range of leadership positions with a particular focus in the network and IT sector.

Non-executive Director – Lorraine Boyd

Associate Non-executive Director from 1 April to 30 June 2018
Appointed 1 July 2018 to 30 June 2021

Lorraine is a GP and brings 30 years of experience of direct patient care. In recent years Lorraine has been involved as GP representative within NHS Vale of York Clinical Commissioning Group and The Humber, Coast and Vale Sustainability and Transformation Partnership. She is the founder directory of City and Vale GP Alliance and she has supported the development of collaborative working between the Trust and primary care.

Non-executive Director – Jim Dillon

Appointed 1 July 2019

Jim was Chief Executive at Scarborough Borough Council from April 2006 until his recent retirement. Before that he was a Director at Ipswich Borough Council. Jim has a strong passion for the Scarborough area and wishes to continue contributing to improving the quality of life of the community through being a Director of the Trust and having been involved at a strategic level of health and wellbeing agenda at both local and regional levels for many years.

Non-executive Director – Steven Holmberg

Appointed 1 July 2019
Senior Independent Director from March 2020

Steve has been a Consultant Cardiologist in the NHS with more than 25 years' experience in direct patient care. He brings extensive experience as a previous Trust Board Executive and also held senior roles in other NHS organisations and the charitable sector. Steve has a strong interest in education in health care and in the development of safety and quality in patient care.

Two further Directors have provided additional support to the Board:

Director of Estates and Facilities – Brian Golding

Member of the Board from September 2013 to 31 December 2019
Managing Director of YTH FM LLP from October 2018 to 31 March 2020

Brian is a Chartered Engineer with over 30 years' experience delivering complex public sector projects. He started his career as a Design Engineer with the Property Services Agency and, having progressed into project management, spent 5 years on the Trident Submarine shore facilities in Scotland. After a brief spell in Saudi Arabia, commissioning hardened aircraft shelters, Brian returned to the UK and joined the NHS at Guy's and St. Thomas' where he managed a range of projects rationalising services across the two sites. In 2009 he became Director of Estates and Facilities and led the operational Estates and Facilities Teams across our diverse estate. In October 2018, Brian also became the Managing Director of York Teaching Hospital Facilities Management LLP.

Director of Communications – Lucy Brown

Appointed February 2020
Acting Director of Communications June 2018 – February 2020

After graduating from The University of Sheffield in 2002, Lucy joined the press office at Tees, East and North Yorkshire Ambulance Service (now Yorkshire Ambulance Service). She joined NHS Employers in 2005, holding a number of communications roles before becoming Senior Communications Manager. Lucy joined the Trust in July 2008 as Communications Service Manager, establishing the Trust's first in-house communications function and was later appointed Head of Communications in 2011, reporting to the Chief Executive. Lucy's portfolio includes media relations and PR, internal communications, stakeholder engagement and charity fundraising. She was appointed Acting Director of Communications in June 2018 until her appointment to the substantive role in February 2020.

Register of Directors' Interests

The Trust holds a register listing any interest declared by members of the Board of Directors. They must disclose details of company directorships or other positions held, particularly if they involve companies or organisations likely to do business or possibly seeking to do business with the Trust. The public can access the register at www.york.nhs.uk or by making a request in writing to:

The Foundation Trust Secretary
York Teaching Hospital NHS Foundation Trust
Wigginton Road
York YO31 8HE

or by emailing lynda.provins@york.nhs.uk

Board Committees

At the start of 2019 the Trust had six Board Committees: the Quality Committee, the Resources Committee, the Group Audit Committee, the Remuneration Committee, the Executive Board and the Corporate Risk Committee. The Corporate Risk Committee was disestablished in November 2019.

Each of the Committees is chaired by a Non-executive Director and its membership is drawn from the Non-executive Directors. Each Committee is supported by the Executive Directors and Managers of the Trust.

The Remuneration Committee

Details of the Remuneration Committee can be found on page 83.

The Corporate Risk Committee

The Corporate Risk Committee met once during the year, as two meetings had to be cancelled due to members' availability. In November 2019 it was decided by the Board to disestablish this Committee and strengthen the role of the other Committees in managing the Board Assurance Framework (BAF) and the Corporate Risk Register (CRR). The Executive Board played a greater part in this and the BAF and CRR went to every Executive Board, Resources Committee and Quality Committee, with the Group Audit Committee seeking assurance about the processes in place.

Attendance and membership of the Committee was as follows:

	16/05/19	18/07/19	12/09/19	15/10/19
Susan Symington (Chair)	✓	Cancelled	Cancelled	✓
Simon Morritt	-			✓
Jenny McAleese	✓			✓
Fiona Jamieson	✓			✓
Lynda Provins	✓			✓

(Directors were invited periodically to discuss their risk registers)

The Group Audit Committee

The Group Audit Committee met six times during the year. Attendance and membership of the Committee is as follows:

	07/05/19	24/05/19	02/07/19	10/09/19	03/12/19	10/03/20
Jenny McAleese (Chair)	✓	✓	✓	✓	✓	✓
Jennie Adams	✓	✓	✓	✓	✓	✓
Mike Keaney	✓	Ap	Ap	Ap	Ap	-
Lorraine Boyd	-	-	-	-	✓	✓

A number of officers attended the meetings to provide assurance to the Committee, including:

Name	Designation
Andrew Bertram	Deputy Chief Executive / Finance Director
Steve Kitching	Head of Corporate Finance & Resource Management
Lynda Provins	Foundation Trust Secretary
Helen Kemp-Taylor	Head of Internal Audit
Jonathan Hodgson	Audit Manager
Emma Shippey	Assistant Audit Manager
Steve Moss	Counter Fraud Officer
Marie Hall	Local Counter Fraud Specialist
Gareth Kelly	Engagement Lead, Grant Thornton
Thilina de Zoysa	Engagement Manager, Grant Thornton

The Committee receives reports from Internal and External Auditors and undertakes reviews of financial, value for money and clinical reports on behalf of the Board of Directors. The Committee became the Group Audit Committee during the year when a decision was taken that it would considers matters for both the Trust and YTHFM LLP.

The Committee's terms of reference require the Committee to:

- Monitor the integrity of the activities and performance of the Trust and YTHFM and any formal announcement relating to the Group's financial performance;
- Monitor governance and internal control for the Group;
- Monitor the effectiveness of the Internal Audit function for the Group;
- Consider the appointment of the External Auditors, providing support to the appointment made by the Council of Governors;
- Review and monitor External Audit's independence and objectivity and the effectiveness of the audit process for the Group;

- Develop and implement policy on the employment of the External Auditors to supply non-audit services;
- Review standing orders, financial instructions and the scheme of delegation;
- Review the schedule of losses and compensation;
- Review the annual fraud report;
- Provide assurance to the Board of Directors on a regular basis;
- Report annually to the Board of Directors on its work in support of the Annual Governance Statement.

Each meeting considers the business that will enable the Committee to provide the assurance to the Board of Directors that the systems and processes in operation within the Trust are functioning effectively.

The Trust has an independent Internal Audit function provided by Audit Yorkshire. The Internal Audit service also provides audit services to a number of other Foundation Trusts and Clinical Commissioning Groups in the region. To coordinate the governance and working arrangements of the service, all Trusts that obtain services from the Internal Audit Service are members of the Board of Audit Yorkshire.

The Internal Audit Service agrees a work programme at the beginning of the financial year with the Trust. The service reports to each Group Audit Committee meeting on the progress of the work programme and provides detailed reports on the internal audits that have been completed during the previous quarter.

The list of activities below shows some of the work the Committee has undertaken during the year:

- Considered internal audit reports and reviewed the recommendations associated with the reports;
- Reviewed the progress against the work programme for Internal and External Audit and the Counter Fraud Service;
- Considered the annual accounts and associated documents and provided assurance to the Board of Directors;
- Considered, provided challenge and approved various ad hoc reports about the governance of the Trust;
- Received the work of the Data Quality Group and cross related it to other Group Audit Committee information;
- Considered the external audit report, including interim and annual reports to those charged with governance and external assurance review of the Quality Report;
- Reviewed and monitored the Clinical Audit process, triangulating information with the Quality and Resources Committees to ensure there is also assurance around effectiveness of the processes in place;
- Considered the effectiveness of the Committee and Internal Audit;
- Provided a focus on risk management, the Corporate Risk Register and Board Assurance Framework processes in order to challenge and evolve the documents.

Role of Internal Audit

The Trust's Internal Audit and Anti-Crime services are provided by Audit Yorkshire. Audit Yorkshire provides independent assurance to the Board of Directors via the Group Audit Committee.

The Head of Internal Audit and Managing Director are supported by two Deputy Directors and a Management Team, all of whom are CCAB qualified. All Audit Yorkshire's auditors are either qualified or working towards an externally validated professional qualification to ensure the organisation has the correct skill set to deliver a wide range of assurance reviews and demonstrate proficiency and due professional care. At the start of the financial year, or on commencement of employment with Audit Yorkshire during the year, all Internal Auditors complete a declaration and certify that they have no conflicts of interest which might compromise their independence as an auditor working for Audit Yorkshire.

Audit Yorkshire has extensive experience of delivering award winning, high quality and cost-effective Internal Audit services to their members. Their approach and methodology:

- Provide an independent and objective opinion on risk management and governance, compliant with prevailing Public Sector Internal Audit Standards;
- Provide professional, high quality audit coverage of key risks;
- Give clear opinions on systems of internal control;
- Use the audit coverage and collate the opinions drawn to provide a meaningful Head of Internal Audit Opinion to support the Annual Governance Statement;
- Offer value-added work to assist the Trust in making business improvements and achieving its corporate objectives.

As well as undertaking specific audits and other pieces of work commissioned by the Trust, Audit Yorkshire also provides general advice on governance, counter-fraud and systems/process issues and undertakes consultancy/advisory work as required.

Role of External Audit

External Auditors are invited to attend every Group Audit Committee meeting. The appointed External Auditors have right of access to the Chair of the Group Audit Committee at any time.

The objectives of the External Auditors fall under two broad headings. To review and report on:

- The audited body's financial statements, and on its Statement on Internal Control;
- Whether the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

In each case, the Group Audit Committee sees the resulting conclusions.

External Audit also prepares an annual audit plan, which is approved by the Group Audit Committee. This annual plan sets out details of the work to be carried out, providing sufficient detail for the Group Audit Committee and other recipients to understand the

purpose and scope of the defined work and the level of priority. The Group Audit Committee discusses with the External Auditors the main issues and parameters for audit planning in the meeting before the annual audit plan is due to be approved. This allows the Committee members time and space to:

- Discuss the organisation's audit needs;
- Reflect on the previous year's experience;
- Be updated on likely changes and new issues;
- Ensure co-ordination with other bodies.

In reviewing the draft plan presented to the Committee, members concentrate on the outputs from the plan and what they will receive from the External Auditors, balanced against an understanding of the Auditors' statutory functions. Review of the audit fee is an important role, but the focus should be on consistency with the NHS Improvement's guidelines and appropriateness, in the context of the organisation's needs, and the statutory functions of the External Auditors.

The annual audit plan is kept under review to identify any amendments needed to reflect changing priorities and emerging audit needs. The Group Audit Committee approves material changes to the annual audit plan.

External audit works with both management and other assurance functions to optimise their level of coverage. The Committee seeks and gains assurance that duplication with Internal Audit is minimised wherever possible, consistent with the requirements of *ISA (UK and Ireland) 610* that External Audit should never direct the work of Internal Audit and review and re-perform similar items for any piece of work on which it intends to place reliance.

The Data Quality Group – Chaired by Mrs J McAleese

The Data Quality Group, a sub-group of the Group Audit Committee, examines and understands data quality issues relating to finance, human resource, risk and legal services and patient information systems. This work has continued throughout the year. The group has received presentations from information system owners and actively sought assurances from these owners on aspects of data quality. The assurance work has specifically explored issues in relation to the integration and development of systems. The group uses the intelligence it is gathering to test the robustness of the Internal Audit Work Programme in seeking and further supporting assurance on system data quality issues.

The Data Quality Group meets approximately four or five times during the year. The membership of the group comprises:

Jenny McAleese – Non-executive Director
Mike Keaney – Non-executive Director (resigned 31/01/20)
Jennie Adams – Non-executive Director
Lorraine Boyd – Non-executive Director (from December 2019)
Andrew Bertram – Executive Finance Director
Helen Kemp-Taylor – Head of Internal Audit

Other senior managers and executive directors attend as appropriate.

Resources Committee

The purpose of the Resources Committee is to provide assurance to the Board of Directors around patient safety and putting the best interests of patients first in relation to the Trust's financial, digital, estates, and workforce and organisational development performance, and drawing any issues or matters of concern to the attention of the Board of Directors.

The Resources Committee met seven times during the year. From March 2019 – December 2019 meetings were bi-monthly but from January 2020 onwards they became monthly. Attendance and membership of the Committee is as follows: -

	29/05/19	31/07/19	25/09/19	27/11/19	21/01/20	18/02/20	17/03/20
Jennie Adams (Chair)	✓	✓	✓	✓	✓	✓	✓
Lynne Mellor	✓	✓	✓	✓	✓	✓	✓
Mike Keaney	✓	Ap	Ap	Ap	Ap	-	-
Jim Dillon	-	✓	✓	✓	✓	✓	Ap

A number of officers attended the meetings to provide assurance to the Committee.

Name	Designation
Andrew Bertram	Deputy Chief Executive / Director of Finance
Steve Kitching	Head of Corporate Finance & Resource Management
Graham Lamb	Deputy Director of Finance
Polly McMeekin	Director of Workforce & Organisational Development
Kevin Beatson	Head of Systems Development
Adrian Shakeshaft	Head of IT Infrastructure
Lynda Provins	Foundation Trust Secretary

During the year the Committee explored in more detail some of the concerns and risks that faced the Trust. To support this, they received additional information on the following topics:

- Board Assurance Framework & Corporate Risk Register
- Estates & Facilities Report

- Capital Planning Information
- Health & Safety Policy Review
- Workforce Report
- Finance Report
- Internal Audit Plan
- National Cost Collection
- Efficiency Report
- Digital Report
- Occupational Health Report
- Long Term Financial Performance Report
- Tender Report
- Senior Information Risk Owner Report
- Information Governance Executive Group
- Working Time Directive Limited Assurance Report
- Equality & Diversity Annual Report
- Reference Costs Limited Assurance Report
- Research & Development Annual Report

The Quality Committee

The purpose of the Quality Committee is to provide assurance to the Board of Directors around patient safety and putting the interests of patients first in relation to the Trust's performance on quality and safety, performance improvement and transformational quality improvement, and drawing any issues or matters of concern to the attention of the Board of Directors.

The Committee met seven times during the year. Attendance and membership of the Committee is as follows: -

	29/05/19	31/07/19	25/09/19	27/11/19	21/01/20	18/02/20	17/03/20
Lorraine Boyd (Chair)	✓	✓	✓	✓	✓	✓	✓
Steven Holmberg	-	✓	✓	✓	✓	✓	Ap
Jenny McAleese	✓	✓	✓	✓	Ap	✓	✓

Key officers attended the meeting to provide assurance to the Committee, including: -

Name	Designation
Heather McNair	Chief Nurse
Jim Taylor	Medical Director

Fiona Jamieson	Deputy Director of Healthcare Governance
Rebecca Hoskins	Deputy Director of Patient Safety, Medical Governance
Helen Hey	Deputy Chief Nurse
Lynette Smith	Head of Operational Performance
Wendy Scott	Chief Operating Officer
Nicky Slater	Head of Information Services & Patient Access
Lynda Provins	Foundation Trust Secretary

During that time the Committee considered the following:

- Chief Nurse Report
- Director of Infection Prevention & Control Report
- Patient Experience Report
- Pressure Ulcer Report
- Falls Report
- Regulation 18 Complaints Report
- Clinical Negligence Scheme for Trusts Action Plan
- Acuity & Dependency Report
- Medical Director Report
- Clinical Audit & Effectiveness Report
- Performance Report
- Ambulance Handover Action Plan
- Quality Report
- Board Assurance Framework & Corporate Risk Register
- Maternity Annual Report
- Safeguarding Adults Annual Report
- Safeguarding Children Annual Report
- End of Life Care Annual Report
- Risk Management Framework
- Mortality Review Report
- Staffing Report
- Acuity Audit
- Inpatient Survey Report
- Winter Plan Monitoring
- 2019-20 Quality Priorities Report

Executive Committee - The Executive Committee is the key operational group of the Trust and is chaired by the Chief Executive. Its membership comprises the Care Group and Corporate Directors. The Executive Board discusses the formulation and implementation of strategy. The formed strategy proposals are discussed with the Board of Directors through the Board and Board Committee meetings.

NHS Improvement's Well-Led Framework

NHSI state that it is good practice for organisations to conduct 'in-depth, regular and externally facilitated developmental reviews of leadership and governance' every three to five years. These reviews should then be used to facilitate development of the Board. The Key Lines of Enquiry which were developed also underpin the Care Quality Commission's regular regulatory well led assessments.

The Trust carried out a well-led review in 2019 and as part of that has continued to review its committee/reporting structures and has also put in place a Board development programme for 2020-21. Further information can be found on pages 109 & 149 in the Annual Report and Annual Governance Statement.

Patient Experience

Delivering a quality service to our patients is one of the Trust's core strategic priorities and the Nursing and Midwifery Strategy 2017-20 sets out key steps and priorities to achieve high quality, patient focused care.

As one of the Trust's core values, "listening in order to improve" sets a clear intention.

The Trust receives thousands of pieces of patient and carer feedback every month through well-established mechanisms such as Friends and Family Test (FFT), care opinion, complaints and PALS.

The Patient Experience team collates and reports this feedback to the Board on a quarterly basis.

In addition, the team produces monthly Care Group reports which integrate this data to assist Care Groups in identifying improvement opportunities.

National Patient Surveys

In 2019-20 we received the results of two national surveys:

Maternity 2019
The response rate was 45% (n= 145) and the average score across all questions was 78%, one point lower than in 2018.

The Trust scored among best in the country on several questions relating to support – asking about mental health during antenatal checks, staying with parents during labour, being available during labour/birth, being contactable after discharge home.

There were some less positive results regarding allowing partner or family to visit / stay. The Trust is already aware of this issue as it also comes up in the FFT.

Inpatient 2019
Compared to other Trusts, we scored low (bottom 20%) on 25 of the 60 questions, covering a range of topic areas:

Pathway: waiting for a bed; involvement in decisions about discharge and notice given; knowing what would happen after discharge and accessing health and social care after hospital; having home situation and care needs taken into account in planning.

Staff: explanations about bed moves; nurse staffing levels; named nurse; confidence and trust in nurses; team-working and consistency of communication; information giving about condition/treatment and after effects.

Care: help with self-care (washing); access to own medications; involvement in decisions about care; being helped to talk about worries and fears; pain management; overall rating of hospital experience.

Hospital environment: noise at night; choice of food; privacy of discussions.

Full results are under embargo until July 2020. A paper outlining the results in more detail and putting forward recommendations for action will be sent for discussion to the Patient Experience Steering Group (July 2020).

Work is underway to address the results of the 2018 survey, including proposals for the relaunch of ‘Hello my name is’.

Friends and Family Test (FFT)

FFT asks patients how likely they are to recommend the services they have used.
Both inpatient and maternity recommended rates across sites remain stable at around 97%, with no significant change from the previous year.

86% Recommended our Emergency Departments
97% Recommended our Inpatient Departments
97% Recommended our Maternity Departments

In ED the 2018-19 average was 86%, while in 2019-20 the average (at 10 months) is 79%. There was a notable drop at July 2019 at both sites, which has been highlighted through monthly reports to the Care Groups and in meetings with leaders in the Care Groups. Planned improvements include a large communication display explaining the different pathways within ED, which may help with perceptions about waiting times, as well as a dedicated waiting area for children in York ED.

Patient Advice and Liaison Service (PALS)

Our Patient Advice and Liaison Service supported 1,634 people throughout the year. On average 72% of closed cases met the Trust's 10-day response target, compared with 73% last year.

Communication remains a key issue and this is reflected in other patient feedback, including the FFT and the National Inpatient Survey (NIS). Several questions in the NIS relate to communication, including but not limited to:

- Sometimes in a hospital, a member of staff will say one thing and another will say something quite different. Did this happen?
- How much information about your condition or treatment was given to you?
- Were you told how you could expect to feel after you had the operation or procedure?
- When you left hospital, did you know what would happen next with your care?

Having good communication with our patients is vital. It's common for people who need health care services to feel anxious about their health, about what tests and treatment they might have to undergo and about what the future holds for them. Having good communication with our staff helps reduce anxiety and builds patient confidence.

Key Themes:

Communication

Delays, Cancellations or Waiting for Appointments

Length of Waiting List

Complaints

502 formal complaints were received during the year, an increase of 13% from 445 in 2018-19.
This may be in part due to the year on year increase in Trust activity and the work that the Patient Experience team has undertaken to make it easier for people to provide feedback, such as new online forms.

As in previous years, complaints about clinical care and treatment are by far the highest cause of complaints, including issues relating to inpatient discharge arrangements.

The failure to properly involve patients in decisions about their care and treatment and to properly communicate with them can often be the main cause of complaint about clinical care. In many cases, investigations show that the care provided is satisfactory but there were short comings relating to communication. This is related to the attitude of medical staff, which was a top complaint theme this year.

Key Themes:

Care Needs Not Adequately Met

Delay Or Failure In Treatment Or Procedure

Attitude Of Medical Staff

Complaint response times

The Trust is committed to providing an open, honest and straightforward response, with robust complaint handling at a local level. On average 41% of closed cases met the Trust's 30-day response target, compared with 36% in 2018-19. This improvement is due to the targeted work that Care Groups have undertaken to address the timeliness of complaint responses.

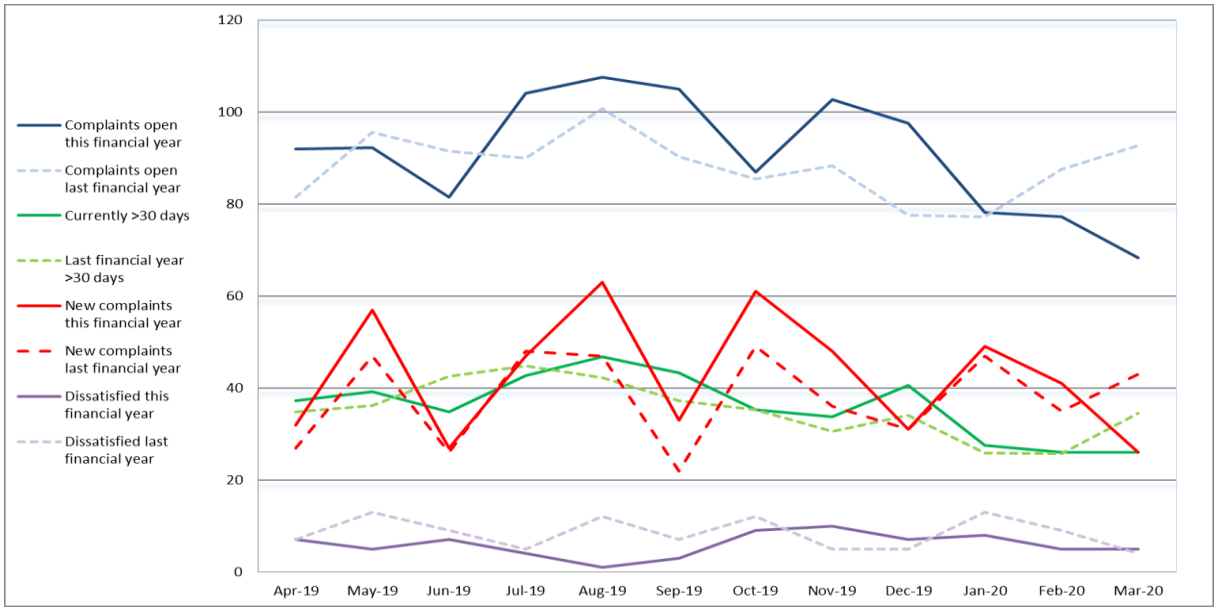
Complaints re-opened

In 2019-20 66 cases were reopened for further local resolution, equating to 13% of complainants being dissatisfied with the response they received from the Trust. This represents a 28% improvement from 92 in 2018-19 and illustrates the continuous effort to provide comprehensive responses.

Outcomes

The Trust is required under the complaints legislation to record whether or not the issues were considered to be substantiated following investigation. 531 complaints were closed this year, of which 34% were not upheld. 52% were partially upheld and 14% were upheld.

Complaint Performance



The Parliamentary and Health Service Ombudsman (PHSO)

The PHSO conducted four investigations, up from three last year. One case was concluded and not upheld.

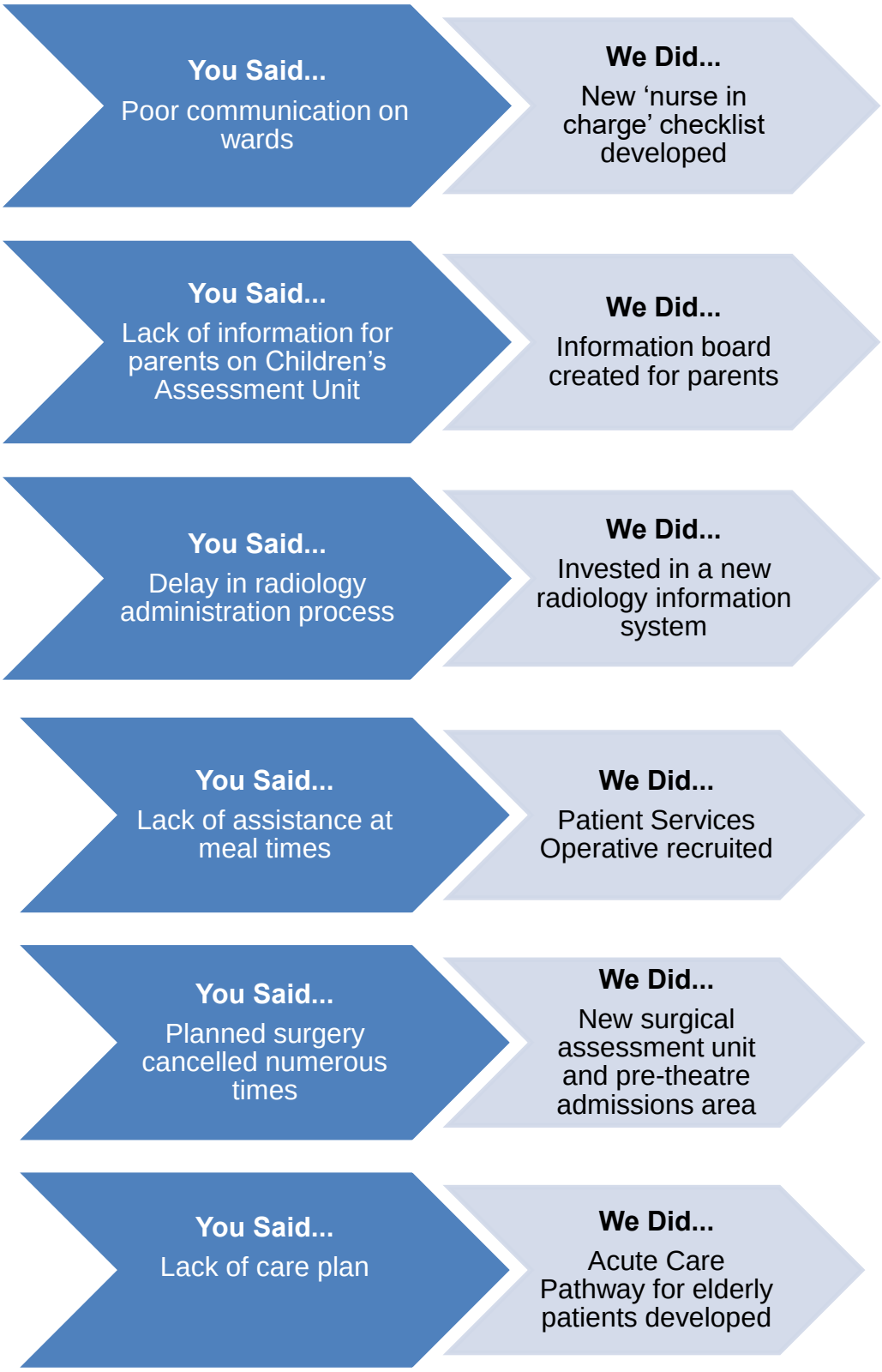
Service Improvements

The Trust has made a number of changes and improvements in response to patient complaints. Listening to patient feedback and engaging with the experiences of patients through meetings supports our staff to improve the standard of care and service provided.

Throughout the year complaints have fed into staff education and learning, reflective practice across multi-disciplinary teams and changes to local practice and procedures where lessons have been learnt.

During 2019-20 the Trust provided patient experience training. Further focus on patient experience and complaint management will form part of the Trust's improvement work over the coming year.

Examples of Care Group improvements implemented over the last year



Volunteering

The Trust has around 350 active volunteers across our sites (up from ~270 at the same point last year), and we are also supported by volunteers from partner organisations, including 'Friends of' groups, York Wheels, Royal Voluntary Service and more.

These people make a valued contribution by enhancing the experience of our patients and releasing time for staff to carry out their professional roles.

Key Themes:

Increase Number of Volunteering Roles

Increase Engagement With Volunteer Supervisors

Improve Volunteer Recruitment

A Year In Volunteering

APRIL

Started 30 new volunteers across the Trust.

MAY

Created a dedicated volunteering area on the Learning Hub

JUNE

Hosted afternoon teas to celebrate National Volunteers Week.

JULY

Worked with the Radiology Department to create new volunteering role.

AUGUST

Collaborated with the Allied Health Professionals to introduce therapy volunteers onto wards.

SEPTEMBER

Took part in the Trust's open days in York and Scarborough.

OCTOBER

Created new maternity volunteering role

NOVEMBER

Created volunteer supervisor forums - a chance for our supervisors to get together.

DECEMBER

Hosted Christmas events to thank our volunteers for their hard work and dedication.

JANUARY

Recruitment 20 new Community Hospital Volunteers to support our colleagues in the community hospitals.

FEBRUARY

Helped develop a new volunteering role with the Same Day Emergency Care Team

March

Introduced End of Life Support Volunteers in order to support patients and those important to them in their last days/weeks of life.

Partnerships and Alliances

Partnership working with neighbouring organisations and agencies is a key strategic frame for the Trust, helping to provide effective healthcare to our communities. Clinical alliances are important in ensuring that there is compliance with national regulatory and professional guidance and that a critical mass of population can sustain individual and interlinked services. Collaborative working can also contribute to improved care pathway delivery and access to specialist care, as well as addressing recruitment and retention challenges.

Over the years The Trust has developed a range of significant clinical alliances with both Hull and East Yorkshire Hospitals NHS Trust and Harrogate and District NHS Foundation Trust, which provide support for the delivery of secondary care services and some tertiary care services across the wider geographic area.

Historically, Hull and East Yorkshire Hospitals NHS Trust had provided specialist Neurosurgical and Cancer services for residents in the eastern side of the Trust's catchment population and there is an established Hull York Medical School. Recently, networked specialist service developments in the areas of Hepatology, HIV, Renal, Cystic Fibrosis and Vascular Surgery involving the two organisations have been successfully established, enabling local access to be secured for patients across the combined geographic area.

Within the framework of the Humber Coast and Vale Sustainability and Transformation Partnership collaborative service arrangements are being pursued with Hull and East Yorkshire Hospitals NHS Trust and Northern Lincolnshire and Goole NHS Foundation Trust in the areas of Radiology reporting and Pathology and joint Urology Service Networks.

The Radiology group of clinicians and managers has established a cross-organisational reporting hub to share capacity across partner Trusts, improve access to specialist reporting and maximise flexibility and working patterns for our staff.

The Pathology group is developing a detailed work programme of shared equipment investment to improve reporting, training of advanced practitioner staff to create additional capacity and has secured funding for a common information management system (£2.6m).

The Urology group is developing joint pathways and protocols and looking to share specialist equipment and expertise to ensure that patients can access the full range of services available across the patch.

Funding has been made available through the Humber Coast and Vale Cancer Alliance to set up Rapid Diagnostic Centres (RDC) for patients with serious non-specific symptoms and to explore ways to expand the remit of RDCs to improve cancer diagnostic provision for other patient cohorts.

Trust Radiology clinicians and managers, along with primary care colleagues in the York/Scarborough area, have expressed an interest in developing a purpose designed pathway to meet this guidance. There is capacity to manage the change and potential to

benefit a greater number of patients, and a provisional allocation of around £300k over a two-year period has been secured.

Recent service initiatives with Harrogate and District Foundation Trust have included the extension and enhancement of the Vascular Surgical service, the establishment of a Self-Care Dialysis unit for Harrogate residents and the development of a Hepatology outpatient service.

The York/Harrogate population is also served by combined clinical teams in the service areas of Head and Neck, Oncology and Ophthalmology and further joint developments in relation to Breast and Bowel Cancer Screening are planned.

The Trust continues to build on its relationships with key local partners in delivering care to our local communities. Examples of this include strengthening relationships between GPs and hospital consultants to design new pathways of care, developing integrated teams of health and social care staff, working with mental health colleagues in the development of liaison services and collaboration with the voluntary sector in new partnerships.

The Trust continues to develop meaningful working relationships with commissioners, primary care and social care partners as part of an integrated care system.

The Trust is actively involved in the York Community Stadium Project led by the City of York Council, as a tenant. The stadium is scheduled to open in the near future. It is planned to utilise space in the stadium to deliver staff education and training and outpatient services in high quality accessible accommodation, which will relieve accommodation pressures on the main York Hospital site and associated premises.

It is envisaged that there will be scope for collaborative work with partner organisations in the fields of health promotion/education and training.

Remuneration Report

The Trust has two Remuneration Committees. The first includes membership from the Council of Governors to determine the appropriate remuneration for Non-executive Directors, including the Chair. This Committee reports to the Council of Governors and details of the Committee can be found on page 121 of this report.

The second Committee has delegated authority from the Board of Directors to make decisions in respect of salary and conditions of service for the Executive Directors, and its membership includes the Non-executive Directors of the Trust.

The membership of the Remuneration Committee includes all the Non-executive Directors and the Chair. During the financial year 2019-20 the Remuneration Committee met on 4 occasions. The Chief Executive attended to provide support and information as requested, but was not part of the decision-making process. The Foundation Trust Secretary was in attendance at the meetings to provide support to the Committee.

	26/06/19	25/09/19	18/12/19	26/02/20
Susan Symington (Chair)	✓	✓	✓	✓
Jennie Adams	✓	✓	✓	✓
Jenny McAleese	Ap	✓	✓	✓
Lynne Mellor	✓	✓	✓	✓
Lorraine Boyd	✓	✓	✓	✓
Steven Holmberg	-	✓	✓	✓
Jim Dillon	-	✓	Ap	✓
Mike Keaney	✓	Ap	Ap	-

Key officers attended the meeting to provide assurance to the Committee, including: -

Name	Designation
Simon Morritt	Chief Executive
Polly McMeekin	Director of Workforce & Organisational Development

Annual Statement on Remuneration

Remuneration of the Chief Executive and Executive Directors -The remuneration of the Chief Executive and other Executive Directors is decided by the Remuneration Committee. The Remuneration Committee reviewed and agreed the executives' salary increases in 2019-20.

Remuneration of the Chair and Non-Executive Directors - During 2019-20 the remuneration of the Chair and Non-executive Directors was considered by the full Council of Governors. Guidance regarding aligning Non-executive pay across the health sector by 2022 was considered and the Governors agreed existing remuneration would remain unchanged, but that cost of living pay rises would not be paid for two years.

Remuneration Policy - With the exception of the Chief Executive, Executive Directors, Corporate Directors and medical staff, all employees of the Trust are remunerated in accordance with the national NHS pay structure, Agenda for Change. It is the Trust's policy that this will continue to be the case for the foreseeable future. The remuneration of the Chief Executive, Executive Directors and Corporate Directors is determined by the Board of Directors' Remuneration Committee. The Medical Director is a part-time Executive Director and is remunerated as a medical practitioner separately from his salary as an Executive Director. The Trust is in the process of developing an equality and diversity policy; however, this has been delayed by the pandemic situation.

In reviewing remuneration, the Committee has regard for the Trust's overall performance, the delivery of the agreed corporate objectives for the year, the pattern of executive remuneration among Foundation Trusts and the wider NHS, and the individual Director's level of experience and development in the role. The Remuneration Committee does not review the pension arrangements; these are agreed nationally within the NHS.

There is no performance-related element for remuneration, but the performance of the Executive Directors is assessed at regular intervals and unsatisfactory performance may provide grounds for termination of contract. The Executive Directors do not have fixed term contracts and the Non-executive Directors all have service contracts that are a maximum length of three years. Details of terms of office of the Non-executive Directors are available on request from the Foundation Trust Secretary at lynda.provins@york.nhs.uk.

Future Policy Table

	Description
Salary/fees	A fixed regular payment typically paid on a monthly basis but often expressed as an annual sum
Clinical Excellence Awards	The Clinical Excellence Awards Scheme recognises and rewards NHS consultants and academic General Practitioners who perform over and above the standard expected of their role
Benefits in kind	Benefits in kind are benefits which employees or Directors receive from their employment but which are not included in their salary
Pensions	The NHS Pension Scheme is a defined benefit public service pension scheme, which operates on a pay-as-you-go basis. Pension benefits are based on final salary (although general and dental practitioners accrue pensions on a 'career average' basis)

The Trust's short and long term strategic objective in relation to the remuneration of Senior Managers is to provide a package that attracts high quality, experienced Directors to drive the developments in the organisation and ensure the Trust is providing efficient, effective services for the community it serves.

Listed below is an explanation of how each component in the table above operates in the Trust:

Salaries/Fees – Paid on a monthly basis in arrears to each Senior Manager.

Clinical Excellence Awards – Awarded following a detailed assessment process on an annual basis to those who have demonstrated excellence in their field. The Medical Director in the Trust has received Clinical Excellence Awards.

Benefits in Kind – Senior Managers in the Trust are entitled to lease cars.

Pensions – Contributions are made in accordance with the NHS Pension Scheme. Senior Managers are entitled to opt out of the Scheme.

The Trust has a policy for the recovery of sums paid or for withholding the payment of sums to Senior Managers. Should the occasion arise, the Trust can, through the payroll system, through consultation, adjust any payment made to a Senior Manager.

The Non-executive Directors at the Trust are paid on a monthly basis through the payroll system. Their fees are agreed by the Council of Governors at appointment and are reviewed on an annual basis, using benchmarking data to support their decision.

Service Contract Obligations - The Non-executive Directors hold service contracts; the Executive Directors hold employment contracts. The service contracts and employment contracts do not give rise to payments for loss of office.

Policy on Payment for Loss of Office - The Trust does not make additional payments for loss of office outside the standard contract terms included in the employment contracts of Senior Managers.

Statement of Consideration of Employment Conditions Elsewhere in the Foundation Trust - The Remuneration Committee considers the remuneration package of the Senior Managers, including Executive and Corporate Directors, on an annual basis. The HR Department provides information for the Remuneration Committee to support a discussion and a decision on any incremental increase. The Remuneration Committee uses data to support any comparison with complexity and size of organisation. The Remuneration Committee will also take into account the national pay settlement given to staff on the Agenda for Change pay scales.

The Trust does not consult with employees about Senior Manager remuneration.

The Non-executive Director fees are considered by the Governors' Nomination/ Remuneration Committee and a recommendation is agreed by the Council of Governors. The recommendation is prepared following a discussion and the receipt of benchmarking data. The Nomination/ Remuneration Committee includes a Staff Governor as part of its

membership. The Council of Governors includes five Staff Governors as part of its membership.

Service contracts

Detailed below are the terms of the service contracts held by the Non-executive Directors of the Trust.

Name	Date of contract	Length of term	Unexpired Term	Notice period
Susan Symington	1 April 2018 (2nd term)	3 years	1 year	None
Dianne Willcocks	1 May 2016 (3rd and final term)	3 years	Final term ended	None
Mike Keaney	1 September 2019 (3rd term)	1 year	Resigned 31.01.20	None
Jennie Adams	1 September 2019 (3rd term) *	1 year	5 months	None
Jenny McAleese	1 March 2020 (2nd term)	3 years	2 years 11 months	None
Lynne Mellor	1 July 2018 (1st term)	3 years	1 year 3 months	None
Lorraine Boyd	1 July 2018 (1st term)	3 years	1 year 3 months	None
Jim Dillon	1 July 2019 (1st term)	3 years	2 years 3 months	None
Steven Holmberg	1 July 2019 (1st term)	3 years	2 years 3 months	None

*Final term of 3 years is done on a year by year approval basis.

Salaries and pension entitlements of Senior Managers subject to Audit

a) Salary

Name and Title	2019-20					
	Salary and Fees	Taxable benefits	Annual Performance Related Bonus	Long Term Performance Related Bonus	Pension Related Benefits	Total
	£000's Bands of £5,000	£s Nearest £100	£000's Bands of £5,000	£000's Bands of £5,000	£000's Bands of £2,500	£000's Bands of £5,000
Executive Directors						
Mr S Morritt Chief Executive	130-135	3,500	-	-	37.5-40.0	170-175
Mr M Proctor Interim Chief Executive	65-70	-	-	-	-	65-70
Mr A Bertram Finance Director & Deputy Chief Executive	150-155	11,500	-	-	27.5-30.0	190-175
Mr J Taylor Medical Director	200-205	6,800	-	5-10	-	210-215
Mrs W Scott Chief Operating Officer	140-145	10,300	-	-	0-2.5	150-155
Ms P McMeekin Director of Workforce & Organisational Development	130-135	-	-	-	47.5-50.0	180-185
Mrs H Hey Interim Chief Nurse	25-30	-	-	-	15.0-17.5	45.0-50.0
Mrs H NcNair Chief Nurse	105-110	-	-	-	42.5-45.0	150-155
Non-Voting Directors						
Mr B Golding Director of Estates & Facilities	85-90	-	-	-	-	85-90
Mrs L Brown Acting Director of Communications	95-100	-	-	-	45.0-47.5	140-145
Non-executive Directors						
Ms S Symington Chairman	55-60	-	-	-	-	55-60
Professor D Willcocks Non-Executive Director	0-5	-	-	-	-	0-5.0
Mr S Holberg Non-Executive Director	10-15	-	-	-	-	10-15

Mr J Dillon Non-Executive Director	10-15	-	-	-	-	10-15
Mrs J Adams Non-Executive Director	15-20	-	-	-	-	15-20
Mr M Keaney Non-Executive Director	15-20	-	-	-	-	15-20
Mrs J McAleese Non-Executive Director	15-20	-	-	-	-	15-20
Ms L Mellor Non-Executive Director	15-20	-	-	-	-	15-20
Dr L Boyd Non-Executive Director	15-20	-	-	-	-	15-20
Mid-point of the Band of the highest paid director's total salary (£'000)	212.5					
Median Total Remuneration	£28,089					
Remuneration Ratio	7.57					

* Amounts shown above in brackets are negative figures.

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. This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table (below) provides further information on the pension benefits accruing to the individual.
Taxable benefits listed above relate to those executive directors who are in receipt of a Trust business lease cars.

Pension Related Benefits relate to the annual increase in accrued pension entitlement adjusted for the employee contributions made during the year.

Those directors salaries above which include elements for clinical roles are:

- Mr J Taylor salary for clinical role £153,438.

- Mr J Taylor also receives a Clinical Excellence Award which is presented in the Long-Term Performance related bonus section above.

Mr M Proctor retired from his post as Interim Chief Executive on the 31 July 2019.

Mr B Golding resigned from his non-voting honorary contract as Director of Estates & Facilities on 20 December 2019. His post as managing director of the Group's subsidiary company continued until the 31 March 2020 when he retired.

Mrs H Hey appointment as Interim Chief Nurse (with voting rights) ended on the 30 June 2019.

Mr S Morritt joined the Trust as Chief Executive on the 5 August 2019.

Mrs H McNair joined the Trust as Chief Nurse (with voting rights) on the 1 July 2019.

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 mid-point of the banded remuneration of the highest paid director in York Teaching Hospital NHS Foundation Trust in the financial year 2019-20 £210-215 (2018-19 was £210-215). This was 7.57 times (2018-19, 7.94) the median remuneration of the workforce, which was £28,089 (2018-19 £27,147).

In 2019-20, 4 employees (2018-19, 6) received remuneration in excess of the highest paid director. Remuneration ranged from £12,356 to £271,870 (2018-19 £7,235 to £251,279).

Employees receiving nil basic pay and nil whole-time equivalents have been excluded from the calculations as these relate to one-off individual payments and would distort the overall figures.

Payments made to agency staff and bank staff have also been excluded as these mainly relate to payments made to cover long term absence of existing employees whose whole time, full year equivalent remuneration is already included in the calculation. To include the payments made to agency staff would also distort the overall figures.

Total remuneration includes salary, non-consolidated performance related pay and benefits in kind. It does not include severance payments employer pension contributions and the cash equivalent transfer value of pensions.

Name and Title	2018-19					
	Salary and Fees	Taxable benefits	Annual Performance Related Bonus	Long Term Performance Related Bonus	Pension Related Benefits	Total
	£000's Bands of £5,000	£s Nearest £100	£000's Bands of £5,000	£000's Bands of £5,000	£000's Bands of £2,500	£000's Bands of £5,000
Executive Directors						
Mr P Crowley Chief Executive	160-165	4,100				165-170
Mr M Proctor Interim Chief Executive	210-215					210-215

Mr A Bertram Finance Director & Deputy Chief Executive	150-155	10,300			17.5-20.0	180-185
Mr J Taylor Medical Director	195-200	4,000		5-10		205-210
Mrs W Scott Chief Operating Officer	140-145	8,700			177.5-180	330-335
Ms P McMeekin Director of Workforce & Organisational Development	95-100				125-127.5	220-225
Mrs H Hey Interim Chief Nurse	5-10				75-77.5	80-85
Mrs B Geary Chief Nurse	125-130				62.5–65.0	190-195
Non-Voting Directors						
Mr B Golding Director of Estates & Facilities	115-120	400			7.5-10.0	125-130
Mrs S Rushbrook Director of Systems & Network services	25-30					25-30
Mrs L Brown Acting Director of Communications	70-75				115-117.5	190-195
Non-executive Directors						
Ms S Symington Chairman	55-60					55-60
Professor D Willcocks Non-Executive Director	15-20					15-20
Ms L Raper Non-Executive Director	5-10					5-10
Mr M Sweet Non-Executive Director	0-5					0-5
Mrs J Adams Non-Executive Director	15-20					15-20
Mr M Keaney Non-Executive Director	15-20					15-20
Mrs J McAleese Non-Executive Director	15-20					15-20
Ms L Mellor Non-Executive Director	10-15					10-15
Dr L Boyd Non-Executive Director	10-15					10-15
Band of highest paid director's total salary (£'000)	210–215					
Median Total Remuneration	£27,147					
Remuneration Ratio	7.94					

Pension Related Benefits relate to the annual increase in accrued pension entitlement adjusted for the employee contributions made during the year.

Those directors' salaries above which include elements for clinical roles are:

- Mr J Taylor salary for clinical role £153,680.
- Mr J Taylor also receives a Clinical Excellence Award which is presented in the Long Term Performance related bonus section above.

Mr P Crowley retired from his post as Chief Executive in May 2018, his pay included 6 months lieu of notice from this point. Mr M Proctor assumed responsibility as Chief Executive at this point.

Mr M Proctor became Interim Chief Executive from May 2018.

Mr A Bertram became Finance Director and Deputy Chief Executive from May 2018.

Mrs W Scott joined the Trust in July 2012, managing Scarborough, Whitby and Ryedale and York and Selby Community Services. She was the Director of Out of Hospital Care from October 2015 to August 2017 then took up her current post as Chief Operating Officer.

Ms P McMeekin became Acting Director of Workforce and Organisational Development during June 2018 and a non-voting member of the Board. From February 2019 she became Director of Workforce and Organisational Development, with voting rights from this date.

Mrs L Brown took up the post of Acting Director of Communications in June 2018 with no voting rights.

Mr B Golding was TUPED to the LLP as a Managing Director from the beginning of October 2018, but holds an honorary contract with the Trust as Director of Estates & Facilities. He is a non-voting member of the Board of Directors; he advises and influences the decisions of the NHS Foundation Trust as a whole.

Mrs B Geary, Chief Nurse, ceased being a Trust employee at the end of February 2019.

Mrs H Hey took up the post of Interim Chief Nurse (with voting rights) from the beginning of March 2019.

Mrs S Rushbrook, Director of Systems & Network Services retired from this post at the end of July 2018.

Ms L Mellor became Associate Non-Executive Director from April 2018 and then Non-Executive Director from July 2018.

Dr L Boyd became Associate Non-Executive Director from April 2018 and then Non-Executive Director from July 2018.

Mrs E Raper's appointment as a Non-Executive Director ended at the end of July 2018.

Mr M Sweet's appointment as a Non-Executive Director ended at the end of June 2018.

b) Pensions

	(a) Real increase in pension at pension age	(b) Real increase in pension lump sum at pension age	(c) Total accrued pension at pension age at 31 March 2020	(d) Total Lump Sum at pension age related to accrued pension at 31 March 2020	(e) Cash Equivalent Transfer Value at 1 April 2019	(f) Real Increase in Cash Equivalent Transfer Value	(g) Cash Equivalent Transfer Value at 31 March 2020	(h) Employer's contribution to stakeholder pension
Name	**Bands of £2500**	**Bands of £2500**	**Bands of £5000**	**Bands of £5000**	**£000**	**£000**	**£000**	**£000**
Mr S Morritt Chief Executive	0-2.5	0-2.5	70-75	160-165	1,299	46	1,418	0
Mr M Proctor Interim Chief Executive	0	0	0	0	0	0	0	0
Mr A Bertram Finance Director & Deputy Chief Executive	0-2.5	(0.0-2.5)*	55-60	130-135	992	32	1,059	0
Mr J Taylor Medical Director	0	0	55-60	165-170	1,082	0	1,108	0
Mrs W Scott Chief Operating Officer	0-2.5	(2.5-5)*	50-55	120-125	926	16	970	0
Ms P McMeekin Director of Workforce & Organisational Development	2.5-5	0-2.5	20-25	40-45	260	27	303	0
Mrs H Hey Interim Chief Nurse	0-2.5	0-2.5	25-30	60-65	413	13	492	0
Mrs H McNair Chief Nurse	2.5-5	7.5-10	60-65	185-190	1,295	67	1,437	0
Mr B Golding Director of Estates & Facilities	(2.5-5)*	(5-7.5)*	30-35	95-100	751	0	0	0
Mrs L Brown Acting Director of Communications	2.5-5	2.5-5	20-25	40-45	259	26	304	0

* Amounts shown above in brackets are negative figures.

The following directors have opted out of the NHS Pension scheme:

- Mr S Morritt
- Mr A Bertram
- Mrs W Scott
- Ms P McMeekin

The following directors have claimed their NHS Pension:

- Mr M Proctor

Mr B Golding retired from the Trust in March 2020, an actuarial reduction relating to his pensionable age was applied to his pension in 2019/20.

As Non-executive Directors do not receive pensionable remuneration, there are no entries in respect of pensions for Non-executive Directors.

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

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

Simon Morritt
Chief Executive
25 June 2020

Staff Report

Staff Numbers - The table below provides a summary of the staff employed by the organisation during 2019 – 20, broken down by age, ethnicity, gender and recorded disabilities. York Teaching Hospital NHS FT has 7,305 permanent employees and 719 staff holding fixed term contracts. York Teaching Facilities Management has 1,013 permanent employees and 27 staff holding fixed term contracts. Link to further information: https://www.yorkhospitals.nhs.uk/about-us/equality-and-diversity/gender-pay-gap/

			York Teaching Hospital NHS FT		YTH Facilities Management	
	Staff 2019-20	%	Staff 2019-20	%	Staff 2019-20	%
Age						
<=20 years	48	**0.53**	39	**0.49**	9	**0.87**
21-25	593	**6.54**	553	**6.89**	40	**3.85**
26-30	1096	**12.09**	1026	**12.79**	70	**6.73**
31-35	1147	**12.65**	1046	**13.03**	101	**9.71**
36-40	1053	**11.62**	959	**11.95**	94	**9.04**
41-45	1012	**11.17**	922	**11.49**	90	**8.65**
46-50	1166	**12.86**	1036	**12.91**	130	**12.50**
51-55	1190	**13.13**	1026	**12.79**	164	**15.77**
56-60	1080	**11.92**	912	**11.36**	168	**16.15**
61-65	559	**6.17**	414	**5.16**	145	**13.94**
66-70	99	**1.09**	76	**0.95**	23	**2.21**
>=71 years	21	**0.23**	15	**0.19**	6	**0.58**
Ethnicity						
Asian or Asian British	7	**0.08**	7	**0.09**	0	**0.00**
Asian or Asian British – Bangladeshi	9	**0.10**	9	**0.11**	0	**0.00**
Asian or Asian British – Indian	239	**2.64**	234	**2.92**	5	**0.48**
Asian or Asian British - Pakistani	24	**0.26**	23	**0.29**	1	**0.10**
Asian or Asian British – Sinhalese	1	**0.01**	1	**0.01**	0	**0.00**
Asian or Asian British – Tamil	1	**0.01**	1	**0.01**	0	**0.00**
Asian (unspecified)	3	**0.03**	3	**0.04**	0	**0.00**
Any other Asian background	136	**1.50**	133	**1.66**	3	**0.29**
Black or Black British	8	**0.09**	8	**0.10**	0	**0.00**
Black or Black British – African	118	**1.30**	115	**1.43**	3	**0.29**
Black or Black British – Caribbean	14	**0.15**	13	**0.16**	1	**0.10**
Black Nigerian	2	**0.02**	2	**0.02**	0	**0.00**
Chinese	33	**0.36**	33	**0.41**	0	**0.00**
Filipino	50	**0.55**	50	**0.62**	0	**0.00**
Malaysian	2	**0.02**	2	**0.02**	0	**0.00**
Mixed (any mixed background)	87	**0.98**	84	**1.05**	3	**0.29**
Not stated	285	**3.14**	244	**3.04**	41	**3.94**

Other	70	**0.77**	64	**0.81**	6	**0.57**
White (any white background)	7975	**87.99**	6998	**87.21**	977	**93.94**
Gender						
Female	7057	**77.86**	6469	**80.62**	588	**56.54**
Male	2007	**22.14**	1555	**19.38**	452	**43.46**
Recorded disabilities						
Yes	309	**3.41**	282	**3.51**	27	**2.60**
No	6533	**72.08**	5561	**69.30**	972	**93.46**
Not Declared	222	**2.45**	181	**2.26**	41	**3.94**
Unspecified	2000	**22.06**	2000	**24.93**	0	**0.00**

Staff Survey - The Staff Survey results include an overall score on the theme of staff engagement. The score is calculated based on responses to a number of questions within the survey relating to: motivation at work, ability to contribute towards improvements at work and staff willingness to recommend the Trust as a place to work or receive treatment. The score range was from 0 to 10, where 10 was the best score attainable. The Trust's score of 6.9 in 2019 was equal to our score in 2018, and was slightly below the average score of 7.1 when compared with other combined acute and community trusts (i.e. the benchmark group).

A summary of the Trust's scores for each of the survey themes is shown below. This includes a comparison to the Trust score in 2018 and the average score within the benchmark group in 2019:

Theme	2018 Trust Results	2019 Trust Results	2019 Benchmarking Average Results	Change from 2018
Equality and Diversity and Inclusion	9.4	9.3	9.2	0.1
Health and Wellbeing	6.2	6.2	6.0	NA
Immediate managers	6.8	6.8	6.9	NA
Morale	6.2	6.2	6.2	NA
Quality of Appraisals	5.8	5.4	5.5	0.4
Quality of Care	7.3	7.2	7.5	0.1
Safe Environment – Bullying and Harassment	8.2	8.2	8.2	NA
Safe Environment - Violence	9.5	9.4	9.5	0.1
Safety Culture	6.4	6.4	6.8	NA
Staff Engagement	6.9	6.9	7.1	NA
Team Working	6.5	6.5	6.7	NA

At the beginning of 2019, following the identification of some key themes from the 2018 Staff Survey results, an online forum was launched, through which staff were invited to contribute comments and ideas.

A Staff Survey Project Plan Working Group was established in January 2019. Comprising staff volunteers from across the Trust, this group was tasked to review the ideas and comments and use them to develop the 2019 action plan.

Some of the actions taken forward through the action plan were:

- A subsidised park and ride scheme at York Hospital;

- Implementation of the RAFT (Risk Assessment Following Trauma) project to help those who are involved in/witness a trauma or incident;
- Line manager training rolled out further across the organisation, focusing on influencing culture and role modelling positive behaviours;
- Starting the development of a Just Culture focused on patient safety and HR processes.

Work is now underway to produce the Staff Survey Action Plan following the 2019 Survey results. This will also include the ideas received through the staff online forum for 'fixing the basics'. One of the first changes to be implemented is an updated appraisal process. A new four-month appraisal window commenced in March 2020, with appraisals started at Board level so objectives can be cascaded throughout the organisation.

Trade Union Facility Time Disclosures - The Trust will fulfil its obligations under the Trade Union (Facility Time Publication Requirements) Regulations for the year 2019-20 by reporting the information in July 2020 and then publicising this on the Trust website. The information reported for financial year 2018-19 is as follows:

Number of Trade Union Representatives: 13
The percentage of time spent on facility time: 1-50% of working hours
The amount spent on facility time: £59,077
Percentage of pay spent on facility time: 0.02%
The percentage of paid facility time spent on paid trade union activities: 4.41%

Our Staff – In line with the HM Treasury requirements, some previous accounts disclosures relating to staff costs are now required to be included in the Staff Report section of the Annual Report instead. The following tables link to data contained in the Trust's Consolidated Accounts and are included here for ease of formatting for the annual report. They should not be included in the annual accounts and these tables are not a complete list of numerical disclosures for the staff report.

The figures below break down the substantive staff in post during the year by staff group (headcount):

Staff costs

	Group			
			2019/20	**2018/19**
	Permanent	**Other**	**Total**	**Total**
	£000	**£000**	**£000**	**£000**
Salaries and wages	230,976	51,869	**282,845**	267,655
Social security costs	22,545	5,063	**27,608**	25,972
Apprenticeship levy	1,152	258	**1,410**	1,310
Employer's contributions to NHS pension scheme	38,303	8,602	**46,905**	31,757
Pension cost - other	243	54	**297**	92
Termination benefits	-	-	**-**	70
Temporary staff	-	20,177	**20,177**	16,322
Total gross staff costs	**293,219**	**86,023**	**379,242**	**343,178**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**293,219**	**86,023**	**379,242**	**343,178**

Of which				
Costs capitalised as part of assets	1,264	-	**1,264**	-

Average number of employees (WTE basis)

	Group			
			2019/20	**2018/19**
	Permanent	**Other**	**Total**	**Total**
	Number	**Number**	**Number**	**Number**
Medical and dental	424	591	**1,015**	1,003
Administration and estates	1,700	97	**1,797**	1,752
Healthcare assistants and other support staff	1,320	294	**1,614**	1,543
Nursing, midwifery and health visiting staff	2,015	464	**2,479**	2,432
Scientific, therapeutic and technical staff	938	58	**996**	1,024
Healthcare science staff	362	14	**376**	359
Total average numbers	**6,759**	**1,518**	**8,277**	**8,113**
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	**-**	15

Reporting of compensation schemes - exit packages 2019/20

	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	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**-**	**-**	**-**
Total cost (£)	£0	£0	**£0**

Reporting of compensation schemes - exit packages 2018/19

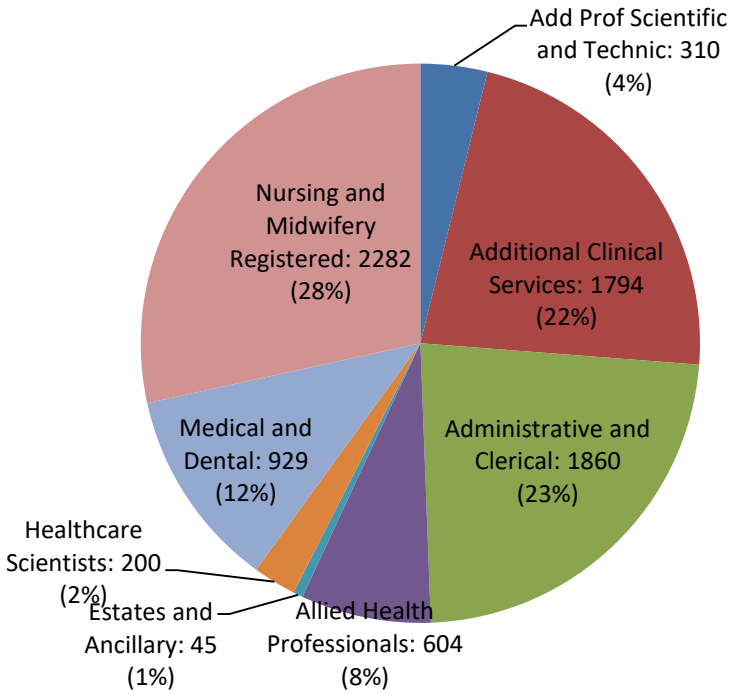
	Number of compulsory redundancies	**Number of other departures agreed**	**Total number of exit packages**
	Number	**Number**	**Number**
Exit package cost band (including any special payment element)			
<£10,000	-	1	**1**
£10,000 - £25,000	-	1	**1**
£25,001 - 50,000	-	1	**1**
£50,001 - £100,000	-	-	**-**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

Total number of exit packages by type	**-**	**3**	**3**
Total resource cost (£)	£0	£51,000	**£51,000**

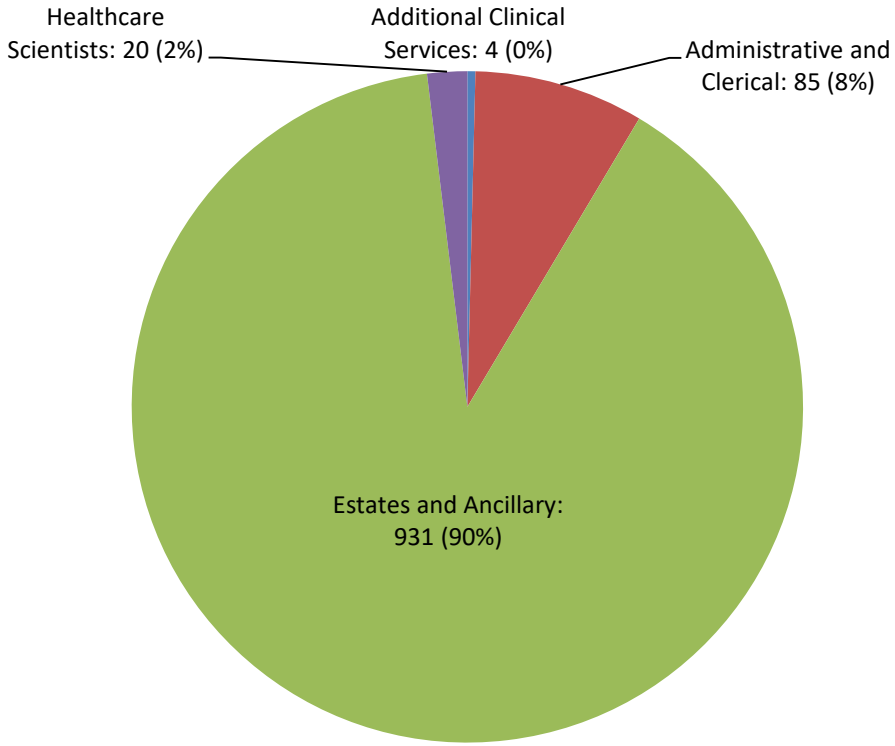
Exit packages: other (non-compulsory) departure payments

	2019/20		2018/19	
	Payments agreed	**Total value of agreements**	**Payments agreed**	**Total value of agreements**
	Number	**£000**	**Number**	**£000**
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	1	1
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	2	50
Total	**-**	**-**	**3**	**51**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

York Teaching Hospital NHS FT



YTH Facilities Management



Gender Profile - The breakdown below includes information about staff at the end of the year in terms of male and female staff, Directors, other managers and employees.

York Teaching Hospital NHS FT

	Female		Male		Total
	Headcount	% of group	Headcount	% of group	
Directors	9	64.29%	5	35.71%	14
Managers	47	61.84%	29	38.16%	76
All other staff	6413	80.83%	1521	19.17%	7934

YTH Facilities Management

	Female		Male		Total
	Headcount	% of group	Headcount	% of group	
Directors	0	0%	2	100%	2
Managers	1	33.33%	2	66.67%	3
All other staff	587	56.71%	448	43.29%	1035

Sickness Absence Rates - The Department of Health and Social Care Group Accounting Manual requires the sickness absence data for NHS bodies to be reported in the annual report on a calendar year basis. The data for the Trust for the calendar year 2019 can be found at: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates.

Workforce Development – Following organisational restructuring into Care Groups, the Organisation Development and Improvement Learning team have been supporting this transition with bespoke interventions for specific staff groups and teams within Care Groups. Continuing support is being provided by the facilitation of Action and Facilitated Learning Sets, 1:1 and team coaching, and dates for Care Group quadrumvirate management team learning sets are scheduled. In addition, the ODIL team is reviewing the content of the leadership portfolio to ensure its currency before seeking nominations to the new cohorts of Senior Leaders, Emerging Leaders, Clinical Director Development, Consultant Development and First Steps in Leadership. It is planned that all of these programmes will have commenced by September 2020. The development of a mediation skills workshop will also be piloted in September 2020. With 11 new mediators completing their training, the team is trialling a new approach to managing the work of the mediators by organising a rota, the aim of which is to reduce the time delay in responding to mediation requests. A conversion course will be provided late in 2020 for those mediators who do not have ACAS accreditation so that all of the Trust mediators are recognised as ACAS accredited workplace mediators.

Being attractive to new staff - The Trust's project to focus on the recruitment of doctors to the East Coast has taken significant steps forward in 2019-20.

For the period July 2018 to February 2020 the Trust's medical vacancy rate on the East Coast has reduced from 21.3% to 10.6%. A big factor in the reduction has been an increase in international recruitment activity, supported by tailored induction programmes that help manage the transition to working in the NHS.

The project continues to work with local business ambassadors to promote the East Coast as a place to live and work and two training events are now established and held each year which embrace this partnership working. The events are open to applications by doctors in training who are reaching the end of their training contracts and are considering their first Consultant appointment. The course provides a unique insight into the management aspects of an NHS Trust plus invaluable interview experience. The Trust identified a prospective candidate and subsequently secured the appointment of a Consultant Paediatrician to Scarborough via this initiative in October 2019.

The working environment of doctors is linked to their wellbeing and the Trust is committed to improving the provision of rest facilities. Funding has been secured to make improvements to the Doctors' Mess facilities on both the Scarborough and York sites. In addition, a business case is being prepared to further support improvements to rest facilities for all grades of medical staff on the Scarborough site.

There has been a similar reduction in the Trust vacancy position for registered nurses and midwives during the reporting period. At the end of January 2020, the Trust reported that 7.61% of registered positions were unfilled. This has reduced from 15% during the previous year, with international recruitment once again playing a large role. Between May 2019 and February 2020, 78 international nurses have arrived into the Trust. As part of these campaigns, the Trust has made a comprehensive relocation package available to overseas recruits.

The Trust has continued to work with recruitment communication experts Jupiter to develop its recruitment branding. A £250 Recommend a Friend incentive scheme for nurses remains popular.

Looking after our Current Workforce and Ensuring their Health and Wellbeing - In 2019-20 a new five-year Health and Wellbeing Strategy Action Plan was produced as part of the overarching five-year Workforce and Organisational Development Strategy, which was launched in early 2019. The strategic aim of the high-level action plan was to enhance the health, wellbeing and resilience of our workforce and establish a proactive health and wellbeing culture, whereby staff work hard but enjoy work and engage in healthy activities.

This action plan was developed in conjunction with HR, Occupational Health and Organisational Development input and followed significant work on the NHS Employers Health and Wellbeing Framework and Diagnostic Tool and an in-depth analysis of the on-line health and wellbeing Staff Survey workshop outcomes to establish a well-informed baseline position. This baseline confirmed that health and wellbeing of staff were rooted in a wider organisational context such as management behaviours, organisational culture and the physical working environment and enabled the identification of key actions under three headings: leadership and management; communications and data analysis; and establishing a healthy working environment.

Outcomes in 2019-20 included:

Leadership & management	• Board level engagement in health and wellbeing including a named Board Champion and regular Board reports; • A programme of line management behaviour training (via the Culture Action Plan) rolled out across the Trust; • Health and Wellbeing conversations embedded in annual appraisal discussions; • Suite of Wellbeing measures reported to Board on a quarterly basis; • Increased personal responsibility by continued promotion of interventions to encourage healthier lifestyles, including individual health checks, wellbeing workshops and advice on physical and mental wellbeing and sleep; • HR supported line managers to effectively manage sickness absence, ensuring more proactive and flexible approaches to individual cases; • Annual flu campaign prioritised and new ways of engaging staff in the campaign, including peer vaccination as a key strategy, which will be strengthened in the 2020-21 campaign; • Additional senior resource in Occupational Health and Psychological Medicine in 2019 to progress the Mental Wellbeing portfolio.
Communications and data	• Sickness absence has increased slightly in the last 12 months, from a year to date figure of 4.46% in February

	2019, to a year to date figure of 4.48% in February 2020; • Mental health related absence accounts for 25.4% of all absence in the year to February 2020, compared with 22.6% of all absence in the year to February 2019; • MSK absence accounts for 17.8% of all absence in the year to February 2020, compared with 22.6% of all absence in the year to February 2019; • Work on a new style sickness policy commenced early 2020 and will be completed in 2020-21; • A Sickness Strategy Action Plan was published in December 2019 and this gave targets for reduction in absence as follows: - March 2021: 4.35%, March 2022: 4.23%, March 2023: 4.1%. Alongside this was the introduction of Care Group Sickness Scrutiny meetings, identification of Care Group hot spot areas and a review of sickness absence training; • Revamp of Health and Wellbeing pages on Staff Room (intranet); • The Trust's Employee Assistance Provider (Health Assured).
Healthy Working Environment	• Individual staff health checks and "Know your numbers" health drop-in sessions held cross site through 2019-20; • A new wellbeing space at Bridlington Hospital opened in October 19, with gym equipment, yoga and circuit training classes for staff; • A new programme of menopause workshops developed and rolled out cross site from Autumn 2019; • 12 week 'Step into Health' courses, in partnership with Loughborough University, offered to staff; • Improved Healthy Eating options within the Trust explored with Occupational Health and LLP and are progressing in 2020-21; • Schwartz Rounds continued cross site throughout 2019-20 to provide emotional support and time for reflection to all staff groups; • The RAFT pilot was completed and evaluated in autumn 2019 and a revised offer is being rolled out to support and signpost staff who have experienced a traumatic incident at work in 2020-21.

Developing a Workforce Fit for the Future - The role of Physician Associate PA) is one of several new roles that have emerged in the field of Medical Associate Professions. PAs support hospital doctors and GPs in the diagnosis and management of patients. The 11 newly-qualified PAs that the Trust employed in October 2018 are coming to the end of their two-year preceptorship period. Over this time, they have been deployed in a diverse range of medical specialties, including Paediatrics, Care of the Elderly, Acute Medicine and Rheumatology. Verbal feedback, so far, from the multi- disciplinary teams that have been working within, has been excellent. The PAs have settled well into the

Trust and their final work placements will be agreed from September 2020 onwards. Discussions are underway around further recruitment for October 2020.

There are now 36 Advanced Clinical Practitioners working within the Trust, including:

- cohorts 1 and 2 - eleven qualified ACPs;
- cohort 3 - ten now completing their dissertation / preceptorship year. So, twenty-one qualified by April 2020;
- cohort 4 - eleven trainees in the second year of their Masters qualification;
- cohort 5 - four new recruits from January 2020.

Work continues with the regional Humber, Coast and Vale ACP/PA Steering group to promote and develop these individuals.

In regard to its learning infrastructure, work continues to source additional teaching facilities in response to an increase in undergraduate places at the Hull York Medical School (HYMS) which started in August 2019. HYMS have been working to develop Teaching Fellowships (TF) for post Foundation Doctors wanting to step off their training programmes for two years to gain more experience in a particular area. In addition to the five that were appointed in December 2018, another five TFs are planned to be recruited for August 2020. Two of the original cohort will be leaving to continue their education. A significant change going forwards is a shift from one day teaching and the rest clinical, to four days teaching and one day clinical. 100% of their salary at CT1/2 level (this is the level the job is aimed at) will be paid from HYMS tariff and the one day clinical per week will be ‘gifted’ to a clinical department. The latter is still to be agreed. Contracts will be 10-12 months' duration with the potential to extend to 24-months by mutual agreement.

Following a successful application for employer provider status on the Register of Apprenticeship Training Providers (RoATP) in 2017, a decision was made nationally in 2019 to review all membership. This followed feedback from early Ofsted inspections of some members, resulting in a new register with more rigorous specifications. The Trust was invited to re-apply for member status in 2019 and this was granted in January 2020. A number of original members of the register have not been re-admitted. On the back of this, the Trust had been developing a pilot apprenticeship programme for Internal Healthcare Support workers, to commence no later than September 2019. This has been put on hold for 12 months due to a Trust restructure and a low level of applicants However, the planning work was completed and the programme is ready to run when the new Care Groups have reviewed their workforce plans. The longer-term aspiration is still that the Trust becomes a main training provider, allowing us to deliver training to other organisations.

The Trust completed a successful application to become part of a regional Excellence Centre (National Skills Academy) in April 2018 and continues to collaborate with partners across the Integrated Care System and within the Excellence Centre to develop appropriate projects. These cover topics such as ‘improving learning environments’ and greater engagement with the ‘People Plan’ to promote flexibility, recruitment and retention of staff.

Across the Trust, and following an organisational training needs analysis, many areas have now recruited and are supporting, staff on apprenticeship programmes, both clinical

and non-clinical. Up to February 2020 there have been 80 new apprentice starts, bringing the total to 232 for the end of the financial year, although this figure will drop as individuals come off the programme. A reduction in the number of apprentices overall is partly the result of more specialist standards still being written and the increasing numbers of higher-level apprenticeships becoming available.

The rolling programme started in 2018 for Trainee Nursing Associates (tNAs) and Trainee Associate Practitioners (tAPs) continues. So far 15 Trainee Nursing Associates (Wave 3 HEE Pilot) qualified in April 2019. 12 have expressed a wish to do the Registered Nurse apprenticeship (which will be available to 15 qualified NA/AP's to start in September 2020). The tender for education provision for this is currently in progress.

In addition:

- February 2019 – 26 Nursing Associate Apprentices commenced with Coventry University Scarborough (CUS-17 employed at East Coast and 9 employed at York/Community). Due to complete February 2021;
- December 2019- 16 Nursing Associate Apprentices commenced with University of York. Due to complete December 2021;
- January 2020 – 11 Nursing Associate Apprentices commenced with Coventry University Scarborough. Due to complete January 2022;
- There are also 24 Assistant Practitioner apprentices in training with the University of Leeds; 19 are due to qualify in February 2021 and 5 are due to qualify in October 2022).

Projected NA starts from September 2020 are 40 (20 x East Coast with CUS and 20 x University of York). These will be the next apprenticeship cohorts in line with the Nursing Workforce Strategy and the Trust Apprenticeship Tender for the next 5 years.

The Trust has also been working in partnership with CUS (Coventry University Scarborough) and other organisations to prepare for the BSc Nursing (Adult) programme on the East Coast. This programme was approved by the NMC and the University to begin in September 2018. The 28 new recruits who commenced the programme started their placements in the Trust in March 2019. 35 students were recruited to the September 2019 cohort. All the cohort have 2 planned placements within the Trust in February and June 2020. The Trust has agreed to increase placement support to enable CUS to increase the September 2020 cohort to 40 with both placements in the first year being within the Trust.

The third year of the Young Persons Programme in Scarborough, aimed at showcasing careers in the NHS to students from local schools, was again a success. Following feedback from the students who attended, a different, more interactive format was introduced for the 2019 program. The aim is to encourage youngsters to think about and apply for apprenticeships locally, many of which can act as a stepping stone into other opportunities within the workforce. Work is underway in the Trust and with the HCV Centre of Excellence task and finish groups to identify different career pathways and entry requirements for a number of roles.

A Careers event ('Could you care?') was piloted with the support of HCV and CUS in November 2019, targeting year 9 and 10 pupils during the day and adults in the evening.

The event comprised stalls and interactive workshops from across the health care system, including community, social care, mental health and care homes as well as the acute sector. Evaluation showed that, whilst the daytime was a great success with pupils and schools, the evening session did not attract many adults and the event will be restructured for 2020.

There is an ongoing challenge in all clinical areas with regards to under-established doctor posts. The Trust also saw an increase in undergraduate medical students from September 2019, requiring more clinical teachers. In order to address these issues, an innovative careers event was held at Scarborough Hospital in October 2019, where any attendees interested in working for the Trust could make that fact known and request a fast track interview. Eight new Trust grade doctors were successfully recruited for Scarborough. In addition to this, some teaching posts have been created by approaching F2 doctors to see if they would be interested in a two-year, post Foundation role, again as a Trust grade doctor. The role involves a day's identified HYMS teaching with the rest of the time working in an appropriate specialty area. Up to February 2019, five Teaching Fellows have been appointed, with more being targeted. This has several benefits, the Trust identifies additional teaching capability, post Foundation doctors have the opportunity to explore specialties they might be interested in before committing themselves to a formal curriculum, clinical workforce gaps are decreased and the Trust can demonstrate that it is an employer of choice for the future.

Making temporary staffing arrangements sustainable

The use of temporary staff continues to be an essential requirement within the Trust. The management of all non-nursing, non-medical temporary staffing requirements has been centralised and, as a result, there has been a reduction in agency spend in these groups, along with the successful conversion of some agency workers into bank or substantive posts.

The team is currently implementing software to enable direct engagement for Allied Health Professional's (AHP's) which is being supported by the Trust's master vendor supplier. It is hoped this work will help streamline the supply of workers further and provide additional cost savings for the organisation. In addition to this, the Trust is an active member of the AHP Master Vendor Stakeholder Group, attended by many Trusts in the region and chaired by the NHS North of England Commercial Procurement Collaborative (NOECPC). The group is working to address spiralling agency rates for hard to fill AHP roles and to bring continuity to the supply within the region; it is anticipated that the Trust will benefit from improved supply and cost savings as a result of this work.

Beyond agency for non-nursing, non-medical staffing, the team continues to focus on centralising all existing bank posts within the Trust, after which they will work to grow the banks for other staffing groups, thereby bringing the Trust in line with NHSI best practice guidelines to provide in-house solutions to temporary staffing rather than automatically defaulting to agency.

The Temporary Staffing Team has also started to work collaboratively with other Trusts in our Integrated Care System by signing up to a Temporary Staffing Cluster, again chaired by the NOECPC. The primary focus of the cluster is to consolidate nursing agency

supply within the region, thereby reducing agency expenditure and ensuring best practice and consistency in agency supply across the patch. It is the aim of the Cluster to start implementing the agreement within the next 6 months. Once the work with nursing agency has imbedded, the Cluster will move to look at other staffing groups and also use the forum to progress talk of collaborative banks.

With regards to workforce deployment, following the successful launch of Patchwork's Bank Management software for medical staff, this software was rolled out across the organisation in 2019, revolutionising the Locum booking process. As anticipated following a recruitment campaign by Patchwork, the number of active workers on the Bank has increased significantly, with Bank fill rate now in excess of 50% each week (an increase of 14%). The Trust can expect to achieve further cost avoidance and the reduction of Agency in 2020-21. The introduction of Patchwork has seen the Trust make positive steps to comply with NHSE/I guidelines to provide technology solutions to increase utilisation of Locum Bank Workers.

The Medical Direct Engagement model continues to grow. Over 80% of Agency Locums are now contracted under this model.

The Trust has brought forward its plans to roll out electronic rostering to all staff groups following the introduction of Levels of Attainment by March 2021. The Trust is actively working to implement our existing electronic rostering system across all clinical roles within Agenda for Change by this date. We are also working towards procuring a software system to manage electronic rostering for our medical and dental staff, with a view to starting implementation this year. The Trust's job planning system is currently used by a large proportion of our medical workforce. It is our aim to start expanding job planning into other staffing groups within the next year and to work towards delivering greater workforce efficiencies by linking job plans to rosters through our software.

Reporting High Paid Off-Payroll Arrangements - The Trust had no off-payroll engagements.

Disclosures set out in the NHS Foundation Trust Code of Governance

York Teaching Hospital NHS Foundation Trust has applied the principles of the NHS Foundation 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 Trust reviewed its governance arrangements in light of the code and makes the following statements.

Directors - The Trust is headed by a Board; it exercises its functions effectively, efficiently and economically. The Board is a unitary Board and at the end of March 2020 consisted of a Non-executive Chair, 6 Non-executive Directors and 6 Executive Directors. Full details of members of the Board and changes to the membership of the Board during 2019-20 can be found on page 57. The Board meets a minimum of 12 times a year so that it can regularly discharge its duties.

The Board provides active leadership within a framework of prudent and effective controls and ensures it is compliant with the terms of its licence. In February 2018, the Trust underwent a Licence Review by NHSI which focused on the Trust's business model and sustainability. Further reference is made to this in the Annual Governance Statement on page 143.

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.

The Non-executive Directors, through the Remuneration Committee, fulfil their responsibility for determining appropriate levels of remuneration of Executive Directors. The Committee is provided with benchmark data to support the decision being made about the level of remuneration for the Executive Directors. More details about the Remuneration Committee can be found on page 83.

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, the Department of Health and the Care Quality Commission. As part of the planning exercise, the Board of Directors reviews its membership and undertakes succession planning.

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 as part of the work around the 5 Year Strategy.

The appointment process for the Chair and Non-executive Directors is detailed on page 109 and forms part of the information included in the Standing Orders written for the Council of Governors. Each year the Chair and Non-executive Directors receive an appraisal which is reviewed by the Council of Governors. The Chair undertakes an appraisal of the Chief Executive and the Chief Executive undertakes the appraisal of the

Executive Directors. Details of the approach to appraisals can be found on page 113 of this report.

Members of the Board of Directors regularly attend the Council of Governors and discuss issues with the Governors. The Non-executive Directors attend the private section of the Council of Governors and are involved in committees and groups where the Governors are members or attend the meetings. A Board to Council of Governors is held a minimum of once a year and the agenda for this meeting is determined by 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.

Council of Governors - The Trust has a Council of Governors that is responsible for representing the interests of the members of the Trust, partners, voluntary organisations within the local health economy and the general community served by the Trust. Governors and their constituencies are identified on page 120. The Council of Governors holds the Board of Directors to account for the performance of the Trust, including ensuring 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 monthly newsletter, information placed on the Trust's website and public Council of Governor meetings.

The Council of Governors received a presentation on the operational plan, including financial planning, during 2019-20.

The Council of Governors consists of elected and appointed Governors. More than half of the Governors are Public Governors elected by members of the Trust. Elections take place once a year. The next elections will be held during summer 2020 subject to the pandemic situation.

The Council of Governors has in place a process for the appointment of the Chair which includes understanding the other commitments a prospective candidate has. The Council of Governors appointed a new Chair during 2014-15 who took up office from 1 April 2015. The Chair has confirmed to the Council of Governors that she has no other significant commitments, other than as a Non-executive Director at the Beverley Building Society.

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

Development is provided throughout the year for Governors and Non-executive Directors in a number of formats.

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.

The Chair, having sought the views of the Non-executive Directors and Executive Director Board members, reviews the performance of the Chief Executive as part of the annual appraisal process.

The Chief Executive evaluates the performance of the Executive Directors on an annual basis and the outcome is reported to the Chair. The Chair and Non-executive Directors provide the Chief Executive with their view of the Executive Directors' performance in the Board meeting.

Performance Evaluation of the Board and its Committees – Deloitte, who have no other connection to the Trust, conducted a well-led review in June/July 2019 which overlapped with that conducted by the CQC. The Deloitte review included interviews with key staff and observation of the Board and Committees.

The key findings were that the Trust required a Board development programme and the Resources and Quality Committees should move back to monthly meetings instead of bimonthly.

A development programme for 2020-21 was approved by the Board in December 2019 and commenced in January 2020, but unfortunately has been interrupted by the Covid 19 situation. The development programme will be adjusted and resume once the pandemic is over. The Resources and Quality Committees changed to monthly meetings from January 2020.

Further information about the CQC visits to the Trust in 2019-20 can be found on pages 134 & 153 of the Annual Report and Annual Governance Statement.

Appointment of Members of the Board of Directors - The Council of Governors is responsible for the appointment and/or removal of the Chair and Non-executive Directors. The Governors have a standing Nominations/Remuneration Committee which takes responsibility for leading the process of appointment/removal on behalf of the Council of Governors. The Non-executive Directors are responsible for the appointment of the Executive Directors, including the Chief Executive. The Council of Governors is required to approve the appointment of the Chief Executive.

The Process for the Appointment of the Chair - During 2014, the Council of Governors and the Governors' Nomination/Remuneration Committee considered and agreed the process for the appointment of the Chair. The Governors agreed that the Trust should undertake the recruitment in-house. The Council of Governors agreed that the Nomination/Remuneration Committee should agree the job description and criteria for the post, along with approving the advertisement and the appointment process.

The process agreed by the Governors' Nomination/Remuneration Committee requires the post to be advertised and letters explaining the vacancy to be sent to local businesses. Long lists of applicants are reviewed for compliance with the requirements of the constitution and a short list of candidates is agreed by the Nomination/Remuneration Committee. The candidates are required to complete a Fit and Proper Person Declaration; an online search is undertaken and the Trust asks the External Auditors to undertake an independent search against each declaration.

The shortlisted candidates are asked to attend a one-to-one interview that tests pre-agreed requirements. This is followed by a number of group interviews which involve membership from Governors, Directors and members of staff and an unseen presentation. The candidates will then be asked to attend a final interview. The panel for the final interview comprises the Lead Governor and four other Governors, along with an invited external advisor. After the final interview the panel discusses the candidates and agrees what recommendation to put forward to the Council of Governors for approval. Following approval by the Council of Governors, the successful candidate is advised of their appointment.

Throughout the process both the Nomination/Remuneration Committee and the Council of Governors are updated on progress.

The Process for the Appointment of the Non-Executive Directors - Once it has been established that there is a need to appoint a Non-executive Director, the Nomination/Remuneration Committee meets to agree the details. The post is advertised and a long list process is completed. The Governors review the applications to develop a shortlist. Governors form the appointment panel and the panel undertakes the interviews. The panel develops a recommendation for approval by the Council of Governors, following which the successful candidate is advised. Two Non-executive Directors commenced in the Trust in July 2019.

Non-executive Directors can serve a total of 9 years, but can choose to leave or have their service terminated by a recommendation of the Nomination and Remuneration Committee and a majority vote of the Council of Governors.

Appointment of Executive Directors - The Trust appointed a new Chief Executive who commenced in post on 1 August 2019. A new Chief Nurse was also appointed and commenced in post on 1 July 2019. The process the Board chose to adopt was similar to that used in the past. The Trust placed an advert in appropriate media and received a number of applications. Each candidate was invited to attend an assessment centre. The assessment centre was made up of a number of activities, including panel interviews. The membership of these was taken from across the organisation and included the Executive Directors, Clinical Directors, Governors, Matrons and Senior Leads. A final interview was then conducted.

Compliance with the Code of Governance - The Board confirmed it complies with the Code of Governance except in the following areas:

Requirements	Explanation
Paragraph B1.1 The Board should identify in the Annual Report each Non-executive Director it considers to be independent. The Board should determine whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. The Board	

should state its reasons if it determines that a Director is independent despite the existence of relationships or circumstances which may appear relevant to its determination, including if the Director:	
- Has, or has had, within the last 3 years, a material business relationship with the NHS Foundation Trust, either directly, or as a Partner, Shareholder, Director or senior employee of a Board of Directors that has such a relationship with the NHS Foundation Trust	One Non-executive Director's spouse is a member of the senior medical team.
- Has close family ties with any of the NHS Foundation Trust's advisors, directors or senior employees	One Non-executive Director's spouse is a senior clinician working in the Trust.
- Has served on the Board of the NHS Foundation Trust for more than six years from the date of their first appointment	Three Non-executive Directors were reappointed for a third three-year term by the Council of Governors and two of those Non-executive Directors have been appointed for a third term which is appraised on a year on year basis. The Governors specifically confirmed that the individuals had received positive and successful appraisals during the year. One Non-executive Director completed her final term of office in 2019 and one retired before the end of their final term.
- Is an appointed representative of the NHS Foundation Trust's university medical or dental school	The Council of Governors has chosen not to make an appointment to the Board from the university medical or dental school. The Council of Governors does have an appointment process and considers the skills that are being sought for each appointment. The Council of Governors is looking at this requirement for 2020.
- At least half the Board of Directors, excluding the Chairperson, should comprise Non-executive Directors determined by the Board to be independent	7 members of the Board are Non-executive Directors which includes the Chair. 6 members of the Board are voting Executive Directors and 1 member of the Board is currently a non-voting Director.

Elected Governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years. The names of Governors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable members to take an informed decision on their election. This should include prior performance information.	The Trust works with ERS as the returning officer to ensure the detail included in any election is accurate and reflective of that individual. Each Governor is required to stand for election once their period of office has concluded before they can have a further period of office. The Governors and NEDs have agreed that a period of up to 9 years can be served and any anomalies to this are being adjusted.

Responsibility for Preparing the Annual Report and Accounts - The Directors of the Trust are responsible for the preparation of the Annual Report and Accounts. The Directors approve the Annual Report and Accounts prior to their publication. The Directors are of the opinion that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

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 the Council of Governors and the Board. The Board, through the Chief Executive and the Chair, provides regular updates to the Council of Governors on developments being undertaken in the Trust. The Board encourages Governors to raise questions and concerns during the year and to 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 Council of Governors is provided with any information when, for example, the Trust has materially changed the financial standing of the Trust, 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, healthcare delivery performance or reputation and standing of the Trust.

The Chair of the Trust also acts as Chair of the Council of Governors. The Chair's position is unique and allows her to have an understanding of a particular issue expressed by the Council of Governors. Where a dispute between the Council of Governors and the Board occurs, in the first instance, the Chair of the Trust would endeavour to resolve the dispute.

Should the Chair not be 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. In the event of the Senior Independent Director and the Lead Governor being unable 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 Board makes decisions about the functioning of the Trust and, where appropriate, consults with the Council of Governors prior to making a decision. Any major new development in the sphere of activity of the Trust which is not public knowledge is reported to the Council of Governors in a private session, and to NHS Improvement.

The Council of Governors is responsible for the decisions around the appointment of Non-executive Directors, the appointment of the External Auditors in conjunction with the Group Audit Committee, the approval of the appointment of the Chief Executive and the appointment of the Chair. The Council of Governors sets the remuneration of the Non-executive Directors and the Chair. The Council of Governors is encouraged to discuss decisions made by the Trust and highlight any concerns it has. The Council of Governors also has in place a statement that identifies at what level the Board of Directors will seek approval from the Council of Governors when there is a proposed significant transaction.

Board Balance, Completeness and Appropriateness - As at year ending 31 March 2020, the Board of Directors for York Teaching Hospital NHS Foundation Trust comprised 6 Executive Directors, 6 Independent Non-executive Directors and an Independent Non-executive Chair.

Changes to the Board composition during the financial year 2019-20 are set out on page 58.

Appraisal of Board Members - The Chair has conducted a thorough review of each Non-executive Director to assess their independence and contribution to the Board of Directors and confirmed that they are all effective, independent Non-executive Directors.

The appraisals are used as an opportunity to provide a basis for both individual and collective development programmes. A programme of appraisals has been run during 2019-20 and all Non-executive Directors have undergone an annual appraisal as part of the review.

The appraisal of the Chief Executive is undertaken on an annual basis by the Chair. The Chair has put in place a robust system where she discusses the outcome of her enquiries with the Chief Executive and draws up a set of objectives. The Board of Directors receives the objectives at a Board meeting.

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

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 ensure 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 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. 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 appointment of Executive Directors is discussed at the Remuneration Committee.

Biographies for the Board of Directors can be found on page 59 of this report.

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 68.

External Audit Appointment – The Trust conducted a process to appoint External Auditors in 2019-20 which included Governors as part of the evaluation process. The Council of Governors approved the appointment of Mazars at the Council meeting in March 2020.

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, which they attend on a regular basis. The Board of Directors and the Governors meet at the Board to Council of Governor meetings, which are held twice a year. Each meeting has focused on areas that the Governors would like more information or understanding of.

Members of the Council of Governors and Non-executive Directors work together on other occasions through various groups and committees and also meet on a one-to-one basis during the year.

Corporate Directors' Remuneration - The Remuneration Committee meets on a regular basis, as a minimum once a year, to review the remuneration of the Corporate Directors. Details of the work of the Remuneration Committee can be found on page 84. The Council of Governors has a Nominations/ Remuneration Committee which meets a minimum of four times a year. Part of the role of the Nominations/ Remuneration Committee is to review the remuneration of the Non-executive Directors. Details of the Nominations/Remuneration Committee can be found on page 125.

Accountability and Audit - The Board of Directors has an established Group Audit Committee that meets on a quarterly basis, as a minimum. A detailed report on the activities of the Group Audit Committee is on page 65.

Relations and Stakeholders - The Board of Directors has ensured that there is satisfactory dialogue with its stakeholders during the year. Examples of the Trust working with stakeholders can be found on pages 21 and 152.

Council of Governors Report 2019/20

Lead Governor Report

Once again this has been a very challenging year for the Trust with some particular issues continuing. These are the on-going financial position, the recruitment and retention of staff with particular reference to the East Coast. Governors have been kept briefed at every opportunity and are fully aware of the actions being taken by the organisation to address these issues. The Chair and the Chief Executive, Mike Proctor and, more recently, Simon Morritt, have all provided regular reports and updates for the Governors. By attending the public board meetings as observers, Governors receive first-hand information from the Executives and Non-executive Directors (NEDs). It is also an opportunity for Governors to see how the NEDs fulfil their role in challenging the Executives and seeking assurance as to how issues are being addressed and having the ability to question the Executive team as appropriate. These meetings are open to Trust Members and the public, who are encouraged to attend as observers and find out more about the organisation, what issues are current and how they are being addressed.

Governors continue to be encouraged to attend the 6 monthly “Board to Council of Governor” meetings which cover particular issues and give the opportunity for Governors to hear directly from Executives and Non-Executives, debate issues with them and raise any questions they may have. These meetings are under constant review and the more recent successful ones have involved Governors setting the agenda in discussion with the Chair and the Foundation Trust Secretary before the meeting so that the most relevant Executive or NED is available to provide a full response.

Despite the on-going challenges, patient stories about their care and safety are discussed at every opportunity and Governors are represented at the Patient Experience Steering Group, which is chaired by the Chief Nurse or her deputy. Developments in clinical practice are part of this meeting as well as patient feed-back, general issues that affect the clinical environment, complaints and their handling and the development of the volunteer role and scheme. There is regular feed-back to Governors from the Patient Experience team as the notes of the meeting are distributed to all Governors. Those attending the meeting include a representative from both York and North Yorkshire Health Watch and the Care Group Managers will be attending in future. The Terms of Reference for this group have recently been reviewed.

Governors continue to be involved as part of the team undertaking the PLACE (Patient-Led Assessment of the Clinical Environment) assessments. These assessments give an opportunity for the Governors to visit clinical areas, talk to staff and patients and see how the environment is being looked after, clinical care provided and developed and how patients feel about the care they are receiving and the environment in which this takes place. The assessment also includes the food provided for patients. The outcome of these visits is sent in centrally and a report received by each Trust taking part as this is a national

programme. There has been feed-back from these visits and an action plan is being developed.

There has been a very stable Non-executive Director team but a number came to the end of their terms of office. Dr Stephen Holmberg, retired Consultant Cardiologist, and Jim Dillon, retired Chief Executive of Scarborough Council, have been appointed and commenced in the Trust at the beginning of July 2019. Governors were involved in the recruitment process. The NED appointments are the responsibility of the Governors and already the benefits of these appointments have been seen in the organisation. A useful link to Hull and York Medical School was made with the Dean of HYMS but, due to her commitments, she has not been able to take up a more active role within the organisation. A deputy to the Dean has been appointed and it is planned after discussion with Governors that he will become involved within the Trust at Board level.

There are a number of groups within the Trust where Governors are involved either by election by their Governor colleagues or attend on an ad-hoc basis where Governors are interested in the subject and the following are just a couple of the groups attended:

1. The Membership Group

The Trust is always seeking new Members from the community it serves and Governors are involved in the Membership Group, which discusses ways in which the membership can be developed. It is really important that the Member numbers are robust, increased where possible and they are involved and attend the seminars put on for them, usually in both York and Scarborough.

2. The “Out of Hospital” Group

This group is chaired by a manager from the Trust and meets on a 3 monthly basis to discuss the schemes being introduced across the community and discuss any developments that are in place and the outcomes of these. Representatives from the Council of Governors attend this meeting and a report is received by their colleagues at the Council of Governors to keep them updated.

3. The Fairness Forum

This group has been re-established and is chaired by the Chief Nurse, supported by Nichola Greenwood. This group links to the Board via the Quality Group and regular reports will keep the Board informed of the issues debated there.

Once again Governors were invited to attend this year’s “Celebration of Achievement” awards and joined staff with their families and friends and patients who had nominated members of staff involved in their care for an award. It was again a pleasure to listen to and learn about how staff, as individuals or teams, had developed the care they were providing and how well this had been received by patients. Despite staff being under real pressure, it is really encouraging to hear this. Congratulations to the winners but to everyone in the Trust on their achievements this year. Their efforts to achieve the very best outcomes for patients and their families do not go unnoticed by those receiving care and those managing the organisation. The Governor Award this year went to the volunteer of the year, Graham Clift, who has been helping on the Stroke Rehabilitation Ward at York Hospital for a number

of years. It was very difficult for the panel to pick out one individual as it was felt that all volunteers deserved credit and very sincere thanks go to all who give up their time freely to volunteer in many different capacities.

Finally, I would like to thank Lynda Provins, the Foundation Trust Secretary, her assistant Tracy Astley and the Chief Executive Office team for their on-going support to governors, and to my Governor colleagues for their support to me personally and their commitment and dedication to the Governor role. Can I also take the opportunity on behalf of the Governors to thank all staff and volunteers for their on-going commitment to the organisation and to ensuring that the best possible care is provided to patients and their families. Thank you all on behalf of the Governors.

Margaret Jackson
Lead Governor

Role of the Council of Governors

All NHS Foundation Trusts are required to have a body of elected and nominated Governors. York Teaching Hospital NHS Foundation Trust has a Council of Governors which is responsible for representing the interests of the public in their local areas, Trust Members, staff members and partner organisations in the local health economy.

As a public benefit corporation, the Trust is accountable to the local community, staff who have registered for Membership and to those elected or appointed to seats on the Council of Governors.

The Council of Governors' roles and responsibilities are outlined in legislation and detailed in the Trust's constitution. The primary function of the Council of Governors is: -

- To hold the Non-executive Directors, individually and collectively, to account for the performance of the Board of Directors;
- To represent the interests of the Members of the Trust as a whole and the interests of the public.

The Council of Governors has a right to be consulted on the Trust's strategies and plans, and on any matter of significance affecting the services it provides. All Governors, both elected and appointed, are required to act in the best interest of the NHS Foundation Trust and to adhere to the values and code of conduct of the Trust.

Their duties and responsibilities include: -

- To hold the Non-executive Directors, individually and collectively, to account for the performance of the Board of Directors;
- To represent the interests of the members of the Trust as a whole and the interests of the public;
- To appoint and remove the Chair and other Non-executive Directors;
- To approve the appointment of the Chief Executive;
- To appoint and remove the External Auditors;
- To ensure one or more of the Directors attend a meeting of the Council of Governors for the purpose of obtaining information about the Trust's performance, of its functions, or the Directors' performance of their duties;
- To review the Annual Accounts, Auditors' Report and Annual Report;
- To provide a view from the membership on matters of significance affecting the Trust or the services it provides;
- To represent the interests and views of Trust Members and local people;
- To regularly feedback information about the Trust, its visions and its performance to the communities they represent;
- To attend meetings of the Council of Governors;
- To attend Board to Council of Governors meetings;
- To receive an annual report from the Board of Directors;
- To monitor performance and other targets;
- To advise the Board of Directors on its strategic plans;

- To make sure the strategic direction of the Trust is consistent with its terms of authorisation as agreed by NHS Improvement;
- To be consulted on any changes to the Trust's constitution;
- To agree the Chair's and Non-executive Directors' remuneration;
- To provide representatives to serve on specific groups and committees working in partnerships with the Board of Directors;
- To inform NHS Improvement if the Trust is at risk of breaching its terms of authorisation, if the concerns cannot be resolved within the Trust.

The Council of Governors and the Board of Directors continue to work together to develop an appropriate and effective working relationship. They are regularly updated on the performance of the Trust from the Board of Directors and receive both the agenda and minutes of each public Board of Directors meeting.

The Council of Governors at York Teaching Hospital NHS Foundation Trust currently has 27 Governor seats in the constitution, as follows:

Public Governors	Sixteen elected seats
Staff Governors	Five elected seats
Stakeholder Governors: • Local Authorities • Healthcare Organisations • Local Universities • Voluntary Sector • LLP	Six appointed comprising: • One seat • Two seats • One seat • One seat • One seat

Governor Elections

The Trust held an election during 2019. The next elections will be held during the summer of 2020. The following seats will be included in the elections:

- York constituency – 1 seat
- Selby constituency – 1 seat
- Scarborough constituency – 1 seat
- Bridlington – 2 seats
- Staff – 3 seats

The election process will start later than normal due to the pandemic and the election results will be announced at the end of October 2020.

The Chair also acts as Chair of the Council of Governors.

On 1 October 2018 the Estates & Facilities Directorate formed its own company, York Teaching Hospital Facilities Management Limited Liability Partnership. This affected a Staff Governor who was transferred over to the new company. It was discussed at the Private

Council of Governors meeting in December 2018 and agreed that this person would continue as a Governor until the next elections in the summer of 2019, when a new staff Governor and stakeholder Governor would be sought. In the meantime, the constitution is being amended to include an LLP stakeholder Governor taking the Council of Governors to a total of 27.

The Governors

Listed below are the members, elected or appointed, currently serving on the Council of Governors, including those who have ceased being members of the Council of Governors during the year.

Name	Initial Appt Year	Date Appointed	Term of Office	End of Term Date
ELECTED GOVERNORS – PUBLIC				
Hambleton Constituency (1 seat)				
Catherine Thompson	2016	01.10.19	3 Years	30.09.22
Scarborough Constituency (2 seats)				
Richard Thompson	2017	01.10.17	3 Years	30.09.20
Liz Black	2018	01.10.18	3 Years	30.09.21
Bridlington Constituency (2 seats)				
Clive Neale	2014	01.10.17	3 Years	Resigned 10.02.20
Vacancy				
Selby Constituency (2 seats)				
Roland Chilvers	2016	21.07.16	3 Years	30.09.19
Keith Dawson	2019	01.10.19	3 Years	30.09.22
Vacancy				
Ryedale and East Yorkshire Constituency (3 seats)				
Andrew Butler	2012	01.10.19	2 Years	30.09.21
Sheila Miller	2012	01.10.17	4 Years	30.09.21 (Term extended so 9 years can be done)
Jeanette Anness	2012	01.10.18	3 Years	30.09.21
Whitby Constituency (1 seat)				
Stephen Hinchliffe	2012	01.10.18	3 Years	30.09.21
York Constituency (5 seats)				
Sally Light	2018	01.10.18	3 Years	30.09.21
Michael Reakes	2016	01.10.19	3 Years	30.09.22
Helen Fields	2013	01.10.19	3 Years	30.09.22
Margaret Jackson	2012	01.10.17	4 Years	30.09.21 (Term extended so 9 years can be done)
Robert Wright	2014	01.10.17	3 Years	30.09.20
PARTNERSHIP ORGANISATIONS				
North Yorkshire County Council (1 seat)				
Chris Pearson	2015	01.10.18	3 Years	30.09.21
University of York (1 seat)				
Gerry Richardson	2017	01.05.17	3 Years	30.04.20
Voluntary Sector (1 seat)				

Jo Holloway-Green	2019	01.03.20	3 Years	28.02.23
Healthcare Organisations (2 seats)				
Dawn Clements	2016	01.10.19	3 Years	30.09.22
Karen Porter	2017	01.01.17	3 Years	Resigned 04.09.19
Vacancy				
YTHFM LLP (1 seat)				
Andrew Bennett	2018	01.10.18		Election result due
ELECTED GOVERNORS - STAFF				
Community (1 seat)				
Sharon Hurst	2015	01.10.19	3 Years	30.09.2022
Scarborough and Bridlington (2 seats)				
Helen Noble	2012	01.10.17	4 Years	30.09.21 (Term extended so 9 years can be done)
Andrew Bennett	2014	01.10.17	3 Years	Moved to LLP
Vacancy				
York (2 seats)				
Jill Sykes	2017	01.10.17	3 Years	30.09.20
Mick Lee	2014	01.10.18	2 Years	30.09.20

The appointment to the Council of Governors is for a maximum term length of three years or until the Governor ends their term, whichever is sooner. A Governor can serve a maximum of nine years. There are currently three public Governor vacancies, one staff Governor vacancy and one partner Governor vacancy.

The following changes occurred in the Council of Governors membership during the year:

- Karen Porter resigned on 4 September 2019.
- Roland Chilvers completed his term on 30 September 2019.
- Keith Dawson was appointed as Governor for Selby constituency on 1 October 2019.
- Andrew Bennett transferred from a Staff Governor to a Stakeholder Governor for the LLP on 1 October 2018.
- Clive Neale resigned on 10 February 2020.

The Council of Governors Meetings

Meetings of the Council of Governors took place on four occasions. The table below shows the attendance of Governors at the formal Council of Governors meetings.

Attendees	12/06/19	03/09/19	11/12/19	11/03/20	Total meetings attended
Andrew Bennett	✓	✓	✓	Ap	3/4
Andrew Butler	✓	✓	✓	✓	4/4
Catherine Thompson	Ap	Ap	✓	✓	2/4

Chris Pearson	Ap	✓	✓	✓	3/4
Clive Neale	✓	Ap	✓	-	2/3
Dawn Clements	✓	✓	Ap	✓	3/4
Gerry Richardson	✓	✓	✓	✓	4/4
Helen Fields	✓	✓	✓	✓	4/4
Helen Noble	✓	✓	✓	✓	4/4
Jeanette Anness	✓	Ap	✓	✓	3/4
Jill Sykes	✓	✓	✓	✓	4/4
Jo Holloway-Green	-	-	-	✓	1/1
Karen Porter	Ap	-	-	-	0/1
Keith Dawson	-	-	✓	✓	2/2
Liz Black	✓	✓	✓	Ap	3/4
Margaret Jackson	✓	✓	✓	✓	4/4
Michael Reakes	✓	✓	✓	✓	4/4
Mick Lee	✓	✓	✓	✓	4/4
Richard Thompson	✓	Ap	✓	✓	4/4
Robert Wright	Ap	Ap	✓	✓	2/4
Roland Chilvers	Ap	Ap	-	-	0/2
Sally Light	✓	✓	Ap	✓	3/4
Sharon Hurst	✓	✓	Ap	✓	3/4
Sheila Miller	✓	✓	✓	✓	4/4
Stephen Hinchliffe	Ap	✓	✓	✓	3/4
Sue Symington	✓	Ap	✓	✓	3/4

The Chief Executive, Deputy Chief Executive and Non-executive Directors and Trust staff regularly attend meetings of the Council of Governors and its sub groups to present appropriate reports and provide information on the Trust's performance.

During 2019-20 the Council of Governors and its sub groups and committees received updates and considered reports on a number of issues including: -

- York Teaching Hospital Facilities Management Limited Liability Partnership
- Governors' Report on Quality Report
- Sustainability & Transformation Plan
- Humber Coast & Vale Partnership

- East Coast Review
- Brexit
- Trust Assessment Patient Environment (TAPE) process
- Annual Financial and Operational Plan
- Trust Constitution
- Non-executive Director Recruitment
- Non-executive Director Remuneration
- Non-executive Director Appraisals
- Performance Information
- Small Rural Hospitals Network
- Medical Oncology
- System Finance
- Themes from Patient Safety Walkrounds
- Volunteering
- Governor Elections
- Group Audit Committee Annual Report
- Effectiveness of the Council of Governors
- New Care Group Structure
- Scarborough Acute Services Review
- CQC Inspection
- Board Development Plan
- ICS development
- Transport/Parking issues
- Smoking Cessation
- Stakeholder NED position to the Board
- External Audit Tender – Approval of appointment
- Governors' Priority for 2020-21
- Annual PLACE Assessment
- Our Voice Our Future project
- Director Appointments
- YTHFM LLP updates
- CoG Effectiveness

Attendance at Meetings

In addition to the Council of Governors meetings, the Governors also met on a number of other occasions during the year to receive informal updates, training and information.

Board to Council of Governors meetings were held in April and October 2019 and covered a number of subjects, including the following:

- East Coast Review
- Humber Coast & Vale Partnership progress
- Use of digital technology to benefit patients
- Capital Programme update
- New Care Group Structure
- Incident Reporting

- Outpatients Transformation Programme
- Site Use Opportunities
- MRI & CT In-patient Capacity
- CQC Report

Training for Governors

To ensure the Governors are equipped with the skills they need to undertake their role, the Trust continues to ensure that Governors receive the information and understanding they require to perform the role. Induction was provided to new Governors and the agendas from the Council meetings and Board to Council of Governors are structured to provide the necessary information and understanding. Sessions arranged included: -

- Governor Focus Conference
- Member & Public Engagement Workshop
- Regional Governor Workshops
- Governors' Development Day

Governor Expenses

Governors are not remunerated, but are entitled to claim expenses for costs incurred whilst undertaking duties for the Trust as a Governor (i.e. travel expenses to attend the Council of Governors meetings). The total amount of expenses claimed during the year from 1 April 2019 to 31 March 2020 by Governors was £2,983.73**.**

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.

Appointment of the Lead Governor

The process for the appointment of Lead Governor requires Governors to put their name forward and provide a statement. These names and statements are put forward to the full Council of Governors which holds an election. The Council of Governors followed this process and appointed Mrs Margaret Jackson as Lead Governor from 1 April 2014. Mrs Jackson's term of office came up for election and she was reappointed as a Governor for a further three years in September 2017, when the Council of Governors confirmed that they wished her to continue as Lead Governor. Mrs Jackson's term of office is due to finish in September 2020.

Membership of the Committees and Groups

The Council of Governors has delegated authority to a number of Committees and Groups to address specific responsibilities of the Council of Governors. During the year the Council of Governors welcomed some new members following the elections. This has meant that

during the early part of 2020 the Governors have reviewed the Groups and Committees and replacements have been confirmed.

The Council of Governors was supported by the following Sub Groups and Committees:

Nomination/Remuneration Committee

Susan Symington – Chair of the Trust (Chair);
Lynda Provins – Foundation Trust Secretary;
Margaret Jackson – Lead Governor (Vice-Chair);
Helen Fields – Public Governor, York;
Jeanette Anness – Public Governor, Ryedale and East Yorkshire;
Robert Wright – Public Governor, York;
Catherine Thompson – Public Governor, Hambleton (January 2020 onwards);
Andrew Butler – Public Governor, Ryedale & East Yorkshire (until December 2019);
Stephen Hinchliffe – Public Governor, Whitby;
Mick Lee - Staff Governor, York;
Gerry Richardson – Stakeholder Governor, York University;

During the year, issues discussed included:

- NED/Chair remuneration in line with NHSI recommendations;
- Annual appraisal of all seven Non-executive Directors, including the Chair. The Chair's appraisal is conducted by the Lead Governor and the Senior Independent Director. The Non-executive Director appraisals are conducted by the Chair. All appraisals include the opportunity for any Governor and Director to contribute. When each appraisal is presented, the timelines for the Non-executive Director's period of office are reviewed;
- NED Succession Planning;
- NED Recruitment;
- Vice Chair of York Teaching Hospitals NHS Foundation Trust;
- NED Chair of YTHFM LLP;
- NED Stakeholder position at Board;
- Change of Senior Independent Director.

The terms of reference and work programme of the Committee were reviewed.

The Committee continues to reflect on the process for appointment of new Non-executive Directors and will take any learning forward to help shape the future Non-executive Director appointment processes.

Items discussed at the Nominations/ Remuneration Committee were highlighted to the private session of the full Council of Governors and the Chair offered time for discussion. In the Council's subsequent meeting in public, the Chair briefly summarised the recommendations put forward by the Committee and their approval (or not) by the full Council of Governors.

Susan Symington
Chair of the Committee

Out of Hospital Care Group

The Out of Hospital Care Group (formerly the Community Services Group) is a quarterly meeting of Governors and others who represent the localities served by the Trust. Members include Public and Staff Governors, a Non-executive Director, and Senior Managers from the Trust. The Group is chaired by the Head of Community Services. The Group has a wide remit, looking at any services provided out of hospital by the Trust and reporting back to the Council of Governors. The Group serves three key purposes:

- To provide a forum for Governors (on behalf of the Members and local communities) to raise any issues regarding community services;
- To provide a reference group for development in community services to gain insight from a public perspective;
- To keep Governors updated on the developments in community services.

The Governors are involved in exploring options for improving the links between public governors and the communities they represent.

Steve Reed
Chair of the Group

Constitution Review Group

The Constitution Review Group has met during the year and discussed a number of topics, including:

- Constitution Amendments;
- Expanding the reach to fill the Voluntary Sector Governor role;
- Addition of an LLP Stakeholder Governor;
- Amendments to Code of Conduct;
- Meeting etiquette;
- Replacement of a Partnership Governor;
- External Auditors Tender process;
- Revision of the Terms of Reference and the Work programme;
- Revision of the Compliance Manual;
- Council of Governors Effectiveness Framework document;
- Stakeholder NED role at Board.

The most significant discussions were around altering the 3 terms to 9 years and also the appointment of a stakeholder NED to the Board.

Lynda Provins
Chair of the Group

Membership Development Group

The Membership Development Group has met during the year and discussed a number of topics, including:

- The Membership Development Strategy;
- Membership Events including seminars, the Annual Members Meeting;
- Increase/decline of Membership Numbers;
- Encouraging younger members;
- Update of Membership poster;
- Production of a new Action Plan as the existing one had been completed;
- Use of social media/press releases/articles to promote membership;
- Implementation of a half hour session prior to the public Council of Governors meeting for members/public to meet the governors.

The Group is focused on how to maintain Membership of the Trust and how to engage and recruit Members across the Trust's constituencies by increasing the number of locations in which the Membership poster can be placed, using various methods of communication, including the Membership Newsletter, email and social media to encourage Membership, and explore the use of the Trust's text reminder system to add a message about becoming a Member of the Trust.

Lynda Provins
Chair of the Group

Governors have also been involved in or attended the following meetings/ events: -

- Annual General Meeting/Annual Members' Meeting 2019;
- Celebration of Achievement Award Ceremony;
- Governors' Informal meetings.

In addition, Governors provide Membership talks and hold engagement events to consult with and understand the views of Members and the public, including: -

- Public Board of Directors meetings;
- Public Council of Governors meetings – including a bespoke half an hour for Governors and Members/members of the public to mingle;
- GP local groups;
- Membership Recruitment events.

Code of Conduct

All Governors have read and signed the Trust's Code of Conduct, which includes a commitment to actively support the NHS Foundation Trust's Vision and Values.

Register of Governor Interests

The Trust holds a register listing any interests declared by members of the Council of Governors. Governors must disclose details of company directorships or other positions held, particularly if they involve companies or organisations likely to do business, or possibly seeking to do business with the Foundation Trust.

The register forms part of the papers at every public Council of Governors and can be accessed by visiting: https://www.yorkhospitals.nhs.uk/about-us/council-of-governors/papers-and-minutes/ or by making a request in writing to:

Address: Foundation Trust Secretary
York Teaching Hospital NHS Foundation Trust
Wigginton Road
YORK
YO31 8HE

Telephone: 01904 725076

Email: lynda.provins@york.nhs.uk

Foundation Trust Membership

Membership Strategy

The Trust continues to focus on recruitment and retaining Membership using a variety of methods. Members of the public can sign up for Trust Membership via the following link: https://www.yorkhospitals.nhs.uk/get-involved/ or complete a paper application found in the main reception area at any of the Trust's hospitals.

The Trust continues its aim to build a representative Membership base to support public accountability and local engagement. It is recognised that a well-informed, motivated and engaged Membership helps organisations to be more responsive, with an improved understanding of the needs of its patients and local communities. Therefore, it is vital to create a Membership that matches the demographic mix of our catchment area and to create a vibrant Membership Programme to support successful long-term engagement with Members.

The vision is based around three key areas:

- **Meaningful Membership** – developing a better relationship with existing Members who can become more actively engaged with the Trust if they so wish;
- **Representative Membership** – to ensure our Membership reflects, where possible, our socio-demographic geography and the communities which we serve; and
- **Innovative Membership** – that looks to new ways of recruiting Members and reaches out to local communities, younger Members and pockets of very low Membership coverage.

In order to maintain our Membership level and recruit new public Members, the Trust has taken forward a number of initiatives during 2019-20, including:

- Membership information displayed in main reception of each hospital;
- Recruitment stands at key events across the Trust;
- Distribution of recruitment posters to GP surgeries;
- Continued use of the Trust's Facebook social network to engage and inform Members and the wider public of developments and events at the Trust;

- Exploring the use of the Trust's digital appointments system to add information about becoming a Member;
- Dedicated Membership Officer who acts as link between the Members and the Trust.

The strategy seeks to support the Council of Governors with specific goals to increase Membership and maintain support for the Trust.

Retention of Members

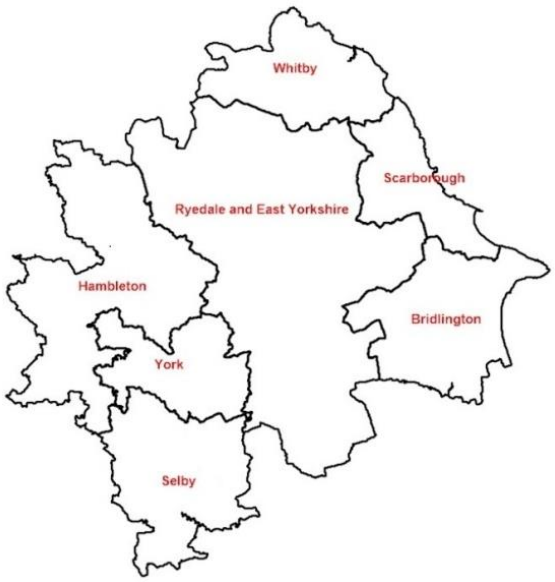
The Trust recognises the importance and value of a representative Membership and has continued to focus on opportunities to engage with and retain existing Members. Over the past year various events have been arranged and we continue to keep Members up to date through a dedicated electronic Membership Newsletter. Initiatives include: -

- Inviting all members to the Public Council of Governors meetings throughout the year. There is also a half hour allocated prior to the meetings to give the public/Members the opportunity to talk to their Governors;
- Inviting all Members to the Annual Members' Meeting which took place in October 2019;
- Arranging events on matters of interest, including Research, Patient Care in the Home, Preparing for Major Surgery, Living with Diabetes, CPR Training, Mental Health Wellbeing;
- Inviting Members to official openings of new facilities and fundraising activities via the Membership Newsletter, social media and email, ie. The opening of the new multi-million pound Endoscopy Unit at York Hospital.

Over the next 12 months we will continue to look at new ways to promote the benefits of Membership in order to maintain and increase our Membership in accordance with the Membership Strategy, which was revised in October 2019.

The Trust's Current Catchment Area

The map below shows the seven communities the Trust now serves and each one forms a public constituency for our Membership.



Constituencies

The Trust has defined its public constituency boundaries to fit as far as possible with clearly defined local authority boundaries and "natural" communities. Each of the seven constituencies contains at least one hospital facility which is either run by or has services provided by the Trust. These are places that the local population clearly identify with and care much about; it is the Trust's experience this is a key issue for Membership.

Constituency	Wards
York	All council wards and the wards of Ouseburn and Marston Moor of Harrogate Borough Council. Hospital facilities include York General Hospital, St Helen's Rehabilitation Hospital, White Cross Court Rehabilitation Hospital.
Selby	All council wards and the parishes of Bubwith, Ellerton, Foggathorpe and Wressle. Hospital facilities include the Selby War Memorial Community Hospital.
Hambleton	All council wards and the areas of Northallerton, Bromfield, Northallerton Central, Romanby, Sowerby, Thirsk, Throntons, Topcliffe, Whitestone Cliff, Bishop Monkton, Boroughbridge, Carlo, Hookstone, Knaresborough East, Knaresborough King James, Knaresborough Scriven park, Newby, Pannal, Ribston, Ripon Minster, Ripon Mooreside, Ripon Spa, Spofforth with Lower Wharfdale, Starbeck, Wetherby. Hospital facilities include St Monica's Community Hospital.
Ryedale & East Yorkshire	All 20 Ryedale wards and the East Riding wards of Pocklington Provincial, Wolds Weighton and the parish of Holme upon Spalding Moor. Hospital facilities include Malton, Norton & District Community Hospital.
Whitby	All council wards. Hospital facilities include Whitby Community Hospital.
Scarborough	All council wards. Hospital facilities include Scarborough & District General Hospital.
Bridlington	All 3 wards of Bridlington Town Council and the two wards of East Riding Council, Driffield and Rural and East Wolds and Coastal. Hospital facilities include Bridlington & District General Hospital.

The Out of Area Public Members

The Trust will continue to offer Membership to the public who live outside of these constituencies. Previously named “affiliate” Members, they are now referred to as “out of area” Members.

Public Membership Profile

Membership of the Trust as at 8 April 2020 was as follows: -

Constituency	Members
Bridlington	432
Hambleton	632
Ryedale & East Yorkshire	1364
Scarborough	459
Selby	1468
Whitby	218
York	5046
Out of Trust Area	677
Total	**10,296**

Age	Public
0-16	1
17-21	16
22+	9840
Not Stated	439
Total	**10,296**

Gender	Public
Unspecified	102
Male	4094
Female	6100

Ethnicity	Public
White - English, Welsh, Scottish, Northern Irish, British	4174
White - Irish	21
White - Gypsy or Irish Traveller	0
White - Other	60
Mixed - White and Black Caribbean	4
Mixed - White and Black African	2
Mixed - White and Asian	9
Mixed - Other Mixed	4

Asian or Asian British - Indian	16
Asian or Asian British - Pakistani	5
Asian or Asian British - Bangladeshi	2
Asian or Asian British - Chinese	4
Asian or Asian British - Other Asian	14
Black or Black British - African	4
Black or Black British - Caribbean	3
Black or Black British - Other Black	0
Other Ethnic Group - Arab	0
Other Ethnic Group - Any Other Ethnic Group	3
Not stated	5,971

Staff Membership

The staff constituency comprises:

- Permanent, directly employed members of staff;
- Temporary members of staff who have been employed in any capacity on a series of short-term contracts for 12 months or more.

For staff, Membership runs on an opt-out basis, i.e. all qualifying staff are automatically Members unless they seek to opt out. The staff Membership is broken down into three constituencies: -

York	All staff whose designated base hospital is York Hospital, White Cross Court Rehabilitation Hospital, St Helen's Rehabilitation Hospital, Archways Hospital and any other staff not included in either of the Staff Groups described below.
Scarborough & Bridlington	All staff whose designated base hospital is Scarborough General Hospital or Bridlington and District Hospital.
Community	All staff whose designated base hospital is Malton Community Hospital, Whitby Community Hospital, New Selby Community Hospital (also known as the New Selby War Memorial Hospital), St Monica's Hospital, Easingwold and any other staff who are designated as "Community" staff and therefore do not have a designated base hospital as they work mainly with patients in a non-acute setting, including those members of staff who are engaged in support functions in connection with such services.

Further Information on Membership

Contact can be made through the Foundation Trust Secretary. The contact details are:

The Foundation Trust Secretary
York Teaching Hospital NHS Foundation Trust
Wigginton Road
York YO31 8HE
or by e-mailing membership@york.nhs.uk

Regulatory Rating

Care Quality Commission

The Trust has been subject to a number of inspections during 2019-2020. These are documented below.

2019

18-20 June 2019: The CQC carried out unannounced inspections at Scarborough Hospital of Urgent and Emergency Care, Medicine, Surgery and Outpatients. Unannounced inspections of Surgery and Outpatients were also carried out at Bridlington Hospital at the same time.

16-18 July 2019: The CQC carried out unannounced inspections at Scarborough Hospital of Maternity Services, Community and the Medical Service.

As a result of these inspections, the report published in October 2019 gave the Trust an overall rating of **Requires Improvement.**

The grids below show the impact of the inspections on the rating for the whole Trust and then the individual ratings by domain by site.

Key to tables					
Ratings	**Not rated**	**Inadequate**	**Requires improvement**	**Good**	**Outstanding**
Rating change since last inspection	Same	Up one rating	Up two ratings	Down one rating	Down two ratings
Symbol *	→←	↑	↑↑	↓	↓↓
Month Year = Date last rating published					

Ratings for the whole trust

Safe	Effective	Caring	Responsive	Well-led	Overall
Requires improvement →← Oct 2019	Good →← Oct 2019	Good →← Oct 2019	Good →← Oct 2019	Requires improvement →← Oct 2019	Requires improvement →← Oct 2019

Rating for acute services/acute trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
York Hospital	Requires improvement Feb 2018	Good Feb 2018	Good Feb 2018	Good Feb 2018	Good Feb 2018	Good Feb 2018
Scarborough Hospital	Inadequate ↓ Oct 2019	Requires improvement →← Oct 2019	Good →← Oct 2019	Requires improvement →← Oct 2019	Requires improvement →← Oct 2019	Requires improvement →← Oct 2019
Bridlington Hospital	Good ↑ Oct 2019	Good →← Oct 2019	Good →← Oct 2019	Good →← Oct 2019	Requires improvement →← Oct 2019	Good ↑ Oct 2019
Overall trust	Requires improvement →← Oct 2019	Good →← Oct 2019	Good →← Oct 2019	Good →← Oct 2019	Requires improvement →← Oct 2019	Requires improvement →← Oct 2019

Ratings for a combined trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Acute	Requires improvement →← Oct 2019	Good →← Oct 2019	Good →← Oct 2019	Good →← Oct 2019	Requires improvement →← Oct 2019	Requires improvement →← Oct 2019
Community	Requires improvement Oct 2015	Good Oct 2015	Good Oct 2015	Good Oct 2015	Good Oct 2015	Good Oct 2015
Overall trust	Requires improvement →← Oct 2019	Good →← Oct 2019	Good →← Oct 2019	Good →← Oct 2019	Requires improvement →← Oct 2019	Requires improvement →← Oct 2019

January 2020

On 13-14 January 2020 the CQC undertook a Quality of Care Inspection at The York Hospital, focussing on the Emergency Department. Emphasis was on the Safe, Responsive and Well-Led domains and the report published in March 2020 gave a rating of 'Inadequate' in each of the domains.

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In addition, the Inspection Team also reviewed elements of the Medical Care core service and gave an overall rating of 'Inadequate'.

February 2020

The CQC undertook an announced Inspection of the York Child Sexual Assault Service at York Hospital on 18-19 February 2020. The CQC were advised during the visit that we had served notice on the contract for the service and would no longer be providing it. At the time of writing a draft report has been received within the organisation.

March 2020

The Trust received an Inadequate rating for both Emergency Departments in Scarborough and York. Appropriate mitigations have been introduced which complement the work being undertaken for the Section 29 breaches.

Regulatory Action

As a result of the Inspections undertaken in January 2020 the CQC issued the following notices to the Trust:

- On 17 January 2020 the CQC, under Section 31 of the Health and Social Care Act 2008, issued an urgent notice of decision to impose conditions on your registration as a service provider in respect of the treatment of disease, disorder or injury regulated activity for Scarborough Hospital.

- On 17 January 2020 the CQC, under Section 31 of the Health and Social Care Act 2008, issued an urgent notice of decision to impose conditions on your registration as a service provider in respect of the treatment of disease, disorder or injury regulated activity for The York Hospital.

These were followed on 21 January 2020 by the CQC issuing a Regulations 29A Warning Notice, detailing 6 areas that required immediate improvement: -

1) 'Patients who presented at the Emergency Departments with mental health needs were not being cared for safely in line with national guidance (Royal College of Emergency Medicine (RCEM) guidance and Psychiatric Liaison Accreditation Network (PLAN) Quality Standards for Liaison Psychiatry Services)'.

2) 'Access and flow of patients was creating significant delays in admitting patients onto wards to enable them to receive timely and appropriate care and treatment. Patients in the Emergency Departments at York Hospital and Scarborough Hospital were not receiving appropriate care in a timely way, exposing them to the risk of harm'.

3) 'Neither Emergency Department were meeting the standards from the Facing the Future: Standards for Children in Emergency Settings'.

4) 'Systems for recording clinical information, risk assessments and care plans were not used in a consistent way at York Emergency Department or across medical wards at Scarborough hospital to ensure safe care and treatment for patients'.

5) 'Not all incidents were being reported and investigated to identify mitigating actions to prevent reoccurrence and reduce the risks to patients'

6) 'There were not sufficient numbers of suitably qualified, skilled, competent and experienced clinical staff at all times to meet the needs of patients within the medical wards at Scarborough and both Emergency Departments'.

The Trust was required to respond to the CQC with evidence of improvements in Actions 1,2,3,4 and 6 by 21 April 2020, and by the 18 February 2020 for Action 4 which has been completed.

NHS Oversight Framework

Single Oversight Framework - NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The Framework looks at five themes:

- Quality of care;
- Finance and use of resources;
- Operational performance;
- Strategic change;
- Leadership and improvement capability (well-led).

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A Foundation Trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

Segmentation - In April 2018, following an NHSI Licence Investigation, the Trust moved to **Segment 3**. This segmentation information is the Trust's position as at 31 March 2020. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2019-20 scores				2018-19 scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial sustainability	Capital service capacity	4	4	4	4	2	4
	Liquidity	4	4	2	2	2	3
Financial efficiency	I&E margin	2	3	4	4	2	4
Financial controls	Distance from financial plan	1	1	1	1	1	2
	Agency spend	3	3	3	3	2	2
Overall scoring		**3**	**3**	**3**	**3**	**2**	**3**

Statement of the Chief Executive's Responsibilities as the Accounting Officer of York Teaching Hospital NHS Foundation Trust

The National Health Service 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 York Teaching Hospital 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 York Teaching Hospital 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 Group Accounting 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

Simon Morritt
Chief Executive **Date: 25 June 2020**

Voluntary Disclosures

Equality, Diversity and Inclusion

The Trust is committed to promoting equality, diversity and inclusion in all activities for all patients, visitors and staff.

The Trust is required to produce detailed information to demonstrate our regard to the Equality Act 2010 and other NHS standards, such as the Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) and Equality Delivery System (EDS2) all of which are published on our website. We are also required to report on our Gender Pay Gap annually.

Leadership for Equality, Diversity and Inclusion for Workforce is the shared responsibility of the Director of Workforce and Organisational Development (staff) and the Chief Nurse (patients).

The Trust has a Fairness Forum, chaired by the Deputy Chief Nurse, with membership from across the organisation and external stakeholders, including Trust Governors and a Healthwatch representative.

Performance against Equality Objectives

The Equality objectives ran from March 2016 to March 2020. These were: -

1. Improve data collection, analysis and monitoring of protected characteristics;
2. Further develop engagement and involvement of patients, carers, Governors and staff to reflect local demographics;
3. Develop strong partnerships with social care and GPs to ensure patient pathways are free from barriers between providers for everyone;
4. Continue the Board of Directors and Senior Manager's development programme, ensuring equality and diversity is embedded into all decision-making processes and leading to active promotion of good relations.

Some of the key 2019 achievements against these objectives are summarised in the section below (during the reporting period).

Recognising the continuing developments and requirements in the field of Equality Diversity and Inclusion, during 2019, the Trust formalised three distinct work streams (Patient, Workforce and Inclusive build), each with a named lead, the purpose of which is to provide an effective mechanism for the delivery of plans against the Trust objectives.

The new Equality Objectives which will run from March 2020 to March 2024 acknowledge each of the three work streams. These are: -

Patients

1. To engage with patients, visitors, carers, Governors and local stakeholders and organisations to listen and understand their needs and experiences across the protected characteristics.

2. To engage internally with services to discuss how the needs of patients and visitors can be met to ensure that: -

    a) Health inequalities are reduced;
    b) Discrimination is eliminated;
    c) Patients are provided with the appropriate support to meet their needs.

3. To achieve compliance with the Accessible Information Standard 2016.

Buildings Environment

4. To monitor progress against the Trust's inclusive built environment policy and strategy.

Workforce

5. To be regarded as a fully inclusive employer by: -

    a) Continuously reviewing our recruitment processes to remove any unintended bias;
    b) Continuing to undertake activity which ensures we maintain our disability confident status;
    c) Engaging with members of our community, local charities and internal stakeholders to become a fully diverse employer that is reflective of society.

6. To contribute to the overall Trust's retention strategy by: -

    a) Working to reduce inequalities experienced by staff from across the protected characteristics by engaging with key stakeholders to fully implement the Trust's ED&I action plans, which include Gender Pay Gap, Disability Confident, WRES, WDES and also, the annual staff survey action plan;
    b) Providing a voice to our workforce through the development and implementation of staff networks;
    c) Fully equipping our workforce through training and development to proactively support staff to work in an equal, diverse and inclusive manner and environment;
    d) Ensuring that our HR policies and procedures support the needs of a diverse workforce;
    e) Supporting our staff to work flexibly wherever possible.

During the reporting period – key achievements against the Equality Objectives

The Trust has retained its Disability Confident status and it continues to be our aspiration to become a Disability Confident Leader, the highest level which can be attained under the revised scheme.

The LGBTQ staff network has continued to roll out the NHS rainbow badge initiative.

An Equality, Diversity and Inclusion intranet page has been launched, which offers a wide range of information that staff can access to help them in supporting patients and staff across the protected characteristics.

The Trust has introduced video remote interpreting, an additional service to support patients who require sign language support.

The Trust is in the initial phases of the introduction of Disability Sunflower lanyards, which are designed to support patients with hidden disabilities.

Further work is underway to improve pathways in relation to the accessible information standard and we are reviewing the style of the patient information that we provide and how information is provided to staff through a review of Trust HR policies.

Engagement continues with our local stakeholders and 'York as a Human Rights City' and the Trust remains an active member of the regional Equality and Diversity network.

Future Developments

During 2020 the Trust will begin hosting training and awareness sessions for British Sign Language and is undertaking a review of the accessibility of its website.

We will also further strengthen our engagement with community groups to understand their health care needs and how we can help overcome their challenges to accessing healthcare.

Our Fairness Champions continue to be a valued resource: during 2020 the Trust's Freedom to Speak Up Guardian will be working with the leads for Equality Diversity and Inclusion to further develop this role.

The Trust will be establishing a Disability Forum to support staff with a disability, serious or long-term health condition. This Forum will also deliver targeted pieces of work that align with the overarching Equality Objectives.

The workstream leads will continue to work with key stakeholders across the Trust to deliver against the action plans for WRES, WDES, Gender Pay Gap and the overall Equality Objectives.

The Trust awaits guidance on the replacement for EDS2, which provides the framework of self-assessment against specific goals set down by NHS England. It is anticipated that EDS3 will be launched during 2020 and the Trust will then develop a plan to enable appropriate implementation.

SECTION 3

Annual Governance Statement

Annual Governance Statement

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

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 York Teaching Hospitals 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 York Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

COVID 19 – All Trusts became subject to Government advice regarding the coronavirus outbreak in March 2020, which saw the Trust making multiple adjustments to working practices including:

- Ensuring the safety of staff by finding out those most at risk, getting as many staff to work from home as possible and ensuring the right PPE was available;
- Establishing gold, silver, bronze and operational pandemic groups;
- Reconfigurations to clinical areas to introduce suspected and confirmed COVID 19 areas and achieving higher than normal discharge levels to ensure capacity.

This situation continued throughout March 2020 and at the time of writing was due to impact significantly on the new financial year.

Organisational culture is a key priority for the Trust. We have continued our partnership with Clever Together, using crowd sourcing methodology to generate ideas and feedback from the workforce to support this work. This has, among other things, informed a revision of the Trust values and work is underway to underpin these values with a behavioural framework. This work will continue into 2020-21 and an action plan has been drafted which also includes any actions from the current staff survey.

Capacity to handle risk - As Chief Executive and Accounting Officer, I have overall responsibility and accountability for ensuring that there are effective risk management and governance systems in place in order to meet statutory requirements and comply with guidance issued by regulators. I am supported in this role through the unitary Board and its sub-committees, all of which feed into the Board and are each chaired by a Non-executive Director. There is also an Executive Committee which is made up of the operational leadership of the Trust and considers risk from each area. The Trust's key areas are:

- The Risk Management Strategy;
- The Board Assurance Framework;
- The Corporate and Local Risk Registers;
- Board and Committee Reports on quality and safety, performance, finance, digital, workforce and estates;
- YTHFM LLP Management Group and Risk Register.

The Risk Management Strategy provides a framework for managing risks across the Trust. It provides a clear and systematic approach to risk management, recognising that risk assessment is essential to the efficient and effective delivery of the Trust service aims and objectives.

All BAF and corporate risks are assigned to a Director to ensure ownership linked to individual portfolios or shared areas of responsibility. The Trust has risk registers in place at corporate and local levels, including YTHFM LLP. The Board and sub-committees review risks regularly and also reflect on the BAF and whether strategic risks have been covered during discussions.

The Audit Committee oversees the systems of internal control and the overall assurance process associated with managing risk and comprises three Non-executive Directors. The Audit Committee receives audit reports on risk and governance, including the Board Assurance Framework, to satisfy itself that the system of internal control is effective. The Board receives the minutes and escalated items from the sub-committees. The Board, Quality and Resources Committees also receive an integrated Board Report which captures key quality and safety, workforce, finance, research and development and performance data.

Risk management training is provided through corporate induction and statutory and mandatory training and includes:

- Corporate and local induction;
- Formal in-house training for all staff dealing with specific everyday risks, e.g. fire safety, health and safety, moving and handling, infection control, security, safeguarding & fraud;
- Training in incident investigation, including documentation, root cause analysis, serious incidents and steps to prevent or minimise recurrence and reporting requirements;
- Developing a shared understanding of broader financial, non-clinical, organisational and clinical risks through collegiate clinical, professional and managerial groups (such as the Executive Committee, Care Group Boards, Executive and Operational Performance Management meetings);
- Sharing good practice with other peer Foundation Trusts through appropriate forums such as NHS Providers. The Trust also works with external organisations such CHKS Ltd to support benchmarking exercises as well as with NHSE/I and CQC;
- Policies and guidelines are place on the intranet.
- Board and Council of Governors development.

The CQC Report published in October 2019 identified the need to improve the way in which the Trust shares the learning from various events. The challenge of organisational learning has previously been identified by the Quality and Audit Committees in relation to other areas such as clinical audit, mortality and incidents. Therefore, further work is being done, including the development of a policy which will set out how the Trust:

- Formalises the approach to the sharing of learning that currently exists;
- Supplements that with additional corporate vehicles for learning;
- Clearly identifies the roles and responsibilities surrounding the sharing of learning;
- Supports the Patient Safety Strategy.

The risk and control framework

The Trust acknowledges that the services it provides carry risks. The identification and recognition of these risks, together with proactive management and mitigation, is essential for the efficient and effective delivery of safe and high quality of care for patients and staff.

The Trust is committed to working with staff to make risk management a core organisational process that is an integral part of the Trust's activities.

The achievement of the Trust's strategic objectives is subject to uncertainty, which gives rise to both opportunities (desirable risk) and threats (undesirable risk). Uncertainty of outcome helps to define risk. Risk management includes identifying and assessing risks, and responding to them in an effective and resilient manner.

The Risk Management Framework works alongside the Board Assurance Framework. The risks to the achievement of the strategic objectives are identified by the Board and are recorded in the Board Assurance Framework (BAF). The BAF is the key mechanism that the Board uses to gain assurance around the management of the identified risks to the corporate objectives and to determine whether the risk is sufficiently controlled and mitigated.

Risk appetite can be defined as the amount and type of risk that the Trust is willing to take in the pursuit of its strategic objectives. The level of risk (low, medium, high) the Trust is prepared to accept will vary by objective. The Board recognised that this is an area which needs strengthening so arranged a training session for the Board to explore risk appetite; however, this will need to be rearranged once the pandemic is over.

Quality Governance - The Board leads on the responsibility for ensuring the quality and safety of services provided by the Trust and has developed structures to enable reporting, which include oversight by a Quality Committee. The Chief Nurse and Medical Director work closely together on quality, with the Medical Director having the overall lead for the quality improvement agenda.

The Trust has in place an Integrated Business Report which collates quality, safety, performance, financial and workforce metrics which is reviewed by the Quality Committee, Resources Committee and Board. Committees can also escalate items to each other or to the Board.

The Quality Committee is a Board Committee and is in the process of reviewing and strengthening its ward to Board reporting.

An operational restructure took place in 2019 when the Trust's 15 directorates were grouped into 6 Care Groups. A new governance structure has been produced for the Care Groups and is being embedded. As part of the Quality Committee review of reporting, the Care Groups will be linked into the new reporting structure.

The Trust carried out a well-led review in 2019 and as part of that has continued to review its committee/reporting structures and has also put in place a Board development programme for 2020-21. The Board development programme will continue to build on the work done by including a focus on the development of governance, but also looking at developing the Board as a team, strengthening the ability to work together, developing shared experiences and learning from others, and making time to think about strategic planning and sustainable developments across the Trust. Unfortunately, the pandemic has led to the suspension of the development programme, but this will resume as soon as possible in 2020-21.

Data Security - The updated version of the Data Security and Protection Toolkit (DSPT) came into effect in 2019-20 as part of the framework for assuring organisations are meeting their statutory obligations on data protection and security. In line with the DSPT, all flows of information into and from the organisation have now been documented in all clinical and corporate areas.

As a result of a number of recommendations made by the Chief Information Officer for the Health and Social Care System on how Trusts can reduce the risk of cyber-attacks in the future, the Trust is continuing to work towards achievement of the Cyber Essentials Plus (CE+) standard by June 2021. Progress against the key security domains includes acting upon any relevant CareCERT advisories within 48 hours, ensuring each Care Group has business continuity plans in place to mitigate the impact of loss of IT and clearly documented policies and supporting processes to ensure that security patches are applied to Trust devices in a timely manner. The success of the patching process is tested by means of vulnerability scans, both internal and external to the Trust network. Appropriate IG training, including data security and protection training, is given to key staff and, as part of a user education programme, reminders are sent to staff as and when the security threat level is perceived to have increased.

Major Risks – The Board Assurance Framework and Corporate Risk Register have been further embedded into the work of the Board and all of its Committees during the year. As a minimum, the Executives review the BAF and CRR, including scores, controls, assurance, gaps and actions, quarterly, but this is supported by discussions at every Board and committee meeting to ensure that the documents remain dynamic. The Audit Committee reviews the processes linked to the population of the BAF and CRR and Internal Audit undertake a yearly audit, the objective of which is to review how the Board of Directors receives adequate and appropriate assurances on the business operations of the Trust.

The risks are managed and mitigated, with actions captured in each document, and the BAF internal audit stating that all 9 controls and assurance sampled were found to be in

place. The BAF audit also noted that positive action had been taken to implement the recommendations made in the previous year's audit.

It should be noted that the Covid 19 pandemic will have a profound effect on 2020-21 with opportunities to further develop transformational work which has been put in place in relation to discharges and the way outpatients' appointments are undertaken. However, there will also be a negative side which will require considerable planning in relation to the backlog of referrals and operations which will need to be addressed.

Board Assurance Framework – Risks scoring over 20 (at 31 March 2020):

- Failure to meet national standards – 20.
- Failure to achieve the Trust's financial plan – 20.

Corporate Risk Register – Risks scoring over 20 (at 31 March 2020)

CE5A - Risk to the delivery of some services on the Trust East Coast Sites - 20.

CE8 - Risk to the ability of the Executive Team to provide the leadership required in a rapidly changing environment/organisation - 20.

CN7 - Risk to patient safety caused by hospital acquired infections, particularly with Cdiff - 20.

CN2 - Risk to patient safety which is caused by difficulties in recruitment resulting from a national shortage of nursing staff, including Registered Sick Children's Nurses - 20.

CN8 - Risk of contagious infection outbreaks resulting from insufficient specialist and standard isolation capacity - 20.

CN17 - Risk of transmission of infection on the 3 Nightingale wards in Scarborough (Ann Wright, Duke of Kent and Graham Ward) - 20.

CN20 - Risk to patient safety caused by a current lack of decant facilities at Scarborough Hospital to enable refurbishment or deep cleaning of ward environments - 20.

COO2 - Risk of failing to deliver contractual requirements relating to the achievement of the ECS – 20.

COO17 - Risk to the JAG accreditation of the Endoscopy Units. This risk has been realised with JAG Accreditation lost at York - 20.

DE01 - Risk of being unable to achieve required compliance with Trust estate plans, due to insufficient capital available to deliver the Trusts Estate Strategy - 20.

DE02 - Risk of being unable to maintain the Trust estate due to insufficient funds being available for estate / equipment repair, replacement or to address any significant critical event or failure - 20.

DOF3 - Risk of there being a failure to manage organisational expenditure plans, thereby impacting on the organisation's ability to deliver its financial plan - 20.

DOF4 - System affordability risk with the prevailing activity levels and available commissioner allocation share - 20.

DOF8 - Risk that the Trust fails to meet the terms associated with receipt of the Provider Sustainability Funding, Financial Recovery Fund and MRET allocations totalling £20m for 2019/20 - 20.

DOF9 – Risk that the Trust fails to manage agency expenditure within the NHSE/I prescribed cap of £15m - 25.

DOF11 - Risk that the system will not be able to identify and deliver sufficient cost reducing QIPP to return the system to financial balance - 25.

HR1b - Risk to patient safety on the Scarborough site which experiences particular difficulties in recruiting medical staff - 20.

MD2b - Risk to patient safety on the Scarborough site which experiences particular difficulties in recruiting medical staff and radiology staff - 20

MD6a - Risk of failing to deliver contractual requirements relating to the delivery of emergency care in York – 20.

MD6b - Risk of failing to deliver contractual requirements relating to the delivery of emergency care in Scarborough - 20.

The Trust continues to highlight the challenges faced on the East Coast, where a number of key strategic issues impact on the Trust's ability to provide services. However, there have been some successful changes implemented in order to keep patients safe, including the new general surgical rota. The Trust has also won a bid for £44m to improve the backlog maintenance position and improve some facilities, including the emergency Department.

NHS provider licence - condition 4 - The Trust underwent a Well-Led Review by the CQC in July 2019, which is detailed later in the report.

The Trust also underwent a Licence Review by NHSE/I in February and March 2018 because of financial difficulties. The Trust was subject to an investigation into compliance with its Licence in relation to finance, governance and the overall sustainability of the Trust's business model. The investigation did find evidence that the Trust was in breach of its Licence conditions, and as a result the Trust received a number of undertakings. The Board of Directors developed an action plan in response and have worked consistently to improve the position. In the early part of 2019/20 NHSE/I reviewed the Board's progress and satisfied themselves that they were able to lift a number of the undertakings on 1 July 2019. NHSE/I had intended to revisit the Trust as part of the 2020/21 planning process to consider removal of the final remaining undertakings but, unfortunately, the Coronavirus pandemic has prevented this review from happening.

The Trust has applied the principles, systems and standards of good corporate governance and has reviewed the guidance that has been issued by NHSE/I during the year. It has prepared a 'comply or explain' document to record where the Trust has not followed the guidance or where an action plan is required to ensure compliance.

From April to August 2018 the Trust operated a Board Committee Structure which included the following Committees (page references to the Committee descriptions in the Annual Report are included):

- Group Audit Committee (including its sub-group, the Data Quality Group) - page 65
- Corporate Risk Committee – this was disestablished in November 2019 - page 65
- Remuneration Committee - page 83
- Quality Committee - page 71
- Resources Committee - page 70
- Executive Committee - page 72

The Board considered the effectiveness of the Board and Board Committee structure during 2018-19 and following this two new Committees (Resources and Quality) operated from March 2019 to present and met concurrently in the morning of the public Board (bimonthly). The Committees spent the last half hour of their meeting together to decide on items to escalate to the public Board meeting held in the afternoon. The Committees covered the items previously discussed by the four Board Committees.

Following a well-led review by Deloitte and another by the CQC during the year, the Committee structure was further reviewed and it was decided that the Committees should be monthly and occur a week before the Board. This structure is now embedded and is working well, but will continue to evolve.

The Trust's systems and accountability arrangements for Directors ensure compliance with the duty to operate efficiently, economically and effectively. The Trust gains its assurance that these systems are in place through Directors' reports to the Board and its Committee structure, the Corporate Risk Register, the Board Assurance Framework, Internal Audit Reports and the oversight and challenge from Non-executive Directors. The Trust publishes its register of interests on the website.

The Board of Directors has an underpinning governance structure that ensures information from the Board is fed into the organisation through a series of briefings and information from the ward is considered at Board through individual Director reports.

The Board underwent significant changes in 2019-20 which are noted on page 58 of the annual report.

In March 2018 the Trust set up a subsidiary company, York Teaching Hospital Facilities Management LLP, and the Director of Estates and Facilities transferred under TUPE into the company as Managing Director in October 2018. An honorary contract was initiated so that in the interim period the Managing Director of the LLP was also the Director of Estates and Facilities (a non-voting member of the Board). The Managing Director gave up the role of Director of Estates and Facilities in December 2019 and retired at the end of March 2020. A new Managing Director was appointed and started in April 2020.

The Board met monthly during 2019-20 and is responsible for the management of key risks in the organisation. The Board has a number of tools it uses to consider the management of risk, including the Board Committee Structure, Board Assurance Framework, Corporate Risk Register and Care Group Risk Registers and Operational and Executive Performance Assurance meetings.

The Board agendas have been linked to the strategic goals to ensure that the discussion at Board is focused on the goals and there is a reflection session at the end of every Board which considers an overview of the strategic risks contained in the Board Assurance Framework in order to ensure that discussion has covered these key risks. This arrangement ensures the Board of Directors understands the strategic risks to the Trust in the context of the Trust's strategic direction.

On an annual basis the Board requests a self-assessment of compliance against the NHSE/I licence. The self-assessment is shared with the Board of Directors in advance of the Board approving the Corporate Governance Statement.

Risk Embedded - The Trust has an equality impact assessment toolkit to approach equality analysis in a structured and consistent manner.

The Trust currently has in place a Risk Management Team, a Patient Safety Team and a team of Governance Facilitators who work across the Trust, providing expertise and support on governance issues to Care Groups, and whose aim is to promote the sharing and implementation of learning across the organisation. The Trust promotes a culture of openness and transparency and the Board recognises the importance of ensuring an organisational culture which encourages and supports the reporting of both incidents and near misses.

On a weekly basis, a meeting is held with the Medical Director, Chief Nurse, Deputy Director of Health Care Governance and the Deputy Director of Patient Safety and Deputy Medical Directors to review all the deaths within the organisation over the previous week, any significant Adverse Incident Reporting System (AIRs), complaints, claims, Inquests, serious incidents, clinical incidents, infection rates, never events, central alert system (CAS) and anything else that has come to light as a potential clinical and quality risk to the organisation.

The key reporting system the Trust uses is Datix. The Care Groups review their risks with the support of a Governance Facilitator who is linked to a Care Group. Care Group Risk Registers are also reviewed at Executive led Operational Performance Assurance Meetings where a 'confirm and challenge' approach is taken.

The Trust has continued to review and refine the Serious Incident investigation process. This has seen the introduction of the Chief Investigator role and the training of a group of Lead Investigators. The pool of investigators are allocated investigations to undertake as each arises. The core membership of the Serious Incident Group has also been strengthened to include a wider range of disciplines.

The Trust has robust processes in place for dealing with both Clinical Negligence and Employer's Liability Claims. When necessary, legal representation is sought. A summary of any settled claim is disseminated to involved clinicians and relevant

managers and directors. In respect of learning lessons from claims, Care Groups are provided with details of new, on-going and settled claims and are asked to identify and formally discuss risk issues in order for an action plan to be initiated and, where necessary, the relevant risk register be appropriately updated. These action plans are monitored through the Care Group risk process.

Monthly Governance complaints, compliments and PALS dashboards are provided to Care Groups. Every Care Group has a patient experience dashboard giving them real time access to records of open cases, themes and trends at ward/clinic level and tracking of action points.

The Governance processes are currently under review as part of our programme of organisational change and will be implemented during 2020-21.

Communication with stakeholders - The Trust's vision is to 'be collaborative leaders in a system that provides great care to our communities' and this is also reflected in the Trust's strategic goals and themes. Therefore, the Trust puts a heavy emphasis on partnership working as part of a system.

The Trust is part of the Humber, Coast and Vale STP and works closely with partner organisations to ensure a system wide approach. Trust Directors either lead or attend the STP groups and also contribute to the System Transformation Board and Place Based Boards.

The Trust has a Communications Department that works closely with the Patient Experience Team. Together they ensure there is public stakeholder engagement that addresses any perceived or actual risks that might impact on the public. This includes undertaking patient surveys, family and friends review and meeting with the Friends of York Hospital, Healthwatch and a number of self-help groups.

A number of forums exist that allow communication with stakeholders. These forums provide a mechanism for any risk identified by stakeholders that affects the Trust to be discussed and, where appropriate, action plans to be developed to resolve any issues.

The Council of Governors has a formal role as a stakeholder body for the wider community in the governance of the Trust. The Council of Governors held quarterly meetings during the year, underpinned by a number of working groups to consider issues such as patient experience, member and constitution review. The Council of Governors attended two meetings with the Board of Directors, the Annual Members' Meeting, incorporating the Annual General Meeting, held in Scarborough and received regular reports on the activities of the Trust.

The Trust has a five-year workforce strategy which was ratified by the Board of Directors in June 2019. This strategy details the key enablers to address the short, medium and long-term workforce issues. A workforce report detailing key metrics such as vacancy rates and updates on strategy initiatives is reviewed regularly by the Board of Directors and the Resources Committee. This sits alongside the Chief Nurse report which details safe staffing data and is reviewed by the Quality Committee, thereby providing assurance to the Board of Directors that current staffing levels are safe and effective but also that

they are sustainable into the future. Further information can be found on page 23 of the Annual Report.

Care Quality Commission - The Trust is not fully compliant with the registration requirements of the Care Quality Commission.

The Trust has been subject to a number of inspections during 2019-20. These are documented below.

18-20 June 2019: Unannounced inspection at Scarborough Hospital of Urgent and Emergency Care, Medicine, Surgery and Outpatients.

18-20 June 2019: Unannounced inspection of Surgery and Outpatients at Bridlington Hospital.

16-18 July 2019: Unannounced inspection at Scarborough Hospital of Maternity Services and Community and the Medical Service. As a result of the inspection, the report published in October 2019 gave the Trust an overall rating of **Requires Improvement.**

The Annual Report details grids which show the impact of the inspections on the rating for the whole Trust and then the individual ratings by domain by site on page 134.

13-14 January 2020: A Quality of Care Inspection at York Hospital in the Emergency Department. Emphasis was on the Safe, Responsive and Well Led domains and the report published in March 2020 gave a rating of **Inadequate** in each of the domains.

13-14 January 2020: A Quality of Care Inspection at Scarborough Hospital in the Emergency Department. Emphasis was on the Safe, Responsive and Well Led domains and the report published in March 2020 gave a rating of **Inadequate** in each of the domains. In addition, the Inspection Team also reviewed elements of the Medical Care core service and gave an overall rating of **Inadequate**.

18-19 February 2020: Announced Inspection of the York Child Sexual Assault Service at York Hospital. The CQC were advised during the visit that the Trust had served notice on the contract for the service and would no longer be providing it. At the time of writing a draft report has been received within the organisation.

March 2020: The Trust received an **Inadequate** rating for both Emergency Departments in Scarborough and York. Appropriate mitigations have been introduced which complement the work being undertaken for the Section 29 breaches.

Regulatory Action - As a result of the Inspections undertaken in January 2020 the CQC issued the following notices to the Trust:

- On 17 January 2020 the CQC under Section 31 of the Health and Social Care Act 2008 issued an urgent notice of decision to impose conditions on the Trust's registration as a service provider in respect of the treatment of disease, disorder or injury regulated activity for Scarborough Hospital;

- On 17 January 2020 the CQC under Section 31 of the Health and Social Care Act 2008 issued an urgent notice of decision to impose conditions on the Trust's registration as a service provider in respect of the treatment of disease, disorder or injury regulated activity for The York Hospital.

These were followed on 21January 2020 by the CQC issuing a Regulations 29A Warning Notice detailing 6 areas that required immediate improvement:

1) 'Patients who presented at the emergency departments with mental health needs were not being cared for safely in line with national guidance (Royal College of Emergency Medicine (RCEM) guidance and Psychiatric Liaison Accreditation Network (PLAN) Quality Standards for Liaison Psychiatry Services)';

2) 'Access and flow of patients was creating significant delays in admitting patients onto wards to enable them to receive timely and appropriate care and treatment. Patients in the emergency departments at York Hospital and Scarborough Hospital were not receiving appropriate care in a timely way, exposing them to the risk of harm';

3) 'Neither emergency department were meeting the standards from the Facing the Future: Standards for Children in Emergency Settings';

4) 'Systems for recording clinical information, risk assessments and care plans were not used in a consistent way at York emergency department or across medical wards at Scarborough hospital to ensure safe care and treatment for patients';

5) 'Not all incidents were being reported and investigated to identify mitigating actions to prevent reoccurrence and reduce the risks to patients';

6) 'There were not sufficient numbers of suitably qualified, skilled, competent and experienced clinical staff at all times to meet the needs of patients within the medical wards at Scarborough and both emergency departments.

A CQC Programme Group was established to ensure that progress against actions is monitored on a fortnightly basis. The Quality Committee and Board receive a monthly summary improvement plan which details the current status and RAG rating of each of the actions.

The Trust has responded to the CQC on a number of occasions with evidence of improvements and made a further response on the 13 May 2020. The Trust is currently waiting for a response from the CQC. However, in response to the Covid 19 pandemic, both hospital sites have undergone significant reconfiguration of service provision which will subsequently make it difficult to map progress in relation to some of the CQC actions.

Conflicts of Interest - 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 NHS22 guidance.

NHS Pension Scheme - 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.

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

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

The Trust recognises that the sustainability agenda is a significant challenge and it features as one on the key risks on the Board Assurance Framework. The Resources Committee has committed to providing more focus on this over the coming year in order to ensure the Trust continues to make progress, especially as staff have identified that this is a priority as part of the Clever Together programme. Sustainability is covered in more detail on page 42 of the Annual Report.

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

During the year the Board of Directors has received regular reports informing of the economy, efficiency and effectiveness of the use of resources. The reports provide detail on the financial and clinical performance of the Trust during the previous period and highlight any areas where there are concerns. The Trust uses a number of ways to review assurance mechanisms, including the Board Committee Structure, Internal Audit and others reviews including those by NHSE/I, CQC and well-led.

Performance - The performance position has been challenging throughout the year. The Trust has continued to experience challenges in emergency and planned care. The Trust experienced a 4% rise in Emergency Department attendances for the year compared with 2018-19, despite a 25% fall in attendances during March due to COVID-19 compared to March 2019. The overall rise has impacted on the ability to see patients in a timely way.

The Trust has supported site based emergency care through the establishment of Care Groups, with site specific recovery plans in operation. In addition, the Trust has implemented Same Day Emergency Care (SDEC) on both sites and has established an integrated acute frailty service at Scarborough Emergency Department.

The Trust has not been able to improve performance on 18 week referral to treatment times, having been affected by a reduction in outsourcing and waiting list initiatives, required to support the financial position as well as pressures caused by above anticipated acute demand.

The diagnostic target was affected by the delay to the new Endoscopy Unit, which is now operational.

The Trust has seen improvements on the Cancer two week waiting times for urgent referrals and improvements on the 62 day targets, although further work remains to achieve compliance with the national target. The Trust is working to deliver the Faster Diagnosis Target (patients to have a diagnosis by day 28 on their pathway) which became operational in April 2020.

A review of the Trust's performance management framework is planned for 2020 to ensure it provides the rigour and scrutiny necessary to assure the Board that plans are on trajectory or mitigating actions are put in place where performance is off-track. The Trust is working with partners across the system to improve performance through the Health and Care Resilience Board, Planned Care Steering Group and Cancer Alliance. The Trust is a key member of the Humber Coast & Vale Health and Care Partnership (HCP), with a number of Directors and Senior Managers leading and sitting on HCP work streams

Financial Performance – Following extensive discussions and negotiations with NHSE/I, an appropriate support package has been agreed. The Trust has delivered its financial plan for 2019/20 but, due to exceptional financial pressures in year, the Trust had to enter into discussions with NHSE/I regarding the need for additional support. In effect, NHSE/I agreed a revised outturn position for the Trust differing from the original control total. In the context of the overall Humber, Coast and Vale System performance the Trust was able to deliver on this position and therefore to secure Deficit Reduction Funding and benefit from System Incentive Funding equivalent to the original Financial Recovery Fund values.

The Efficiency Delivery Group, an executive group, is led by the Trust's Chief Executive and ensures the effective management of the Trust's efficiency and transformation agenda. The membership of the group includes senior management and all Trust Executive Directors.

Achievement of economy, efficiency and effectiveness is underpinned by the Trust's Governance Framework and supported by internal and external audit reviews, which are monitored through the Audit Committee. The Trust also has a contract for counter fraud services for the proactive prevention, detection and reactive investigation of fraud.

Cost Improvement Programme – The final position in 2019-20, shows the Trust overachieved its full year CIP by £0.3m, delivering £17.4m against a target of £17.1m. The Trust has performed extremely strongly again in this area during the year which is under pinned by a strong recurrent delivery performance of £10.8m, 63% of the overall CIP target. This is again a strong performance and is in line with the draft financial plan for 2020-21. The draft CIP target for 2020-21 has been set at £16m (2.94%) which is significantly higher than the national tariff deflator of 1.6% and will again prove to be an extremely challenging target, given the continuing pressure on the Trust's finances and clinical services. Further information can be found in the Annual Report within the Review of Financial performance section.

All Cost Improvement Programme (CIP) schemes are developed by the Care Groups and undergo a quality impact assessment (QIA) so are self-assessed by the Care Group Teams, including the Care Group Manager, Finance Manager, with senior clinical input using the Trust's risk assessment framework (5 x 5 risk matrix) with a log of risks recorded, analysed and evaluated for potential impact on the safety and quality of patient care. The schemes are independently reviewed by a senior clinician (Medical Director's Team) and a senior nurse (Corporate Nursing Team) and Safety meetings are held weekly with the Chief Nurse and Medical Director which highlight any deterioration. There is an escalation process for any schemes that have been highlighted as high or extreme risk to the Executive Team through the Efficiency Delivery Group, including the Medical Director and Chief Nurse, for detailed discussion of risk, including reputational risk.

York Teaching Hospital Facilities Management LLP – The Trust created a Limited Liability Partnership in 2018 and this has continued to develop over the year. Further developments are required in relation to governance, performance management and a rationalisation of the meeting structure and this will be led by the new Managing Director who took up appointment on the 6 April 2020.

Information governance - Information Governance and Information Security are covered within the Statutory and Mandatory Training Programme, and all staff have confidentiality statements within their contracts. This is supported by a well-developed set of policies and procedures which are underpinned by a series of staff guides. This includes an Information Security Policy.

The Trust has established an Executive Information Governance Group that provides the organisation's strategic direction. The core membership comprises Caldicott Guardian, the Senior Information Risk Officer, the Chief Clinical Information Officer, the Head of IT Infrastructure, the Head of IT Development, and the Deputy Director for Healthcare Governance. The Group has been involved in the process of reviewing its IG Framework and progress made against the Data Security and Protection Toolkit.

The organisation has a well-tested disaster recovery plan for data which aims to ensure that data, and access to data, is not compromised or vulnerable at a time of any unexpected system downtime.

The Chief Executive has overall responsibility for all aspects of information management, including security and governance, and is accountable to the Board of Directors. He is supported by the Chief Clinical Information Officer, the Head of IT Infrastructure, the Head of IT Development, and the Deputy Director for Healthcare Governance who acts as the Trust's Data Protection Officer. The Director of Finance is the lead for Information Governance on the Board but this role will be fulfilled by the Director of Digital who joins the Trust in August 2020.

Information Governance risks are managed in accordance with compliance with the standards contained within the DSP Toolkit, and, where appropriate, recorded on the Corporate Risk Register. The submission of the DSP Toolkit for 2019-20 has been delayed until 30 September 2020 due to the Covid-19 pandemic. Where any standard is not fully met, an action plan that indicates how the organisation will work towards compliance will be submitted.

All staff are governed by the NHS code of confidentiality, and access to data held on IT systems is restricted to authorised users. Information Governance training is incorporated into the statutory/mandatory training programme and supplemented as appropriate in all IT training sessions. The corporate induction process has a dedicated Information Governance session.

The Trust had no information security breaches or Level 2 incidents during the year which was of a scale or severity to require a report to the Information Commissioner.

Data Quality & Governance - The responsibility for quality is split between the Chief Nurse and Medical Director, both of whom sit on the Quality Committee. The Quality Committee reports directly into the Board and the Chair of the Quality Committee also is a member of the Audit Committee.

The Trust has a number of underpinning strategies in place, including the Patient Safety Strategy and Quality Improvement Strategy, which are supported by the Risk Management Framework and policies on health & safety, incident reporting, complaints, claims and safeguarding.

There has been a continued focus on a number of areas, including learning from deaths, clinical audit and effectiveness, consent and duty of candour throughout the year in order to establish better systems and gain more assurance. Any areas of concern are escalated to the Board via the Committee Structure, which includes the Audit Committee. A Learning Strategy has been drafted and is in the process of being consulted on: this aims to encourage and facilitate learning across the organisation.

The Trust actively encourages staff to develop their skills and knowledge by providing numerous courses and opportunities. Specific courses are also developed following concerns raised or discussions with staff, such as a new leadership/supervisory development course. The Trust has also been working with partners, especially Coventry University, on developing new roles and providing opportunities to develop new staff. Closer working links have also been developed with the Hull York Medical School in order to ensure more places for doctors in training.

Data quality, monitoring, validation and system controls are embedded within the organisation, and reporting processes to assure the quality and accuracy of elective waiting time data are in place. The Trust also has a Data Quality Group which currently reports into the Audit Committee to review data quality and provide assurance. The level of assurance has been enhanced during the year through continued development and refining of the collection and use of data, together with a restructure of the board data pack and changes to the Board and Committee agendas to ensure the new integrated board report is scrutinised.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Quality and Resources Committees, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit Opinion for 2019-20 was of significant assurance following an assessment of the design and operation of the underpinning Assurance Framework and supporting processes and the range of individual opinions arising from risk-based audits assignments reported throughout the year. Audit Yorkshire also produced an Assurance Statement for YTHFM for the year ending 31 March 2020 which stated that YTHFM has appropriate systems and processes in place in relation to their key responsibilities.

The Head of Internal Audit Opinion highlights some notable control weaknesses from audits on Adult Safeguarding; IT Asset Management; Data Security and Protection Independent Assessment Framework and Consent. The opinion also notes the financial controls put in place in response to Covid 19 and the unprecedented level of pressure on NHS services which continue to have an impact throughout 2020-21.

My opinion is also informed by the following:

- The Board receive regular reports from the executive team which provide assurance around clinical, quality and safety and corporate issues within the Trust;
- The Resources Committee and Audit Committee receive regular reports from York Teaching Hospital Facilities LLP Management Group including information about any issues and risks and opportunities for future working:
- The Audit Committee has a plan of work which takes in both Internal and External Audit and Counter Fraud;
- Final accounts and systems of internal control;
- In-year submissions on finance and performance to NHSE/I;
- Results of national surveys;
- Investigation reports and action plans;
- Head of Internal Audit Opinion and reports from Internal Audit who work to a risk-based annual plan which cover both the Trust and the YTHFM LLP;
- Internal Audit provided an opinion of significant assurance was awarded in relation to the design and operation of Trust's BAF. An opinion of significant assurance was also awarded to the risk management systems and processes and their application Trust wide.
- The Trust is committed to partnership working in both the local health economy in relation to local priorities, with neighbouring Trusts to strengthen clinical alliances and also the wider Humber, Coast and Vale footprint to facilitate the development and

realisation of plans;

- Single Oversight Framework – the Trust remains rated at 3. Segment description: mandated support – mandated support as determined by NHSE/I to address specific issues and to help the provider move to segment 2 or 1.
- NHSE/I Review - The Trust continues to focus on the action plan and has again taken the decision on the weight of evidence and action taken to declare that it is of the opinion that it no longer has a significant internal control issue in relation to the cause of the original licence breach. The Trust is now 2 years on and has made some substantial changes especially in relation to system working.
- CQC Inspections - The Trust is not fully compliant with the registration requirements of the Care Quality Commission following visits in 2019 and 2020. The CQC issued the Trust with 2 section 31 notices and a Regulations 29A Warning Notice which detailed 6 areas that required immediate improvement including both emergency departments. The Trust is continuing to mitigate the risks with a comprehensive action plan.

Conclusion

Identified in this report are the notices issued by the CQC during the year. An action plan was drafted and agreed and is being monitored monthly by the Board of Directors. The Trust has been affected by the Coronavirus outbreak and resulting Government guidance. The Board and Board Committees continue to monitor the situation closely as the pandemic could impact on the achievement of priorities especially in the following year. The Trust is also putting processes in place to mitigate challenges to the risk and control framework from the pandemic and the Trust continues to put safety measures into place and any recovery plan will be overseen by the Board and its Committees.

Other than the issues described above, I am satisfied that there have been no significant control issues identified.

Signed

Simon Morritt - Chief Executive
Date: 25 June 2020

Independent auditor's report to the Council of Governors of York Teaching Hospital NHS Foundation Trust

Report on the Audit of the Financial Statements

Qualified opinion

Our opinion on the financial statements is modified

We have audited the financial statements of York Teaching Hospital NHS Foundation Trust (the 'Trust') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated and Parent Statement of Comprehensive Income, the Consolidated and Parent Statement of Financial Position, the Consolidated Statements of Changes in Equity, the Trust Statements of Changes in Equity, the Consolidated and Parent Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Accounts Directions issued under the National Service Act 2006, the NHS foundation trust annual reporting manual 2019/20 and the Department of Health and Social Care Group Accounting Manual 2019 to 2020.

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2020 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for qualified opinion

Due to the national lockdown restrictions arising from the COVID-19 pandemic the Trust did not count all of its physical inventories at the year-end as counters were unable to enter clinical areas. Due to the same reason, we were unable to perform year-end inventory procedures as planned. Therefore we were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities held at 31 March 2020, which have a carrying value in the Trust Statement of Financial Position of £9,859,000 and the group Statement of Financial Position of £10,457,000, by performing other audit procedures. Related balances such as drug costs and clinical supplies may be materially misstated for the same reason.

Consequently, we were unable to determine whether any adjustment to these amounts were necessary. In addition, were any adjustment to these amounts to be required, the Annual Report would also need to be amended.

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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Accounting Officer and the related disclosures and the appropriateness of the going concern basis of preparation of the

financial statements. All of these depend on assessments of the future economic environment and the Trust's future operational arrangements.

COVID-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Trust's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an entity associated with these particular events.

Conclusions relating to going concern

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

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

In our evaluation of the Accounting Officer's conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2019 to 2020, the Trust's financial statements shall be prepared on a going concern basis, we considered the risks associated with the group and Trust's operating activities, including effects arising from macro-economic uncertainties such as COVID-19 and Brexit. We analysed how these risks might affect the Trust's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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 Trust will continue in operation.

Overview of our audit approach

Financial statements audit

- Overall materiality - £7,800,000 which represents 1.4% of the group's gross operating costs (consisting of operating expenses)
- Key audit matters were identified as:
  - Valuation or current value of land and buildings
  - Occurrence and accuracy of contract variations within income and other operating income (excluding Education and Training income), and existence of associated receivable balances
  - COVID-19.
- The group consists of two components – the Trust which is the only individually significant component and its 95% owned subsidiary, York Teaching Hospital Facilities Management LLP. Our group audit scope is detailed at 'Overview of the scope of the audit' section.

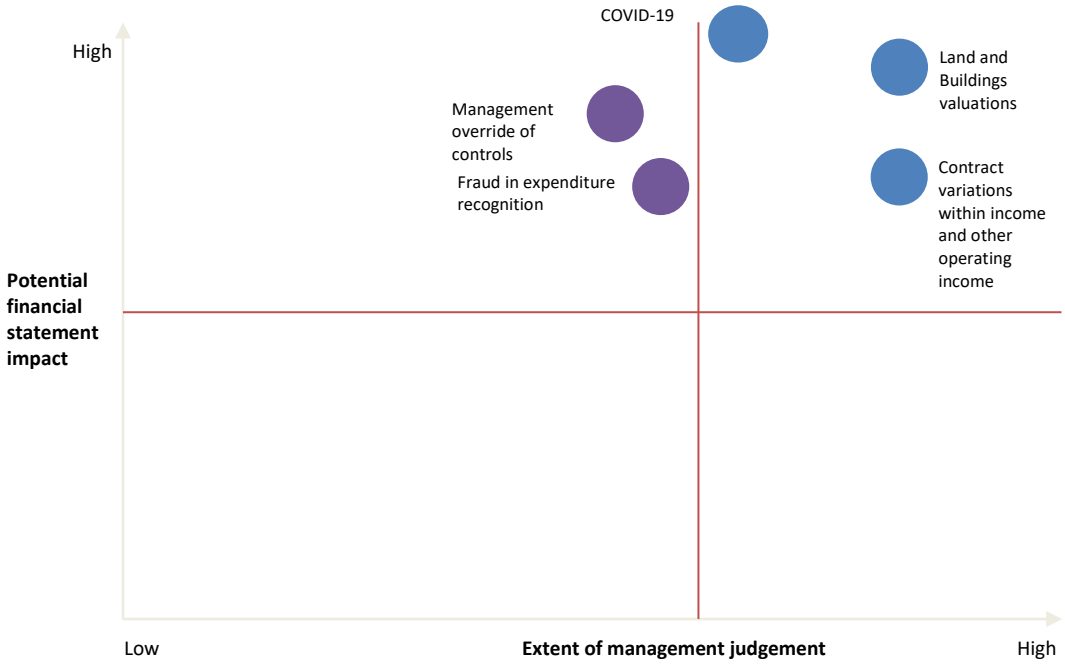
Grant Thornton

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

- We identified two significant risks in respect of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (see Report on other legal and regulatory requirements section).

Key audit matters

The graph below depicts the financial statement audit risks identified and their relative significance based on the extent of the financial statement impact and the extent of management judgement.



Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that 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. In addition to the matter described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter – Group	How the matter was addressed in the audit – Group
Risk 1: Valuation of land and buildings The Trust re-values its land and buildings on a five-yearly basis to ensure the carrying value in the financial statements is not materially different from current value in use at the year-end date. In the intervening years, such as in 2019-20, the Trust has conducted a desktop valuation, which was performed by the Trust's valuation expert. The valuation represents a significant accounting estimate by management in the financial statements, which is sensitive to changes in	Our audit work included, but was not restricted to: • Evaluating management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • Evaluating the competence, capabilities and objectivity of the valuation expert; • Discussing with the valuer the basis on which the valuation was carried out;

Key Audit Matter – Group	How the matter was addressed in the audit – Group
assumptions and market conditions. Management engage the services of a qualified valuer, who is a Regulated Member of the Royal Institute of Chartered Surveyors (RICS), to estimate the current value of its land and buildings. The last full valuation was as at 31 March 2019. The effects of the COVID-19 virus will affect the work carried out by the Trust's valuer in a variety of ways. Inspecting properties could prove difficult and access to evidential data, such as values of comparable assets may be less freely available. RICS Regulated Members have therefore been considering whether a material uncertainty declaration is now appropriate in their reports. Its purpose is to ensure that any client relying upon the valuation report understands that it has been prepared under extraordinary circumstances. In their 2019-20 valuation report the Trust's valuer from District Valuer Services, included a material uncertainty attached to land and buildings valuations as at 31 March 2020 and this was disclosed in note 1.27 to the financial statements. Overall, due to the complex nature of valuation under normal circumstances and additionally extraordinary circumstances due to COVID-19, we identified valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement.	• Challenging the information and assumptions used by the valuer to assess completeness and consistency with our understanding; • Engaging our own valuation expert to assess the instructions issued to the Trust's valuer by management, the valuer's report and the assumptions that underpin the valuation; and • Testing revaluations made during the year to see if they had been appropriately accounted for under relevant accounting principles and input correctly into the Trust's asset register. The Trust's accounting policy on valuation of property, including land and buildings, is shown in note 1.8 to the financial statements and related disclosures are included in note 16. As disclosed in note 1.27 to the financial statements, the outbreak of COVID-19 has caused uncertainties in valuation markets. As a result, the Trust's valuer has declared a 'material valuation uncertainty' in their valuation report, which was carried out in March 2020 with a valuation date of 31 March 2020. This is on the basis of uncertainties in markets caused by COVID-19. The valuer's report and the disclosure note at 1.27 state that market activity is being impacted in many sectors. As at the valuation date, RICS and the valuer considers that less weight can be attached to previous market evidence for comparison purposes, to inform opinions of value. Also, under the current response to COVID-19, it means that the valuers are faced with an unprecedented set of circumstances on which to base a judgement. Consequently, less certainty and a higher degree of caution should be attached to the valuation as at 31 March 2020. The values in the valuation report have been used to inform the measurement of property assets at the valuation date in the financial statements. The Trust has disclosed the estimation uncertainty related to the year-end valuations of land and buildings in note 1.27 to the financial statements. The Trust's valuer prepared their valuations in accordance with the RICS Valuation – Global Standards using the information that was available to them at the valuation date in deriving their estimates. **Key observations:** We obtained sufficient audit assurance to conclude that: • The basis of the valuation of land and buildings was appropriate, and • The assumptions and processes used by management in determining the estimate of valuation of property were reasonable.

Key Audit Matter – Group	How the matter was addressed in the audit – Group
	The valuation of land and buildings disclosed in the financial statements is reasonable.
Risk 2: Occurrence and accuracy of contract variations within income and other operating income The group and Trust's significant income streams are operating income from patient care activities and other operating income. Over 82% of the Trust's income from patient care activities is from contracts with NHS commissioners. These contracts include the rates for, and level of patient care activity to be undertaken by the Trust. The Trust recognises patient care activity income during the year based on the completion of these activities. This includes the block contract, which is agreed in advance at a fixed price, and patient care income from contract variations. Any patient care activities provided that are additional to those incorporated in these block contracts with NHS commissioners (contract variations) are subject to verification and agreement by the commissioners. As such, there is the risk that income is recognised in the financial statements for these additional services that is not subsequently agreed to by the commissioners. Due to the nature of block contracts we have not identified a significant risk of material misstatement in relation to block contracts. Approximately 10% of the Trust's income is recorded as other operating revenues (excluding Education and Training income). Due to other operating revenue other than Education and Training income being characterised by estimation and judgements in their recognition we have identified a significant risk of material misstatement in relation to these elements of other operating revenue. We therefore identified the occurrence and accuracy of contract variations within income and other operating income, and the existence of associated receivable balances as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Evaluating the Group's accounting policies for recognition of income from patient care activities and other operating income for appropriateness and compliance with the Department of Health and Social Care (DHSC) Group Accounting Manual (GAM) 2019 to 2020. • Updating our understanding of the Trust's system for accounting for income from patient care activities and other operating income and evaluating the design of the associated controls. In respect of patient care income: • Obtaining an exception report from the DHSC that details differences in reported income and expenditure and receivables and payables between NHS bodies, agreeing the figures in the exception report to the Trust's financial records and obtaining supporting information for all differences over £300,000 to corroborate the amount recorded in the financial statements by the Trust; • Corroborating a sample of income from contract variations and year-end receivables to supporting evidence; and • Assessing and challenging management's estimates and judgements taken in order to arrive at the income from contract variations recorded in the financial statements. In respect of other operating income: • Agreeing Provider Sustainability Fund income to NHS Improvement (NHSI) notifications for quarters 1, 2 and 3 and obtaining evidence that NHSI requirements for recognising quarter 4 income have been met. The Group's accounting policies for recognition of revenue from contracts with customers and from NHS contracts and from other operating income is shown in note 1.4 to the financial statements and related disclosures are included in notes 3, 4 and 23. **Key observations:** We obtained sufficient audit evidence to conclude that: • The Group's accounting policies for recognition of contract income and other operating income comply with the DHSC Group Accounting Manual 2019 to 2020 and have been applied appropriately; and • Contract variations income and other operating income and the associated

Key Audit Matter – Group	How the matter was addressed in the audit – Group
Risk 3: COVID-19 The global outbreak of the COVID-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expected the current circumstances to impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to: • Remote working arrangements and redeployment of staff to critical front-line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation • Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates • Impact on achieving the agreed control total and subsequent Provider Sustainability Funding under increased demand pressures for healthcare in March 2020 • Financial uncertainty created by COVID-19 response will require management to further reconsider financial forecasts supporting their going concern assessment for a period of at least 12 months from the anticipated date of approval of the audited financial statements • Increased challenges around recoverability of debt from non-public sector organisations may impact cash flow challenges to the organisation. We therefore identified the global outbreak of the COVID-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement and a key audit matter.	receivable balances are not materially misstated. Our audit work included, but was not restricted to: • Working with management to understand the implications of the response to the COVID-19 pandemic and the Trust's ability to prepare the financial statements and update financial forecasts and to assess the implications on our audit approach. • Liaising with other audit suppliers, regulators and government departments to co-ordinate practical cross sector responses to issues as and when they arise. We have also evaluated: • The adequacy of the disclosures in the financial statements in light of the COVID-19 pandemic; • Whether sufficient audit evidence using alternative approaches can be obtained for the purposes of our audit whilst working remotely; • Whether sufficient audit evidence can be obtained to corroborate significant management estimates such as asset valuations, inventories and recovery of receivable balances; • Management's assumptions that underpin the revised financial forecasts and the impact on management's continuing going concern assessment; • Update to corporate risk assessment strategies and responses due to COVID-19. **Key observations** We obtained sufficient audit evidence to conclude: • The Trust's disclosures are in line with the DHSC guidance relating to the impact of the COVID-19 pandemic • Financial forecasts and the cashflow analysis of the Trust supports the ability for the Trust to prepare the accounts on a going concern basis • The inclusion of a material uncertainty disclosure regarding the valuation of the Trust's property, plant and equipment has been emphasised as a Key Audit Matter as detailed in risk 1 above • Qualified opinion specific to inventories as reported under the Basis for qualified opinion section of this report, as we were unable to perform required inventory audit procedures, including recounting of inventories as at 31 March 2020.

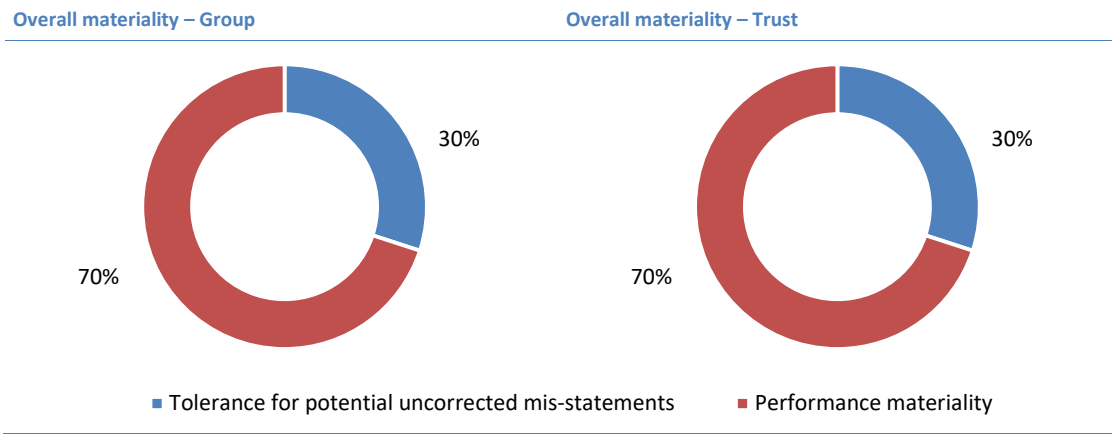
Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality Measure	Group	Trust
Financial statements as a whole	£7,800,000 which is 1.4% of the group's gross operating costs. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how the group has expended its revenue and other funding. Materiality for the current year is lower than the level we determined for the year ended 31 March 2019. The reduction in materiality compared to the previous year reflects the higher profile of local audit following external reviews such as those led by Sir John Kingman and Sir Tony Redman and increased risks profiles associated with a Teaching Hospital with significant transactions and financial challenges.	£7,700,000 which is 1.4% of the Trust's gross operating costs. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how the Trust has expended its revenue and other funding. Materiality for the current year is lower than the level we determined for the year ended 31 March 2019. The reduction in materiality compared to the previous year reflects the higher profile of local audit following external reviews such as those led by Sir John Kingman and Sir Tony Redman and increased risks profiles associated with a Teaching Hospital with significant transactions and financial challenges.
Performance materiality used to drive the extent of our testing	70% of financial statement materiality	70% of financial statement materiality
Specific materiality	None	The senior manager remuneration disclosures in the Remuneration Report have been identified as an area requiring specific materiality of £5,000, due to the sensitive nature of these disclosures by bandings.
Communication of misstatements to the Audit Committee	£300,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£300,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.



An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile, and in particular, included:

- Updating our understanding of and evaluating the group's internal control environment including its IT systems and controls over key financial systems and processes.
- Evaluation of identified components to assess the significance of each component and to determine the planned audit response based on a measure of materiality and the significance of the component as a percentage of the group's total income, assets and liabilities.
- Performing full scope audit procedures at York Teaching Hospital NHS Foundation Trust (significant component), which represents over 98% of the total income and expenditure of the group, and over 99% of its total assets less current liabilities.
- Performing substantive audit procedures of the material transactions and balances of York Teaching Hospital Facilities Management LLP (non-significant component) with bodies other than the Trust, which in aggregate represent less than 2% of the group's income and expenditure, and less than 1% of its total assets less current liabilities.
- We attended an inventory count in January 2020 at one of the Trust sites and were planning to perform further audit procedures at the year-end. Due to the national lockdown restrictions arising from the COVID-19 pandemic the Trust did not count all of its physical inventories at the year-end as counters were unable to enter clinical areas. Due to the same reason, we were unable to perform required inventory audit procedures, including recounting of inventories as at 31 March 2020. As a result, we have specifically qualified our opinion on this matter which is reported at the Basis for qualified opinion section of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

As described in the Basis for qualified opinion section of our report, we were unable to obtain sufficient appropriate audit evidence regarding the Trust and group inventory quantities, which have a carrying amount in the Statement of Financial Position of £9,859,000 and £10,457,000 respectively at 31 March 2020, and related balances. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

In this context, we have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance - by the directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the group and Trust's performance, business model and strategy, materially inconsistent with our knowledge of the Trust obtained in the audit; or
- Audit committee reporting in accordance with provision C.3.9 of the NHS Foundation Trust Code of Governance - the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not meet the disclosure requirements set out in the NHS foundation trust annual reporting manual 2019/20 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Our opinion on other matters required by the Code of Audit Practice is modified

In our opinion:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the NHS foundation trust annual reporting manual 2019/20 and the requirements of the National Health Service Act 2006; and
- except for the possible effects of the matter described in the Basis for qualified opinion section of our report, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of expenditure that was unlawful, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accounting Officer the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2019/20, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the group's and the 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 the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the Trust's services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements – Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Qualified conclusion

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in April 2020, except for the effects of the matters described in the Basis for qualified conclusion section of our report, we are satisfied that, in all significant respects, York Teaching Hospital NHS Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Basis for qualified conclusion

Underlying financial position – financial governance

Our review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources identified the following matters:

- In response to the Trust's deteriorating financial position, in February 2018 NHS Improvement (NHSI) commenced a formal investigation into the Trust's financial health. Following this review, on 30 April 2018 NHSI issued enforcement undertakings under Section 106 of the Health and Social Care Act 2012, which detailed breaches of conditions of the Trust's licence in relation to financial governance. NHSI made 26 recommendations that, the Trust should implement to improve financial governance.

- As a result of the progress made by the Trust since April 2018, NHSI partially lifted the enforcement undertakings on 1 July 2019. The remaining enforcement undertakings were still in place as at 31 March 2020.

- NHSI have indicated that they will review whether the Trust has addressed the remaining enforcement undertakings when the Trust is able to demonstrate that it has a plan which:
    - meets the financial requirements of the NHS Long Term Plan
    - is consistent with the financial plans of key local healthcare commissioners.

NHSI's regional licence reviews have been paused due to the COVID-19 pandemic.

The enforcement undertakings identify weaknesses in the Trust's financial governance arrangements during 2019/20. These matters are evidence of weaknesses in proper arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions during the year ended 31 March 2020.

Delivery of emergency health care

Our review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources identified the following matters:

- The Care Quality Commission (CQC) performed an unannounced two-day inspection of the Trust's Emergency Departments at York Hospital and Scarborough Hospital in January 2020. This inspection found that the quality of health care provided by the Trust for the treatment of disease, disorder or injury requires significant improvement. The CQQ concluded that:
    - patients who presented at the emergency departments with mental health needs were not being cared for safely in line with national guidance;
    - patients in the emergency departments were not receiving appropriate care in a timely way, exposing them to the risk of harm;
    - the emergency departments were not meeting required standards for children in emergency settings;
    - systems for recording clinical information, risk assessments and care plans were not being used in a consistent way to ensure safe care and treatment for patients
    - not all incidents were being reported and investigated to identify mitigating actions to prevent reoccurrence and reduce the risks to patients; and
    - there were not sustainable, medium and longer-term plans to ensure sufficient numbers of suitably qualified, skilled, competent and experienced clinical staff to meet the needs of patients within the medical wards at Scarborough Hospital and emergency departments at both sites.

- The CQC subsequently issued a warning notice under section 29A of the Health and Social Care Act 2008 and imposed conditions on the Trust's registration as a service provider in respect of the treatment of disease, disorder or injury under section 31 of the same Act.

The CQC's inspection findings identify weaknesses in the Trust's arrangements for delivering emergency health care. These matters are evidence of weaknesses in proper arrangements for understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management.

Significant risks

Under the Code of Audit Practice, we are required to report on how our work addressed the significant risks we identified in forming our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. Significant risks are those risks that in our view had the potential to cause us to reach an inappropriate conclusion on the audited body's arrangements. The table below sets out the significant risks we have identified. These significant risks were addressed in the context of our conclusion on the Trust's arrangements as a whole, and in forming our conclusion thereon, and we do not provide a separate opinion on these risks.

Significant risks forming part of our qualified conclusion	How the matter was addressed in the audit
Risk 1 Underlying financial position -financial governance On 30 April 2018 NHSI issued enforcement undertakings under Section 106 of the Health and Social Care Act 2012, which detailed breaches of conditions of the Trust's licence in relation to financial governance during 2017-18. The Trust continues to deal with increased financial pressures and demand for services. The Trust delivered a final outturn deficit of £13.8 million at the year end, which was £0.5 million favourable to the planned position of £14.3 million. As a result, the Trust received a total PSF of £17.8 million in 2018-19. The Trust set a balanced budget for 2019-20 after taking into account, PSF (£8.4 million), Financial Recovery Funding (FRF) (£4.9 million), and Marginal Rate Emergency Tariff (MRET) funding (£6.4 million). Before this funding, the agreed control total for 2019-20 is a deficit of £19.7 million. To deliver the budgeted outturn position, cost improvement plan (CIP) of £17.1 million is in place for 2019-20. At the end of month 9, the Trust was predicting a deficit of £8.2 million as at 31 March 2020 after accounting for PSF, FRF and MRET. This is £8.2 million adverse to the balanced budget set at the start of 2019-20. Having already delivered £14.7 million of a £17.1 million cost improvement plan at the end of month 9, the Trust is on target to achieve the full CIP at the year end.	Our audit work included, but was not restricted to: • continuing to monitor the Trust's financial position and considering the 2019-20 year-end outturn; • evaluating the adequacy of cash resources in the context of the 2020-21 budget position and associated levels of Cost Improvement Plan (CIP) savings required to be achieved in 2020-21; • evaluating progress made by the Trust in respect of its (CIP) savings for 2019-20 and the proportion achieved through recurrent and non-recurrent sources; and • monitoring the action taken by the Trust to address NHSI's recommendations around the enforcement undertakings. **Key findings** We have qualified our conclusion in respect of this risk, as set out in the Basis for qualified conclusion section of the report. Whilst the Trust did not achieve the initially agreed control total in full, the system as a specific area achieved the control targets and as a result the Trust received £8.5 million of additional FRF. This resulted in the Trust reporting a consolidated year-end deficit of £2.645 million. The Trust also delivered its 2019-20 CIP of £17.1 million with £10.8 million (63%) of this being recurrent savings. The Trust has set a balanced budget for 2020-21 of £17.2 million (before the COVID-19 pandemic), which includes a £16 million Cost Improvement Plan target and £17.2 million funding.
Risk 2: Inspections and oversight by regulators -delivery of emergency healthcare The Care Quality Commission performed an unannounced two-day inspection of the Trust's Emergency Departments at York and Scarborough Hospital sites in January 2020 and issued its' report in March 2020. This inspection found that the quality of emergency health care provided by the Trust for the treatment of disease, disorder or injury requires significant improvement.	Our audit work included, but was not restricted to: • Evaluating March 2020 CQC report, identifying the improvement areas and recommendations • Discussions at senior management level to understand Trust responses and arrangements in place to action all recommendations • Assessing the warning notice under section 29A and section 31 issued under Health and Social Care Act 2008 • Assessing the reporting to the Trust Board in relation to these inspections and overall governance arrangements set at Board level; and • Evaluating the Trust's correspondences with the CQC in relation to these recommendations and actions plans. **Key findings** We have qualified our conclusion in respect of this risk, as set out in the Basis for qualified conclusion section of the report.

Responsibilities of the Accounting Officer

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

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

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - Certificate

We certify that we have completed the audit of the financial statements of York Teaching Hospital NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

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. Our audit work has been undertaken so that we might state to the Trust's Council of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth Kelly

Gareth Kelly, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Glasgow

25 June 2020

SECTION 4

Annual Accounts

York Teaching Hospital NHS Foundation Trust - Group & Trust Annual Accounts 2019-20

Foreword to the accounts

York Teaching Hospital NHS Foundation Trust

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

York Teaching Hospital NHS Foundation Trust Annual Report and Accounts are presented to parliament pursuant to Schedule 7,paragraph 25 (4) (a) of the National Health Service Act 2006

Signed ……

Name **Simon Morritt**
Job title **Chief Executive**
Date **25 June 2020**

Consolidated and Parent Statement of Comprehensive Income for the year ended 31 March 2020

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	478,937	446,722	478,136	446,722
Other operating income	4	77,602	70,880	72,191	76,427
Operating expenses	6, 8	(553,307)	(520,435)	(549,086)	(526,064)
Operating surplus/(deficit) from continuing operations		**3,232**	**(2,833)**	**1,241**	**(2,915)**
Finance income	11	209	154	921	169
Finance expenses	12	(923)	(862)	(1,304)	(891)
PDC dividends payable		(5,179)	(6,267)	(5,179)	(6,267)
Net finance costs		**(5,893)**	**(6,975)**	**(5,562)**	**(6,989)**
Other gains / (losses)	13	16	(44)	16	(44)
Surplus / (deficit) for the year		**(2,645)**	**(9,852)**	**(4,305)**	**(9,948)**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	7	(1,843)	(49,005)	(1,843)	(49,005)
Revaluations	19	11,836	3,455	11,836	3,455
Total comprehensive income / (expense) for the period		**7,348**	**(55,402)**	**5,688**	**(55,498)**
Total comprehensive income/ (expense) for the period attributable to:					
York Teaching Hospital NHS Foundation Trust		7,348	(55,402)	5,688	(55,498)
TOTAL		**7,348**	**(55,402)**	**5,688**	**(55,498)**

The Group position above consists of the consolidated accounts of York Teaching Hospital NHS Foundation Trust and York Teaching Hospital Facilities Management LLP. Included in the consolidated position is the £25k profit element attributable to the non-controlling interest (5% holding) member of the LLP, Northumbria Healthcare Facilities Management Ltd.

Consolidated and Parent Statement of Financial Position as at 31 March 2020

	Note	Group 31 March 2020 £000	Group 31 March 2019 £000	Trust 31 March 2020 £000	Trust 31 March 2019 £000
Non-current assets					
Intangible assets	14 15	7,630	6,734	7,630	6,734
Property, plant and equipment	16 17	236,001	226,624	228,370	212,736
Receivables	23	5,934	4,986	5,933	4,986
Receivables relating to subsidiary	23	-	-	26,361	17,741
Total non-current assets		**249,565**	**238,344**	**268,294**	**242,197**
Current assets					
Inventories	20	10,457	8,862	9,859	7,965
Receivables	23	28,218	33,249	27,157	31,829
Receivables relating to subsidiary		-	-	7,116	1,739
Cash and cash equivalents	24	11,385	9,705	8,403	7,851
Total current assets		**50,060**	**51,816**	**52,535**	**49,384**
Current liabilities					
Trade and other payables	25	(38,765)	(43,069)	(34,160)	(33,898)
Borrowings	27	(35,566)	(3,239)	(35,505)	(3,239)
Trade and other payables relating to subsidiary	25	-	-	(9,019)	(2,849)
Borrowings relating to subsidiary	27	-	-	(1,940)	(327)
Provisions	29	(103)	(91)	(103)	(91)
Other liabilities	26	(2,037)	(2,311)	(2,037)	(2,311)
Total current liabilities		**(76,471)**	**(48,710)**	**(82,764)**	**(42,715)**
Total assets less current liabilities		**223,154**	**241,450**	**238,065**	**248,866**
Non-current liabilities					
Trade and other payables	25	(54)	(77)	(54)	(56)
Borrowings	27	(26,284)	(54,549)	(25,999)	(54,549)
Borrowings relating to subsidiary	27	-	-	(16,950)	(7,531)
Provisions	29	(1,705)	(730)	(1,705)	(730)
Total non-current liabilities		**(28,043)**	**(55,356)**	**(44,708)**	**(62,866)**
Total assets employed		**195,111**	**186,094**	**193,357**	**186,000**
Financed by					
Public dividend capital		95,408	93,739	95,408	93,739
Revaluation reserve		62,954	52,961	62,954	52,961
Income and expenditure reserve		36,749	39,394	34,995	39,300
Total taxpayers' equity		**195,111**	**186,094**	**193,357**	**186,000**

Notes 1 to 38 of the financial statements on the following pages were approved by the Board of Directors on the 18 June 2020 and signed on its behalf by :

Name	Simon Morritt
Position	Chief Executive
Date	**25 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	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**93,739**	**52,961**	**39,394**	**186,094**
Surplus/(deficit) for the year	-	-	(2,645)	**(2,645)**
Impairments	-	(1,843)	-	**(1,843)**
Revaluations	-	11,836	-	**11,836**
Public dividend capital received	1,669	-	-	**1,669**
Taxpayers' and others' equity at 31 March 2020	**95,408**	**62,954**	**36,749**	**195,111**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**89,797**	**98,511**	**49,246**	**237,554**
Surplus/(deficit) for the year	**-**	**-**	**(9,852)**	**(9,852)**
Impairments	-	(49,005)	-	**(49,005)**
Revaluations	-	3,455	-	**3,455**
Public dividend capital received	3,942	-	-	**3,942**
Taxpayers' and others' equity at 31 March 2019	**93,739**	**52,961**	**39,394**	**186,094**

Trust/Parent 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	**93,739**	**52,961**	**39,300**	**186,000**
Surplus/(deficit) for the year	**-**	**-**	(4,305)	**(4,305)**
Impairments	**-**	(1,843)	**-**	**(1,843)**
Revaluations	**-**	11,836	**-**	**11,836**
Public dividend capital received	1,669	**-**	**-**	**1,669**
Taxpayers' and others' equity at 31 March 2020	**95,408**	**62,954**	**34,995**	**193,357**

Trust/ Parent 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
forward	**89,797**	**98,511**	**49,248**	**237,556**
Surplus/(deficit) for the year	**-**	**-**	(9,948)	**(9,948)**
Impairments	**-**	(49,005)	**-**	**(49,005)**
Revaluations	**-**	3,455	**-**	**3,455**
Public dividend capital received	3,942	**-**	**-**	**3,942**
Taxpayers' and others' equity at 31 March 2019	**93,739**	**52,961**	**39,300**	**186,000**

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.

Consolidated and Parent Statements of Cash Flows for the year ended 31 March 2020

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus / (deficit)		3,232	(2,833)	1,241	(2,928)
Non-cash income and expense:					
Depreciation and amortisation	6	9,495	11,260	9,495	11,260
Net impairments	7	3,697	13,474	3,697	13,474
Income recognised in respect of capital donations	4	(673)	(128)	(673)	(128)
(Increase) / decrease in receivables and other assets		3,595	(12,629)	3,237	(7,507)
(Increase) / decrease in receivables relating to subsidiary		-	-	(4,969)	(950)
(Increase) / decrease in inventories		(1,595)	(346)	(1,894)	551
Increase / (decrease) in payables and other liabilities		(5,226)	(3,034)	(1,105)	(13,545)
Increase / (decrease) in payables to the subsidiary		-	-	6,169	2,849
Increase / (decrease) in provisions		985	(373)	985	(373)
Net cash flows from / (used in) operating activities		**13,510**	**5,391**	**16,183**	**2,703**
Cash flows from investing activities					
Interest received		209	154	188	151
Interest received from subsidiary		-	-	751	-
Purchase of intangible assets		(759)	(1,262)	(853)	(1,262)
Purchase of PPE and investment property		(11,756)	(19,446)	(17,811)	(14,230)
Sales of PPE		63	420	45	6,710
Receipt of cash donations to purchase assets		673	128	673	128
Net cash flows from / (used in) investing activities		**(11,570)**	**(20,006)**	**(17,007)**	**(8,503)**
Cash flows from financing activities					
Public dividend capital received		1,669	3,942	1,669	3,942
Movement on loans from DHSC		3,721	11,652	3,721	11,652
Movement on other loans to and from subsidiary		-	-	1,987	(10,527)
Capital element of finance lease rental payments		(33)	-	-	-
Interest on loans		(916)	(791)	(916)	(791)
Interest on loans to subsidiary		-	-	(391)	(127)
Other interest		(3)	(12)	(3)	(27)
Interest paid on finance lease liabilities		(8)	-	-	-
PDC dividend (paid) / refunded		(4,691)	(7,277)	(4,691)	(7,277)
Cash flows from (used in) other financing activities		1	-	-	-
Net cash flows from / (used in) financing activities		**(260)**	**7,514**	**1,376**	**(3,155)**
Increase / (decrease) in cash and cash equivalents		**1,680**	**(7,101)**	**552**	**(8,955)**
Cash and cash equivalents at 1 April 2019 brought forward		**9,705**	**16,806**	**7,851**	**16,806**
Cash and cash equivalents at 31 March 2020	24	**11,385**	**9,705**	**8,403**	**7,851**

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 Trust has prepared its accounts on a going concern basis. This is directed by the Department of Health Group Accounting Manual (DH GAM) 2019/20, whereby, unless the Trust has been informed by the relevant national body of the intention for dissolution without transfer of services or functions to another entity, this should be assumed. The Trust, however, recognises that there are operational and funding factors that represent uncertainties with regard to the adoption of the going concern basis, which we believe are fully mitigated by the current emergency financial regime within the NHS as described below.

Prior to the Covid-19 pandemic the Trust had a planned breakeven position for 2020-21 which was based on the centrally allocated Control Target. This was supported by receipt of income from the national Financial Recovery Fund. Whilst the pandemic has brought with it a number of risks and uncertainties with regards activity, income and expenditure, these are mitigated by the revised funding mechanisms introduced by NHS England. The mechanisms are expected to remain in place throughout the year, giving surety around cash flows and confirmation that all expenditure during this period will be paid for.

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 £32.140m capital plus £115k accrued interest to 31st March 20 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 Trust is not planning to draw down additional cash funding in the form of revenue loans via the Department of Health and Social Care for 2020-21.

The Trust is also required to disclose material uncertainties in respect of events or conditions that cast doubt upon the going concern ability of the NHS Foundation Trust. We do not believe there are any material uncertainties to disclose this year.

Having considered these factors, particularly the fact that historic loans are no longer required to be repaid; the Directors have determined that it remains appropriate to prepare these accounts on a going concern basis. The accounts do not include any adjustments that would result in York Teaching Hospital NHS Foundation Trust being unable to continue as a going concern.

Note 1.3 Consolidation

Entities over which York Teaching Hospital NHS Foundation Trust has the power to exercise control are classified as subsidiaries and are consolidated. The Trust has control when it has the ability to affect the variable returns from the other entity through its power to direct relevant activities.

The Trust, along with Northumbria Healthcare Facilities Management Ltd, incorporated a subsidiary York Teaching Hospital Facilities Management (YTHFM LLP) registered number OC421341 in March 2018 as a limited liability partnership. YTHFM LLP became operational on the 1 October 2018, as such the two members own the partnership 95:5 in favour of the Trust. The primary purpose of the subsidiary is the provision of a fully managed healthcare facility for the Trust's existing infrastructure, including the design, project management and operation of the Trust's capital programme. The income, expenses, assets, liabilities, equity and reserves for the subsidiary are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust's or where the subsidiary's accounting date is not coterminous. The amounts consolidated for the year ending 31 March 2020 are drawn from the 2019-20 financial statements of YTHFM LLP which operates under the same financial accounting year as the Trust.

Note 1.4 Revenue from contracts with customers

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

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

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.

As part of the action to strengthen financial performance and accountability in the NHS, a Provider Sustainability Fund was created nationally in 2016-17 and all Trusts with an emergency care contract were allocated a proportion of the fund. Included in the 2019-20 accounts is the Trust's allocation of £6.010m core PSF for achieving its assigned control total, £11.736m from the Financial Recovery Fund plus £6.470m marginal rate emergency tariff funding.

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 a 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

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 Scheme

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

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

Alternative pension scheme
York Teaching Hospital NHS Foundation Trust offers an alternative pension scheme to all employees who are either not eligible; or choose not, to be members of the NHS Pension Scheme at the Trust. This includes employees who are members of the NHS Pension Scheme through another role outside of the Trust and those that are not eligible to join the NHS Pension Scheme.

The alternative pension scheme is a defined contribution scheme operated by the National Employment Savings Trust (NEST). Employee and employer contribution rates are a combined minimum of 5% (with a minimum 2% being contributed by the Trust) and from October 2018 the combined contribution rate as 8% (with a minimum 3% being contributed by the Trust).

York Teaching Hospital Facilities Management LLP

A number of the YTHFM employees remain within the NHS Pension Scheme, however YTHFM also operates a NEST Pension Scheme for those employees not eligible to join the NHS Pension Scheme. Employee and Employer contributions mirror that of the NHS Pension Scheme as closely as possible, in that employer contributions are capped at 14%, the maximum amount that can be paid into the NEST scheme.

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 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

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

Measurement

Valuation

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

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

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

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

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

A desktop revaluation was carried out as at 31 March 2020 to reflect the changes in building values throughout the year. Where the Trust capitalised new land & building assets, a site valuation was carried out.
Valuations are carried out by professionally qualified valuers, external to the Trust, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. (www.rics.org)

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

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

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

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

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	Max life
Land	-	-
Buildings, excluding dwellings	20	60
Dwellings	5	60
Plant & machinery	5	15
Transport equipment	3	7
Information technology	3	10
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 1.9 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, eg application software, is capitalised as an intangible asset.

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluation 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	10
Software licences	5	10

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using both the first in, first out (FIFO) method and the weighted average cost method.

Note 1.11 Investment properties

The Trust does not hold any investment properties.

Note 1.11 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 1.12 Carbon Reduction Commitment scheme (CRC)

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

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

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 and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

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).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.14 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

"Determining whether an arrangement contains a lease"

At inception of an arrangement, the Trust determines whether such an arrangement is or contains a lease. This will be the case if the following 2 criteria are met:

• The fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
• The arrangement contains the right to use the asset(s).

At inception or on reassessment of the arrangement, the Trust separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Trust concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the implicit interest rate.

Where the Trust enters into arrangements by which it acts as both lessee and lessor for the same assets, the Trust will consider if it has a legally enforceable right to set off. Where such a right exists, the underlying assets will be offset by the underlying liabilities and the resulting net value disclosed as either an asset or liability. Similarly financial income and costs will be set off.

The Trust as a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The Trust as a lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

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.

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 29.1 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 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.

Note 1.17 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients)

Note 1.18 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 1.19 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 1.20 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 30 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 30, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.21 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.
(iv) prior year PSF received and accounted for in current financial year

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 1.22 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 1.23 Corporation tax

The Trust Board has reviewed the commercial activites of the Trust and consideration has been given to the implications of corporation tax. At this stage the Trust Board is satisfied that there are no corporation tax liabilities resulting from non-core activities. The Trust will continue to review commercial services in light of any potential changes in the scope of corporation tax.

York Teaching Hospital NHS Foundation Trust is a Health Service Body within the meaning of s519A ICTA 1998 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is the power from the Treasury to disapply the exemption in relation to the specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988. Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum.

Tax to be paid on profits arising from the Trust's subsidiary LLP are a Member's tax liability. Trust income from the LLP has been considered as part of the Trust Board's review of commercial services.

Note 1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been adopted early in 2019-20

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. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Trust has already commenced work to identify all leases that contain a right of use asset, this includes obtaining access to a software system which will record the new lease asset register and calculate depreciation, interest charges plus asset values and liabilities. New processes will need to be implemented for approval of any contract containing a lease, as the consequence of this new standard is that all leases will have to be funded from the Trusts capital programme. Work is to continue into 2020/21 in readiness for the introduction of the new standard.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Other standards, amendments and interpretations

IFRS 17 Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted.

The impact of the standard is still being assessed.

Note 1.26 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

In the course of preparing the annual accounts, the Directors have to make use of estimated figures in certain cases, and routinely exercise judgement in assessing the amounts to be included. In the case of the 2019/20 accounts, the impact of estimation has been mitigated regarding the recognition of clinical income due from the Trust's key commissioners with the introduction of an alternative contract; this has resulted in a fixed contractual position over the course of the year. The Directors have formed the judgement that the Trust has recognised the appropriate level of income due under the terms of the signed contract, and anticipate recovery of outstanding debts.

Segmental Reporting
The Trust has one material segment, being the provision of healthcare. Service divisions within the Group all have similar economic characteristics; all of the healthcare activity is undertaken in relation to NHS patients.

Going Concern
Refer to note 1.2

Lease and lease back

The substance of a lease involves the transfer of the risks and rewards of ownership. It is the judgment of the Trust that where it acts as both lessor and lessee for underlying assets to which it holds legal title, that, in substance, there has been no transfer of risks and rewards. In such situations the Trust will offset assets and liabilities, as well as income and costs, arising from the contract agreements where the Trust is satisfied that it has a legally enforceable right of offset and intends to settles the assets and liabilities simultaneously.

This judgement has been applied to the lease and lease back agreements entered into by the Trust and its subsidiary entity, York Teaching Hospital Facilities Management LLP, in regards to the sites; York Teaching Hospital, Scarborough Hospital, Bridlington Hospital and various other Trust infrastructure. The Trust has leased the infrastructure to the LLP for a period of 25 years commencing on the 1 October 2018, with the permitted use as a hospital or any ancillary use (including educational purposes) as required by the Tenant for the proper performance of its obligations and exercise of its rights under the Master Services Agreement or such other use required for income generation with the prior consent of the Landlord. Such consent should not to be unreasonably withheld or delayed. The Leases also contain a provision that prohibits or restricts any disposition.

The LLP provides the infrastructure back to the Trust via its fully managed facilities contract. The linked transactions do not involve a transfer of the risks and rewards of ownership and hence, in the judgement of the Trust, there is, in substance, no lease.

The Trust invoiced the LLP for lease charges of £18.723m during the course of the year, the LLP charged the Trust a similar amount as part of its fully managed facilities billing.

Note 1.27 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Non-Current Asset Valuations
In line with accounting policies, every five years the Trust receives a full valuation carried out by the District Valuer, who is a member of the Royal Institute of Chartered Surveyors. The valuation included in the 2019/20 Trust financial statements is a desk top valuation of existing land and buildings and a full valuation of new land & buildings at a prospective date of 31 March 2020, the valuation excludes the cost of VAT. Since the Trust created a Limited liability partnership organisation, York Teaching Hospital Facilities Management LLP who became responsible for the provision of a Managed Healthcare Facility to the Trust, a consequence of this was that VAT became recoverable under a MEA (Modern Equivalent Asset) alternative site valuation.

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 report stated Market activity is being impacted in many sectors. As at the valuation date, RICS consider that less weight can be attached to their valuation for comparison purposes to inform opinions of value. The current response to COVID-19 means that RICS valuers are faced with an unprecedented set of circumstances on which to base their judgement. Consequently, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case.

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. The Trust has being advised to undertake a future impairment review once the impact of the virus on property values becomes clearer.

Inventories

The Trust carried out the bulk of its stock count in January 2020 on the York site and February 2020 on the Scarborough and Bridlington sites; these dates are based on being able to gain access to busy clinical areas and allow for the valuation of the stock due to the extremely tight centrally imposed final accounts timetable. It is then normal practice to consider stock purchases versus patient activity levels to calculate if there has been a material movement in the Trust stock levels between the date of the stock count and the 31 March. In normal times the stock levels generally remain consistent with activity and no adjustment is required.

When the calculation described above has been applied to the 2019/20 stock calculation it has become apparent that stock purchases have increased, whereas activity levels have decreased significantly, due to the COVID19 pandemic. With this evidence it is management's view that stock levels have increased since the original stock counts and therefore it is deemed necessary to make an upward stock adjustment (excluding specific COVID19 stocks) of £1.18m; this adjustment takes the stock levels from the original count of £9.2m to £10.4m, to give, what management believe is a true and fair view of the Trust's stock levels at 31 March 2020. Due to the COVID19 pandemic it has not been possible to re-enter clinical areas to re-count stock, however it should be noted in terms of proportionality that 89% of the Trust stock figure is derived directly from a physical stock count and 11% from a calculation of financial and activity modelling.

Note 2 Operating Segments

All income and activities are for the provision of health and health related services in the UK. The Trust reports revenues on a Trust wide basis in its internal reports and therefore deems there to be a single segment, healthcare.

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 3.1 Income from patient care activities (by nature)	Group 2019/20 £000	Group 2018/19 £000	Trust 2019/20 £000	Trust 2018/19 £000
Elective income	64,433	64,692	64,433	64,692
Non elective income	140,109	119,946	140,109	119,946
First outpatient income	28,209	27,812	28,209	27,812
Follow up outpatient income	34,564	32,121	34,564	32,121
A & E income	20,573	16,494	20,573	16,494
High cost drugs income from commissioners (excluding pass-through costs)	45,782	44,528	45,782	44,528
Other NHS clinical income	103,555	106,654	103,555	106,654
Community services				
Community services income from CCGs and NHS England	20,173	20,499	20,173	20,499
Income from other sources (e.g. local authorities)	4,709	4,827	4,709	4,827
All services				
Private patient income	1,227	1,010	1,227	1,010
Agenda for Change pay award central funding*	-	5,717	-	5,717
Additional pension contribution central funding**	13,655	-	12,854	-
Other clinical income	1,948	2,422	1,948	2,422
Total income from activities	**478,937**	**446,722**	**478,136**	**446,722**

*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)

Income from patient care activities received from:	2019/20 £000	2018/19 £000	2019/20 £000	2018/19 £000
NHS England	77,529	62,249	76,728	62,249
Clinical commissioning groups	393,420	370,717	393,420	370,717
Department of Health and Social Care	-	5,717	-	5,717
Other NHS providers	11	-	11	-
NHS other	360	-	360	-
Local authorities	4,709	4,827	4,709	4,827
Non-NHS: private patients	1,227	1,010	1,227	1,010
Non-NHS: overseas patients (chargeable to patient)	346	307	346	307
Injury cost recovery scheme	977	1,373	977	1,373
Non NHS: other	358	522	358	522
Total income from activities	**478,937**	**446,722**	**478,136**	**446,722**
Of which:				
Related to continuing operations	478,937	446,722	478,136	446,722

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

	Group 2019/20 £000	Group 2018/19 £000	Trust 2019/20 £000	Trust 2018/19 £000
Income recognised this year	346	307	346	307
Cash payments received in-year	156	190	156	190
Amounts added to provision for impairment of receivables	41	29	41	29
Amounts written off in-year	68	12	68	12

Note 4 Other operating income (Group)

	2019/20			2018/19		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	3,264	-	**3,264**	3,412	-	**3,412**
Education and training	18,595	761	**19,356**	17,582	156	**17,738**
Non-patient care services to other bodies	21,570	-	**21,570**	17,711	-	**17,711**
Provider sustainability fund (PSF)	6,010	-	**6,010**	9,483	-	**9,483**
Financial recovery fund (FRF)	11,736	-	**11,736**	8,287	-	**8,287**
Marginal rate emergency tariff funding (MRET)	6,470	-	**6,470**	-	-	**-**
Income in respect of employee benefits accounted on a gross basis	2,370	-	**2,370**	2,870	-	**2,870**
Receipt of capital grants and donations	-	673	**673**	-	128	**128**
Charitable and other contributions to expenditure	-	207	**207**	-	205	**205**
Rental revenue from operating leases	-	488	**488**	-	511	**511**
Other income	5,458	-	**5,458**	10,535	-	**10,535**
Total other operating income	**75,473**	**2,129**	**77,602**	**69,880**	**1,000**	**70,880**
Of which:						
Related to continuing operations			**77,602**			**70,880**
Related to discontinued operations			**-**			**-**

Other operating income (Trust)

	2019/20			2018/19		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	3,264	-	**3,264**	3,412	-	**3,412**
Education and training	18,593	738	**19,331**	17,582	156	**17,738**
Non-patient care services to other bodies	19,859	-	**19,859**	22,609	-	**22,609**
Provider sustainability fund (PSF)	6,010	-	**6,010**	9,483	-	**9,483**
Financial recovery fund (FRF)	11,736	-	**11,736**	8,287	-	**8,287**
Marginal rate emergency tariff funding (MRET)	6,470	-	**6,470**	2,867	-	**2,867**
Income in respect of employee benefits accounted on a gross basis	2,370	-	**2,370**	-	-	**-**
Receipt of capital grants and donations	-	673	**673**	-	128	**128**
Charitable and other contributions to expenditure	-	207	**207**	-	205	**205**
Rental revenue from operating leases	-	33	**33**	-	1,281	**1,281**
Other income	-	2,238	**2,238**	10,417	-	**10,417**
Total other operating income	**68,302**	**3,889**	**72,191**	**74,657**	**1,770**	**76,427**
Of which:						
Related to continuing operations			**72,191**			**76,427**
Related to discontinued operations			**-**			**-**

As part of the action to strengthen financial performance and accountability in the NHS a Provider Sustainability Fund was created nationally in 2016/17 and all Trusts with an emergency care contract were allocated a proportion of the fund. The Trust has been allocated £6.010m core PSF for achieving its assigned control total, £11.736m from the Financial recovery fund plus £6.470m marginal rate emergency tariff funding.

Note 5 Additional Information on contract revenue (IFRS15) - Income from activities arising from commissioner requested services

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:

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Income from services designated as commissioner requested services	477,314	444,677	476,513	444,677
Income from services not designated as commissioner requested services	79,225	62,935	92,538	62,935
	556,539	**507,612**	**569,051**	**507,612**

Note 6 Operating expenses

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Purchase of healthcare from NHS and DHSC bodies	745	276	745	276
Purchase of healthcare from non-NHS and non-DHSC bodies	3,617	3,705	3,617	3,705
Staff and executive directors	372,756	337,059	349,424	326,381
Remuneration of non-executive directors	182	170	182	170
Supplies and services - clinical (excluding drugs costs)	46,717	46,034	43,621	45,778
Supplies and services - general	6,653	6,012	2,359	3,963
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	54,999	52,355	54,999	52,355
Consultancy costs	129	255	91	253
Establishment	3,901	3,641	3,329	3,339
Premises	16,211	16,758	49,089	36,795
Transport (including patient travel)	2,431	2,655	2,037	2,383
Depreciation on property, plant and equipment	9,046	10,926	9,046	10,926
Amortisation on intangible assets	449	334	449	334
Net impairments	3,697	13,474	3,697	13,474
Movement in credit loss allowance: contract receivables / contract assets	137	121	136	121
Increase/(decrease) in other provisions	(226)	(263)	(226)	(263)
Change in provisions discount rate(s)	17	(13)	17	(13)
Audit fees payable to the external auditor				
audit services- statutory audit	77	89	77	54
other auditor remuneration (external auditor only)	-	-	-	19
Internal audit costs	299	371	299	371
Clinical negligence	15,215	12,141	15,215	12,141
Legal fees	230	461	147	335
Insurance	586	566	501	501
Research and development	2,157	2,347	2,158	2,347
Education and training	4,847	3,887	4,664	3,827
Rentals under operating leases	5,036	4,419	1,630	4,214
Early retirements	-	19	-	19
Car parking & security	900	852	(7)	492
Hospitality	-	16	-	16
Losses, ex gratia & special payments	116	56	115	56
Other	2,383	1,712	1,675	1,695
Total	**553,307**	**520,435**	**549,086**	**526,064**
Of which:				
Related to continuing operations	553,307	520,435	549,086	526,064

Note 6.1 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2m (2018/19: £2m).

Note 7 Impairment of assets

	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Net impairments charged to operating surplus / deficit resulting from:				
* Changes in market price	3,697	12,507	3,697	12,507
Other	-	967	-	967
Total net impairments charged to operating surplus / deficit	**3,697**	**13,474**	**3,697**	**13,474**
Impairments charged to the revaluation reserve	1,843	49,005	1,843	49,005
Total net impairments	**5,540**	**62,479**	**5,540**	**62,479**

* In 2019-20 Impairments consist of the new Endoscopy unit on the York site, this is accounted for as a Trust specialised asset, please refer to note 1.8 for the full accounting policy.

In 2018-19 as a result of the Trust contracting with its subsidiary to provide fully managed and maintained healthcare premises including the construction of all capital schemes, the District Valuer revalued the Estate as at 1 October 2018 (the date the LLP became operational) and again on the 31 March 2019. This valuation did not include VAT and therefore as resulted in the reduction in the Trust's overall estate value.

Note 8 Employee benefits

	Group		Trust	
	2019/20 Total £000	2018/19 Total £000	2019/20 Total £000	2018/19 Total £000
Salaries and wages	282,845	267,655	264,083	258,398
Social security costs	27,608	25,972	26,225	25,362
Apprenticeship levy	1,410	1,310	1,317	1,267
Employer's contributions to NHS pensions	46,905	31,757	44,183	30,762
Pension cost - other	297	92	126	74
Termination benefits	-	70	-	70
Temporary staff (including agency)	20,177	16,322	19,976	16,234
Total gross staff costs	**379,242**	**343,178**	**355,910**	**332,167**
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	**379,242**	**343,178**	**355,910**	**332,167**
Of which				
Costs capitalised as part of assets	1,264	994	494	660

Employer's contributions to NHS pensions

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 8.1 Retirements due to ill-health (Group)

During 2019/20 there were 7 early retirements from the Trust agreed on the grounds of ill-health (11 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £383k (£923k in 2018/19).

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

During the year, 8 Executive Directors had benefits accruing under the NHS Pension scheme and the Trust made employer contributions to the NHS Pension Scheme of £82k in respect of these Directors.

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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.

c) Alternative pension scheme

York Teaching Hospital NHS Foundation Trust offers an alternative pension scheme to all employees who are either not eligible or choose not to be members of the NHS Pension Scheme at the Trust. This includes employees who are members of the NHS Pension Scheme through another role outside of the Trust and those that are not eligible to join the NHS Pension Scheme.

The alternative pension scheme is a defined contribution scheme operated by the National Employment Savings Trust (NEST). Employee and employer contribution rates are a combined minimum of 8% (with a minimum 3% being contributed by the Trust).

York Teaching Hospital Facilities Management LLP

A number of the YTHFM employees remain within the NHS Pension Scheme, however YTHFM also operates a NEST pension scheme for those employees not eligible to join the NHS Pension Scheme. Employee and Employer contributions mirror that of the NHS Pension Scheme as closely as possible, in that employer contributions are capped at 14%, the maximum amount that can be paid into the NEST scheme.

Note 10 Operating leases

Note 10.1 York Teaching Hospital NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where York Teaching Hospital NHS Foundation Trust is the lessor.

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Operating lease revenue				
Minimum lease receipts	488	511	33	1,281
Total	**488**	**511**	**33**	**1,281**

	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Future minimum lease receipts due:				
- not later than one year;	475	75	33	75
- later than one year and not later than five years;	2,176	231	38	231
- later than five years.	308	-	-	-
Total	**2,959**	**306**	**71**	**306**

Note 10.2 York Teaching Hospital NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where York Teaching Hospital NHS Foundation Trust is the lessee.

	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Operating lease expense				
Minimum lease payments	5,036	4,419	1,630	4,214
Total	**5,036**	**4,419**	**1,630**	**4,214**

	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Future minimum lease payments due:				
- not later than one year;	5,152	4,533	1,379	2,332
- later than one year and not later than five years;	12,938	10,587	5,557	5,931
- later than five years.	5,193	985	4,206	385
Total	**23,283**	**16,105**	**11,142**	**8,648**

Note 11 Finance income

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

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Interest on bank accounts	186	130	164	124
Interest on other investments / financial assets	23	24	22	24
Interest on loans to subsidiary	-	-	735	21
Total finance income	**209**	**154**	**921**	**169**

Note 12.1 Finance expenditure

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

	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Interest expense:				
Loans from the Department of Health and Social Care	910	849	910	849
Interest on loans from the subsidiary	-	-	390	30
Finance leases	8	-	-	-
Interest on late payment of commercial debt	3	12	2	11
Total interest expense	**921**	**861**	**1,302**	**890**
Unwinding of discount on provisions	2	1	2	1
Total finance costs	**923**	**862**	**1,304**	**891**

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

	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	3	12	2	12
Compensation paid to cover debt recovery costs under this legislation	-	-	-	-

Note 13 Other gains / (losses) (Group)

	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Gains on disposal of assets	25	5	25	5
Losses on disposal of assets	(9)	(49)	(9)	(49)
Gains / losses on disposal of charitable fund assets	-	-	-	-
Total gains / (losses) on disposal of assets	**16**	**(44)**	**16**	**(44)**

Note 14 Intangible assets - 2019/20

Group	Software licences	Internally generated information technology	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**10,216**	**792**	**11,008**
Additions	759	-	**759**
Reclassifications	586	-	**586**
Valuation / gross cost at 31 March 2020	**11,561**	**792**	**12,353**
Amortisation at 1 April 2019 - brought forward	**4,215**	**59**	**4,274**
Provided during the year	370	79	**449**
Amortisation at 31 March 2020	**4,585**	**138**	**4,723**
Net book value at 31 March 2020	**6,976**	**654**	**7,630**
Net book value at 1 April 2019	**6,001**	**733**	**6,734**

Note 14.1 Intangible assets - 2018/19

Group	Software licences	Internally generated information technology	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2018	**7,291**	**792**	**8,083**
Additions	1,262	-	**1,262**
Reclassifications	1,826	-	**1,826**
Disposals / derecognition	(163)	-	**(163)**
Valuation / gross cost at 31 March 2019	**10,216**	**792**	**11,008**
Amortisation at 1 April 2018	**3,940**	**-**	**3,940**
Provided during the year	275	59	**334**
Amortisation at 31 March 2019	**4,215**	**59**	**4,274**
Net book value at 31 March 2019	**6,001**	**733**	**6,734**
Net book value at 1 April 2018	**3,351**	**792**	**4,143**

Note 15 Intangible assets - 2019/20

Trust	Software licences	Internally generated information technology	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**10,216**	**792**	**11,008**
Additions	853	-	**853**
Reclassifications	492	-	**492**
Valuation / gross cost at 31 March 2020	**11,561**	**792**	**12,353**
Amortisation at 1 April 2019 - brought forward	**4,215**	**59**	**4,274**
Provided during the year	370	79	**449**
Amortisation at 31 March 2020	**4,585**	**138**	**4,723**
Net book value at 31 March 2020	**6,976**	**654**	**7,630**
Net book value at 1 April 2019	**6,001**	**733**	**6,734**

Note 15.1 Intangible assets - 2018/19

Trust	Software licences	Internally generated information technology	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2018 - restated	**7,291**	**792**	**8,083**
Additions	3,088	-	**3,088**
Reclassifications	-	-	**-**
Disposals / derecognition	(163)	-	**(163)**
Valuation / gross cost at 31 March 2019	**10,216**	**792**	**11,008**
Amortisation at 1 April 2018 - as previously stated	**3,940**	**-**	**3,940**
Amortisation at 1 April 2018 - restated	**3,940**	**-**	**3,940**
Provided during the year	275	59	**334**
Amortisation at 31 March 2019	**4,215**	**59**	**4,274**
Net book value at 31 March 2019	**6,001**	**733**	**6,734**
Net book value at 1 April 2018	**3,351**	**792**	**4,143**

Note 16 Property, plant and equipment - 2019/20

Group	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	**13,928**	**178,545**	**1,538**	**16,460**	**42,797**	**743**	**31,444**	**82**	**285,537**
Additions	-	1,458	1	9,533	702	-	1,065	-	**12,759**
Impairments	(518)	(7,642)	-	-	-	-	-	-	**(8,160)**
Reversals of impairments	-	1,388	-	-	-	-	-	-	**1,388**
Revaluations	55	6,824	(24)	-	-	-	-	-	**6,855**
Reclassifications	-	12,033	-	(13,875)	1,237	-	19	-	**(586)**
Disposals / derecognition	-	-	-	(41)	(3,529)	(28)	(4,740)	(47)	**(8,385)**
Valuation/gross cost at 31 March 2020	**13,465**	**192,606**	**1,515**	**12,077**	**41,207**	**715**	**27,788**	**35**	**289,408**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**2,154**	**-**	**-**	**32,618**	**269**	**23,795**	**77**	**58,913**
Provided during the year	-	6,178	77	-	1,485	89	1,214	3	**9,046**
Impairments	-	(1)	-	-	-	-	-	-	**(1)**
Reversals of impairments	-	(1,231)	-	-	-	-	-	-	**(1,231)**
Revaluations	-	(4,904)	(77)	-	-	-	-	-	**(4,981)**
Disposals / derecognition	-	-	-	-	(3,524)	(28)	(4,740)	(47)	**(8,339)**
Accumulated depreciation at 31 March 2020	**-**	**2,196**	**-**	**-**	**30,579**	**330**	**20,269**	**33**	**53,407**
Net book value at 31 March 2020	**13,465**	**190,410**	**1,515**	**12,077**	**10,628**	**385**	**7,519**	**2**	**236,001**
Net book value at 1 April 2019	**13,928**	**176,391**	**1,538**	**16,460**	**10,179**	**474**	**7,649**	**5**	**226,624**

Note 16.1 Property, plant and equipment - 2018/19

Group	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	**16,666**	**231,080**	**1,478**	**13,115**	**45,183**	**743**	**29,959**	**82**	**338,306**
Additions	-	1,577	31	18,489	325	-	1,408	-	**21,830**
Impairments	(2,930)	(63,824)	(15)	(967)	-	-	-	-	**(67,736)**
Reversals of impairments	25	(13)	-	-	-	-	-	-	**12**
Revaluations	167	1,132	44	-	-	-	-	-	**1,343**
Reclassifications	-	8,593	-	(14,177)	3,681	-	77	-	**(1,826)**
Disposals / derecognition	-	-	-	-	(6,392)	-	-	-	**(6,392)**
Valuation/gross cost at 31 March 2019	**13,928**	**178,545**	**1,538**	**16,460**	**42,797**	**743**	**31,444**	**82**	**285,537**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**1,649**	**-**	**-**	**37,243**	**180**	**22,436**	**74**	**61,582**
Provided during the year	-	7,785	77	-	1,613	89	1,359	3	**10,926**
Impairments	-	(114)	-	-	-	-	-	-	**(114)**
Reversals of impairments	-	(5,118)	(13)	-	-	-	-	-	**(5,131)**
Revaluations	-	(2,048)	(64)	-	-	-	-	-	**(2,112)**
Disposals / derecognition	-	-	-	-	(6,238)	-	-	-	**(6,238)**
Accumulated depreciation at 31 March 2019	**-**	**2,154**	**-**	**-**	**32,618**	**269**	**23,795**	**77**	**58,913**
Net book value at 31 March 2019	**13,928**	**176,391**	**1,538**	**16,460**	**10,179**	**474**	**7,649**	**5**	**226,624**
Net book value at 1 April 2018	**16,666**	**229,431**	**1,478**	**13,115**	**7,940**	**563**	**7,523**	**8**	**276,724**

Note 16.2 Property, plant and equipment financing - 2019/20

Group	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	13,465	186,744	1,515	12,077	9,059	18	7,519	2	**230,399**
Finance leased	-	-	-	-	355	-	-	-	**355**
Owned - donated	-	3,666	-	-	1,214	367	-	-	**5,247**
NBV total at 31 March 2020	**13,465**	**190,410**	**1,515**	**12,077**	**10,628**	**385**	**7,519**	**2**	**236,001**

Note 16.3 Property, plant and equipment financing - 2018/19

Group	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	13,928	173,016	1,538	16,460	9,151	26	7,649	5	**221,773**
Owned - donated	-	3,375	-	-	1,028	448	-	-	**4,851**
NBV total at 31 March 2019	**13,928**	**176,391**	**1,538**	**16,460**	**10,179**	**474**	**7,649**	**5**	**226,624**

Note 17 Property, plant and equipment - 2019/20

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 2019 - brought forward	**13,928**	**178,545**	**1,538**	**2,572**	**42,798**	**743**	**31,444**	**82**	**271,650**
Additions	-	13,469	1	2,417	1,950	-	1,065	-	**18,902**
Impairments	(518)	(7,642)	-	-	-	-	-	-	**(8,160)**
Reversals of impairments	-	1,388	-	-	-	-	-	-	**1,388**
Revaluations	55	6,824	(24)	-	-	-	-	-	**6,855**
Reclassifications	-	22	-	(522)	(11)	-	19	-	**(492)**
Disposals / derecognition	-	-	-	(22)	(3,529)	(28)	(4,740)	(47)	**(8,366)**
Valuation/gross cost at 31 March 2020	**13,465**	**192,606**	**1,515**	**4,445**	**41,208**	**715**	**27,788**	**35**	**281,777**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**2,154**	**-**	**-**	**32,618**	**269**	**23,795**	**77**	**58,913**
Provided during the year	-	6,178	77	-	1,485	89	1,214	3	**9,046**
Impairments	-	(1)	-	-	-	-	-	-	**(1)**
Reversals of impairments	-	(1,231)	-	-	-	-	-	-	**(1,231)**
Revaluations	-	(4,904)	(77)	-	-	-	-	-	**(4,981)**
Disposals / derecognition	-	-	-	-	(3,524)	(28)	(4,740)	(47)	**(8,339)**
Accumulated depreciation at 31 March 2020	**-**	**2,196**	**-**	**-**	**30,579**	**330**	**20,269**	**33**	**53,407**
Net book value at 31 March 2020	**13,465**	**190,410**	**1,515**	**4,445**	**10,629**	**385**	**7,519**	**2**	**228,370**
Net book value at 1 April 2019	**13,928**	**176,391**	**1,538**	**2,572**	**10,180**	**474**	**7,649**	**5**	**212,737**

Note 17.1 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	**16,666**	**231,080**	**1,478**	**13,115**	**45,183**	**743**	**29,959**	**82**	**338,306**
Additions	-	5,126	31	4,173	1,754	-	1,449	-	**12,533**
Impairments	(2,930)	(63,824)	(15)	(967)	-	-	-	-	**(67,736)**
Reversals of impairments	25	(13)	-	-	-	-	-	-	**12**
Revaluations	167	1,132	44	-	-	-	-	-	**1,343**
Reclassifications	-	5,044	-	(7,333)	2,253	-	36	-	**-**
Disposals / derecognition	-	-	-	(6,416)	(6,392)	-	-	-	**(12,808)**
Valuation/gross cost at 31 March 2019	**13,928**	**178,545**	**1,538**	**2,572**	**42,798**	**743**	**31,444**	**82**	**271,650**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**1,649**	**-**	**-**	**37,243**	**180**	**22,436**	**74**	**61,582**
Provided during the year	-	7,785	77	-	1,613	89	1,359	3	**10,926**
Impairments	-	(114)	-	-	-	-	-	-	**(114)**
Reversals of impairments	-	(5,118)	(13)	-	-	-	-	-	**(5,131)**
Revaluations	-	(2,048)	(64)	-	-	-	-	-	**(2,112)**
Disposals / derecognition	-	-	-	-	(6,238)	-	-	-	**(6,238)**
Accumulated depreciation at 31 March 2019	**-**	**2,154**	**-**	**-**	**32,618**	**269**	**23,795**	**77**	**58,913**
Net book value at 31 March 2019	**13,928**	**176,391**	**1,538**	**2,572**	**10,180**	**474**	**7,649**	**5**	**212,737**
Net book value at 1 April 2018	**16,666**	**229,431**	**1,478**	**13,115**	**7,940**	**563**	**7,523**	**8**	**276,724**

Note 17.2 Property, plant and equipment financing - 2019/20

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 2020									
Owned - purchased	13,465	186,744	1,515	4,444	9,059	18	7,519	2	**222,766**
Finance leased	-	-	-	-	355	-	-	-	**355**
Owned - donated	-	3,666	-	-	1,214	367	-	-	**5,247**
NBV total at 31 March 2020	**13,465**	**190,410**	**1,515**	**4,444**	**10,628**	**385**	**7,519**	**2**	228,368

Note 17.3 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	13,928	173,016	1,538	2,572	9,151	26	7,649	5	**207,885**
Owned - donated	-	3,375	-	-	1,028	448	-	-	**4,851**
NBV total at 31 March 2019	**13,928**	**176,391**	**1,538**	**2,572**	**10,179**	**474**	**7,649**	**5**	212,736

Note 18 Donations of property, plant and equipment

The Trust received £673k of donated assets in 2019-20, this consisted of cash donations to purchase medical equipment and fund minor capital schemes. In 2018-19 the Trust received £128k of donated assets.

Note 19 Revaluations of property, plant and equipment

In 2019/20 the Trust's Estate was revalued by a RICS registered surveyor via the District Valuers Office as of the 31 March 2020. The valuation was in line with the Trust's accounting policy note 1.8

Note 20 Inventories

	Group		Trust	
	2020	2019	2020	2019
	£000	£000	£000	£000
Drugs	3,844	2,249	3,844	2,249
Consumables	6,541	6,541	6,015	5,716
Energy	72	72	-	-
Total inventories	**10,457**	**8,862**	**9,859**	**7,965**

Inventories recognised in expenses for the year were £54,455k (2018/19: £52,189k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 21 Investments in Subsidiaries

The Trust, along with Northumbria Healthcare Facilities Management Ltd, incorporated a subsidiary; York Teaching Hospital Facilities Management (YTHFM LLP) registered number OC421341 in March 2018 as a limited liability partnership. YTHFM LLP became operational on the 1 October 2018. The two members own the partnership 95:5 in favour of the Trust. The primary purpose of the subsidiary is the provision of a fully managed healthcare facility for the Trust's existing infrastructure, including the design, project management and operation of the Trust's capital programme. Construction costs are accounted for as current assets - stock in the subsidiary's accounts and as non current assets - Assets under construction in the group accounts. This reflects that the assets constructed are retained within the Group. The income, expenses, assets, liabilities, equity and reserves for the subsidiary are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust's or where the subsidiary's accounting date is not coterminous. The amounts consolidated for the year ending 31 March 2020 are drawn from the 12 months financial statements of YTHFM LLP.

Note 22 Intercompany lease

Where the Trust enters into arrangements by which it acts as both lessee and lessor for the same assets, the Trust will consider if it has a legally enforceable right to set off. Where such a right exists, the underlying assets will be offset by the underlying liabilities and the resulting net value disclosed as either an asset or liability. Similarly financial income and costs will be set off.

The Trust invoiced the LLP for lease charges of £18.723m during the course of the year, the LLP charged the Trust a similar amount as part of its fully managed facilities billing.

The MSA and the many leases entered into by the Trust with the LLP form a series of structured transactions. The overall economic effect of these transactions cannot be understood without reference to the series of the transactions as a whole, in that they are negotiated as a single transaction being the provision of fully managed healthcare facilities
Therefore in substance, the legal contracts do not clearly constitute a lease under the terms of IAS 17; this is in line with the consensus set out in SIC 27 paragraph 5 in particular.

In line with the above the following transactions have been removed from the Trust's Accounts

Income	**£ 000's**	
Trust total Income	569,050	
Lease of Land & Buildings at Market value	(18,723)	Removed as per policy note 1.14
Total Income after SIC 27	587,773	As per SOCI Note 3 & 4
Expenditure		
Total Operating expenditure	506,676	
Unitary payment charges relating to managed service	61,133	
Charge for write to use premises	(18,723)	Removed as per policy note 1.14
Total Operating Expenditure after SIC 27	586,532	As per SOCI - Note 6
Balance Sheet		
Current Assets		
Receivables relating to the subsidiary	23,967	
Lease of Land & Buildings at Market value incl VAT	(16,851)	Removed as per policy note 1.14
Receivables relating to the subsidiary after SIC 27	40,818	As per SOFP - Note 23
Current Liabilities		
Amounts owing to the subsidiary	25,931	
Lease of Land & Buildings at Market value	(16,851)	Removed as per policy note 1.14
Amounts owing to the subsidiary after SIC 27	42,782	As per SOFP - Note 25

As per above the financial assets / liabilities over the full term of the lease (25 years) have also been removed from the accounts.

Financial asset		
Financial Lease of Land & Buildings at Market value	281,251	Removed as per policy note 1.14
Lease of Land & Buildings at Market value	(281,251)	
Total Intercompany debtor	-	
Financial liabilities		
Financial Lease of Land & Buildings at Market value	281,251	Removed as per policy note 1.14
Lease of Land & Buildings at Market value	(281,251)	
Total Intercompany debtor	-	

Note 23 Receivables

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Current				
Contract receivables	24,076	27,197	23,886	27,633
Allowance for impaired contract receivables / assets	(737)	(747)	(737)	(747)
Prepayments (non-PFI)	3,577	2,111	1,112	1,197
PDC dividend receivable	461	949	461	949
VAT receivable	-	2,495	1,285	1,522
Other receivables	1,201	1,244	1,150	1,275
Receivables relating to the subsidiary	-	-	7,116	1,739
Total current receivables	**28,578**	**33,249**	**34,273**	**33,568**
Non-current				
Contract receivables	1,078	1,462	1,077	1,462
Allowance for impaired contract receivables / assets	(162)	(219)	(162)	(219)
VAT receivable	3,493	3,493	3,493	3,493
Other receivables	1,525	250	1,525	250
Receivables relating to loan to subsidiary	-	-	26,361	17,741
Total non-current receivables	**5,934**	**4,986**	**32,294**	**22,727**
Of which receivable from NHS and DHSC group bodies:				
Current	20,068	22,179	18,321	22,036
Non-current	1,274	-	1,274	-

Note 23.1 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	**966**	**-**	**966**	
New allowances arising	166	-	166	-
Reversals of allowances	(29)	-	(29)	-
Utilisation of allowances (write offs)	(204)	-	(204)	-
Allowances as at 31 Mar 2020	**899**	**-**	**899**	**-**

Note 23.2 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	**-**	**1,156**	**-**	**1,156**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	1,156	(1,156)	1,156	(1,156)
New allowances arising	244	-	244	-
Reversals of allowances	(123)	-	(123)	-
Utilisation of allowances (write offs)	(311)	-	(311)	-

Allowances as at 31 Mar 2019	**966**	**-**	**966**	**-**

Note 24 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	**9,705**	**16,806**	**7,853**	**16,806**
Net change in year	1,680	(7,101)	550	(8,953)
At 31 March	**11,385**	**9,705**	**8,403**	**7,853**
Broken down into:				
Cash at commercial banks and in hand	848	81	730	25
Cash with the Government Banking Service	10,537	9,624	7,673	7,828
Total cash and cash equivalents as in SoFP	**11,385**	**9,705**	**8,403**	**7,853**
Drawdown in committed facility	-	-	-	-
Total cash and cash equivalents as in SoCF	**11,385**	**9,705**	**8,403**	**7,853**

Note 24.1 Third party assets held by the Trust

York Teaching Hospital 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	1	1
Total third party assets	**1**	**1**

Note 25 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	8,413	8,696	8,281	6,565
Capital payables	4,936	4,311	2,339	1,248
Accruals	14,495	18,892	13,106	15,316
Receipts in advance and payments on account	91	87	77	87
Social security costs	7,224	6,998	6,904	6,797
VAT payables	396	-	-	-
Other taxes payable	119	63	111	-
Other payables	3,451	4,022	3,342	3,885
Amounts owing to subsidiary	-	-	9,019	2,849
Total current trade and other payables	**39,125**	**43,069**	**43,179**	**36,747**
Non-current				
Trade payables	54	77	54	56
Total non-current trade and other payables	**54**	**77**	**54**	**56**
Of which payables from NHS and DHSC group bodies:				
Current	5,433	3,610	4,305	3,361
Non-current	-	-	-	-

Note 25.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2019/20 £000	2018/19 £000
Revenue recognised in the reporting period that was previously included in the contract liability balance (i.e. release of deferred IFRS 15 income)	2,311	2,095
	2,311	**2,095**

The Trust have assessed Deferred income contract liabilities under IFRS 15 with regards to changes to contractual terms such as timing of right to consideration or performance obligations and changes in estimates and judgements and found them to be minimal

Note 26 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	2,037	2,311	2,037	2,311
Total other current liabilities	**2,037**	**2,311**	**2,037**	**2,311**

Note 27 Borrowings

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current				
Loans from DHSC	35,505	3,239	35,505	3,239
Loans from subsidiary	-	-	1,940	327
Obligations under finance leases	61	-	-	-
Total current borrowings	**35,566**	**3,239**	**37,445**	**3,566**
Non-current				
Loans from DHSC	25,999	54,549	25,999	54,549
Loans from subsidiary	-	-	16,950	7,531
Obligations under finance leases	285	-	-	-
Total non-current borrowings	**26,284**	**54,549**	**42,949**	**62,080**

Note 28 Finance leases

Obligations under finance leases where the Trust is the lessee.

	Group	
	31 March 2020 £000	31 March 2019 £000
Gross lease liabilities	**346**	**-**
of which liabilities are due:		
- not later than one year;	61	-
- later than one year and not later than five years;	243	-
- later than five years.	42	-
Net lease liabilities	**346**	**-**
of which payable:		
- not later than one year;	61	-
- later than one year and not later than five years;	243	-
- later than five years.	42	-

The Group finance lease is held in the subsidiary, the Trust has no finance leases to report.

Note 28.1 Reconciliation of liabilities arising from financing activities (Group)

Group - 2019/20	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	**57,788**	**-**	**-**	**57,788**
Cash movements:				
Financing cash flows - payments and receipts of principal	3,721	-	(33)	**3,688**
Financing cash flows - payments of interest	(916)	-	(8)	**(924)**
Non-cash movements:				
Additions	-	-	379	**379**
Application of effective interest rate	911	-	8	**919**
Carrying value at 31 March 2020	**61,504**	**-**	**346**	**61,850**

Group - 2018/19	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2018	**45,838**	**-**	**-**	**45,838**
Cash movements:				
Financing cash flows - payments and receipts of principal	11,652	-	-	**11,652**
Financing cash flows - payments of interest	(791)	-	-	**(791)**
Non-cash movements:				
Impact of implementing IFRS 9 on 1 April 2018	240	-	-	**240**
Application of effective interest rate	849	-	-	**849**
Carrying value at 31 March 2019	**57,788**	**-**	**-**	**57,788**

Note 28.2 Reconciliation of liabilities arising from financing activities (Trust)

Trust	Loans from DHSC	Other loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	**57,788**	**7,858**	**-**	**65,646**
Cash movements:				
Financing cash flows - payments and receipts of principal	-	10,868	-	**10,868**
Financing cash flows - payments of interest	-	-	-	**-**
Carrying value at 31 March 2020	**57,788**	**18,726**	**-**	**76,514**

Trust	Loans from DHSC	Subsidiary Loans	Finance leases	Total
	£000	£000	£000	£000
Carrying value at 1 April 2018	**45,838**	**-**		**45,838**
Cash movements:				
Financing cash flows - payments and receipts of principal	11,652	7,961	-	**19,613**
Financing cash flows - payments of interest	(791)	(127)	-	**(918)**
Non-cash movements:				**-**
Impact of implementing IFRS 9 on 1 April 2018	240	-	-	**240**
Application of effective interest rate	849	24	-	**873**
Carrying value at 31 March 2019	**57,788**	**7,858**	**-**	**65,646**

Note 29 Provisions for liabilities and charges analysis (Group)

Group	Pensions: early departure costs	Pensions: injury benefits	Other provisions	Total
	£000	£000	£000	£000
At 1 April 2019	**595**	**226**	**-**	**821**
Change in the discount rate	**9**	**8**	**-**	**17**
Arising during the year	**12**	**1**	**1,274**	**1,298**
Utilised during the year	(74)	(17)	-	**(91)**
Reversed unused	**(194)**	**(45)**	**-**	**(239)**
Unwinding of discount	**2**	**-**	**-**	**2**
At 31 March 2020	**350**	**173**	**1,274**	**1,808**
Expected timing of cash flows:				
- not later than one year;	74	18	**-**	**103**
- later than one year and not later than five years;	202	72	**-**	**274**
- later than five years.	74	83	**1,274**	**1,431**
Total	**350**	**173**	**1,274**	**1,808**

Other provisions

Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in 2019/20 tax year, potentially face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold. NHS England and the Government have committed to fund the payments to clinicians as and when they arise. At the time of publication of these financial statements the extent of this charge is unknown. NHSE have issued guidance advising that the Trust should make a provision of £3,345 per consultant based on NHS Digital's NHS Workforce Statistics - November 2019 - consultant headcount data. For the Trust this equates to 381 consultants, giving a total provision is £1.274m. The provision is a pre-calculated national average discounted value per nomination. An equal provision will be recognised by NHS England in its accounts.

Provisions in the Group equate to the Trust provisions, there are no provisions in the subsidiary

Note 29.1 Clinical negligence liabilities

At 31 March 2020, £220,957k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of York Teaching Hospital NHS Foundation Trust (31 March 2019: £291,954k).

Note 30 Contingent assets and liabilities

On the 31 March 2020 The Group held no contingent assets or liabilities. There were no contingent assets or liabilities in the prior year to 31st March 2019.

Note 31 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	2,480	2,063	2,480	2,063
Total	**2,480**	**2,063**	**2,480**	**2,063**

Note 32 Financial instruments

Note 32.1 Financial risk management

IFRS 7 regarding Financial Instruments, require disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Due to the continuing service provider relationship that the NHS Foundation Trust has with local Clinical Commissioning Groups (CCG) and the way those CCGs 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 the listed companies to which IAS 32, 39 and IFRS 7 mainly apply.

Liquidity Risk

The risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities

The Foundation Trust's net operating costs are incurred under 3 year rolling contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Foundation Trust receives such contract income in one of two ways;

1) Aligned Incentive, where the income is based on fixed income basis with variable incentives, or

2) Payment by Result (PBR), which is intended to match the income received in year by reference to the National Tariff procedure cost. The Foundation Trust receives cash each month based on an annually agreed level of contract activity, and there are monthly corrections made to adjust for the actual income due, to minimise the effects on cash flow.

Interest Rate Risk

The NHS Foundation Trust's financial assets and financial liabilities carry nil or fixed rates of interest. Therefore, York Teaching Hospital NHS Foundation Trust is not exposed to significant interest-rate risk.

Credit Risk

The risk that one party will cause a financial loss for the other party by failing to discharge an obligation.

The Foundation Trust receives the majority of its income from Clinical Commissioning Groups and Statutory bodies and so the credit risk is negligible. The Foundation Trusts treasury management policy minimises the risk of loss of cash invested by limiting its investments to

- the government banking service and the National Loans Fund
- Banks registered directly regulated by the PRA (Prudential Regulation Authority)

Foreign Currency Risk

The NHS Foundation Trust carries out a minimal amount of foreign currency trading therefore the foreign currency risk is negligible

Market Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

With the exception of cash balances, the Foundation Trust's financial assets and financial liabilities carry nil or fixed rates of interest. The Foundation Trust monitors the risk but does not consider it appropriate to purchase protection against it.

The Foundation Trust is not materially exposed to any price risks through contractual arrangements.

Note 32.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	26,980	**26,980**
Cash and cash equivalents	11,385	**11,385**
Total at 31 March 2020	**38,365**	**38,365**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	29,187	**29,187**
Cash and cash equivalents	9,705	**9,705**
Total at 31 March 2019	**38,892**	**38,892**

Note 32.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2020	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets	26,739	**26,739**
Receivables relating to the subsidiary	33,476	**33,476**
Cash and cash equivalents	8,403	**8,403**
Total at 31 March 2020	**68,618**	**68,618**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets	35,486	**35,486**
Receivables relating to the subsidiary	19,480	**19,480**
Cash and cash equivalents	7,853	**7,853**
Total at 31 March 2019	**62,819**	**62,819**

Note 32.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	61,504	**61,504**
Obligations under finance leases	346	**346**
Trade and other payables excluding non financial liabilities	31,349	**31,349**
Total at 31 March 2020	**93,199**	**93,199**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	57,788	**57,788**
Trade and other payables excluding non financial liabilities	35,699	**35,699**
Total at 31 March 2019	**93,487**	**93,487**

Note 32.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	61,504	**61,504**
Trade and other payables excluding non financial liabilities	27,123	**27,123**
Payables relating to the subsidiary	27,908	**27,908**
Total at 31 March 2020	**116,535**	**116,535**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	57,788	**57,788**
Trade and other payables excluding non financial liabilities	27,068	**27,068**
Payables relating to subsidiary	10,707	**10,707**
Total at 31 March 2019	**95,563**	**95,563**

Note 32.6 Fair values of financial assets and liabilities

The Trust has carried all financial assets and financial liabilities at amortised cost for the year 2019/20. Due to the nature of the assets and liabilities management consider that the carrying value is a resonable approximation of the fair value.

Note 32.7 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	66,860	38,861	73,532	33,428
In more than one year but not more than two years	3,133	26,500	4,659	26,805
In more than two years but not more than five years	8,630	13,072	15,259	14,053
In more than five years	14,576	15,054	23,085	21,277
Total	**93,199**	**93,487**	**116,535**	**95,563**

Note 33 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	30	-	12	-
Bad debts and claims abandoned	134	84	58	15
Stores losses and damage to property	1	1	4	1
Total losses	**165**	**85**	**74**	**16**
Special payments				
Ex-gratia payments	95	104	66	56
Special severance payments	-	-	2	50
Total special payments	**95**	**104**	**68**	**106**
Total losses and special payments	**260**	**189**	**142**	**122**
Compensation payments received	-	6	-	-

Note 34 Gifts

The Trust has made no donations of gifts to any party during the year 2019/20 or for the year 2018/19.

Note 35 Related parties

York Teaching Hospital NHS Foundation Trust is a corporate body established by order of the Secretary of State for Health. During the year none of the Board Members, members of the Council of Governors or members of the key management staff or parties related to them has undertaken any material transactions with York Teaching Hospital NHS Foundation Trust.

The Department of Health is regarded as a related party. During the year York Teaching Hospital NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

In addition, the Trust has had a number of material transactions with other English government departments and other central and local government bodies. Most of these transactions have been in the course of the latter's business as government agencies.

During the year, the Trust had a number of transactions with the subsidiary, York Teaching Hospital Facilities Management LLP. The Trust received income totalling £19.3m and incurred expenditure totalling £77.8m. At the year-end there was a receivable balance in the Trust of £50.8m due from the subsidiary and a creditor balance of £46.3m due to the subsidiary. All of these transactions and balances have been eliminated from the consolidated group position.

The Trust has also received total contributions of £1.06m (£0.55m towards revenue expenditure and £0.51m towards capital expenditure) from the York Teaching Hospital Charity, the Corporate Trustee for which is the York Teaching Hospital NHS Foundation Trust.
At the year-end there was a receivable balance in the Trust of £0.32m due from the York Teaching Hospital Charity.

Entities where significant transactions have occurred during the year are listed below. Transactions are considered significant, if income or expenditure for the year exceeds £2.0m or the receivable or payable balance exceeds £0.5m.

Department of Health and Social Care
City of York Council
Harrogate & District Foundation Trust
Health Education England
HM Revenue & Customs
Hull University Teaching Hospitals NHS Trust
Humber Teaching Hospitals NHS Foundation Trust
Leeds Teaching Hospitals NHS Trust
NHS East Riding of Yorkshire CCG
NHS England
NHS Hambleton, Richmondshire and Whitby CCG
NHS Harrogate and Rural District CCG
NHS Leeds CCG
NHS Pension Scheme
NHS Property Services
NHS Resolution
NHS Scarborough and Ryedale CCG
NHS Vale of York CCG
North Yorkshire County Council
Sheffield Teaching Hospitals NHS Foundation Trust
Tees, Esk & Wear Valleys NHS Foundation Trust

Note 36 Transfers by absorption

There have been no transfers by absorption during 2019/20.

Note 37 Prior period adjustments

There are no prior period adjustments.

Note 38 Events after the reporting date

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS Cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this related 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 £32.140m and £115k interest as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.