

Annual Report and Accounts 2015-16



York Teaching Hospital NHS Foundation Trust

Annual Report and Accounts 2015-16

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Our commitment to you

Our commitment to you is to be a valued and trusted partner within our care system delivering safe effective care to the population we serve.

Our vision for healthcare in the population we serve

- We will treat every patient as an individual, providing the care they need, where they need it, to save and improve lives
- We will develop alliances with our partners to deliver integrated care for our patients in the communities in which they live
- We will be innovative in our approach to delivering care
- We will work with our partners to promote the public health agenda and support healthy lifestyles

We put patients at the centre of everything we do, by:

- caring about what we do
- respecting and valuing each other
- listening in order to improve
- always doing what we can to be helpful.

Foreword and introduction

Statement from the Chair

Welcome to York Teaching Hospital's Annual Report

At the heart of everything we do in our Trust, across all of our sites, from the Chair and Chief Executive to the most junior members of our staff, are four over-riding values:

- We care about what we do
- We respect and value each other
- We listen in order to improve
- We always do what we can to be helpful.

These important values provide us with clear guidance about our behaviours and what we can expect from each other, about how we treat those people we serve and about how we work with our partners and stakeholders. However, challenging and fast-moving the environment in which we work, these values are constant touchstones. They remind us that we are here to serve each other, our patients, service users and our wider stakeholder and partnership community.

These are the values which guided our work during 2015-16.

Alongside the wider NHS, while this has been a difficult year, our Trust has emerged into the new year stronger and more confident, with a new courage and determination to build a positive future, which has our patients at its very heart.

Patients at the heart of everything we do

Every day, across our Trust, people are working tirelessly to improve the quality of the service we provide to our patients. We know this is true because our patients tell us so. Recent patients have said:

"I am a retired engineer and I can't help watching how people work... What stood out for me was the care, dedication and professionalism of your staff... they perform miracles."

"Every staff member I met was amazing; so kind and understanding."

"Our family cannot really express the huge gratitude we feel for this outstanding nurse."

We are ambitious about developing and improving the ways in which we provide services to our patients: from transforming the quality of our catering services to our patients, to opening the state-of-the-art Lilac Ward in Scarborough; from the development of orthopaedic services in Bridlington, to the development of urology services in Malton; from the new self-serve renal dialysis unit in Harrogate, to a compassionate approach to end-of-life care and thriving community hubs which seek to treat our patients closer to home. Our Trust has sought to improve the quality of our patients' experiences.

We can only achieve these strides forward in the care and treatment of our patients through the hard work and diligence of our 8,500 staff across multiple sites in the communities we serve.

We owe thanks to every member of our many teams for their continued dedication and commitment.

The importance of working collectively with partners and in partnership with other providers has never been more important to our Trust, and throughout the year we have sought to build effective, positive working alliances to improve the integration of services across the population we serve. Partnership has been a theme of our year and the foundations have been further secured for increasingly positive working relationships in the years ahead.

We owe thanks to our Council of Governors whose commitment to our Trust and our work is unwavering.

We owe thanks to our growing team of volunteers who support the quality of the service and experience that we provide to our patients, to the friends of our hospital sites who raise funds for our Trust and to our membership who support our trust.

The diligence of our staff, the commitment to partnership in our wider community, the work of our governors, our volunteers and our members have been, and will continue to be the essential ingredient for success in our Trust in the years ahead.

Facing the challenges

At the end of March 2015 the Care Quality Commission (CQC) inspected our sites. In their report they found us to 'require improvement' overall, while identifying that our approach to our patients is 'good' and the effectiveness of our treatment and care is 'good'; we are proud that our Community Health Services were rated 'good' overall. In specific areas where we required improvement, we saw a reflection of the pressures the Trust faced in our emergency departments and with staffing pressures. It was our clearly stated position that we would welcome the findings of the CQC inspection with humility and a willingness to address any issues raised, and it is in this spirit that the Trust has approached the resultant action plan throughout the year.

As well as the CQC inspection, the Trust also undertook a Well Led Review. The review noted areas of excellence in our Trust, including the quality of information provided and used across the organisation. The findings of the review have helped us to further shape our strategic approach to leadership across the Trust.

Financial risk and pressure was evident from the start of the year, for our Trust and the system overall. Alongside our established and successful Cost Improvement Programme the Trust launched a Turnaround Avoidance Programme, designed and delivered to further improve our efficiency and secure our long-term financial stability and sustainability. The impact of these financial pressures has been felt not only by our own Trust, but by our wider health community.

Staffing pressures were also evident from the start of the year. Recruitment challenges, coupled with our desire to provide high quality safe care to our patients, meant we overspent on locum doctors and agency nurses.

Achieving the Emergency Care Standard of 95% eluded our two emergency departments during the year and we were fined for our shortfalls. Throughout the year our teams worked tirelessly to improve the situation, working collectively and with partners and experts to understand and overcome the challenges. Seeing this work through is an important objective for our Trust in the year ahead.

The year ahead

As I conclude the first year of chairing our Trust, I know that the NHS faces significant challenges in the year ahead. The national challenges are reflected in those faced by our Trust.

However, our consistent mission, 'to be a valued and trusted partner within our care system delivering safe effective care to the population we serve', is not only close to our hearts, but is supported by clear ambitions, a necessary willingness to work collaboratively and a genuine commitment to the people we serve.

Our ambitions for the 5 years ahead are clearly focussed and we will seek to:

- provide the highest standards of care within our resources
- deliver safe and effective healthcare with our partners
- recruit, retain and develop the very best staff
- ensure we provide the best possible environment, fit for the future.

These ambitions demonstrate our commitment to providing sustainable health services for the communities we serve, our sense of pride in our Trust and its future, and our heartfelt commitment to our enduring values.



Susan Symington
Chair
25 May 2016

Performance Report

Our performance story

Strategic aims of the Trust

This section provides examples of the Trust's activities and achievements against the four strategic frames. The strategic frames during the year were:

<p>Improve quality and safety</p> <p>We said we would</p> <ul style="list-style-type: none"> • Ensure you feel cared for • Encourage and act on feedback • Develop the quality and skills of our workforce • Keep you safe • Ensure there are no unnecessary waits or delays • Learn from our mistakes and celebrate our successes • Respect individual differences • Respect your privacy and dignity 	<p>Create a culture of continuous improvement</p> <p>We said we would</p> <ul style="list-style-type: none"> • Employ good staff, keep them and look after them • Educate our workforce to meet changing needs • Demonstrate value for money at all levels • Deliver and surpass targets • Achieve efficient use of resources, our communities to influence health decisions about staff, our money, our assets • Actively develop leaders who deliver the vision for service • Develop staff who uphold our standards and take personal responsibility for their work
<p>Developing and enabling stronger partnerships</p> <p>We said we would</p> <ul style="list-style-type: none"> • Seek opportunities to develop partnerships working for improved health outcomes • Enhance our reputation through our actions, behaviours and performance to earn the respect of our communities • Support local businesses, voluntary organisations and communities • Identify opportunities to engage with the communities to add value • Develop opportunities with our local 	<p>Improve our facilities and protect the environment</p> <p>We said we would</p> <ul style="list-style-type: none"> • Continually improve our buildings and facilities to meet changing needs • Keep everything clean, tidy and safe • Make you feel welcome • Help you find your way around • Positively manage our impact on the environment

We report data to the Board of Directors on a monthly basis for the four priorities. Further details can be found in the 'Performance analysis' section (page 24).

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 CQC to provide safe care that is response, and effective. It provides a comprehensive range of acute hospital, specialist healthcare and community services and serves a population of 530,000 residents covering the area around York, North Yorkshire, North East Yorkshire and Ryedale (3,400 square miles). The main sites are York and Scarborough Hospitals, four Community Hospitals (Selby, Malton, Whitby*, Bridlington), and three Community Rehab Hospitals. (*The Trust ceased to provide services to Whitby from April 2016.)

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)

Brief history

In 1976, York District Hospital came into being. The scale of the hospital, with 812 beds in 30 wards was, at the time, larger than anything ever seen in York. It replaced a total of nine hospitals: York County Hospital, York City Hospital, Military Hospital, Fulford Hospital, Acomb Hospital, Poppleton Gate, Deighton Grove, Fairfield Hospital and Yearsley Bridge Hospital. Princess Alexandra came to officially open it on 28 July 1977.

The new hospital cost £10.5m to build and a further £2m to equip. It occupied 20 out of the 22 acres on the site and accommodated over 1,600 staff.

In 1981, a scheme commenced to house maternity services at the main site. A delivery suite and special care baby unit were built and existing wards were converted to antenatal and postnatal wards along with a new maternity entrance that was created.

York Health Authority became a single district trust in April 1992, known as York Health Services NHS Trust.

The development of the Selby and York Primary Care Trust had major implications for York Health Services NHS Trust, as it had provided secondary care and community services since 1992. Community and mental health services in Selby and York were taken over by the Primary Care Trust (PCT) and the function of York Health Services NHS Trust now centred on secondary acute care. In 2003 the main hospital changed from York District Hospital to York Hospital and became York Hospitals NHS Trust.

Having achieved a three star performance rating in 2005, the Trust applied to become a NHS Foundation Trust in 2006. Monitor, the Foundation Trust regulator, approved the application and York Hospitals NHS Foundation Trust began life on 1 April 2007. The attainment of this target was a great tribute to the hard work of staff throughout the organisation and it recognised that we are one of the top performing organisations in the country. Being a Foundation Trust means we can manage our own budgets and are able to shape our services to reflect local needs and priorities whilst remaining fully committed to the core principles of the NHS.

The Trust then decided to adopt 'Teaching' into its name. This was as a result of our increasing involvement with Hull York Medical School (HYMS), our ever-strengthening links with York's universities and other higher and further education establishments and the recognition of our commitment to continued learning, training and development for our staff. Our decision to change our name was approved by Monitor and came into effect from 1 August 2010.

In April 2011, we took over the management of some community-based services in Selby, York, Scarborough, Whitby and Ryedale. This included some community nursing and specialist services as well as Archways in York, St Monica's in Easingwold, The New Selby War Memorial Hospital, Whitby Hospital and Malton Hospital.

On 1 July 2012, the Trust completed the transaction for the acquisition of Scarborough and North East Yorkshire Healthcare NHS Trust.

In 2015 Whitby Hospital was transferred to NHS Property Services and the Trust ceased to provide clinical services from the site on 31 March 2016.

Our main site is The York Hospital which offers a range of inpatient and outpatient services. With our two community rehabilitation hospitals at St Helen's and White Cross Court we have over 700 beds.

We provide some more specialist services from other sites, including renal dialysis in Easingwold and Harrogate, and sexual health services in Monkgate Health Centre in York.

We also work collaboratively in certain specialties through our clinical alliance with Harrogate and District NHS Foundation Trust, and Hull Teaching Hospital NHS Trust to strengthen the delivery of services across North and East Yorkshire.

Statement from the Chief Executive

This year's annual report and accounts detail our financial and operational performance in the context of increasing pressure on the NHS, both in terms of a reduction in resources and an increasing expectation regarding performance.

In October we received our CQC report, some six months after their inspection visit, with an overall rating for the Trust of 'requires improvement'. Three quarters of our ratings in the reports were 'good', and no areas were rated as 'inadequate'. (For more detail see pages 109 and 175.)

At the Quality Summit, where our reports were presented for the first time, it was acknowledged that we were on the margins of a rating of 'good' overall. Given the inspection took place only two and a half years after the merger between York and Scarborough Trusts, this is an outstanding achievement, and it is rewarding to see the progress that has been made on the East Coast, and particularly at Scarborough Hospital.

The reports, without exception, rated our services as 'good' for being caring, and every single one of our staff should be proud of the CQC's comments regarding their compassion and dedication.

It was great to see such positive reports on our community services only three years since they transferred to the Trust. It is a phenomenal achievement in such a short time to find these services rated as 'good' across the board.

As an overall assessment, a single rating for the whole organisation clearly cannot reflect the range of our services or the complexity of our organisation, nor can it give a detailed insight into the quality of the services we provide. Our rating was largely derived from issues around staffing, specifically our over-reliance on agency staffing as recruitment, particularly on the East Coast, which remains difficult.

Nonetheless, with any comprehensive review of our services, there will be areas where improvements need to be made, and these have either been completely addressed since the inspection, or have seen significant improvements made against them.

The financial pressure facing the provider sector has increased, with most organisations reporting a deficit. The 2014-15 year was the first in our history where, despite our best efforts and continuing achievement of our efficiency targets, we reported a year-end deficit. It is therefore no surprise that our financial plans for 2015-16 predicted a deficit, and this was a picture that was reflected up and down the country.

We also continued to have difficulty in achieving some of our performance targets, in particular the four hour emergency care standard, and some specific targets relating to access to cancer services, due to growth in demand and a difficult economic environment. These are beginning to see improvement, and by the end of the financial year we had achieved all of our cancer access targets, however, we must now ensure that these improvements can be sustained (see page 24).

The landscape is changing and we are moving into an era where transformation is essential. It is no longer enough to focus on our organisation and our patients, we must think more widely as a whole system, with a far greater emphasis on partnership and

alliances. There is now a national requirement for us to plan on that basis, and these developments are having an impact on how we work with our partners in health and social care.

NHS England released guidance asking for five year 'place based' plans, called Sustainability and Transformation Plans (STPs). All partner organisations (Clinical Commissioning Groups, Local Authorities and NHS Trusts) must work together to develop these plans which must be finalised by the summer of 2016. These plans will then set the framework against which we must design and deliver services in the coming years.

Importantly, as part of this work, we are also working on Ambitions for Health, a five-year programme across Scarborough, Bridlington, Filey and Ryedale that is designed to drive innovation across health and social care through collaboration. The programme covers three main aspects of health and social care:

- An ambition to help people lead healthy lifestyles, supporting them to take control of their own health and prevent illness
- An ambition to improve the care provided at home and in the community so that health and social care services work more closely together with the aim of preventing people from needing treatment in hospital
- An ambition to ensure that our hospitals and other major services are high quality and financially sustainable

There are clearly several challenges for our local health economy, including an ageing population, pressure on finances and a difficult jobs market.

These issues are of particular significance on the East Coast, and are the same issues that shaped our ambitions at the time of the merger between York and Scarborough Trusts.

When planning the merger, we set out our aims for a safe and sustainable future for Scarborough and Bridlington Hospitals, in particular our commitment to maintaining core services.

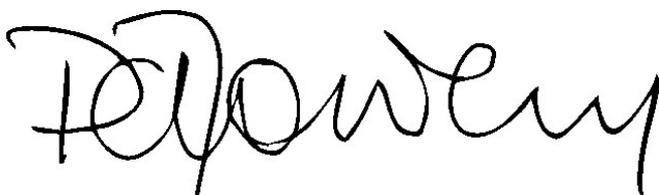
There have already been successes. We have maintained part of our stroke pathway in Scarborough at a time when many hospitals are losing theirs in line with a national trend towards centralisation. We are now delivering the eye injection service for age-related macular degeneration on the East Coast, when patients previously had to travel to York, and we have also successfully established our elective orthopaedic service at Bridlington Hospital.

Scarborough and Bridlington Hospitals continue to play a vital role and are a key element of our strategic plans for the organisation.

Ambition for Health will build on this with a key objective to the develop services that have a sustainable future. Partnership working is essential if we are to make real and lasting change, but it is equally important that we continue to meet our own obligations in terms of performance and finance.

Key to the achievement of any of our ambitions is our workforce, and recruiting and retaining the very best staff is of course a priority. Nationally there continues to be a shortage of staff in certain specialties, and we are not immune to the effects of this. Nonetheless, our recruitment approach has meant that we have been able to recruit record numbers of newly qualified nurses as well as a number of staff from the EU. Being able to welcome these staff into the organisation will help us to develop a stable workforce and reduce our reliance on agency and temporary staff.

I have no doubt that the year ahead will continue to challenge us, but the change in approach to partnership working and the commitment of our staff will ensure that we can meet this challenge.



Patrick Crowley
Chief Executive
25 May 2016

Key issues and risks

Financial sustainability

As is the case for most of the NHS, the Trust is facing a particularly difficult challenge in terms of maintaining financial sustainability. National trends show more than 90 per cent of NHS acute providers now find themselves in deficit and York has not escaped this significant pressure.

The replacement of Monitor and the Trust Development Authority (TDA) with NHS Improvement, from April 2016, has indicated a change in tone for the acute sector with a 'year of stability' being the NHS Improvement theme for 2016-17, with particular focus on financial sustainability and the achievement of the emergency care standard.

To support this approach a £1.8bn sustainability fund has been identified by the Government for 2016-17 funding, to be distributed to all trusts with an emergency care contract. The Trust has been offered £13.6m additional funding in 2016-17 linked to a number of key requirements including agreeing a £10.2m surplus for 2016-17, demonstrable performance improvements, particularly linked to the emergency care standard and the achievement of savings linked to the Lord Carter Report.

The Board of Directors are fully sighted on this challenge and have approved the plan, which underpins the delivery of the challenging position, but it is recognised that this is not without significant risks, including the availability of key staff, delivery of

commissioner Quality Innovation Productivity and Prevention (QIPP) plans, the availability of external capital funding required to further develop and maintain key services and assets.

The Trust is also undertaking a significant piece of work with our East Coast partners entitled 'Ambitions for Health' to ensure key services on the East Coast can be protected in these extremely difficult financial circumstances; it is envisaged this work will develop quickly in 2016-17.

Stability in staffing

The Trust benefits from clinical engagement in the workforce planning cycle. Workforce plans are submitted to Health Education England (HEE) on an annual basis to inform the commissioning of places through Higher Education. The workforce plan forecasts demand for all staff groups for the next five years.

Having a fully established substantive workforce remains one of the key challenges for the Trust. National and regional policies have impacted on our ability to recruit sufficient numbers of registered nurses and doctors. In response to these challenges, the Trust centralised recruitment to ensure the process of recruiting and selecting employees was as streamlined and efficient as possible.

In addition to engaging innovative recruitment practises, such as pan-European campaigns and open day events to recruit to professionally regulated roles, the Trust is also remodelling services and reviewing skill mix to ensure services can be delivered closer to home and seven days a week.

E-Rostering is used in a number of nursing areas and is being rolled out further at the Scarborough site. Exception reporting is provided regularly and presented to senior nursing staff, including roster creators, those who give final approval for rosters and the Chief Nurse Team. Advice is available on best practice rostering and there are organisationally agreed principles around this to ensure effective rostering. Work has been undertaken to improve the benefits of working on the internal nurse bank, including enhanced rates and weekly pay to reduce reliance on agencies.

Senior nursing staff are involved in managing day-to-day changes to staffing to ensure there are appropriate levels of staff and skill mix in all areas. Vacant shifts only go to agencies for fulfilment once all opportunity to fill via the internal nurse bank has been explored.

Whilst the Trust's main objective is to reduce agency usage, there remains the requirement to use agencies when we are unable to fill substantively or via the internal nurse bank. When we need to do this we are using approved 'framework agencies' in the first instance and only going 'off framework' as a last resort. To ensure that all agency usage is purchased at a competitive rate we have undertaken intelligence gathering from our neighbouring Trusts to ensure we are not alone in the implementation of the NHS Improvement agency regulations. This has facilitated discussions to reduce the rates further.

The Board of Directors receives a monthly workforce report detailing key workforce matrix. Included within this is the up-to-date nursing vacancy position and level of agency expenditure. In addition, the Workforce and Organisational Development

Committee (a sub-committee of the Board of Directors) receives further detailed information relating to all workforce matters.

Further details of the risks and key issues the Trust will face during the year in achieving its objectives can be found on page 122 as part of the Annual Governance Statement.

Clinical sustainability

The Trust will continue to develop a shared vision and strategy of how to deliver its services with its partners. In a challenged financial climate, it will be imperative to ensure good outcomes and clinical sustainability are achieved within the most cost effective approach possible.

The Trust has reviewed and refreshed its Clinical Strategy and its strategic themes remain unchanged. Given that acute and emergency care continues to be challenging, the strategic aim to separate acute and elective services remains high priority. Both acute sites have seen increasingly high bed occupancy, and increases in non-elective demand over 2015-16, especially in medical and elderly. Plans are in place to improve our acute and emergency care services.

We are aware that Scarborough Hospital requires a different medical model and we are pleased to be part of a national programme, which is looking at trialling the reinvention of the acute medical model (AMM), in small district general hospitals. This puts us onto a national platform and gives us the support to 'challenge' traditional models. Change is also needed in the wider Scarborough locality from a system which relies heavily on bed-based care to one which has other options available, including intermediate care.

York Hospital continues to face high levels of delayed transfers of care and there are limited external packages of care for individuals who no longer require hospital-based care. We will need to utilise the alternative AMM developed in Scarborough to inform workforce models on the York site. In addition, the Trust is working in conjunction with Vale of York Clinical Commissioning Group (VoY CCG) on a new 'Front Door Model', which will enable our staff in the Emergency Department to focus on T1 patients.

Going concern

After making enquires, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The Trust finished 2015-16 with an underlying operating deficit of £11.8m, 2.5% of income, and a positive cash position of £13.6m, although the deficit position is a great disappointment to the Board it should be read within the context of the whole NHS financial position. At the end of Q3 2015-16, the combined NHS position was a deficit of £2.26bn, with 75% of all NHS organisations in deficit.

The main driver of the Trust deficit described above were exceptional pay related pressures from agency and locum costs, as the Trust strived to maintain safe, high quality services for patients, and higher than anticipated contract penalties. The outturn Monitor Financial Sustainability Risk Rating (FSRR) was a rating of two.

The plan, submitted to the Board of Directors on 30 March 2016 for 2016-17, delivers a £10.2m operating surplus, which returns the Trust to an overall FSRR of four; although this position is not without risk, it should be noted that the following changes and actions have been factored into the Trusts planning assumptions:

- The Board of Directors have accepted sustainability funding for 2016-17 of £13.6m,
- Penalties have been substantially removed for trusts who have accepted sustainability funding for 2016-17. (The Trust incurred £3m of contract penalties in 2015-16)
- Significant trust action, in terms of the recruitment of substantive staff, has taken place in 2015-16 which is expected to reduce Trust agency and locum expenditure by at least £8m in 2016-17
- NHS Trusts are further supported by centrally imposed agency and locums rate caps
- The introduction of a central nursing bank and weekly pay have further supported substantive recruitment and proved excellent value compared to comparative agency costs
- The Trust has a solid record in over delivery of its Cost Improvement Programme (CIP)
- The Turnaround Avoidance Programme (TAP), which has proved successful in 2015-16, is being further developed to encompass the Lord Carter work streams in 2016-17, which are anticipated to deliver significant financial opportunity
- The Trust has also secured favourable cash payment terms from its main commissioners in 2016-17

The planned cash position at the end of 2016-17 was £22.7m, which is an improvement of £9.1m from the outturn position in 2015-16.

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 taken significant actions to mitigate these and The Board of Directors are fully sighted on this challenge. In approving the plan, they believe the Trust to be able to maintain a FSRR of at least a three for the next 12 months.

In summary, after making enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

Performance analysis

How performance is measured in the organisation

The Trust provides services within the hospital and to the community at large. The Trust uses a number of key performance measures to assess the success of the organisation looking at both hospital and community measures. These measures include the 4-hour emergency care standard, cancer targets; infection controls standards, 18-week wait targets; data completeness targets and delivery of healthcare for people with learning disabilities.

On a monthly basis the Board considers performance against these targets, and on a quarterly basis the Board confirms the position of each of these metrics to NHS Improvement, formally known as Monitor. Details of the Trust's performance during the year can be seen in the following table.

The Board also reflects on the achievement of the key objectives identified in the Trust's strategy aims (see page 15). The Quality and Safety Committee considers the achievements against the Quality Report priorities (page 165) during the year to ensure the performance indicators included in the report are being achieved.

Performance against key healthcare targets 2015-16

Indicator	Target	Q1 15/16	Q2 15/16	Q3 15/16	Q4* 15/16
Total time in ED under 4 hours	95%	88.3%	91.5%	87.1%	85.0%
Referral to treatment time, 18 weeks in aggregate, incomplete pathways	92%	92.8%	93.8%	94.0%	93.0%
Cancer 2 week wait (all)	93%	93.9%	91.9%	95.2%	93.5%
Cancer 2 week wait Breast Symptomatic	93%	91.4%	94.0%	94.8%	95.1%
Cancer 31 days from diagnosis to first treatment	96%	96.2%	99.3%	99.55%	98.6%
Cancer 31 days for second or subsequent treatment – surgery	94%	94.4%	97.3%	95.5%	96.2%
Cancer 31 days for second or subsequent treatment – drug treatment	98%	99.6%	100%	100%	99.2%
Cancer 62 day wait for first treatment (urgent GP)	85%	87.8%	85.1%	84.5%	85.8%
Cancer 62 day wait for first treatment (NHS Cancer Screening Referral Service)	90%	98.4%	92.0%	97.0%	90.4%
Diagnostics – 6 week wait referral to test	99%	94.6%	98.67%	99.43%	99.6%

In 2014-15, the Trust failed to achieve a number of key performance targets. In April 2015 the Trust launched a 'Performance Recovery Plan'. The plan was divided into four sections, each relating to areas where national performance standards had not been achieved. The sections were as follows:

- Emergency Care Standard Recovery Plan
- 18 Week Admitted Referral to Treatment Recovery Plan
- Diagnostics Recovery Plan
- Cancer Recovery Plan

As part of the development of the plan, a rigorous and comprehensive review was undertaken. The plans were based on improvements in existing systems and processes, pathway and system redesign, reinforced performance management and leadership.

The Board of Directors had full oversight of all actions and plans against the agreed trajectories. The Trust has a performance management framework in place which provides the rigour and scrutiny to assure the Board that plans are on course or mitigating actions are in place where performance is off-track.

Integral to the success of all these plans is close working arrangements with all of our partners, which would ensure performance recovery is sustainable. Plans are routinely shared with partners and a weekly progress summary is distributed.

The Trust has demonstrated significant progress in three out of the four areas targeted by the Performance Recovery Plan, specifically, 18 weeks, Diagnostics and Cancer.

The outstanding area of concern remains the Emergency Care Standard.

New and significantly revised services

We have introduced Ambulatory Care Units onto both acute hospital sites in 2015-16. Further details can be found on page 28.

Other revised services include:

- Centralising the Neurology Outpatient Service onto the York Site
- Centralising the acute phase of the Stroke pathway onto the York Site
- As part of the provision of minor injuries and ailments the Trust is introducing a Primary Care-led Urgent Care Centre within the Emergency Care Department
- Progress towards utilising Bridlington Hospital as an elective care centre by transferring work from other sites

The Trust ceased to provide the majority of services for Whitby Hospital from April 2016.

Future plans for services

The Trust has a number of plans being developed to improve services and introduce new services, these include:

- Creating a centralised one-stop-clinic for Urology at Malton Hospital
- Testing and embedding new Frailty pathways
- Developing a new 'front door' model for York Emergency Department, working in conjunction with VoY CCG
- Embedding recommendations from the recent review of Critical Care
- Embedding recommendations from the recent bed modelling review
- Build on the recommendations from the newly agreed clinical strategies for Cardiology, Respiratory and Child Health

Community services

In last year's annual report, we described the work York Teaching Hospital Foundation Trust was doing with partners (including North Yorkshire County Council, local GPs, voluntary service organisations and our commissioners) to test new ways of working in Selby and Ryedale. Our 'care hubs' provide enhanced support to people to allow them to remain in their own homes during a health crisis or to return home sooner following a stay in hospital. Health and social care staff work together providing short-term support when people need it most. Between February and November 2016, over 1,150 people had received support from the teams – with around 2,500 contacts every month.

Our teams were established with a learning culture, meaning they are always seeking ways to improve and develop their service. With this in mind, both teams held large events in September and October 2015 where they invited people with an interest in the service to come and tell them what was going well, and what they could do better. This included a range of people who had used the service who were able to share their moving experiences of the difference it had made to their lives, and to those who provided care and support to them.

Within our 'care hub' developments we have also looked to provide support to people who live in care homes. A consultant who specialises in the care of older people carried out reviews in partnership with GPs, specialist nurses and care home managers. These looked at the medicines people were taking, stopping those that offered little benefit, and the care plans that were in place. They discussed with individuals and their families what their preferences were and jointly agreed the best treatment options. Over 500 care home residents have now been reviewed and plans are in place for this to continue in 2016. In Ryedale, these reviews resulted in over 200 medicines being stopped and over 150 new care plans being put in place.

Within our Ryedale service we were also excited to trial a new partnership with the voluntary sector. Coast and Vale Community Action (CAVCA) support community and voluntary organisations across Scarborough and Ryedale and have re-located to base themselves in the hub. We worked together to develop a new 'Community Enabler' role, employed by CAVCA, who can provide signposting and guidance to those using our services to find community support to help them maintain their independence. This could include local activity clubs, help with managing correspondence or dementia services.

What is next for 2016-17?

The developing care hubs were designed with commissioners to understand how we could deliver services in the community that would be fit for the future. We know that successes in health and society mean that people are living longer and as a result that we need to adapt to the changing needs of our communities. We have identified that our vision is 'community first', which will mean providing more support to people in their own homes, rather than in hospital beds. We will focus on delivering personalised care and supporting people to be independent, with a much greater emphasis on prevention.

We know that we cannot do this alone. The King's Fund recently published 'Place Based Systems of Care' which outlined the changes the NHS organisations need to make to work differently with partners in our communities. The report drew attention to the development in York of a 'Provider Alliance Board' where those who provide health and care services (including voluntary organisations) come together to agree on new ways of working.

The Provider Alliance Board is developing a blue print for a new model of care in the community. Working in defined geographical areas, we want to bring together those working in the community into integrated teams, working in partnership with local GP surgeries. This will help us to deliver what people have told us matters to them – only needing to tell their story once, better co-ordination between the different individuals who provide support and helping them to achieve the goals that are important to them.

Home first

We know that being in hospital when you don't need to be can be bad for people. As well as the risks of infection, research shows that for an older person 10 days of bed rest can cause the equivalent of 10 years of muscle aging. The loss of independence and confidence can make it far harder for people to return to their own homes. We also know that hospital is not a good place to try and assess people's long term needs, especially as someone is recovering from a period of illness.

To address this, York Teaching Hospital Foundation Trust is working with local partners in adult social services, mental health, primary care and the voluntary sector to change how and where we carry out assessments of people's needs. We are working to ensure that as soon as someone's medical needs can be managed at home, we provide the support to allow them to continue their recovery there. We have already started to test different ways of working and through 2016-17 will identify the support services that need to be in place in the community to allow us to provide this to everyone.

Performance against our strategic aims

The Trust has four strategic frames (detailed on page 15). This section of the report highlights how the Trust has performed against the four strategic frames.

Improve Quality and Safety

The Pharmacy Department – The Medication Safety Group continues to review all medication incidents, serious incidents reported nationally as well as medication related complaints and issues from mortality reviews in the Trust. A monthly summary of medication related incidents is circulated to pharmacy, nursing and medical staff with key themes highlighted for each professional group.

The number of missed doses of medicines continues to decrease.

The antimicrobial prescribing Commissioning for Quality and Innovation (CQUIN) set a target for antimicrobial prescriptions to have an indication and duration on the medicine chart. This target was 80 per cent in Q1-3 and 85 per cent in Q4. We have met this to date, and in January 2016 we achieved over 90 per cent.

Maternity Department – The Maternity Department has introduced a system using donated breast milk. Breast milk for new babies has numerous advantages over formula milk and is especially important for babies who are sick or premature. The benefits include being more easily digested than formula milk by new babies and reducing the risk of developing bowel infections. There are times when the mother may not be able to express sufficient milk, or for medical reasons is not able to provide breast milk for her baby, so donor breast milk is used. Mothers who have excess breast milk can donate this to a human milk bank such as the North West milk bank in Chester. The milk bank then supplies donor breast milk to units on request. Using donor breast milk has meant that more babies have received total breast milk feeds and it has also encouraged mothers who had decided not to breast feed to consider expressing their milk for their baby.

Ambulatory Care Unit – The Trust has implemented ambulatory care services on both Scarborough and York sites. The introduction of the unit means that patients who attend the hospital may not need to be admitted. Patients can be diagnosed and receive treatment on the same day or arrangements can be made for them to return to have treatment later.

To support this development, the acute medical unit and short stay ward on the York site have been merged to create a 60 bedded acute admission unit – this reduces the number of times a patient is transferred to different wards and reduces the risk to patients.

Before the ambulatory care unit could be implemented, significant construction work was undertaken. The construction work was completed by the in house estates and facilities department. The project has improved the facilities for patients within the hospital and has provided a more accessible unit for patients and visitors who would have otherwise attended the Emergency Department.

Create a culture of continuous improvement

Clinical pharmacy and medicines management services – The clinical pharmacy and medicines management services have been reviewed across both sites. At York, ensuring the medicines management team attends key wards in the morning and afternoon has improved both the safety and effectiveness of the service we provide. At Scarborough, a new way of working was introduced in February which has led to a more timely review of medicines for new patients, an improved response to discharge prescriptions and negated the need for prescription charts to come to the pharmacy when items are required. This has meant that prescription cards do not leave the ward area and so are always available on wards.

Increasing the availability of pre packed medication has increased the number of prescriptions which can be supplied from the ward, further improving the discharge service.

A weekend clinical pharmacy service was introduced on the Scarborough site in October 2015. This service provides medicine reconciliation and pharmacist review to emergency admissions. This has increased medicines reconciliation rates from 87 per cent to 95 per cent, and the percentage of those carried out within 24 hours of admission has increased from 47 per cent to 70 per cent.

During the last 12 months the pharmacy has worked closely with IT and clinical colleagues to develop the Trust's electronic prescribing and medicines administration system (EPMA). The system will be introduced during 2016-17. The pharmacy has contributed to the new Trust wide hepatitis C service for North Yorkshire. This service means patients no longer have to travel to Leeds for their treatment and can see a specialist nurse, doctor and pharmacist in York.

Developing and enabling stronger partnerships

Pharmacy – The pharmacy department has developed a business case for an outpatient antibiotic therapy (OPAT) service to provide intravenous (IV) antibiotics to medically stable patients in an outpatient or community setting. This allows the following:

- Reduction in length of stay for patients with infections
- Improved patient flow through the Trust
- Allows for reallocation or reconfiguration of freed inpatient beds
- Care of patients in or near their own home
- Increasing patient satisfaction and choice
- Delivery of care in greater privacy and comfort
- Prevention of social/psychological problems associated with admission
- Reduction in healthcare acquired infections e.g. C difficile
- Nurse led service uses resources efficiently

Currently, patients who come to York Hospital have to stay in hospital for the duration of their IV antibiotic course. There are some small scale clinic based OPAT schemes already running in the Scarborough and Bridlington area.

Following the change in service provider in Whitby from the Trust to the Humber Foundation Trust, a service level agreement has been established so the pharmacy department can continue to provide pharmacy services to patients at Whitby hospital.

Allied Health Professionals and Psychological Medicine – Since 2014 the directorate of Allied Health Professionals and Psychological Medicine has undergone a whole service review and developed an improved structure, which focuses on the development of both clinical and leadership capability within an integrated framework across all sites.

The service now has over 40 advanced clinical specialist roles, which have responsibility for working across all sites ensuring the maintenance of high quality, safe and effective standards of treatment and facilitating easy access to clinical supervision and training.

Service improvement and effective leadership have been at the heart of these changes ensuring that all staff feel empowered in making timely and informed improvements to clinical care and operational processes.

The new structure offers a clear framework in which staff can engage in appropriate personal and professional development, so that they best meet the needs of our community, now and in the future.

The new advanced clinical specialist roles are already delivering on quality, safety and efficiency agendas. One example is within our Paediatric Services where review and recycling of expensive paediatric equipment has resulted in a saving to the local health economy of over £58,000.

Improve our facilities and protect the environment

Medical Engineering – The Medical Engineering Departments at Scarborough and York provides a servicing, maintenance and repair facility for over 15,000 medical devices located across all of the Trust sites.

The Trust's Medical Engineering Department teams have made good progress in reducing backlog maintenance issues associated with medical equipment. Further development of the Equipment Library role over the past 12 months has seen the team at York expand and additional equipment and mattress storage facilities become available at both the York and Scarborough sites.

Wards and departments are now being supported with equipment replacement plans and the organisation is currently at Phase 2 of a major bed replacement programme, with all beds purchased being standardised to include additional safety features such as extra low positioning to assist the Trust in its patient falls reduction strategies.

Refurbishment of Ward 25 at York – The ward was completely refurbished during the year. The fabric of the ward was renewed and new electrics were installed including energy efficient lighting and new sanitary fixtures and fittings. A new nurse station was built with a state of the art nurse call system installed.

Front door entrance at York – The Trust installed a new front door during the year which has improved the reception and waiting area for patients and visitors. The old system had become prone to faults, spares were becoming increasingly rare, and heat was being wasted as it was being sucked out of the main reception. As well as this, during cold spells, the front reception/waiting area was a very cold place. Installation of the new doors has led to a much better environment, as well as a payback from reduced heat losses of approximately £36,000 p.a. In effect, this whole installation will pay for itself within 3 years.

Sustainability and energy management – Energy (gas and electricity) is purchased using a flexible risk managed procurement strategy. The strategy allows us to take advantage of falling markets for electricity and gas but protects the Trust from rising markets. We have now had beneficial experience of the Carbon and Energy Fund energy efficiency project and reduced our energy demands at York Hospital, which has out-performed expectations.

The procurement strategy, together with the implemented control measures, has saved the Trust approximately £519,000 over the financial year; money that can be reinvested into patient care.

A large proportion of the control measures savings are as a result of the Trust successfully completing its first year of monitoring and control following the completion of the carbon emission and cost reduction project at York Hospital, in 2014-15, working with the Carbon and Energy Fund.

The project, costing £3.736m, included replacement of obsolete lighting throughout the hospital, replaced the obsolete heating plant, upgraded heating/air conditioning and ventilation controls and installed a combined heat and power plant in the hospital boiler house.

The resulting operational savings in the first year of a 15 year energy performance contract were £902,500 and 3,000 tonnes of carbon (approx. 25 per cent reduction of the site's emissions) which were higher than the guaranteed savings of £692,941.

This York Hospital Project was shortlisted and highly commended as the runner-up for the Innovation category in the NHS Sustainability Awards held on 27 April 2016. In addition, this project won 'Retrofit Project of the Year' at the annual H&V News Awards held in London on 21 April 2016.

At Scarborough and Bridlington Hospitals a similar project was implemented during 2015-16. It is predicted that this project will reduce our Trust operating energy costs in the first year by £447,665 and reduce carbon emissions by a further 2,275 tonnes.

Further details of the sustainability work undertaken in the Trust can be found on page 147.

Development of the Trust's strategic aims

During the year, the Trust reviewed the four strategic aims (page 15) and developed them further to be strategic ambitions. The framework for the four ambitions is embedded in the organisation through the board committees – Finance and Performance, Quality and Safety, Workforce Strategy and Environment and Estates. Each committee focuses on aspects of our ambitions. The Trust has published a document called 'Our commitment to you' which outlines the four strategic ambitions as follows:

- 1) Our Quality and Safety ambitions – Our patients must trust us to deliver safe and effective healthcare.**
 - To improve patient safety, the quality of our patient experience and patient outcomes, all day, every day
 - To listen to patients and staff, act on their feedback, and share with them the changes we make
 - To be innovative in our approach to providing the best possible care, sympathetic to different communities and their needs
 - To separate the acute and elective care of our patients
 - To reform and improve emergency care
 - To embrace existing and emerging technology to develop services for patients

- 2) Our Finance and Performance ambitions – Our sustainable future depends on providing the highest standards of care within our resources**
 - To achieve and maintain financial stability alongside our partners, building alliances to benefit our patients
 - To provide the very best value for money, time and effort
 - To exceed all national standards of care

- To plan with ambition to create a sustainable future
- 3) Our People and Capability ambitions – The quality of our services is wholly dependent on our teams of staff
- To ensure that our organisation continues to develop and is an excellent place to work
 - To creatively attract the right people to work in our Trust, in the right places, at the right time
 - To retain our staff
 - To care for the wellbeing of our staff
 - To provide first class learning and development opportunities, enabling our staff to maximise their potential
 - To develop learning and promote innovation, creating new knowledge through research and sharing it widely
- 4) Our Facilities and Environment ambitions – We must continually strive to ensure that our environment is fit for our future
- To work as part of our overall community to provide the very best health outcomes, in the most appropriate setting
 - To respect the privacy and dignity of all of our patients
 - To positively manage our impact on the wider environment and keep our own environment clean and tidy
 - To develop our facilities and premises so we can improve our services and patient care

Review of financial performance

Fair view of the Trust

The table below provides a high level summary of the Trust's financial results for 2015-16.

Summary financial performance 2015/16

	Plan	Actual	Variance
	£m	£m	£m
Clinical income	413.4	417.0	3.6
Non-clinical income	36.9	41.8	4.9
Total income	450.3	458.8	8.5
Pay spent	-309.9	-318.4	-8.5
Non-pay spent	-151.3	-162.8	-11.5
Total spent before dividend, and interest	-461.2	-481.3	-20.0
Operating deficit before exceptional items	-10.9	-22.5	-11.6

	Plan	Actual	Variance
	£m	£m	£m
Transition support	10.9	10.9	0
Dividend, finance costs and interest	-7.4	-7.2	0.2
Net deficit	-7.4	-18.8	-11.4

Statement of comprehensive income 2015-16

Clinical income totalled £417.0m, and arose mainly from contracts with NHS Commissioners, including VoY CCG, Scarborough CCG, East Riding CCG, NHS England and Local Authorities (£414.3m), with the balance of £2.7m from other patient-related services, including private patients, overseas visitors and personal injury cases.

Other income totalled £41.8m and comprised funding for education and training, for research and development, and for the provision of various non-clinical services to other organisations and individuals.

Under the terms of the agreement to acquire the former Scarborough and North East Yorkshire Healthcare NHS Trust, the Foundation Trust has received additional transition funding of £10.9m in 2015-16. In 2016-17, the Trust will receive transitional support for one final year.

The Trust re-values all of its property fixed assets, including land, buildings and dwellings at the end of each year, 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 2015-16 this revaluation gave rise to an impairment loss included in the operating loss above of £1.7m.

At the end of the financial year, the Trust reported an income and expenditure deficit of £18.8m, compared with a planned deficit of £7.4m, in part due to the loss from the asset impairment of £1.7m; with the balance due to increased agency/ locum costs caused by medical and nursing recruitment difficulties, there was a higher level of contract penalties than anticipated.

Accounting policies

The Trust has adopted international financial reporting standards (IFRS), to the extent that they are applicable under the Monitor Annual Reporting Manual.

Cash

The Trust's cash balance at the end of the year totalled £13.6m.

Capital investment

During 2015-16, the Trust invested £18.2m in capital projects across the estate. The major projects on site during that period included:

- CT scanner replacement at York
- Upgrade of the Wireless network
- Replacement boiler plant to increase energy efficiency and reduce carbon emissions at Scarborough and Bridlington Hospitals
- The E-Prescribing and PACS projects
- York Emergency Department Phase 2.

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

Planned capital investment

Capital investment plans for 2016-17 include:

- Further improvements to the Emergency Department at York
- Urology development at Malton Hospital
- Significant investments in radiology equipment at Scarborough Hospital
- Theatre 10 upgrade.

A key Trust focus remains on reducing backlog maintenance and investing in our IT infrastructure.

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

The Trust has had a challenging year, particularly in regard to its financial position. The Trust has worked closely with Monitor, the Foundation Trust regulator, over the last six months to ensure our internal TAP is aligned with good practice across the Foundation Trust sector.

The Trust has a proven record of implementing 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. The work involves linking across the Trust to identify and promote efficient practices.

In 2015-16 the Trust was required to deliver an efficiency target of £25.8m. This was devolved to directorates based on their available budgets. The amount achieved in 2015-16 was £27.4m; £1.6m above the planned level of delivery.

The Trust has also implemented a number of actions aimed at supporting the substantive recruitment of nursing staff, including the introduction of a weekly payroll and the provision of an internal nursing staff bank.

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.

	Number	Value
		(£'000)
Total Non-NHS trade invoices paid in the year	104,800	155,385
Total Non-NHS trade invoices paid within target	89,968	137,436
Percentage of Non-NHS trade invoices paid within target	85.85%	88.45%
Total NHS trade invoices paid in the year	3,773	28,671
Total NHS trade invoices paid within target	2,993	24,802
Percentage of NHS trade invoices paid within target	79.33%	86.51%

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 Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than 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 office 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.

Significant events since balance sheet date

There are no significant events since balance sheet date.

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.

Directors' statement

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. The directors have taken all of the steps that they ought to have taken as directors, in order to make themselves aware of any relevant audit information, and to establish that the auditors are aware of that information.

Accountability Report

Directors' report

Composition of the Board of Directors

The Board membership during the year was as follows:

Ms Susan Symington – Chair
Mr Patrick Crowley – Chief Executive
Mr Philip Ashton – Non-executive Director, Chair of the Audit Committee and Senior Independent Director
Mrs Jennifer Adams – Non-executive Director
Mr Mike Keaney – Non-executive Director
Ms Libby Raper – Non-executive Director
Mr Michael Sweet – Non-executive Director
Professor Dianne Willcocks – Non-executive Director and Vice Chair
Mr Andrew Bertram – Executive Finance Director
Dr Alastair Turnbull – Executive Medical Director retired June 2016
Dr Richard Smith – Interim Executive Medical Director until 26 October 2016
Mr Jim Taylor – Executive Medical Director appointed 26 October 2016
Mr Mike Proctor – Deputy Chief Executive
Mrs Sue Holden – Director of Workforce and Organisational Development on a one year secondment from 17 September 2015
Mrs Beverly Geary – Chief Nurse
Mrs Juliet Walters – Chief Operating Officer

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

Mrs Sue Rushbrook – Corporate Director of Systems and Networks
Mr Brian Golding – Corporate Director Estates and Facilities
Mrs Wendy Scott – Director of Out of Hospital Services

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

- Dr Alastair Turnbull – Executive Medical Director retired on 9 June 2015
- Dr Richard Smith and Mr Jim Taylor acted as Interim Medical Director from 6 May 2015 to 26 October 2015. Dr Richard Smith remains Deputy Medical Director
- Mrs Sue Holden – Executive Director of Workforce and Organisational Development. Sue accepted a one year secondment opportunity and left the Board on 17 September 2015

The gender balance in the board at 31 March 2016 was:

	Female	Male
Non-executive Directors	4	3
Executive Directors	2	4
Corporate Directors	2	1

The age profile of the board is as follows:

Age	Number of Directors
18-39	0
40-49	2
50-59	8
60-69	3
70+	2

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
Initially appointed 1 April 2015 to 31 March 2018

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

Experienced across all three sectors, Sue has developed her own businesses, including hotels and restaurants. More recently she undertook organisational development consultancy contracts in support of a number of private and public sector organisations.

Professionally, Sue is a Chartered Fellow of the Institute of Personal Development (CIPD) and a Chartered Director with the Institute of Directors. This year (2015) she has been awarded new Chartered Director of the Year by the Institute of Directors and is a member of the Court of York University.



Chief Executive – Patrick Crowley
Appointed November 2007

Patrick has worked with the Trust since 1991 in a variety of finance and performance management roles, and was appointed to the role of Finance Director and Performance in 2001. He played a significant role in securing the required Trust's licence to become a Foundation Trust in April 2007 and was subsequently appointed Chief Executive in November 2007. Patrick led the successful acquisition of Scarborough and North East Yorkshire NHS Trust, which was completed in July 2012, which followed on from

securing community services for both the York and Scarborough localities. He is now wholly committed to establishing the enlarged Foundation Trust as a major influence on the progressive development of whole system provision in North Yorkshire. During the period of secondment that Sue Holden took from September 2015, Patrick has taken temporary executive responsibility for operational HR matters.



Non-executive Director – Jennifer Adams
Initially appointed 1 September 2012 to 31 August 2014
Reappointed 1 September 2014 to 31 August 2017

Jennifer 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. In addition to her Non-executive Director position at the Trust she is currently a Director of Finance Yorkshire – a company specialising in lending to small businesses in Yorkshire and Humber. She was Chair of the Trust's Charitable Funds Committee during the year, stepping down in January 2016. Jennie became Chair of the Quality and Safety committee in January 2016.



Non-executive Director and Senior Independent Director – Philip Ashton
initially appointed 1 September 2008 to 31 August 2011
Reappointed 1 September 2011 to 31 August 2014
Reappointed 1 September 2014 to 31 August 2017

Born in Yorkshire and a graduate of Oxford University, Philip worked primarily in London before returning to the York area in 2003. During his years at PricewaterhouseCoopers he specialised in technical aspects of the audit practice, developing audit techniques and technology, particularly internal control and risk management. He was a founder member of the Auditing Practices Board, and represented the auditing profession on the International Auditing and Assurance Standards Board. He sits on the Finance Committee of York Minster and on education and finance committees of the York Diocese.



Non-executive Director – Mike Keaney
Initially appointed 1 September 2012 to 31 August 2014
Reappointed 1 September 2014 to 31 August 2017

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. He is an experienced Director with a successful record in business improvement and transformation both in the volume and specialist vehicle sectors. Having delivered profitable transformation programmes through business restructuring, and more recently Management Buy Out and Venture Capital backed initiatives, Mike focuses on business planning and strategy.



Non-executive Director – Libby Raper
Initially appointed 1 August 2009 to 31 July 2012
Reappointed 1 August 2012 to 31 July 2015
Reappointed 1 August 2015 to 31 July 2018

Libby joined the Board in 2009, bringing over 25 years' experience as Chief Executive and Chair within the public, private and charitable sectors. Libby chaired the Quality and Safety Committee until January 2016 when she stepped down; she has stayed a member of the Committee. Libby also serves on the Audit Committee and the Workforce Strategy Committee. She is a Director of Yellowmead, a boutique management consultancy, Chair of Leeds College of Music, a Governor of Leeds City College and a member of the University of Leeds Court.



Non-executive Director – Michael Sweet
Initially appointed 1 February 2010 to 31 January 2013
Reappointed 1 February 2013 to 31 January 2016
Reappointed 1 February 2016 to 31 January 2019

The greater part of Michael's career has been in the commercial sector. In Unilever he held senior positions in planning and logistics, where he describes himself as a "commissioner" of services. He became a "provider" following the acquisition of his business unit by an international logistics company. This resulted in board level appointments responsible for operational management, customer relations and business development in the UK and, latterly, Central Europe. Prior to joining the Board of York Hospital Michael spent 5 years as a Non-Executive Director of the Selby and York PCT and its successor the North Yorkshire and York PCT, during which time he served as a Governor of this Trust. At the Trust he is Chair of the Environment and Estates Committee, a member of the Finance and Performance Committee and Deputy

Chair of the Provider Alliance Board; he has a particular interest in General and Acute Medicine and Out-of-Hospital (Community) matters. Michael served on the Audit Committee until November 2015 when he stepped down from the Committee. Michael also undertakes work for a number of Social Services departments investigating complaints involving children.



Non-executive Director and Vice Chair – Dianne Willcocks
Initially appointed 1 May 2010 to 30 April 2013
Reappointed 1 May 2013 to 30 April 2016
Reappointed 1 May 2016 to 30 April 2019

Professor 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, Professor 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. A social scientist working across boundaries, Professor Willcocks' research is in the field of old-age, with particular interests in dementia and age-friendly communities. She encourages diverse audiences to recognise the significance of the creative/cultural economy. She also engages public policy and practice debates to secure health and wellbeing through social inclusion and cultural engagement.



Executive Finance Director – Andrew Bertram
Appointed January 2009

Andrew Bertram took up the position of Finance Director for the Trust in January 2009. He 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 taking 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 undertake his current role.



Executive Chief Nurse – Beverley Geary
Appointed to the Trust 2011

Appointed as Chief Nurse October 2014

Beverley Geary took up the position of Chief Nurse for the Trust in October 2014. She started her nursing career in the acute sector training as an RGN in 1987, working in cardiology and acute medicine before undertaking further qualifications in mental health in the early 1990s.

Beverley worked in a specialist cardiothoracic unit in Leeds where she gained a keen interest in teaching and mentorship and began the Certificate in Education programme. She worked in education for a number of years before returning to full-time clinical practice in 2001 and then worked in Quality and Governance. During this role she was part of the team that carried out the pilot in the first national Patient Public Involvement strategies. Beverley came to York in 2012 as Deputy Chief Nurse and was appointed as Chief Nurse in 2014. She is Director of Infection Prevention and has professional responsibility for Nursing and Midwifery, patient experience, Quality of Care and is Executive Lead for Safeguarding (adults and children).



Executive Director of Workforce and Organisational Development – Sue Holden Appointed to the Trust 2004

Appointed as an Executive Director April 2013

On secondment for 1 year from September 2015

Sue first started her NHS career in 1983 following a period as a librarian. She trained as a nurse and midwife, working 13 years in midwifery before moving into education and development. Prior to joining York, Sue worked for the Learning Alliance working with teams and boards developing improvement knowledge and capability across the old Northern and Yorkshire Region.

She worked briefly as PCT Director in Wakefield before nationally working to support the Modernisation Agency. Sue joined York in 2004 as Head of Learning and Development and has formed organisational capability to support staff managing change. The focus on current challenges relates to multi-site working, recruitment and developing new roles. Sue is also a CIPD and was awarded Leadership Development Champion of the Year 2013 for Yorkshire and Humber.

In September 2015, Sue undertook a one year secondment opportunity as Improvement Director for the NHS Trust Development Agency.



Executive Deputy Chief Executive– Mike Proctor Appointed 1993

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. Between 1989 and 1993 Mike worked as a Nurse Tutor. Mike left Sheffield and joined York Hospital in 1993 as a Clinical Nurse Specialist and then 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 continues as Deputy Chief Executive. During the period of secondment Sue Holden took from September 2015, Mike has taken temporary executive responsibility for education, training and organisational development and research.



Executive Medical Director – Jim Taylor
Appointed October 2015

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. 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. He completed all his surgical training in the London Deanery and obtained his CCST Oral and Maxillofacial Surgery in 2000. He was awarded the Leibinger Scholarship to visit one of the many University medical schools in Shanghai in 2000, and gained further experience in micro-vascular reconstruction of the head and neck region. When Jim joined the Trust, he initially specialised in Head and Neck cancer surgery but continued to offer patients a wider service in facial surgery. He quickly developed an interest in management and worked in Lead and Clinical Director posts. He was appointed Deputy Medical Director in 2014 until he was appointed Medical Director in October 2015.



Executive Chief Operating Officer – Juliet Walters
Appointed February 2015

Juliet was appointed Chief Operating Officer in February 2015 and is responsible for leading the effective operational management and strategic service development of the

Trust. Juliet has extensive operational experience having held director posts in six hospital trusts ranging from leading teaching/research hospitals to hospitals with significant challenges. Juliet has a strong track record of transformational change, service and performance delivery, which is underpinned by her passion and skills for organisation and people development.

As the Executive Lead for Operations Juliet also leads on the strategic development of Clinical Directorates.

Providing additional support to the Board are three further Directors:



Director of Systems and Network – Mrs Sue Rushbrook
Member of the Board from September 2013

Sue has worked within the NHS since 1975 in a variety of roles including as a Nurse and Manager in services for people with a learning disabilities. She was appointed Head of Systems and Network Services in 1996 and more latterly as the Director of Systems and Network Services. She has led the successful implementation of a Trust-wide Electronic Patient Record and other systems that support the delivery of safe effective healthcare in both the hospital and community services. She has ensured an integrated IT platform is in place across the enlarged Trust to support all of these services in the ever changing environment.



Director of Estates and Facilities – Mr Brian Golding
Member of the Board from September 2013

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 2000 Brian was appointed Project Director for Edgware Community Hospital. In 2003 he moved to York Hospital where he was initially responsible for capital investment. In 2009 he became Director of Estates and Facilities and now leads the operational estates and facilities teams across our diverse estate.



**Director of Out of Hospital Services – Mrs Wendy Scott
Member of the Board from May 2015**

Wendy Scott joined York Hospital NHS Foundation Trust in July 2012, managing Scarborough, Whitby and Ryedale and York and Selby Community Services. She was appointed to the position of Director of Out of Hospital Care in October 2015 and has an operational and strategic portfolio focused on the delivery and development of out of hospital services, in partnership with local stakeholders/partners.

She started her nursing career in the acute sector training as an RGN during 1985-1988, working in a busy emergency department before moving into primary care, as a Nurse Practitioner. Wendy was subsequently appointed to the position of Nurse Consultant Primary Care in 2001, one of the first nurse consultant posts nationally, and worked in Sheffield supporting the development of nurse-led clinics and advancing nursing roles.

Wendy then moved into a commissioner role at Sheffield South East Primary Care Trust where for 5 years she worked as Assistant Director of Commissioning and Modernisation; during this time she developed an interest in service improvement and change management. She moved to Doncaster and Bassetlaw Hospital NHS Foundation Trust in 2007, where she was responsible for unplanned care services and led the development of an integrated emergency department and GP out of hours' service at Doncaster Royal Infirmary. She was appointed the position of Deputy Director of Performance and Service Delivery in 2008 and then the Deputy Director of Strategic and Service Development in 2010 with responsibility for the management of Bassetlaw Hospital.

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 directorship 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 e-mailing enquiries@york.nhs.uk

Board committees

The Trust has six board committees as follows:

- The Remuneration Committee
- The Audit Committee
- The Finance and Performance Committee
- The Quality and Safety Committee
- The Workforce and Organisational Development Committee
- The Environment and Estates Committee

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 – Chaired by Sue Symington

The remuneration committee met five times during the year. The membership of the committee was as follows:

Susan Symington – Chair of the Trust
Jennie Adams – Non-executive Director
Philip Ashton – Non-executive Director
Mike Keaney – Non-executive Director
Libby Raper – Non-executive Director
Michael Sweet – Non-executive Director
Dianne Willcocks – Non-executive Director

All members attended every meeting with one exception. Libby Raper was unable to attend the meeting on 30 March 2016 and sent her apologies.

During the year the committee considered and agreed the remuneration of the Chief Executive and other executive directors and reviewed the appraisal of the Executive Directors. It reviewed the current succession planning arrangements in the organisation and reviewed and agreed the secondment of an executive director. More details of the activities of the committee can be found on page 65.

The Audit Committee – Chaired by Philip Ashton

The membership of the Audit Committee during 2015-16 consisted of:

Philip Ashton – Non-executive Director and Chair of the Committee
Mike Keaney – Non-executive Director
Michael Sweet – Non-executive Director (until November 2015)
Libby Raper – Non-executive Director

The Committee was supported by a number of officers from the Trust including:

Mr A Bertram – Director of Finance
 Mrs D Hollings-Tennant – Head of Corporate Finance (until September 2015)
 Mr S Kitching – Head of Corporate Finance and Efficiency
 Mrs A Pridmore – Foundation Trust Secretary

The Trust and the Committee is further supported by the Internal Audit Service provided by North Yorkshire Audit Services:

Mrs H Kemp-Taylor – Head of Internal Audit
 Mr J Hodgson – Audit Manager
 Mr S Moss – Counter Fraud Officer

Externally the Trust and Committee is supported by the external auditors – Grant Thornton:

Mr G Nunns – Audit Partner
 Mr G Kelly – Audit Manager

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’s terms of reference require the Committee to:

- Monitor the integrity of the activities and performance of the Trust and any formal announcement relating to the Trust’s financial performance
- Monitor governance and internal control
- Monitor the effectiveness of the internal audit function
- Review and monitor external audit’s independence and objectivity and the effectiveness of the audit process
- 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
- Report on the work of the Patient Safety Group

The Committee has met six times during the year. 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.

Member	Attended
Philip Ashton, Chair of the Committee	6/6
Libby Raper, Non-executive Director	6/6
Michael Sweet, Non-executive Director	5/6

The Trust has an independent Internal Audit function provided by North Yorkshire Internal Audit Services. The Internal Audit service also provides audit services to a number of other foundation trusts and CCGs 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 a shared forum known as the Alliance Board.

The Internal Audit service agrees a work programme at the beginning of the financial year with the Trust. The service reports to each 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 62 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 and approved various ad hoc reports about the governance of the Trust
- Received the work of the Compliance Working Group and the Data Quality and Performance Working Group and cross related it to other Audit Committee information
- Discussed and received assurance about the Clinical Audit processes in place in the Trust
- Considered the external audit report, including interim and annual reports to those charged with governance and external assurance review of the quality report
- Review and develop the relationship between the clinical audit and internal audit

Role of Internal Audit

The Internal Audit service provides independent assurance to the Board of Directors via the Audit Committee. The Head of Internal Audit is supported by a Deputy and Management Team, all of whom are CCAB qualified. All NYAS 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 NYAS 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 NYAS.

NYAS have extensive experience of delivering high quality and cost effective Internal Audit services to their members. Their approach and methodology is routinely relied upon by their member's external auditors and provides a service that:

- Provides an independent and objective opinion on risk management and governance, compliant with prevailing Public Sector Internal Audit Standards
- Provides professional, high quality audit coverage of key risks
- Gives clear opinions on systems of internal control
- Uses the audit coverage and collates the opinions drawn to provide a meaningful Head of Audit Opinion to support the Annual Governance Statement
- Offers 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, NYAS also provide 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 Audit Committee meeting. The appointed external auditors have right of access to the Chair of the 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 Audit Committee sees the resulting conclusions.

External audit also prepares an annual audit plan, which is approved by the Audit Committee. This annual plan sets out details of the work to be carried out, providing sufficient detail for the Audit Committee and other recipients to understand the purpose and scope of the defined work and the level of priority. The 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 years' 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 Monitor's guidelines and appropriateness, in the context of the organisation's needs, and the statutory functions of the external auditors.

The annual audit plan should be kept under review to identify any amendments needed to reflect changing priorities and emerging audit needs. The Audit Committee should approve 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 must be satisfied as to the role of internal audit as a whole, and review and re-perform similar items for any piece of work on which it intends to place reliance.

The Data Quality Work Group – Chaired by Philip Ashton

The Data Quality Work Group, a sub-group of the 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 Work Group met twice during the year. The membership of the group comprises:

- Philip Ashton – Non-executive Director
- Mike Keaney – Non-executive Director
- Andrew Bertram – Executive Finance Director
- Helen Kemp-Taylor – Head of Internal Audit
- Sue Rushbrook – Director of Systems and Networks

Other senior managers and executive directors attend as appropriate.

Attendance at the meetings was as follows:

Members	Attendance
Philip Ashton, Non-executive Director	2/2
Mike Keaney, Non-executive Director	2/2
Andrew Bertram, Executive Finance Director	2/2
Helen Kemp-Taylor, Head of Internal Audit	2/2
Sue Rushbrook, Director of Systems and Networks	2/2

The Finance and Performance Committee – Chaired by Mike Keaney

The Finance and Performance Committee was established in 2012. They meet at least ten times a year in the week before the Board. This year the Committee met every

month during the year. The Committee reviews in detail the previous month's information relating to financial performance, the Cost Improvement Programme and operational activity and performance, drawing any issues or matters of concern to the attention of the full Board.

The membership of the Committee includes:

Mr M Keaney – Chair of the Committee
 Mr M Sweet – Member of the Committee

Attendance from members was as follows:

Members	Attendance
Mr M Keaney	11/12
Mr M Sweet	12/12

A number of officers attend the meeting to provide assurance to the Committee.

Mr A Bertram – Executive Director of Finance
 Mr S Kitching – Head of Resource Management
 Mr G Lamb – Deputy Director of Finance
 Mrs A Pridmore – Foundation Trust Secretary
 Mrs S Rushbrook – Director of Systems and Network
 Ms L Turner – Assistant Director of Performance
 Mrs J Walters – Chief Operating Officer

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:

- Achievement of the Emergency Department Care Standards
- Future Models and the work that was underway to design the Assessment Unit
- Ambulatory Care for non-admitted Emergency Department patients – part of the pathway design work that was underway
- Workforce Development – the work that was underway to develop roles and staffing structures
- Frailty Model and the work that was underway to develop frailty care as oppose to the more traditional elderly care
- Community hub developments and the progress against plan
- Bed reconfiguration and the programme that had been developed to implement the changes
- The Committee has received a copy of the performance report at each meeting. During the year the Committee was involved in the development of the revised performance report
- Service Line Reporting
- Information about the financial position of the commissioners
- Information on key performance indicators, the penalties incurred by the Trust and reference costs applied to the Trust

- Presentation on the financial position of Foundation Trusts nationally
- Detail about the level of non-recurrent savings against the recurrent savings
- Information about how the quality of services is considered in the development of a cost improvement plan
- Information about the cost improvement schemes that are considered to carry a high (red) or medium (amber) risk in achievement
- A regular analysis against the identified schemes
- Details about workforce efficiencies and the impact on the cost improvement programme; should a mandatory level of staffing be put in place
- Details against directorate performance including those directorates that were not achieving the targets
- The Internal Audit report on the process along with the results of the Monitor audit on the process
- Details on the large cost improvement schemes that have been proposed along with efficiency opportunities that might exist in the future

In quarter 3 the Trust introduced the TAP. The TAP is the organisations approach to delivering a sustainable financial future. It ensures that the Trust focussed management effort on the Trusts priorities. TAP does this is by bringing structure, process and discipline to the way the Trust manages its priorities. TAP is designed to deliver financial success through the improvement in service delivery.

The Trust has a history of successful delivery of CIPs. A conscious decision was taken by senior management to align TAP with the existing CIP.

A steering group was created that supported the programme. Part of the discussions at the group were about taking account of current risks and performance assessed that the focus of the programme should be to reduce costs and optimise income by improving the way we deliver services.

Four priority work streams were identified:

- Fines eradication – in 2014-15 the Trust had incurred more than £4m in fines for failing to deliver key performance targets
- Deliver CQUINs – there is £8.5m of income at risk if CQUINs are not delivered
- Workforce – 67 per cent of costs are associated with the pay bill. Overspending due to band, agency and locum expenditure was identified as a significant risk to future financial viability
- Better financial management – including improvements to key financial control processes; the reinforcement of Standing Financial Instructions; a revamped approach to the production of business cases and ROI; a redesigned performance assurance framework

A programme of work was mapped out and agreed with the Steering Group and the Executive Board. The Corporate Improvement team had its programme of work modified to align with the four priorities.

The Finance and Performance Committee received monthly reports on progress against the four priorities and reported to the Board on the assurance the Committee had received.

The Committee discussed the CQUIN targets at the majority of the meetings during the year. The Committee was keen to ensure there was a clear understanding between the requirements of the CQUIN target and the potential financial impact on the Trust.

The Committee has reviewed the capital programme progress during the year. It has received a presentation and discussed and supported the required changes that have been made to the programme during the year.

The Quality and Safety Committee – Chaired by Jennifer Adams

The Committee operates to provide significant additional examination on matters of both quality and safety across the whole Trust. In devoting the additional focus on such a regular basis, it enables the Board to develop and retain a more strategic approach to such matters. The Committee regularly reviews comprehensive reports from both the Medical Director and the Chief Nurse. It also discusses, on a set rotational basis, reports on infection control, in-patient survey and sign up to safety progress reports. The membership of the Committee includes:

- Ms L Raper – Chair of the Committee (January 2016)
- Mrs J Adams – Chair of the Committee (from January 2016)
- Mr P Ashton – Non-executive Director

Attendance from members was as follows:

Members	Attendance
Ms L Raper	9/10
Mrs J Adams	9/10
Mr P Ashton	9/10

Key officers attend the meeting to provide assurance to the Committee.

- Mrs B Geary – Chief Nurse
- Mrs A Pridmore – Foundation Trust Secretary
- Dr A Turnbull – Medical Director (9 June 2015)
- Mr J Taylor – Medical Director (from June 2015)
- Mrs D Palmer – Deputy Director for Patient Safety
- Dr Richard Smith – Interim Medical Director (from June – October 2015)

The Committee meets at least 11 times a year before the Board meeting. The discussions at this Committee are timed so that the information is included in the Board of Director meeting.

During the year the Committee has considered the following:

- Patient Safety and Quality metrics – dashboard
- Nurse Safer Staffing Report
- Nursing dashboard
- Nurse Acuity Audit results
- Patient Experience Report to include complaints, F&F, PALS

- Nursing and midwifery strategy progress report
- Maternity Service Report
- End of Life Care Report
- Pressure Ulcer Quarterly Report
- Falls Quarterly Report
- CQC Report and action plan
- Adult and Child Safeguarding reports
- DIPC Quarterly and annual reports
- Mortality Report and SHMI data
- Sign up to Safety Report (including Patient Safety Strategy)
- Quality priority progress report
- Information Governance Report
- Serious Incident Reports (SUICASES) and any Never Events
- Flu vaccination information
- Consultant appointments
- National reports – Carter review, NHS Mandate
- Patient Safety Walkrounds
- NRLS Safety Incident report

During the year, the Committee had raised concerns around the Serious Incident investigation process and incident reporting levels; friends and family test response rates; nursing and medical staffing levels; timely senior review of patients; standards of end of life care and dementia screening; York maternity unit dashboard metrics. Safety issues related to operational pressures within the Emergency Department were also a regular topic of discussion.

The Workforce and Organisational Development Committee – Chaired by Dianne Willcocks

The Workforce Strategy Committee (WSC) receives and reviews any draft strategic plans relating to workforce, organisational development, education and research. This has enabled the Committee to look pro-actively at workforce challenges along with whole workforce establishment and ensure that new developments support a workforce fit for the future in respect of increased regulation, changed roles and changing models of provision. The Committee monitors progress against the strategic plans, and presents their findings to the Board.

The membership and attendance at the Committee during the year was as follows:

Members	Attendance
Dianne Willcocks, Non-executive and Chair of the Committee	6/7
Libby Raper, Non-executive Director	5/7
Patrick Crowley, Chief Executive	3/7
Bev Geary, Director of Nursing	4/7
Wendy Barker, Deputy Director of Nursing	1/1
Sue Holden, Director of Corporate Development (Job title changed mid-way to Director of Workforce and	3/4

Members	Attendance
Organisational Development)	
Melanie Liley, Head of AHP Services and Psychology	3/7
Jonathan Thow, Deputy Medical Director – Education	6/7
Sian Longhorne, Senior HR Lead, Workforce Utilisation	6/7
Wendy Scott, Director of Community Services	2/3
Gail Dunning, Head of Organisational Development	6/7
Anne Devaney, Head of Learning	7/7
Dawn Preece, Assistant Director of HR	3/6
Debbie Hollings, Tennant, Head of Corporate Finance	1/2
Anna Pridmore, Foundation Trust Secretary	1/1
Polly McMeekin, Deputy Director of Workforce	2/3
Mike Proctor, Deputy Chief Executive	3/3
Brian Golding, Director of Estates and Facilities	2/3

In March 2016 the Committee reviewed its membership and agreed that the Committee should be re-launched with new membership and terms of reference to focus more directly on organisational strategy and to articulate explicitly with committees for Quality and Safety, Finance and Performance.

The Environment and Estates Committee – Chaired by Michael Sweet

The Environment and Estates Committee was established in September 2015, under the chairmanship of Non-Executive Director Michael Sweet.

The committee was formed to provide the Board of Directors with assurance around our ownership, occupation and maintenance of the built environment; it links to one of the Trust's corporate objectives 'Improve our facilities and protect the environment'.

Key documents that the committee has discussed and approved this year include the sustainable development management plan, the Trust's Health and Safety policy and the Annual Premises Assurance Model. The Committee are also taking a keen interest in the Carter report and how that affects our asset utilisation.

Although in its early stages, this Committee is seen as key in providing assurance to the Board of Directors considering all aspects of our strategic frame 'looking after our estate and protecting the environment'.

Meetings of the Committee will be rotated around the main hospital sites so that members have the opportunity to see the properties at first hand. Thus far, meetings have taken place at York, Scarborough and Bridlington.

Enhanced quality governance reporting

The Trust believes that quality governance is an important aspect of the management of healthcare. Quality governance supports the Trust in delivering safe and quality services to patients. The Trust has developed an information pack that provides detailed performance information. The pack is used by the directors to help deliver a safe and

quality service. Information is also reviewed and discussed at a number of meetings. These meetings include membership from the Medical Director and Chief Nurse and lead to assurance being provided to the Board.

The Quality Governance Framework has been incorporated into the Well Led Framework. During 2014-15, the Trust conducted a review of governance that concentrated on four key areas as follows:

- Clear reporting lines and meetings are purposeful
- Maximising the performance contribution from Directors and Senior Managers by setting out clear expectations for them
- Decisions are made expediently and are delegated to the lowest appropriate level to support effective operational performance
- Meaningful assurance on the business of the organisation, and key issues are escalated appropriately.

The review was designed to improve the governance around connections and alignment in a number of areas, including actions relating to the Integrated Business Plan; the Internal Audit Report 'Strengthening Corporate Accountability through Staff Conduct and Competence' and guidance from the CQC on the 'Fit and Proper Persons Test' requirement.

Following that review, the Board of Directors commissioned Grant Thornton LLP to undertake a Well Led Review as prescribed by Monitor.

The review started in November 2015 and the final report was received by the Board in January 2016. Overall:

- The review provided two green scores for the linked areas of information and data quality. The Trust is rightly proud about the information which is provided across the organisation, and specifically to the Board which supports the monitoring and scrutiny of decision making and performance management
- The review produced six amber green scores, where Grant Thornton's analysis revealed elements of good practice with no major omissions, and where the review team have confidence in our action plans to continue work and develop these areas
- The review provided two amber red scores for subset 2 of Domain 1: *"Is the board sufficiently aware of potential risks to the quality and sustainability and delivery of current and future services"*, and subset 6 from Domain 3, *"Are there clear roles and accountabilities in relation to board governance including quality governance?"* Both of these areas include issues of which the Trust was fully aware and that work is being undertaken, at pace, in both cases.

Domain 1 – Is the Trust sufficiently aware of potential risks to the quality, sustainability and delivery of current and future services?

Since the review, the Trust has refreshed and rewritten the 'Our Commitment to You' document which describes, at a high level, the key strategic aims of the Trust. The revised iteration clearly states the Trust's strategic objectives, which link in turn to the ambitions of the Sustainability and Transformation Plan, currently being produced with partners.

The 'Our Commitment to You' document is written and presented in an accessible style which can be shared at all levels in the organisation and will be a foundation for the performance review of the Chair, the Chief Executive, the NEDs and the Executive Board. It will also be used as the foundation for performance review across the organisation and was shared to this end at a strategic away day with clinical directors and their management teams in April.

The key strategic ambitions defined in the plan are each designed to link to existing important measures of success.

We have updated our Board Assurance Framework to reflect the same key strategic ambitions and the assurance measures the Board can rely on to seek assurance on progress.

Domain 3 – Are there clearly defined, well understood processes for escalating and resolving issues and managing performance?

The Trust initiated a quality governance review more than a year ago and made progress towards concluding the review, however action was temporarily halted in order to include the outcomes of the Well Led review and the appointment of a new Medical Director. Now both of these elements are complete, we are in a position to continue with our restructuring of quality and healthcare governance arrangements.

This will include a review of key staff and their roles and contributions to our quality governance framework, the ongoing review of our corporate risk register and the directorate risk registers, as well as the support provided to the directorates in the design and use of their own registers. With this goes a renewed commitment to increasing the number of doctors reporting incidents, inviting staff who have submitted incident reports to attend relevant review meetings, to observe how their reports are used, and the resultant outcomes with the purpose of closing the feedback loop.

The Trust confirms that there are no material inconsistencies between the annual governance statement, the annual and quarterly board statements and the CQC action plan.

Patient experience 2015-16

A key achievement for the Trust this year was to launch the Trust's new Patient Experience Strategy. The strategy was developed following in-depth consultation with patients, carers and staff and launched at the Trust's nursing conference in September 2015.

The strategy sets out our high level objectives to improve the experience of patients over the next 3 years. We will achieve this through five overarching commitments:



- Involving patients in decisions about their care and delivering a service that is responsive to their individual needs
- Listening to our patients, welcoming feedback and sharing the results from ward to board
- Responding to feedback so people can see how their views and experiences are making a difference
- Learning from what patients tell us about their experiences, both what was good and what we could do better
- Nurturing a culture of openness, respect and responsibility.

The strategy is underpinned by an implementation plan which sets out the actions that will be completed in order to deliver each objective. The priorities delivered in 2015-16 were to:

- Migrate the Trust volunteering service from Human Resources to the Patient Experience Team as the foundation for building and developing this service
- Identify a single contract point for the Friends and Family Test (staff and patient), national surveys and local service-improvement surveys to enable more joined up reporting
- Review and revise the complaints handling process to improve the quality of responses
- Review the Trust's Patient Advice and Liaison Service and agree a plan to achieve greater visibility and accessibility.

Listening and learning

Having a clear and accurate picture of patients' experiences of our care requires bringing together information from a range of sources.

A summary of the types of feedback we received in 2015-16 is shown below.

Friends and Family Test

All patients accessing our services need to have the opportunity to respond to a simple question: *"How likely are you to recommend our ward/A&E department/outpatient service etc. to friends and family if they needed similar care or treatment?"*

In 2015-16 the response rates and proportion of patients who said that they would recommend our service were:

Per cent response rate

	Q1	Q2	Q3	Q4
Inpatient	19.09%	21.40%	16.66%	23.11%
Emergency Department	7.84%	7.78%	8.26%	15.77%
Maternity	26.60%	26.73%	13.65%	19.26%
Community	2.8%	2.5%	1.2%	

Per cent recommend

	Q1	Q2	Q3	Q4
Inpatient	95.91%	96.51%	95.26%	96.19%
Emergency Department	82.12%	81.49%	85.61%	80.86%
Maternity	98.57%	98.36%	98.01%	96.66%
Community	99.01%	95.33%	100%	

National surveys

The results of two national surveys have been received in 2015-16

- National Inpatient Survey 2015
- National Maternity Survey 2015

National Inpatient Survey 2015

The Trust improved its level of patient satisfaction since 2014 and reported results which were, overall, above the national average.

Patients expressed few concerns about cleanliness of rooms and toilets, mixed-sex accommodation and privacy whilst being examined or treated.

The areas where patients reported least satisfaction included aspects of the management of discharge and the lack of opportunity to discuss concerns with a member of staff or give feedback about the quality of care.

The Trust Patient Experience Steering Group is overseeing the development and implementation of an action plan based on the insights from the survey. This will include recognising and celebrating the achievements of staff in delivering a good patient experience.

National Maternity Survey 2015

The Trust improved its level of patient satisfaction since 2014 and reported results which were, overall, above the national average.

Compared to the national average, women giving birth in the care of York Teaching Hospital NHS Foundation Trust were more satisfied with the support provided by midwives before and after the birth of their baby and with the cleanliness of the hospital.

Compared to the national average, women giving birth in the care of York Teaching Hospital NHS Foundation Trust were less satisfied with being given a choice of where to have their baby and the ability of their partner to stay as long as they want after the birth (mainly at Scarborough).

The above two questions have already been acknowledged as areas to improve by senior midwifery colleagues.

A leaflet given when a woman first starts to use our maternity services '*Congratulations on your pregnancy*' has been reviewed. It now contains detailed information about the different options for where to have your baby: Scarborough Hospital, Scarborough Midwifery Led Unit (MLU), York Hospital or home.

Regarding partners staying overnight, this has been addressed at York Hospital where the 'chosen companion' initiative was introduced in 2014. Feedback from women and their families is mainly positive.

A new initiative is now in place in Scarborough to encourage companions to stay until mum and baby are settled in the evening and then to go home and get some rest so they can be refreshed the following day.

Complaints

In 2015-16 the Trust received 459 formal complaints.

	Q1	Q2	Q3	Q4	Total
York Hospital	Data not available		47	70	118
Scarborough Hospital			44	35	136
Bridlington Hospital			1	3	107
Community Services			3	2	110
TOTAL	118	136	95	110	459

Every complaint receives a full investigation led by a matron or senior manager. New guidance and training has been provided to investigating officers to help them provide open, empathetic responses which answer the issues raised.

An outstanding example of how we have learned from patient concerns is within our community hospitals at White Cross Court and St Helen's Rehabilitation Hospital. Patients' families said that their relatives would like to socialise more during their stay. Some patients felt isolated outside of their one-to-one sessions. As a result, mid-morning refreshments, a group chair exercise class and chair games were organised. Patients have now requested that the class runs on weekends and bank holidays too, so they don't miss the opportunity to participate.

Compliments

We highly value the kind letters, cards and social media posts that we receive from patients and their families thanking staff who have cared for them. Much of this feedback is given directly to the individuals involved.

A small proportion of compliments are also sent to the Chief Executive directly. These help the whole organisation to appreciate the feelings of many of our patients and their families.

In 2015-16, 701 letters of appreciation were sent to the Chief Executive or the Patient Advice and Liaison Service.

"I felt I had to write and express our sincere thanks to all staff on every level for their outstanding care and kindness [my husband] received during his stay. They are an excellent team who work extremely well together. Nothing was ever too much trouble and my husband's care needs were always met with such a pleasant rapport between patient and staff." (Scarborough, Anne Wright Ward)

"The care and attention provided by all levels of staff could not be faulted. [The patient] died a dignified, pain free and peaceful death and we could have hoped for no more." (Ward 36, York)

"Our experience has been outstanding. All staff showed clinical expertise, respected us as individuals and treated us with genuine care." (York Maternity)

Patient Advice and Liaison Service (PALS)

Our PALS team's role is to listen to suggestions, answer queries and help resolve concerns promptly. They provide advice about the Trust's services and support people to get answers if they are worried about something or don't know who to ask.

This year our PALS team handled 6,278 contacts, either by answering queries themselves, liaising with clinical or administration colleagues across the Trust or signposting on to another organisation.

An example of how we have acted on feedback received via PALS is in response to queries and concerns about blue badge parking. It was clear that blue badge holders in

York needed better information about parking on the site, particularly if the car park outside the main entrance was full. A new leaflet has been created and is now available, and is also on the Trust website. At Scarborough the blue badge car park has been moved so it is now directly outside the main entrance.

Using patient and carer views to improve our services

Our directorates recognise the importance of seeking patient and carer views when assessing the effectiveness of current services and planning service developments. Examples of where we have collected and used patient and carer feedback include the following.

Dementia carers' survey

Eighty-six carers of people with dementia were contacted by telephone each month and asked about their experiences. The findings were that the Trust's 'This is me' document (is a simple and practical tool that people with dementia can use to tell staff about their needs, preferences, likes, dislikes and interests) is more frequently used in York than Scarborough. Overall, carers felt that the 'This is me' document was useful, even if they chose not to use it. The majority of carers felt that they had the opportunity to talk to staff if they wished. About half of carers surveyed said that they were told about the support that was available and how they could access it, although, of the half who weren't told, some of these were already accessing support and therefore didn't need further advice.

Healthwatch reports

Two Healthwatch visits were carried out in 2015-16.

Healthwatch York carried out an 'enter and view' visit to the York Emergency Department. Their comments included recommendations for clearer information about the distinction between the Emergency Department and Urgent Care Centre; more information about estimated waiting times and improvements to the waiting room environment. These comments have been acknowledged by the directorate who have an ongoing project to improve patient information in the reception and waiting areas.

Healthwatch North Yorkshire carried out an assurance visit to Scarborough Hospital on 22 August 2015 to review the frail elderly pathway. The Trust has not yet received the final report, but early feedback included: praise for the pilot project with an elderly medicine consultant assessing patients in the Emergency Department; positive comments from the patients spoken to during the visit; regular staff wanting to see agency staffing reduced; and acknowledgment of the need to have better integrated IT access to patients' health information.

Child Health

The Child Health directorate has made it one of this year's priorities to increase the opportunities for children and their carers to give feedback about their care. Nearly 100 responses were received though a survey carried out in July and August using a touch-screen machine. A new play-focused approach to obtaining child feedback has been introduced using 'tops or pants' boards where children are helped to write down what was good (tops) or bad (pants).

Learning from the surveys highlighted lots of positive feedback about staff, but also comments about the environment of care, particularly around the nurses' station. This has now been replaced.

Introducing Computer-aided risk scores

York Teaching Hospitals NHS Trust is involved in a two year project with the University of Bradford and the Yorkshire and Humber Improvement Academy, to develop a 'Computer-Aided Risk Score'.

This is being developed to help staff to quickly identify patients who may be severely poorly and in need of additional care. The Trust has helped recruit patients to two focus groups, in York and Scarborough, to gain their perspective on how the scores might be used and how they should be communicated to patients.

Stakeholder relations

Partnership working with neighbouring organisations and agencies is a key strategic frame of 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.

The Trust has developed a range of significant clinical alliances with both HDFT and Hull and East Yorkshire Hospitals NHS Trust (HEYT), over the years which provide support for the delivery of secondary care services and some tertiary care services across the wider geographic area. Recent service initiatives with HDFT have included the extension and enhancement of the Vascular Surgical Service and the establishment of a Self-care Dialysis Unit for Harrogate residents. The combined York/Harrogate population are also served by combined clinical teams in the areas of head and neck, oncology, ophthalmology and plastic surgery.

Historically, HEYT 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 and vascular surgery involving the two organisations have been successfully established enabling local access to be secured for patients across the combined geographic area.

The Trust is also developing 'Provider Alliance' arrangements with GP's, which includes the promotion of a 'Community hub' concept of interagency staff and service collaboration in the York, Selby and Ryedale areas.

The organisation is a key participant in the multiagency 'Ambition for Health Programme' which involves the development of a shared direction of travel and planning for the health of local communities across the Scarborough, Ryedale, Bridlington and Filey areas. The programme will review the delivery of care provided inside hospital, care provided out of hospital, prevention and self-care.

The Trust is actively involved in the York Community Stadium Project (led by the City of York Council) as a potential tenant. The Stadium is scheduled for completion in early 2018.

It is planned to utilise space in the stadium to deliver staff education and training and outpatient services in high quality accessible services, 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 103 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. More detail about the Remuneration Committee can be found on page 47 of this report.

The membership of the Remuneration Committee includes all the Non-Executive Directors and the Chair. During the financial year 2015-16 the Remuneration Committee met on five occasions. The Chief Executive attended to provide support and information as requested, but was not part of the decision making process. The Chief Executive attended four meetings, and the Deputy Chief Executive attended on one occasion in place of the Chief Executive.

The Director of Workforce and Organisational Development also attended to provide specific professional advice. The Foundation Trust Secretary was in attendance at the meetings to provide support to the Committee.

	29 April 2015	30 September 2015	28 October 2015	16 December 2015	30 March 2016
Susan Symington	✓	✓	✓	✓	✓

Dianne Willcocks	✓	✓	✓	✓	✓
Philip Ashton	✓	✓	✓	✓	✓
Michael Sweet	✓	✓	✓	✓	✓
Libby Raper	✓	✓	✓	✓	Apol
Mike Keaney	✓	✓	✓	✓	✓
Jenny Adams	✓	✓	✓	✓	✓
In attendance					
Patrick Crowley	✓	✓	✓	x	✓
Sue Holden	✓	N/A	N/A	N/A	N/A
Mike Proctor	N/A	N/A	N/A	✓	N/A

Mr Patrick Crowley attends the Remuneration Committee on a regular basis to provide support and advice to the Committee as requested.

Mr Mike Proctor attended the December Remuneration Committee in place of the Chief Executive who was unable to attend.

Mrs Sue Holden attended the April remuneration committee to present the benchmarking data for the review of senior manager 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 agreed the executives would receive an increase in line with the nationally agreed increase for all Agenda for Change Staff.

Remuneration of the Chair and Non-Executive Directors

During 2015-16 the remuneration of the Chair and non-executive directors was considered by the full Council of Governors. The Governors agreed non-executive directors would receive an increase in line with the nationally agreed increase for all Agenda for Change Staff. As the Chair was new in post her salary was not increased. The Governors were provided with benchmarking data to support their discussion and decision.

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, six other executive directors and three corporate directors are determined by the Board of Directors' Remuneration Committee.

The Chief Executive and the three whole-time executive directors (finance director, chief nurse and director of workforce and organisational development) are paid a flat rate salary within the range determined by the 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.

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; they 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 ground 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 enquiries@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 GPs 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 <i>NHS Pension Scheme</i> is a <i>defined</i> benefit public service <i>pension scheme</i> , which operates on a pay-as-you-go basis. <i>Pension benefits</i> are based on final salary (although general and dental practitioners accrue <i>pensions</i> 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 remuneration package agreed for senior managers is agreed and monitored by the Remuneration Committee. The Medical Director receives separate remuneration for being a clinician and for his time as the Medical Director.

The Trust does not operate a performance related pay element to remuneration. The Trust does have a policy for the recovery of sums paid or for withholding the payments 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 Trust operates the Agenda for Change policy for all employees except senior managers and doctors.

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 were reviewed in 2014-15 and 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 use 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 reports any increment paid to the public through the next public board meeting and the Council of Governors.

The Trust does not consult with employees about the 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 prepared by the Director of Workforce and Organisational Development. 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 2015 (1 st term)	3 years	1 year 11 months	None
Philip Ashton	1 September 2014 (3 rd and final term)	3 years	1 year 4 months	None
Dianne Willcocks	1 May 2016 (3 rd and final term)	3 years	3 years	None
Michael Sweet	1 February 16 (3 rd and final term)	3 years	2 years 9 months	None
Libby Raper	1 August 2015 (3 rd and final term)	3 years	2 years 4 months	None
Mike Keaney	1 September 2014 (2 nd term)	3 years	1 year 4 months	None
Jennie Adams	1 September 2014 (2 nd term)	3 years	1 year 4 months	None

Salaries and pension entitlements of senior managers

Salaries

Below are the salaries of the Directors of the Trust for the current and prior financial year. This information is subject to audit.

Name and title	2015-16					
	Salary and fees	Taxable benefits	Annual performance related bonus	Long-term performance related bonus	Pension related benefits	Total
	Bands of £5,000	Nearest £100	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000
Executive Directors						
Mr P Crowley Chief Executive	190-195	5,800			27.5-30.0	225-230
Mr A Bertram Director of Finance	140-145	7,000			30.0-32.5	175-180
Mr M Proctor Deputy Chief Executive	145-150	7,400			0	150-155
Dr A Turnbull Medical Director	35-40	0		5-10	0	40-45
Mr J Taylor	140-145	5,100		5-10	125.0-	280-285

Name and title	2015-16					
	Salary and fees	Taxable benefits	Annual performance related bonus	Long-term performance related bonus	Pension related benefits	Total
	Bands of £5,000	Nearest £100	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000
Medical Director					127.5	
Dr R Smith Interim Medical Director	60-65	0		5-10	30-32.5	100-105
Mrs S Holden Director of Workforce and Organisational Development	55-60	4,300			27.5-30.0	85-90
Mrs Beverley Geary Chief Nurse	115-120	4,700			112.5-115.0	230-235
Mrs Juliet Walters Chief Operating Officer	140-145	0			30-32.5	175-180
Non-voting Directors						
Mrs S Rushbrook Director Systems and Network services	110-115	4,800			42.5-45.0	155-160
Mr B Golding Director of Estates and Facilities	110-115	4,400			17.5-20.0	130-135
Mrs W Scott Director of Out of Hospital Services	50-55	2,900			35.0-37.5	90-95
Non-executive Directors						
Ms S Symington Chair	55-60					55-60
Mr P Ashton Non-executive Director	15-20					15-20
Professor D Willcocks Non-executive Director	15-20					15-20
Ms L Raper Non-executive Director	15-20					15-20
Mr M Sweet Non-executive Director	15-20					15-20
Mrs J Adams Non-executive Director	15-20					15-20

Name and title	2015-16					
	Salary and fees	Taxable benefits	Annual performance related bonus	Long-term performance related bonus	Pension related benefits	Total
	Bands of £5,000	Nearest £100	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000
Mr M Keaney Non-executive Director	15-20					15-20
Band of highest paid director's total salary (£'000)	190-195					
Median total remuneration	£23,351					
Remuneration ratio	8.3					

Long term Performance related bonus comprises the Clinical Excellence Award awarded to Dr Turnbull, the Trust's Medical Director.

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

Mr A Turnbull salary for clinical role £31,495

Mr J Taylor salary for clinical role £115,401

Mr R Smith salary for clinical role £55,209

Pension Related Benefits relate to the annual increase in accrued pension entitlement, they do not relate to sums paid during the year.

Mrs S Holden undertook a secondment opportunity for one year from 17 September 2015 and ceased her executive responsibilities from that date.

Dr A Turnbull retired from the Trust on 9 June 2015.

Dr R Smith joined the Board of Directors as Interim Medical Director on 6 June 2015 until 26 October 2015.

Mr J Taylor joined the Board of Directors as Interim Medical Director from 6 June 2015 until 26 October 2015 when he was appointed substantially as Medical Director.

Mrs W Scott joined the Board of Directors as a non-voting member on the 1 September 2015.

Mrs Rushbrook, Mr Golding and Mrs Scott are non-voting members of the Board of Directors; they advise and influence the decisions of the Trust as a whole.

Salaries – 2014-15

Name and Title	2014-15					
	Salary and Fees	Taxable benefits	Annual performance related bonus	Long-term performance related bonus	Pension related benefits	Total
	Bands of £5,000	Nearest £100	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000
Executive Directors						
Mr P Crowley Chief Executive	190-195	5,500			12.5-15.0	210-215
Mr A Bertram Director of Finance	135-140	6,000			0.0-2.5	140-145
Mr M Proctor Deputy Chief Executive	140-145	4,800			-17.5 – -15.0	130-135
Dr A Turnbull Medical Director	185-190			35-40	-17.5 – -15.0	205-210
Mrs S Holden Director of Corporate Learning and Development	120-125	5,300			-35.0 – -32.5	90-95
Mrs Beverley Geary Chief Nurse	55-60	2,800			77.5-80.0	135-140
Mrs Juliet Walters Chief Operating Officer	15-20				-2.5 – 0.0	15-20
Non-voting Directors						
Mrs S Rushbrook	105-110	4,200			*	110-115
Mr B Golding	105-110	3,500			*	110-115
Non-executive Directors						
Mr A Rose Chair	55-60					55-60
Mr P Ashton Non-executive Director	15-20					15-20
Professor D Willcocks Non-executive Director	15-20					15-20
Ms L Raper Non-executive Director	15-20					15-20
Mr M Sweet Non-executive Director	15-20					15-20
Mrs J Adams Non-executive Director	15-20					15-20
Mr M Keaney Non-executive Director	15-20					15-20
Band of highest paid director's total salary (£'000)	220-225					
Median Total Remuneration	23,317					
Remuneration Ratio	9.5					

* This information is not available from the Pensions Agency because of the complexity of calculating 2014-15 pension related benefits for prior years.

Long-term performance related bonus comprises the Clinical Excellence Award, awarded to Dr Turnbull (Medical Director until 9 June 2015).

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

Mr A Turnbull's salary includes an element of £158,887 for his clinical role at the Trust. Mrs B Geary, Chief Nurse, joined the Board of Directors on 1 September 2014. Mrs J Walters, Chief Operating Officer, joined the Board of Directors on 2 February 2015.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in York Teaching Hospital NHS Foundation Trust in the financial year 2015-16 was £190-195 (2014-15, £220-225). This was 8.3 times (2014-15, 9.6) the median remuneration of the workforce, which was £23,348 (2014-15, £23,317).

In 2015-16, six employees (2014-15, two) received remuneration in excess of the highest paid director. Remuneration ranged from £6,007 to £246,312 (2014-15, £1,207-248,243).

The Trust is required to disclose information about any senior manager that is paid in excess of £142,500 and the steps that have been taken to satisfy itself that any remuneration above this level is reasonable. The Trust has outlined the process undertaken by the Remuneration Committee to consider senior management pay (see page 66).

Within the Trust it has been identified that the remuneration of five senior managers is above £142,500.

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 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.

Pensions

	Total accrued pension at age 60 at 31 March 2016	Total accrued pension lump sum at age 60 at 31 March 2016	Real increase in pension at age 60	Real increase in pension lump sum at age 60	Cash equivalent transfer value at 1 April 2015	Real increase in Cash equivalent transfer value at 31 March 2016	Cash equivalent transfer value at 31 March 2016	Employers contribution to stakeholder pension
Name	Bands of £5000	Bands of £5000	Bands of £2500	Bands of £2500	£000	£000	£000	£000
Mr P Crowley Chief Executive	60-65	190-195	0.0-2.5	5.0-7.5	1,340	1,422	66	27
Mr A Bertram Director of Finance	40-45	120-125	2.5-5.0	-2.5-0.0	637	672	26	20
Mr M Proctor Deputy Chief Executive	0	0	0	0	0	0	0	0
Dr A Turnbull Medical Director	85-90	260-265	-2.5-0.0	-2.5-0.0	1,832	0	-1,854	6
Mrs B Geary Chief Nurse	30-35	90-95	5.0-7.5	15.0-17.5	412	512	95	16
Mrs S Holden Director of Workforce and Organisational Development	45-50	140-145	0.0-2.5	2.5-5.0	836	920	35	17
Mr J Taylor Medical Director	50-55	155-160	5.0-7.5	20.0-22.5	866	1,040	134	22
Dr R Smith Interim Medical Director	35-40	55-60	0.0-2.5	0.0-2.5	362	425	23	19
Mrs J Walters Chief Operating Officer	60-65	190-195	0.0-2.5	5.0-7.5	1,150	1,218	54	22
Mrs S Rushbrook Director System and Network Services	55-60	165-170	2.5-5.0	7.5-10.0	1,109	1,211	89	16
Mr B Golding Director of Estates and Facilities	25-30	80-85	0-2.5	2.5-5.0	465	510	39	15
Mrs W Scott Director of Out of Hospital Services	25-30	70-75	0-2.5	2.5-5.0	354	417	35	12

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

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0 per cent to 2.8 per cent. This rate affects the calculation of cash equivalent transfer value (CETV) figures in this report.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension Scheme are based on the previous discount rate and have not been recalculated.

A 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.



Patrick Crowley
Chief Executive
25 May 2016

Staff report

Staff numbers

The table below provides a summary of the staff employed by the organisation during 2015-16 broken down by age, ethnicity, gender and recorded disabilities. The Trust has 8,047 permanent employees and 647 staff holding fixed term contracts.

	Staff 2014-15	%	Staff 2015-16	%
Age				
0-16	1	0.01	0	0.00
17-21	155	1.78	144	1.66
22+	8,576	98.21	8,550	98.34
Unknown	0	0.00	0	0.00
Ethnicity				
White	7,930	90.82	7,882	90.66
Mixed	71	0.89	78	0.90
Asian or Asian British	360	4.12	315	3.62
Black or Black British	84	0.96	64	0.74
Other	101	1.16	130	1.5
Not stated	-	-	225	2.59
Gender				
Male	1,773	20.30	1,755	20.19
Female	6,959	79.70	6,939	79.81
Not stated	0	0.00	0	0.00
Trans-gender	0	0.00	0	0.00
Recorded disabilities				
Yes	104	1.19	112	1.29
No	3,845	44.03	4,243	48.80
Not stated	592	6.78	522	6.00
Unknown	4,191	48.00	3,817	43.90

Staff survey

The staff survey includes an overall indicator of staff engagement. The indicator is calculated based on responses to the individual questions which made up key findings 1, 4 and 7. These key findings relate to the following aspects of staff engagement: staff members' perceived ability to contribute to improvements at work; their willingness to recommend the Trust as a place to work or receive treatment; and the extent to which they feel motivated and engaged with their work. The score range was from 1 to 5, with 1 indicating that staff are poorly engaged and 5 indicating that staff are highly engaged. The Trust's score of 3.78 was higher than the score of 3.70 in the previous year. The Trust's score was average when compared with other combined acute and community trusts.

	2014 staff survey		2015 staff survey		Improvement or deterioration since 2014
	Trust	National average for acute trusts	Trust	National average for combined acute and community trusts	
Response rate	47%	43%	45%	41%	Deterioration of 2% since 2014
Top 5 key findings (best ranked in comparison to other combined acute and community trusts)					
KF18 – % of staff feeling pressure in the last 3 months to attend work when feeling unwell (lower score is better)	-	-	51%	58%	Improvement since 2014
KF25 – % of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months (lower score is better)	27%	29%	24%	27%	Improvement since 2014
KF23 – % of staff experiencing physical violence from staff in the last 12 months (lower score is better)	2%	3%	1%	2%	Improvement since 2014
KF16 – % of staff working extra hours (lower score is better)	68%	71%	69%	72%	No statistically significant change since 2014
KF26 – % of staff experiencing harassment, bullying or abuse from staff in last 12 months (lower score is better)	23%	23%	22%	24%	No statistically significant change since 2013
Bottom 5 key findings (worst ranked in comparison to other combined acute and community trusts)					
KF32 – Effective use of patient/service user feedback (higher score is better)	-	-	3.57	3.65	Improvement since 2014
KF2 – Staff satisfaction with the quality of work and patient care they are able to deliver (higher score is better)	-	-	3.87	3.94	No statistically significant change since

	2014 staff survey		2015 staff survey		Improvement or deterioration since 2014
	Trust	National average for acute trusts	Trust	National average for combined acute and community trusts	
					2014
KF24 – % of staff reporting most recent experience of violence (higher score is better)	-	-	50%	52%	No statistically significant change since 2014
KF9 – Effective team working (higher score is better)	-	-	3.71	3.77	No statistically significant change since 2014

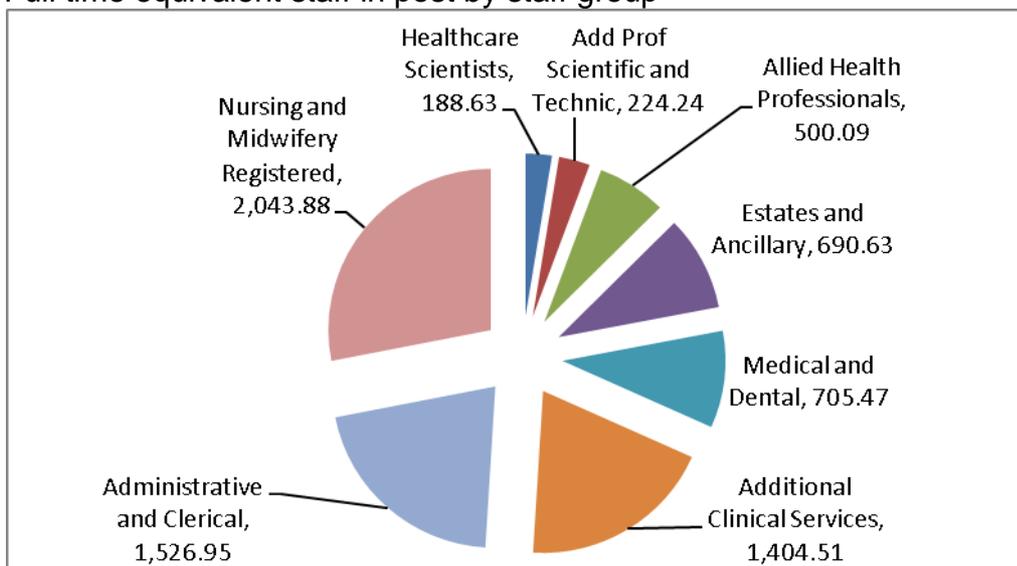
Key: - = no directly comparable score from the 2014 survey.

A corporate action plan will focus on key themes from the survey, in particular those relating to those areas where the Trust's scores are poorer in comparison to other combined acute and community trusts.

Our staff

The figure below shows the number of full time equivalent staff we have in post during the year in the Trust.

Full time equivalent staff in post by staff group



(Data as at 29th February 2016)

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.

	Female		Male		Total
	Headcount	% of group	Headcount	% of group	
Directors	8	50%	8	50%	16
Managers	41	63%	24	37%	65
All other staff	7890	80%	1723	20%	8613

Sickness absence rates

NHS sickness absence figures for 2014-15 have been extracted from the Electronic Staff Record, and cover the period March 2015 to February 2016.

	Average of 12 Months sickness rate	Average full time equivalents (FTE) 2015/16	FTE-days available	FTE-days lost to sickness absence	Average sick days per FTE
York Teaching Hospital NHS Foundation Trust	4.08%	7,298	2,663,928	108,677	10.6

Employment policies

Our policies aim to ensure that job applicants and employees are treated fairly and are not subject to discrimination, harassment or victimisation on the grounds of age, gender, sexual orientation, race, disability or any other protected characteristic. This applies to recruitment and selection, promotion, transfer, training, discipline and grievance, and all terms and conditions of employment.

Should any decision appear to treat people less favourably it must be objectively justified, for example safety considerations.

Policy applied for the continuing employment of disabled persons

As a foundation trust, we recognise the important role we must play as an active and socially responsible member of the local community and that our patients, clients and staff are representative of the community we serve.

Our Trust holds the two tick 'positive about disabled people' symbol, which is assessed by Job Centre Plus against a set of standards which includes interviewing all disabled applicants who meet the minimum criteria for a job vacancy, considering them on their abilities and making every effort when employees become disabled to make sure they stay in employment. We recognise our responsibility to provide (as far as is reasonably practicable) job security of all employees.

Policy applied for career development of disabled persons

We know that having a committed and motivated workforce depends on staff feeling that they are treated with fairness, respect and dignity and that they have an equal opportunity for self-development. We are committed to ensuring that our staff are not discriminated against, harassed or victimised; should anyone feel this to be the case we want staff to feel confident about using our policies to raise concerns and to have them addressed.

Part of the two tick assessment includes 'discussing with disabled employees what both parties can do to make sure disabled employees can develop and use their abilities'.

Policies for disabled employees and equal opportunities

To advance equality of opportunity for employees we remove or minimise the disadvantages suffered by people due to their protected characteristic, for example, anonymised application process, increased use of values based recruitment and assessment centres for senior posts. We also take steps to meet the needs of people where these are different from the needs of other people through reasonable adjustments, and encourage participation in public life for those with disabilities, such as working with Project Choice who offer work experience, supported learning and internships for 16-25 year olds with a learning disability, difficulty or autism.

Consulting with our staff

Workforce and organisational development

Work has been undertaken to contribute to the development of a sustainable workforce and to address local and national workforce challenges over the last year. This has been through a number of projects, including EU nurse recruitment and mentoring students from a local high school.

There is also recognition of the integral role played by the flexible workforce in delivering our services. We have brought the nurse bank back to be managed in-house (previously managed by NHS Professionals) and have offered new incentives for undertaking bank work. There remain instances where there is a need to use agency workforce, however, we continue to strive to make this as cost effective as possible. In the last year we have entered into a Master Vendor supplier contract for the supply of medical agency workers and implemented Direct Engagement as a method of temporary staffing provision for medics.

Electronic rostering for nursing staff at the York site has been in place for a number of years. This is now being implemented in more areas at the Scarborough site with a different model, meaning that rosters are managed by a central team. The aim of this is to ensure that we use our substantive workforce as effectively as possible and can use the data that the electronic system provides to identify potential cost efficiencies.

In response to the National Staff Survey 2014 results, we developed a Corporate Action Plan including:

- Staff and patient suggestions should be used to inform decisions. As a result of this a rolling 'You Said, We Did' campaign was launched which highlighted staff suggestions that were taken forward. Linked to this, the Staff Suggestion Scheme was streamlined to ensure ease of use
- Improved communication between staff and senior managers. Specifically, feedback must be provided about how staff and patient suggestions have been used. Various mechanisms have been developed to address this, including drop-in sessions at a corporate and departmental level. Work to ensure the communications strategy and engagement activity were complementary has been undertaken

A restructure of the HR department included the creation of a dedicated Employee Relations team. This has allowed the opportunity to take forward improvement work in relation to HR policies, procedures and approaches. This has resulted in improved partnership working with staff side and the formal ratification of a Partnership Agreement and improved usability of HR policies. A value based appraisal has been introduced and linked to an Incremental Pay Progression policy that has been introduced.

Being attractive to new staff

In 2015-16, the Trust has extended its innovative campaigns for recruitment to vacancies for both clinical and nursing staff positions including careers fairs, open days and city visits.

In 2015 we introduced Trust wide centralised recruitment for staff nurses. This has doubled conversion rates from application to interview. Including EU recruitment mentioned above, this resulted in 60 offers of appointment in its first six weeks. In terms of the plans implemented from January 2016, this should take away an administration burden from front-line staff to release time to care. Based on a sample of more than 30 ward sisters, it has been estimated that this change in approach will result in 120 hours of their time in total being released each month.

Looking after our current workforce and ensuring their health and wellbeing

The established work around staff health and wellbeing has continued and in 2015 the organisation was highlighted as one of 12 exemplar organisations by NHS England for our health and wellbeing work. This has resulted in the organisation being identified as a pilot site for NHS England and Simon Stevens' Healthy Workplaces Initiative.

Developing a workforce fit for the future

The current workforce strategy has five key strategic aims which will help us to become an employer of choice:

- To improve workforce utilisation and design and create a sustainable, effective and flexible workforce for the future
- To improve the health and wellbeing of our workforce
- To work in partnership with directorates to achieve continuous improvement and deliver a safe and high quality service

- To improve both local engagement and awareness of equality and diversity issues across the Trust and the community that we serve
- To create and sustain an open and transparent culture.

Further to the strategy, the Trust is committed to adopting the recommendations from the Lord Carter Report namely:

- Through a current Turnaround Avoidance Programme, we will develop centralised recruitment to ensure we have a simplified recruitment process and deliver on the identified efficiencies in this area, such as generic nurse recruitment, which will provide senior nursing staff with additional time to care
- The Trust will strengthen the workforce through clear role definition, development and direction, through a portfolio of well-established and positively evaluated internal leadership programmes and through other individual/team organisational development interventions including coaching and mentoring
- A Talent Management process which will aim to engage all employees, 'from ward to board' to recognise internal talent and help support these individuals into key leadership areas
- As indicated in our Nursing and Midwifery Strategy, the Trust will ensure that our new staff have a robust induction programme with a period of meaningful preceptorship and that our current staff are able to participate in mandatory training
- Ensuring that staff feel engaged and involved in shaping the services we deliver to our patients, and making sure they receive feedback from the suggestions they have made
- Improved visibility of senior managers and fluid communication between 'the board and the ward'
- Embedding the Trust's vision and values into organisational processes
- Identifying a workforce plan for each directorate, identifying efficiencies and potential areas for growth, and supporting the delivery of these
- By the end of 2016, ensuring that all the nursing priority areas across the Trust have e-rostering implemented, thus improving efficiencies. The Trust requires senior nursing staff to ensure that they support this implementation to create an environment where e-rostering delivers safe and effective rotas
- Incentivising the internal bank, so reducing reliance on agency staffing
- Undertaking a review of all medical job plans, to ensure that the Trust is able to deliver high quality, efficient patient care, at the same time as implementing appropriate 7 day services throughout the organisation
- Improving attendance and reduce absenteeism
- Encouraging a healthy lifestyle for all staff to ensure we have a sustainable healthy workforce
- Investigating the cost benefits of introducing e-rostering for other staff groups including portering and domestics
- Maximising the benefits and opportunities presented by technology for the delivery of an efficient and effective HR service.

Counter fraud policies

All staff have access to the counter fraud service in the Trust. Staff are able to access the policies supporting the counter fraud work. More details can be found on page 155.

Reporting high paid off-payroll arrangements

Off-payroll engagements as of 31 March 2016, for more than £220 per day and that last for longer than six months

No. of existing engagements as of 31 March 2016		1
Of which...		
No. that have existed for between 2 and 3 years at time of reporting		1

The Trust had one off-payroll engagement with a daily cost in excess of £220 and this has been re-negotiated to include contractual clauses allowing the Trust to seek assurance as to their tax obligations.

The NHS Foundation Trust has no new off-payroll engagements, or any existing engagements that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last for longer than six months.

The NHS Foundation Trust has no off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016.

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 September 2014. 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 consisting of a Non-executive Chair, six Non-executive Directors and seven Executive Directors. Full details of members of the board and changes to the membership of the board during 2015-16 can be found on page 38.

The Board provides active leadership within a framework of prudent and effective controls and ensures it is compliant with the terms of its licence. The Board meets a minimum of 12 times a year so that it can regularly discharge its duties.

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 47.

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

The appointment process for the Chair and non-executive directors is detailed on page 87 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 91 of this report

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 and is included in the Annual Report on page 91.

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. 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 regular newsletter and information placed on the Trust's website.

The Council of Governors consists of elected and appointed governors. More than half of the Governors are public governors elected by community members of the Trust. Elections take place once every year, or on other occasions if required due to vacancies or a change in our constitution. The next elections will be held during summer 2016.

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.

The Trust runs a programme of development throughout the year for governors and non-executive directors. All governors and non-executive directors are given the opportunity to attend a number of training sessions during the year.

The Council of Governors has agreed the process for the evaluation of the Chair and non-executive directors and the process for appointment or re-appointment of the non-executive directors. This year the Council of Governors considered the reappointment of three of the non-executive directors who had served for six years. The council of governors agreed that the three non-executive directors had received six exemplary appraisals and concurred that they would like the non-executive directors to serve a further three year term.

This decision will be reviewed following each of their annual appraisals.

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 their annual appraisal.

The Chief Executive evaluates the performance of the Executive Directors on an annual basis and the outcome is reported to the Chair. The Chair provides the Chief Executive with her view of the Executive Director's performance in the Board meeting.

Performance evaluation of the Board and its committees

During the year the Board commissioned Grant Thornton LLP to conduct a Well Led Review as prescribed by NHS Improvement (formally known as Monitor). The review concentrates on the quality of the governance in place in the organisation. The review required the directors to complete a self-assessment which was used as the basis for the review. Grant Thornton undertook a number of interviews with key members of staff and directors and observed board committees and a board meeting. Grant Thornton also ran a number of focus groups and tested the governance from the ward to board. More details of the outcome of the review can be found on page 56.

Appointment of members of the Board of Directors

The Council of Governors is responsible for the appointment of the Chair and non-executive directors. The Governors have a standing Nominations/Remuneration Committee which takes responsibility for leading the process of appointment 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 in the local press 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 of 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 job description and criteria for the post. The post is advertised and a long list process is completed. The Governors invite an external advisor to join the panel and review the applications to develop a shortlist. Short listed candidates are asked to complete a psychometric test in advance of the interviews. The Nominations/Remuneration Committee agrees which Governors will form the appointment panel and the panel undertakes the interviews. The panel develop a recommendation for approval by the Council of Governors, following which the successful candidate is advised. There were no new Non-executive Director appointments during 2014/15. The external advisor, as a member of panel, provides support and guidance to the Governors who make the final decision about the appointment.

Appointment of Executive Directors

During the year the Board of Directors appointed one executive director, the Medical Director.

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 was taken from across the organisation and including the Executive Directors, Clinical Directors, Governors, Matrons and Senior Leads. The candidates were also asked to give a presentation on an unseen topic. Following the assessment centre, the number of candidates were reduced to four and invited to a panel interview. The panel membership included the Chair, a number of non-executive directors, the Chief Executive, Chief Nurse and Head of Workforce.

Compliance with the Code of Governance

The Board confirmed it complies with the Code of Governance except in the following areas.

Requirements	Explanation
<p><u>Paragraph B1.1</u> 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:</p> <ul style="list-style-type: none"> • 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 • has close family ties with any of the NHS Foundation Trust's advisors, directors or senior employees 	<p>None of the non-executive directors currently have a material business relationship. One non-executive director's spouse is a senior clinician in the organisation</p> <p>One non-executive director's spouse is a senior clinical member of staff. One executive director's spouse is a senior member of staff</p>

Requirements	Explanation
<ul style="list-style-type: none"> • has served on the Board of the NHS Foundation Trust for more than six years from the date of their first appointment • is an appointed representative of the NHS Foundation Trust's university medical or dental school • At least half the Board of Directors, excluding the Chairperson, should comprise non-executive directors determined by the Board to be independent 	<p>Three of the non-executive directors were reappointed for a third- three year term by the Council of Governors. The governors specifically confirmed that the individuals had received positive and successful appraisals during the year.</p> <p>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</p> <p>The composition of the Board includes: six non-executive directors plus the Chair; six voting executive directors; three additional directors, who are not voting directors</p>

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, 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. Further details of the Accounting Officers responsibility can be found on page 111.

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,

provide 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 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 are provided with any information, 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.

Governors also have the right to refer concerns to NHS Improvement, the sector regulator, in exceptional circumstances where the internal mechanisms have not satisfied the Council of Governor's concern. The Council of Governors also has the right to seek the advice of Monitor's Independent Panel. The Council of Governors have agreed a process for using the panel.

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 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 are encouraged to discuss decisions made by the Trust and highlight any concerns they have. 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 2016, the Board of Directors for York Teaching Hospital NHS Foundation Trust comprised of six Executive Directors, six Independent Non-executive Directors and an Independent Non-executive Chair.

Dr Turnbull retired from the Trust in June 2015. Dr R Smith joined the Board of Directors as Interim Medical Director on 6 June 2015 until 26 October 2015.

Mr J Taylor joined the Board of Directors as Interim Medical Director from 6 June 2015 until 26 October 2015 when he was appointed substantially as Medical Director.

In September 2015 Mrs Holden confirmed her acceptance of a one year secondment opportunity with the Trust Development Agency as Improvement Director.

In September 2015 Mrs W Scott, Director of Out of Hospital Services, became a non-voting member of the Board of Directors.

The Council of Governors confirmed the re-appointment of three non-executive directors, Ms L Raper, Mr M Sweet and Professor D Willcocks. All three non-executive directors are in their third term of office.

The remainder of the composition of the Board of Directors has not changed during the financial year 2015-16.

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. A programme of appraisals has been run during 2015-16 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 enquires 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 ensures that no one individual or group dominates the decision-making process.

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

All Board members have confirmed that they 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 Interest.

The Board, in relation to the appointment of executive directors, does not have a standing Nominations Committee but convenes an ad hoc Nominations Committee, as and when required.

Biographies for the Board of Directors can be found on page 39 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 49.

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 Board' meetings of which the Trust has held two such meetings during the year. The first concentrated on providing more detailed information to the Council of Governors on the workings of the Trust. The second, held at the beginning of April, provided the opportunity for the Board members and the Governors to discuss the development of the STP.

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 47. 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 103.

Accountability and audit

The Board of Directors has an established audit committee that meets on a quarterly basis, as a minimum. A detailed report on the activities of the Audit Committee is on page 47.

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 page 36.

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, staff members and partner organisations in the local health economy.

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

The Council of Governors' roles and responsibilities are outlined in legislation and are 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 and
- 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 any matter of significance affecting the Trust or the services it provides. All governors, both elected and appointed, are required to act in the best interest of the NHS Foundation Trust and adhere to the values and code of conduct of the Trust.

The Council of Governors is specifically responsible for:

- The appointment and removal of the Chair and other non-executive directors
- The approval of the appointment of the Chief Executive
- The appointment and removal of the External Auditors
- Requiring one or more of the Directors to attend a meeting of the Council of Governors for the purpose of obtaining information about the Trust's performance, its functions or the Directors' performance of their duties.

The Council of Governors considers and receives:

- The Annual Accounts, Auditors' Report and Annual Report
- Views from the membership on matters of significance affecting the Trust or the services it provides

The Council of Governors holds the Board of Directors to account for the performance of the Trust and receives both the agenda and minutes of each Board of Directors meeting.

The Council of Governors has regularly received details of significant projects and strategies and works with the Board of Directors in an advisory capacity, bringing the views of staff and local people forward, and helps to shape the Trust's future. In addition to the formal responsibilities, its role includes:

- Representing the interests and views of local people
- Regularly feeding back information about the Trust, its visions and its performance to the communities they represent
- Attending meetings of the Council of Governors
- Receiving an annual report from the Board of Directors
- Monitoring performance and other targets
- Advising the Board of Directors on its strategic plans
- Making sure the strategic direction of the Trust is consistent with its terms of authorisation, as agreed by Monitor
- Being consulted on any changes to the Trust's constitution
- Agreeing the Chair's and Non-executive Directors' remuneration
- Providing representatives to serve on specific groups and committees working in partnership with the Board of Directors
- Informing Monitor if the Trust is at risk of breaching its terms of authorisation, if the concerns cannot be resolved within the Trust
- Referring questions to the independent panel.

The Council of Governors at York Teaching Hospital NHS Foundation Trust currently has 26 governor seats in the constitution.

Public governors	Sixteen elected seats
Staff governors	Five elected seats
Stakeholder Governors:	Five appointed:
Local Authorities	Three seats
Local Universities	One seat
Voluntary groups	One seat

Elections

The Trust held an election during 2015 and appointed seven new governors. The next elections will be held during the summer of 2016. The following seats will be included in the elections:

- York constituency – one seat
- Selby constituency – one seat
- Ryedale and East Yorkshire constituency – one seat
- Hambleton constituency – one seat
- Staff – one seat

The elections process will begin at the end of June 2016 and the election results will be announced at the end of September 2016.

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

The Governors

Listed below are the members of the Council of Governors, either 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 appointment year	Date appointed	Term of office	End of term date
Hambleton Constituency (1 seat)				
Jane Dalton	2008	1 April 2013	3 years	31 March 2016 (retired)
Scarborough and Bridlington Constituency (2 seats in Scarborough, 2 seats in Bridlington)				
Clive Neale	2014	1 October 2014	3 years	30 September 2017
Terry Atherton	2012	1 October 2012	3 years	Retired September 2015
David Wheeler	2012	1 October 2014	3 years	30 September 2017
Sue Wellington	2012	1 October 2012	3 years	Retired September 2015
Diane Rose	2015	1 October 2015	3 years	30 September 2018
Pat Stovell	2015	1 October 2015	3 years	30 September 2018
Selby Constituency (2 seats)				
Ann Bolland	2012	1 October 2015	3 years	30 September 2018
Andrew Butler	2012	1 October 2014	3 years	30 September 2017
Ryedale and East Yorkshire Constituency (3 seats)				
Jeanette Anness	2012	1 October 2015	3 years	30 September 2018
Sheila Miller	2012	1 October 2014	3 years	30 September 2017
Jenny Moreton	2013	1 April 2013	3 years	30 March 2016 (retired)
Whitby Constituency (1 seat)				
Stephen Hinchliffe	2012	1 October 2015	3 years	30 September 2018
York Constituency (5 seats)				

Name	Initial appointment year	Date appointed	Term of office	End of term date
Paul Baines	2006	1 April 2013	3 years	31 March 2016 (retired)
Helen Fields	2013	1 April 2013	3 years	31 March 2016
Margaret Jackson	2012	1 October 2014	3 years	30 September 2017
Robert Wright	2014	1 October 2014	3 years	30 September 2017
Penelope Worsley	2012	1 October 2015	3 years	30 September 2018
John Cooke	2015	1 October 2015	3 years	30 September 2018
City of York Council (1 seat)				
Joseph Riches	2011	27 May 2013	3 years	Stepped down September 2015
John Galvin	2015	1 October 2015	3 years	30 September 2018
North Yorkshire County Council (1 seat)				
Caroline Patmore	2005	1 April 2015	3 years	Stepped down September 2015
Chris Pearson	2015	1 October 2015	3 years	30 September 2018
East Riding of Yorkshire Council (1 seat)				
Dee Sharp	2013	1 December 2013	3 years	Stepped down September 2015
Steve Lane	2015	1 October 2015	3 years	30 September 2018
University of York (1 seat)				
Rowena Jacobs	2012	1 March 2015	3 years	28 February 2018
The North Yorkshire Forum				
Michael Beckett	2012	1 October 2015	3 years	30 September 2018
Community (1 seat)				
Les North	2012	1 October 2012	3 years	Not re-elected September 2015
Sharon Hurst	2015	1 October 2015	3 years	30 September 2018
Scarborough and Bridlington (2 seats)				

Name	Initial appointment year	Date appointed	Term of office	End of term date
Helen Noble	2012	1 October 2014	3 years	30 September 2017
Andrew Bennett	2014	1 October 2014	3 years	30 September 2017
York (2 seats)				
Mick Lee	2014	1 October 2014	3 years	30 September 2017
Elizabeth Jackson	2014	1 October 2014	3 years	30 September 2017

Council of Governor's meetings

The Council of Governors met in public four times during the year to discuss and comment on a number of aspects of the functioning of the Trust.

Training for Governors

To ensure the Governors are equipped with the skills they need to undertake their role, the Trust has delivered a programme of training during the year.

The Governors have received a session from the Director of Finance, the Director of Estates and Facilities, the Chief Nurse, the Director of Workforce and Organisational Development and the Chief Operating Officer. The Governors were also provided with a session on Electronic Prescribing and received an informative tour of the new catering facilities at York. Future sessions are being planned in conjunction with a skills matrix.

Attendance at meetings

The Council of Governors meet, as a minimum, four times a year. The Governors also met on a number of other occasions during the year to receive informal updates and additional training and information. The Governors met with the Director of Finance for a presentation around finance in the NHS. They also met with the Chief Executive and Chair during the year to receive briefings on strategy developments.

The following table shows the attendance of governors at the formal Council of Governor's meetings.

Attendee	10 June 2015	16 Sept 2015	10 Dec 2015	10 Mar 2016	Total meetings attended
PUBLIC CONSTITUENCIES					
Hambleton Constituency (1 seat)					
Jane Dalton	✓	A	✓	✓	3 of 4
Scarborough and Bridlington Constituency (2 seats in Scarborough, 2 seats in Bridlington)					
Terry Atherton	A	✓	Retired September 2015	1 of 2	
Clive Neale	✓	✓	✓	✓	4 of 4
Diane Rose	Appointed September 2015		✓	✓	1 of 2
Pat Stovell	Appointed September 2015		A	✓	1 of 2
David Wheeler	✓	✓	A	✓	3 of 4
Sue Wellington	✓	✓	Retired September 2015		2 of 2
Selby Constituency (2 seats)					
Ann Bolland	✓	✓	✓	✓	4 of 4
Andrew Butler	✓	✓	✓	✓	4 of 4
Ryedale and East Yorkshire Constituency (3 seats)					
Jeanette Anness	✓	✓	A	✓	3 of 4
Sheila Miller	✓	✓	✓	✓	4 of 4
Jennifer Moreton	A	✓	✓	✓	3 of 4
Whitby Constituency (1 seat)					
Stephen Hinchliffe	A	✓	A	✓	2 of 4
York Constituency (5 seats)					
Paul Baines	✓	✓	✓	✓	4 of 4
John Cooke	Appointed September 2015		✓	✓	2 of 2
Helen Fields	✓	✓	✓	✓	4 of 4
Margaret Jackson	✓	✓	✓	✓	4 of 4
Penelope Worsley	✓	✓	✓	✓	4 of 4
Robert	✓	✓	✓	✓	4 of 4

Attendee	10 June 2015	16 Sept 2015	10 Dec 2015	10 Mar 2016	Total meetings attended
Wright					
PARTNERSHIP ORGANISATIONS					
City of York Council (1 Seat)					
John Galvin	Appointed September 2015		A	A	0 of 2
Joseph Riches	A	A	Stood down September 2015		0 of 2
North Yorkshire County Council (1 Seat)					
Caroline Patmore	✓	A	Stood down September 2015		1 of 2
Chris Pearson	Appointed September 2015		✓	No apologies given	1 of 2
East Riding of Yorkshire Council (1 Seat)					
Steve Lane	Appointed September 2015		✓	No apologies given	1 of 2
Dee Sharpe	A	Stood down June 2015			0 of 1
University of York (1 seat)					
Rowena Jacobs	✓	✓	✓	✓	4 of 4
The North Yorkshire Forum (1 Seat)					
Michael Beckett	✓	✓	✓	✓	4 of 4
STAFF CONSTITUENCIES					
Community Services					
Sharon Hurst	Appointed September 2015		A	✓	1 of 2
Les North	✓	✓	Not re-elected September 2015		2 of 2
Scarborough and Bridlington (2 seats)					
Helen Noble	✓	✓	A	✓	3 of 4
Andrew Bennett	✓	✓	✓	A	3 of 4

Attendee	10 June 2015	16 Sept 2015	10 Dec 2015	10 Mar 2016	Total meetings attended
York (2 seats)					
Elizabeth Jackson	✓	✓	✓	A	3 of 4
Mick Lee	✓	✓	✓	✓	4 of 4

Register of governors' 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 public can access the register at www.york.nhs.uk or by making a request in writing to:

The Governor & Membership Manager
 York Teaching Hospital NHS Foundation Trust
 Wigginton Road
 York YO31 8HE

or by e-mailing enquiries@york.nhs.uk

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 by governors during the year from 1 April 2015 to 31 March 2016 was £5,950.

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 2014 to 31 March 2015.

Appointment of the Lead Governor

Governors are invited to nominate themselves for the role of lead governor and submit a statement to support their application. All nominations are considered by the full Council of Governors through an election where governors vote for their preferred candidate. 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 2014.

The Council of Governors confirmed that they wanted Mrs Jackson to continue as Lead Governor following her reappointment as a governor.

Lead Governor Annual Report

This year has seen much change and many challenges for the organisation and the Council of Governors. At the end of 2014-15, governors were responsible for the appointment of the new Chair, Sue Symington, who took over from her predecessor, Alan Rose, on 1 April 2015. Sue's appointment has brought with it the opportunity for governors to review their roles as individuals and as a whole council and agree how this can be developed.

NHS providers, an organisation that provides support to foundation trusts and governors, have started to hold events for governors that give them an opportunity to meet colleagues from other trusts, listen to and debate issues that impact on all trusts and learn from each other. Two governors from York Teaching Hospital NHS Foundation Trust attended the first national conference for governors held in London and four governors attended the first regional event held in Doncaster. Governors who attended provided feed-back to help the development of the Council of Governors.

One presentation heard at the regional meeting was from the CQC who outlined their vision for how inspections take place and the importance of the Council of Governors in this. Governors expressed concern about their involvement in the inspection of the Trust. Senior staff within the Trust had been very supportive of governors being involved but this was not supported well by the inspection team from the CQC. It became apparent at the regional meeting that whilst some Trust's Council of Governors had been very involved, this had not been the case in every Trust. This issue was to be reviewed by the CQC and the involvement of the Council of Governors in the inspection formed part of the newly developed CQC strategy document.

Governors were concerned that agendas for meetings were so full it left little time for discussion and often their issues were not raised or debated. To help address this, a governor forum was set up. The forum is held on an informal basis prior to a Council of Governors meeting. Governors can raise issues they wish to discuss with their governor colleagues, share feed-back from meetings or discuss items that they might like adding to agendas for a relevant meeting. The meeting is chaired by the Lead Governor and is attended by the Governor and Membership Manager. Any issues that the Governors would like to raise with the Chair are taken forward by either or both of these people.

One particular issue the new Chair would like to improve on is the membership of the Trust. A membership group, chaired by the Governor and Membership Manager, has been set up. Governors are working with the Governor and Membership Manager and are involved in supporting the organisation to develop the membership by both increasing the number of members in the differing age groups and from all areas and in encouraging the increased involvement of members in Trust activities. Drop-in sessions were held in January 2016 at venues across the Trust led by local governors. The main aim was to give the opportunity for members to meet with their local governor, hear about developments within the Trust and discuss issues that were important to them. These sessions have been evaluated and the lessons learnt are helping to formulate plans for any future events. A Membership Strategy has been formulated and shared. It

is apparent that the majority of staff remain unaware that unless they have opted out, they are automatically members of the Trust. The Governor and Membership Manager and Head of Communications have held a session with the Staff Governors to discuss their role and how this can be fulfilled.

Governors have also been involved in the recruitment of senior staff including the Medical Director and welcomed this opportunity to have input into the future of the Trust.

Grant Thornton, the Trust's external auditors, also undertook the Well-Led Review and have presented their findings to the Trust. As Lead Governor I was part of this review and my views on issues were sought. The review findings have been shared with all governors to ensure that the Council of Governors is aware of what is carried out well and what could be improved upon within the organisation.

Everyone is very aware of the financial pressures that the organisation is under and that meeting targets is proving extremely difficult. Despite this, it is very pleasing to hear at every board meeting that patient care and the patient experience remains at the forefront of everyone's agenda. Patient stories, positive and negative, are shared and discussed at many meetings within the organisation. Lessons learnt are also shared so that everyone is made aware of changes in practice to address concerns. Governors have taken the opportunity to meet patients, their relatives and the community in general in many ways, such as by participating in the Patient Led Assessment of the Clinical Environment (PLACE assessments), attending local patient participation groups or any meetings held locally where healthcare may be discussed.

It was again a real pleasure for governors to attend the Celebration of Achievement Award night to hear about all the fantastic work that staff are undertaking, sometimes under very difficult circumstances. Their commitment and dedication to making things right for patients has to be acknowledged and our thanks go to everyone.

Margaret Jackson, Lead Governor

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 latter part of the year the governors have reviewed the groups and committees and a number of internal elections have taken place to ensure governor representation.

Nominations/Remuneration Committee

The Committee met four times during the year, as planned.

The membership of the Committee was as follows:

Sue Symington – Chair of the Trust (Chair)

Anna Pridmore – Foundation Trust Secretary (Secretary up to March 2016)
Lynda Provins – Governor & Membership Manager (Secretary – March 2016 meeting)
Margaret Jackson – Lead Governor (Vice-Chair)
Paul Baines – Public Governor, City of York (until March 2016)
Helen Fields – Public Governor, City of York (from March 2016)
Jane Dalton – Public Governor, South Hambleton (until March 2016)
Jeanette Anness – Public Governor, Ryedale and East Yorkshire
Ann Bolland – Public Governor, Selby
Stephen Hinchliffe – Public Governor, Whitby
Michael Beckett – Appointed Governor, North Yorkshire and York Forum
Rowena Jacobs – Appointed Governor, University of York
Les North – Staff Governor, Community Services (until September 2015)
Sheila Miller – Public Governor, Ryedale and East Yorkshire
Robert Wright – Public Governor, City of York (from March 2016)
Mick Lee – Staff Governor, York (from March 2016)

During the year, issues covered included:

- Annual review of remuneration of the seven non-executive directors (including the Chair). This year, the remuneration was one per cent which equalled that of staff in general
- 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 (Philip Ashton). The Non-executive Director appraisals are conducted by the Chair. All appraisals include the opportunity for any governor and director to contribute. In each of the above cases, the Committee made recommendations that were discussed and ratified by the full Council of Governors at subsequent meetings. These recommendations include a set of shared priorities for each non-executive director to focus on and be evaluated against in their next appraisal. In the case of the Chair, the focus was on what the Governors felt the Chair should focus on in her first year of office. When each appraisal is presented, the timelines for the Non-executive Director's period of office are reviewed as a whole and the 'linkages' each director holds to activities of the Trust are confirmed

The Committee continued to reflect on the process for appointment of a new chair and will take the learning forward to help shape the future non-executive director appointment processes.

Three non-executive directors reached the end of their current term of office during the year (Libby Raper, Mike Sweet, and Dianne Willcocks). In each case, following strong and detailed appraisals, the committee recommended to the Council of Governors that they be re-appointed for a further term. These re-appointments were subsequently approved.

It is noted that, in the year ahead, the other three non-executive directors will reach the end of their current term of office. One of these is the Senior Independent Director and Audit Committee Chair, who will have completed three terms. The Committee has started to discuss how this appointment will be planned and approached.

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

The minutes of the Nominations/Remuneration Committee are circulated to the private session of the full Council of Governors and the Chair offers time for discussion. In the Council's subsequent meeting in public, the Chair briefly summarises the recommendations put forward by the Committee and their approval (or not) by the full Council of Governors.

An election was held near the end of the financial year and Helen Fields (Public Governor, York) and Robert Wright (Public Governor, York) replace Paul Baines and Jane Dalton, and Mick Lee (Staff Governor, York) replaces Les North on the Committee from March 2015.

Susan Symington Chair of the Committee

Community Services Group

The Community Services Group is a quarterly meeting of governors and others who represent the localities served by the Trust. Membership includes Public and Staff Governors, a Non-executive Director, representatives from Healthwatch and representatives from community services management. The Group is chaired by the Head of Strategy for Out of Hospital Services. The Group have a wide remit, looking at any community services provided by the Trust from Selby to Whitby and report 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 developments in community services and to gain insight from a public perspective
- To keep governors updated on developments in community services.

Over the past year, the Group have taken a particular interest in the development of 'Care Hubs' in Ryedale and Selby. They have revised the information leaflet given to those using the service, helped to design a user satisfaction questionnaire and reviewed the proposed service model. They have also informed developments in mobile working for community nursing staff and looked extensively at issues with equipment provision for patients in the community. They 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 membership of the Constitutional Review Group includes:

Andrew Butler – Governor for Selby

Ann Bolland – Governor for Selby

Jeanette Anness – Governor for Ryedale and East Yorkshire

Michael Beckett – Governor for the North Yorkshire Forum
Anna Pridmore – Foundation Trust Secretary
Mick Lee – Staff Governor, York
Jenny Moreton – Governor for Ryedale and East Yorkshire
Diane Rose – Governor for Scarborough

The Constitutional Review Group has met during the year to discuss the aspects of the Health and Social Care Act that have not been included in the Constitution, but must be addressed.

The Group has developed a work programme that includes the key pieces of work such as ensuring that governors are fully informed and appropriately trained by the Trust.

The Group has reviewed the significant transaction limits agreed in 2012 and made recommendations for them to be adjusted. The recommendation was considered by the Board of Directors and the Council of Governors and both forums accepted the changes.

The Group has developed some protocols during the year around contacting the independent panel at Monitor for any additional information the Council of Governors may require. It has also developed a protocol for requesting executive directors to attend the Council of Governors meetings.

The Group has started a significant piece of work to review the whole constitution. It is anticipated this will take some time to complete over the coming year.

Andrew Butler, Chair of the Group

Foundation Trust Membership

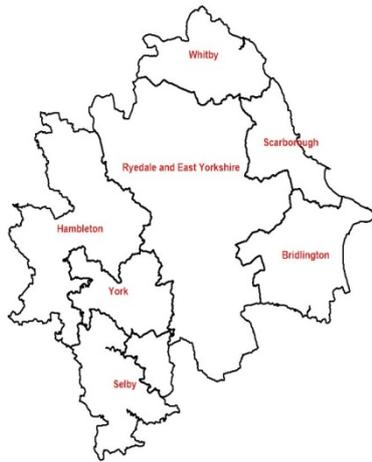
Introduction

The focus of the past year has been to consolidate our membership.

Our current catchment area

The map below shows the seven communities the Trust now serves and each one forms a public constituency for our membership.

The York and Scarborough catchment area



We have defined our 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 run by the Trust – places that the local population clearly identify with and care much about; in our experience this is a key issue for membership.

The York constituency includes all 22 City of York wards and the wards of Ouseburn and Marston Moor of Harrogate Borough Council. The hospital facilities include the following:

- The York Hospital (general acute hospital)
- Archways (rehabilitation hospital in York)
- St Helen’s (rehabilitation hospital in York)
- White Cross Court (rehabilitation in York)

The Selby constituency includes all 20 wards of Selby District Council area and the parishes of Bubwith, Ellerton, Foggathorpe and Wressle which are outside of SDC. The hospital facility in this area is:

- The New Selby War Memorial Hospital (community hospital)

The Hambleton constituency includes seven Hambleton District Council wards of Easingwold, Helperby, Huby and Sutton, Shipton, Stillington, Tollerton and White Horse. The additional areas now included in the constituency are Northallerton, Bromfeild, Northallerton Central, Romanby, Sowerby, Thirsk, Thorntons, Topcliffe, Whitestone Cliff, Bishop Monkton, Boroughbridge, Claro, Hookstone, Knaresborough East, Knaresborough King James, Knaresborough Scriven Park, Newby, Pannal, Ribston, Ripon Cathedral, Ripon Moorside, Ripon Spa, Spofforth with Lower Wharfedale, Starbeck and Wetherby. The hospital facility in this area is:

- St Monica’s Hospital (community hospital in Easingwold)

The Ryedale and East Yorkshire constituency covers all 20 Ryedale District Council wards and the East Riding wards of Pocklington Provincial, Wolds Weighton and the parish of Holme upon Spalding Moor. The hospital facility is:

- Malton, Norton and District Hospital (community hospital in Malton)

The Whitby constituency includes all seven wards of Whitby Town Council. The hospital facility is:

- Whitby Hospital (community hospital)

The hospital building transferred to NHS Property Services in November 2015 and the main community contract transferred to Humber Foundation Trust on 1 March 2016. However, the Trust continues to provide a number of services, predominantly in the Outpatient Department.

The Scarborough constituency includes all 19 wards of Scarborough Borough Council. The hospital facility is:

- Scarborough and District Hospital (general acute hospital)

The Bridlington constituency includes all three wards of Bridlington Town Council, and the two wards East Riding Council, Driffield and Rural and East Wolds and Coastal. The hospital facility is:

- Bridlington and District Hospital (general hospital)

The Trust continues to keep the constituency areas under review during the year to ensure that the constituencies reflect the communities served by the Trust.

The out of area public members

We will continue to offer membership to the public who live outside of these constituencies. Previously named 'affiliate' members, they will now be referred to as 'out of area' members.

Contact points for governors by members

Members can contact governors through the trust using the membership and governor manager. The contact details are:

The Governor & Membership Manager
York Teaching Hospital NHS Foundation Trust
Wigginton Road
York YO31 8HE

or by e-mailing enquiries@york.nhs.uk

Regulatory rating

Care Quality Commission

Last year the Trust reported that it was subject to a CQC inspection over three days 17-20 March 2015 with a further unannounced inspection taking place on 30-31 March 2015. This was part of the full inspection and the CQC published its concluding report in October 2015 and assessed the organisation overall as 'Requiring Improvement'. Key issues related to performance against a number of national standards, both medical and nurse staffing, critical care services, attendance levels at statutory and mandatory training, the updating of clinical guidelines with a specific issue around records management and the privacy and dignity of a very small cohort of patients on the Nurse Enhanced Unit.

The report findings included a small number of improvement requirement notices, which all have an appointed executive lead. The Board of Directors received an update report on progress against the recommendations in March 2016; this indicated that the majority of actions were completed at the end of March 2016.

NHS Improvement Explanation of ratings

NHS Improvement (formally known as Monitor) uses a combination of financial information and performance against a selected group of national measures as the primary basis for assessing the risk of trusts breaching their licence. NHS Improvement's Risk Assessment Framework was introduced during 2013-14 by Monitor and replaced the compliance-based framework. The risk assessment framework assigns two ratings, a financial rating in the form of a continuity of services and a governance rating to each NHS Foundation Trust on the basis of its annual plan and in-year performance against that plan. During 2015-16 this was changed so the financial rating became the financial sustainability risk rating rather than a continuity of services rating. The effect of the change was to introduce three additional metrics that were taken into account on a quarterly basis by the regulator. The three additional metrics were monitoring in year financial performance and the accuracy of planning along with the introduction of a value for money governance trigger.

NHS Improvement uses these ratings to inform the intensity of monitoring and to signal to the NHS Foundation Trust, NHS Improvement's degree of concern with specific issues identified and the risk of non-compliance with the licence. Where issues arise, NHS Improvement may wish to test the basis of board statements made. NHS Improvement may take into account the findings, judgement and/or guidelines of any relevant third party in determining risk ratings and/or whether non-compliance with the licence has occurred. They expect NHS Foundation Trusts to respond to any such issues.

Financial risk rating

When assessing financial risk ratings, the NHS Improvement will assign a rating using a scorecard that compares key financial metrics on a consistent basis across all NHS Foundation Trusts. The financial risk rating is intended to reflect the likelihood of a financial non-compliance of the licence.

Governance risk rating

In 2013-14 Monitor changed the rating regime from the Compliance Framework and Terms of Authorisation to the Risk Assessment Framework and the Licence.

Monitor applies the risk assessment framework as a method of consistently assigning a governance risk rating to reflect the quality of governance at a trust.

The licence introduced four key conditions. Conditions 1-3 contain important administrative and other requirements, while condition 4 sets out the overall standards set for different aspects of NHS Foundation Trust governance.

Where there is evidence that the Trust may be failing to meet the requirements of the condition, Monitor is likely to investigate whether a breach of the governance condition may have occurred and if so consider whether to take regulatory action.

In forming their view, Monitor incorporates information from a number of areas including:

- Performance against selected national access and outcomes standards
- CQC judgements on the quality of care provided
- Relevant information from third parties
- A selection of information chosen to reflect quality governance at the organisation
- The degree of risk to continuity of services and other aspects of risk related to financial governance
- Any other relevant information

Summary of performance

At the end of 2014-15 the Trust had identified a number of governance challenges that required resolution; those included achieving the following performance targets:

- The 4 hour wait target in A&E
- Cancer two week wait (symptomatic breast)
- Cancer two week wait (all cancers)
- Diagnostics

In April 2015 the Trust put in place a performance recovery plan. This plan detailed the actions being taken to recover the performance in a number of areas (see page 24).

The Trust's performance has been reviewed during the year by NHS Improvement and additional support has been received from a number of agencies including ECIST.

The Trust has not achieved the 4 Hour Emergency Care Standard throughout the financial year. The support and advice the Trust has received has confirmed that performance at the Trust is of a high quality.

The Trust planned and achieved an overall financial risk rating of four for each quarter of 2014-15.

	Annual Plan 2014-15	Q1	Q2	Q3	Q4
Continuity of Services Rating	4	4	4	4	4
Governance risk rating	Green	Under review (Investigation)	Green	Green	Green
	Annual Plan 2015-16	Q1	Q2	Q3	Q4
Planned Continuity of Services Rating/Financial Sustainability Risk Rating (FSRR)	4	3	2	3	2
Continuity of Services Rating/FSRR		3	2 (FSRR)	2 (FSRR)	2 (FSRR)
Governance risk rating	Green	Under review	Under review	Under review	Under review

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 Monitor.

Under the National Health Service Act 2006, Monitor has directed York Teaching Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. 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, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *NHS Foundation Trust Annual Reporting Manual* and in particular to:

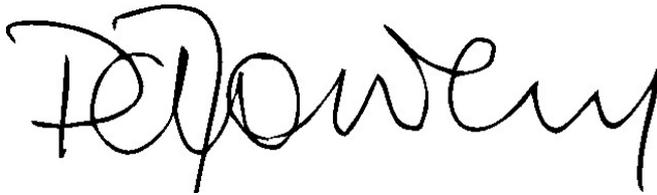
- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent

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* 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 and
- prepare the financial statements on a going concern basis.

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 for enabling him/her 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.

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

A handwritten signature in black ink, appearing to read 'P. Crowley', written in a cursive style.

Patrick Crowley

Chief Executive

25 May 2016

Annual Governance Statement

York Teaching Hospital NHS Foundation Trust delivers acute and community services from ten hospital sites and in the community. The hospitals are:

- The York Hospital
- Scarborough District General Hospital
- Bridlington General Hospital
- Whitby Hospital*
- Malton and Norton Community Hospital
- White Cross Court Rehabilitation Hospital
- St Helen's Rehabilitation Hospital
- Archways Intermediate Care Unit
- The New Selby War Memorial Hospital
- St Monica's Hospital in Easingwold

***Whitby Hospital** – During the year the Trust ceased to deliver clinical services at Whitby Hospital. The services transferred to Humber NHS Foundation Trust on 1 March 2016.

Ownership of the hospital site transferred to NHS Property Services on 2 November 2015.

1 **Scope of responsibility**

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

There are arrangements in place for sharing views and working with other organisations. Those operating at Chief Executive level are as follows:

- Health Scrutiny Committees (York, NY East Riding of Yorkshire)
- Health and Wellbeing Board (York, NY East Riding of Yorkshire)
- Healthwatch (York, NY East Riding of Yorkshire)
- Yorkshire Cancer Network
- HYMS North Yorkshire Local Steering Group
- NHS providers Chairs and Chief Executives meeting
- System Leaders Board
- Collaborative Improvement Board
- Yorkshire and Humber Learning Education and Training Board (LETB)
- Alliance relationships with local hospitals

There are similar arrangements in place for working with partner organisations that operate at director level for finance, HR, business and service planning, clinical alliance, clinical governance and risk management.

2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- Identify and prioritise the risks to the achievement of the policies, aims and objectives of York Teaching Hospital NHS Foundation Trust
- 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 Hospital NHS Foundation Trust for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

During the year the Trust launched a governance review. This review was designed to improve the connections and alignments in a number of areas including simplifying the information flows and gaining clarity about decision making; it was based on an Internal Audit Report 'Strengthening Corporate Accountability through Staff Conduct and Competence' and guidance from the CQC on the 'Fit and Proper Persons Test'.

The aim of the review was to provide greater clarity of purpose and leadership, more purposeful transactions within the organisation and to remove any redundancy or duplicated effort at both an individual and collective level. It aimed to provide stronger assurance to the Board and align the organisation's strategy against the Board's agenda and provide a clear and transparent structure. In turn, this will influence and improve the internal controls employed in the organisation.

Following the internal governance review, the Trust agreed to undertake a full Well Led Review as prescribed by Monitor. The Trust commissioned Grant Thornton to undertake the review and the final report was presented to the Board on 27 January 2016.

The report identified three key recommendations which are being addressed as part of an action plan. The recommendations arising from the review are included in the Accountability Report as part of the Annual Report.

3 Capacity to handle risk

The Chief Executive has overall responsibility for the management of risk. Other members of the Executive Director Team exercise lead responsibility for the specific types of risk as follows:

• Clinical risk	Executive Medical Director/ Executive Chief Nurse
• Quality risk	Executive Chief Nurse
• Financial risk	Executive Director of Finance
• Workforce and staffing risk	Chief Executive
• Non-clinical and organisational risk	Director of Estates and Facilities
• Environmental risk	Director of Estates and Facilities
• Corporate learning and development	Deputy Chief Executive
• Operational risk	Chief Operating Officer
• IT risk	Director of Systems and Network
• Strategic risk	Chief Executive

All directors are responsible for ensuring there are appropriate arrangements and systems in place in order to:

- Identify and assess risks and hazards
- Comply with internal policies and procedures, and statutory and external requirements
- Integrate functional risk management systems and development of the assurance framework.

These responsibilities are managed operationally by managers supporting the executive directors.

The internal systems include corporate induction and statutory and mandatory training, both for new starters to the Trust and existing staff. To support the undertaking of this training some programmes are provided on an e-learning platform. This training ensures staff are informed about the systems and processes relating to risk management.

Staff are equipped to manage risk at strategic and operational levels and programmes include:

- 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, and statutory and mandatory training
- Training in incident investigation, including documentation, root cause analysis, serious incidents and steps to prevent or minimise recurrence and reporting requirements
- Developing shared understanding of broader financial, non-clinical, organisational and clinical risks through collegiate clinical, professional and managerial groups (such as the Executive Board, Hospital and Community Boards and Corporate Risk Committee)
- Sharing good practice with other peer Foundation Trusts through appropriate forums such as NHS Providers. The Trust also works with external organisations such as CHKS Ltd to support benchmarking exercises.

The Trust has continued to integrate directorates and develop systems where all elements of the Trust work as one organisation. The development of clinical strategies across the organisation, through the annual planning cycle has helped to ensure there is alignment between strategic priorities and managerial integration.

4 The risk and control framework

The system of internal control is based on an ongoing risk management process that is embedded in the organisation and combines the following elements:

- Risk Management
- The Risk Register and Board Assurance Framework
- Risk Management Reporting
- Trust key risks
- Information Governance and assurance programme
- Quality Governance arrangements
- CQC

Risk Management Framework

The Trust has a Risk Management Framework document in place, which is reviewed and endorsed by the Board on an annual basis. The framework is embedded into the day-to-day management of the organisation and conforms to best practice standards. It also sets out the Trust's approach to the identification, assessment, scoring, treatment and monitoring of risk.

The Risk Management Framework describes the appetite the Trust has for risk. The Trust has a Corporate Risk Register which in turn underpins the Board Assurance Framework. The Corporate Risk Register and Board Assurance Framework are reviewed on a quarterly basis by the Corporate Directors, the Corporate Risk Committee, Audit Committee and Board of Directors.

Historically, weaknesses have been identified in the risk management processes over the last two years; these processes have been strengthened and developed. An audit of the systems was undertaken by Internal Audit and commissioned by the Audit Committee. The audit demonstrated that significant assurance could be gained from the design and operation of the Trust's Board Assurance Framework and the risk management systems and processes. The same internal audit report concluded that limited assurance was gained from the application of the risk management systems and processes.

The Risk Management Department has continued to seek ways of developing the systems further and continues to seek improvements to processes. As a result, further work is being undertaken to review the Serious Incidents (SI) process and identifying methods of sharing learning across the organisation.

The Corporate Risk Register and Board Assurance Framework

Every directorate has its own risk register which is kept under review; the highest rated risks are taken to every Executive Performance Management Meeting for review and consideration of action plans and the implementation of any plans. These risks are considered for escalation to the Corporate Risk Register.

Each Executive Director is responsible for their section of the Board Assurance Framework. The statements given in the framework are provided by the director who is accountable for

the area. Directors are asked to consider and confirm the detail included in the framework. The Board Assurance Framework is linked to the Corporate Risk Register through a consideration of the risks on the risk register and the assurance statement included in the Board Assurance Framework.

Towards the end of the financial year the Trust reviewed the Board Assurance Framework and revised the approach being taken. The Board Assurance Framework – at a glance is now presented to the Board of Directors on a monthly basis. The more detailed document that sits behind the Board Assurance Framework at a glance document is reviewed by the Corporate Directors on a quarterly basis and presented to the Board of Directors.

The Corporate Risk Committee receives both the Board Assurance Framework and Corporate Risk Register and considers the details included. The membership of the Corporate Risk Committee includes the Chair of the Audit Committee.

The Audit Committee receives the Corporate Risk Register and Board Assurance Framework on a quarterly basis in order to satisfy itself that, with regard to the Corporate Risk Register, the operational actions are being carried out appropriately by management. With regard to the Board Assurance Framework, the processes for populating, updating and formatting the document, remain relevant and effective for the organisation.

The Board of Directors reviews the Corporate Risk Register and Board Assurance Framework on a quarterly basis, receiving recommendations from the Chair of the Audit Committee and the Chair of the Corporate Risk Committee.

The Board Committees consider the Board Assurance Framework and the Corporate Risk Register when planning their agenda, and reference the Corporate Risk Register and Board Assurance Framework in their agenda.

The Risk Management Team

The Risk Management Team is responsible for providing regular communications to staff through newsletters, synopses of serious incidents and clinical incident information. This is also supported by an initiative within the Patient Safety Team to consider further methods of sharing and implementing learning across the organisation.

The department also provides risk management training to new and existing staff and has a number of Governance Facilitators who work across the Trust providing expertise and support on governance issues to directorates on a daily basis.

Risk Management Reporting

Weekly quality and safety meetings – On a weekly basis, a meeting is held with the Medical Director, Director of Nursing, Deputy Director of Health Care Governance and the Deputy Director of Patient Safety 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.

Adverse incident reporting – The Trust promotes a culture of openness and transparency. The key reporting systems the Trust uses are included in the Datix system. Use of the system provides an opportunity for the Trust to learn from incidents and improve the processes.

The Directorates review their risks with the support of a Governance Facilitator who is linked to the Directorate. The Risk Register is reviewed by the Deputy Director of Healthcare Governance and the Directorate Clinical Governance Committee.

Serious incident reporting – The Trust has, during the year, continued to review and refine the serious incident investigation process. Developments in the system have placed responsibility for following up recommendations with the team of Governance Facilitators. Centrally supporting the system is the Serious Incident Group who will review new recommendations and address any occasions where recommendations are not addressed and evidenced as completed.

In 2015-16, the contractual requirements changed. The Clinical Commissioning Groups require the completion of all investigations and for them to be provided to the Clinical Commissioning Groups with approved reports within 60 days of being raised. The Trust has changed its systems to accommodate this further requirement.

Never events – The Trust experienced two never events during 2015-16 (none in 2014-15). When there is a never event it is investigated in detail and the Trust aims to learn from the events. The results of these investigations are reported to the Quality and Safety Committee and the Board of Directors.

The first never event reported during 2015-16 fell into the category of wrong site surgery where a tooth not requiring extraction, was in fact extracted during an operation to remove several teeth. The second never event related to a patient receiving an overdose of insulin due to the wrong sized syringe being used.

National Reporting and Learning System – The latest release of National Reporting and Learning System data shows the Trust within the peer group range for both ‘severe harm’ and moderate incidents.

The National Reporting and Learning System report also indicates that the median number of days from incident reported to clearance time for Datix web upload to the National Reporting and Learning System has reduced from 184 to 78.

To further improve reporting we have re-designed and introduced a new incident reporting form, which is more intuitive for the reporter to complete. This document captures all salient information and will improve incident investigation. This has been supported by an extensive programme of training within the Trust.

Claims – The Trust has robust processes in place for dealing with both Clinical Negligence and Employers Liability Claims. When necessary we seek legal representation. A summary of any settled claim is disseminated to involved clinician(s)

- Relevant Directorate Manager/Clinical Director
- Directors

- Legal Services Team
- Health and Safety Team

In respect of learning lessons from claims, directorates are provided with details of new, ongoing and settled claims. Directorates ensure that risk issues are identified and formally discussed in order for an action plan to be initiated and where necessary the relevant risk register be appropriately updated. These action plans will be monitored through the Directorate risk process.

Complaints and compliments – At present complaints and compliments are managed by the Patient Experience Team. Opportunity to consider the risks and learning from the complaints or compliments has been developed. The Trust has recognised this weakness in the system and has implemented a system during 2015-16 which triangulates the information from complaints and compliments so that it can inform the Directorate Risk Registers in a more direct way.

Trust strategic direction

The Trust's strategic direction comprises four key drivers, designed to ensure the Trust focuses on its mission of "being trusted to provide safe, effective and sustainable healthcare within our communities". These strategic 'frames' provide a focus for our emerging priorities and objectives, and assist in their communication to staff, patients and other stakeholders. The frames were reviewed during the year and adjusted to be more reflective of the enlarged organisation. They are:

- Improve quality and safety – we will ensure you feel cared for, encourage and act on feedback, develop the quality and skills of our workforce, keep you safe, ensure the right people are in the right place to meet care needs, learn from our mistakes and respect individual differences
- Develop and enable stronger citizenship through our work with partners and the broader community – we will enhance our reputation through our action, behaviours and performance to earn the respect of our community, reach out to the local community through providing opportunities, support local businesses, voluntary organisations and communities, identify opportunities to engage with the community to add value, seek and develop partnerships inside and outside the health economies
- Improve our effectiveness, capacity and capability – we will employ good staff, keep them and look after them, educate our workforce to meet changing needs, demonstrate value for money at all levels, deliver and surpass targets, achieve efficient use of resources: our staff, our money, our assets and ensure no unnecessary waits or delays
- Improve our facilities and protect the environment – we will continually improve our buildings and facilities to meet changing needs, keep everything clean, tidy and safe, make you feel welcome, respect your privacy and dignity, help you find your way around and positively manage our impact on the environment.

During the year, the Board reviewed the strategic frames and developed them further into four ambitions that link with the Board sub structures, as follows:

Our shared commitment – ‘Caring with pride’

Our ultimate objective

To be a valued and trusted partner within our care system delivering safe effective care to the population we serve.

Our vision for healthcare in the population we serve

- We will work in partnerships which best serve our local communities
- We will treat every patient as an individual, providing the care they need, where they need it, to save and improve lives
- We will be innovative in our approach to delivering care
- We will work with our partners to promote healthy lifestyles

Our values

We...

- are caring about what we do
- respect and value each other
- listen in order to improve
- always do what we can to be helpful.

Our quality and safety ambitions

Our patients must trust us to deliver safe and effective healthcare

- To improve patient safety, the quality of our patient experience and patient outcomes, all day, every day
- To listen to patients and staff, act on their feedback, and share with them the changes we make
- To be innovative in our approach to providing the best possible care, sympathetic to different communities and their needs
- To separate the acute and elective care of our patients
- To reform and improve emergency care
- To embrace existing and emerging technology to develop services for patients.

Our finance and performance ambitions

Our sustainable future depends on providing the highest standards of care within our resources

- To work to and maintain financial stability alongside our partners, building alliances to benefit our patients
- To provide the very best value for money, time and effort
- To exceed all national standards of care
- Plan with ambition to create a sustainable future.

Our people and capability ambitions

The quality of our services is wholly dependent on our teams of staff

- To ensure that our organisation continues to develop and is an excellent place to work
- To creatively attract the right people to work in our trust, in the right places, at the right time
- To retain our staff
- To care for the wellbeing of our staff
- To provide first class learning and development opportunities, enabling our staff to maximise their potential
- To develop learning, creating new knowledge through research and share this widely

Our facilities and environment ambitions

We must continually strive to ensure that our environment is fit for our future

- To work as part of our overall community to provide the very best health outcomes, in the most appropriate setting
- To respect the privacy and dignity of all of our patients
- To positively manage our impact on the wider environment and keep our own environment clean and tidy
- To develop our facilities and premises to improve our services and patient care

The table below identifies our key risks and opportunities related to each ambition identified in our revised 'Our Commitment to You' document:

Strategic ambitions	In-year and future risks	Management and mitigation	Outcomes to addressing risk and opportunities
<p>Our quality and safety ambitions</p>	<p>Not maintaining and improving quality and safety across the whole organisation and ensuring a consistent approach to quality and safety</p> <p>Not developing the most effective and efficient systems that will support the organisation to deliver quality and safety</p> <p>Not reacting to evidence of weaknesses in the systems and processes that manage quality and safety across the organisation</p> <p>Maintenance of acceptable</p>	<p>Implementing Nursing and Midwifery and Patient Safety Strategy</p> <p>.</p> <p>Active management of patient safety through work streams addressing the deteriorating patient, reducing harm, excellence in end of life care and undertaking thorough and regular mortality reviews across the Trust</p> <p>Detailed implementation plans developed which are being reviewed</p>	<p>Consistent effective quality and safety systems and strategies in place. Development of organisational ambitions supports the opportunity to be innovative with the Trusts planning of quality and safe provision of service</p> <p>The plans are both corporate and clinical and provide the steps needed to ensure there is satisfactory integration of community services and the acute services. The introduction of the STP will provide opportunities to develop services that engage the whole system in their development</p> <p>Use of board committees, particularly the Quality and Safety Committee. Development of the board committees to provide a strong support to the underlining assurance relied on by the Board</p>

Strategic ambitions	In-year and future risks	Management and mitigation	Outcomes to addressing risk and opportunities
	<p>operational performance while not compromising quality and safety and failing to consistently achieve key performance standards on a sustainable basis.</p> <p>Risk of incurring financial penalties if standards are not maintained. Ensuring staffing levels are satisfactory to maintain acceptable quality and safety levels</p> <p>National shortage of medical and nursing staff in specific specialties impacting on the Trust's ability to deliver a safe, effective and responsive service</p> <p>Continued challenges around infection control and prevention</p> <p>Delivery of a sustainable Emergency Service for the</p>	<p>by the Board Committees on a monthly basis.</p> <p>Active management of the contracts with the commissioners to limit the impact of penalties</p> <p>Use of the Assurance Framework and governance systems to check developments.</p> <p>Active management of staffing levels including overseas recruitment</p> <p>Self-checking of systems and benchmarking against other Trusts.</p> <p>Careful management of the antibiotic prescribing policy to ensure reduced risk of healthcare acquired infections</p> <p>Introduction and implementation of a new acute strategy</p>	<p>Assurance of self-checking system and excellent comparison of benchmarking.</p> <p>Becoming an exemplar Trust and achieving key standards on a sustainable basis</p> <p>Integration of the Turnaround Avoidance Programme as part of the organisation's culture.</p> <p>Development of a whole system approach to the design and provision of healthcare services that supports a financially sustainable service</p> <p>Continued review of recruitment processes and increased links with universities and further education establishments</p>

Strategic ambitions	In-year and future risks	Management and mitigation	Outcomes to addressing risk and opportunities
	community served by the Trust		<p>Careful review and management of the flow of patients to ensure they are provided with the best possible care</p> <p>Review of appropriate models of care and development of new models to deliver care.</p>

Strategic ambitions	In-year and future risks	Management and mitigation	Outcomes to addressing risk and opportunities
Our finance and performance ambitions	<p>Not identifying key parties to engage in the development of services to support the broader community including the integration of the organisation</p> <p>Significant change in the structure of the NHS and</p>	<p>Confirmation of parties involved, ensuring Trust maintains open debate with all parties</p> <p>Working closely with Clinical Commissioning Groups and other key stakeholders</p> <p>Use of groups such as Health and Wellbeing Boards, Alliance Groups</p>	<p>Successful identification of appropriate parties to discuss developments with.</p> <p>Creation of a whole system approach for the region supported by the STP</p> <p>Development of services on a collaborative basis so ensuring</p>

Strategic ambitions	In-year and future risks	Management and mitigation	Outcomes to addressing risk and opportunities
	<p>legislative requirements and expectations of working, including 7 day working</p> <p>Ensuring the Trust continues to work in the most effective way with other stakeholders and make use of up to date business models</p> <p>Ensuring the Trust achieves financial stability</p>	<p>Development and implementation of the 5 year STP</p> <p>Development of alliances with other Trusts and organisations</p> <p>Development of new working relationships with Coventry University</p> <p>Introduction of the Transformation and Sustainability Fund and Control Total</p>	<p>sustainable for the future</p> <p>Creation of two local plans (one with Scarborough and Ryedale CCG and one with York CCG to support the next stage of development in the NHS</p> <p>Create new approaches to developing a workforce fit for the future</p> <p>Implementation of the Carter recommendations as they fit to the development of working in partnership with the broader community</p> <p>Further develop working relationships with other stakeholder to achieve sustainable services across the patch</p>

Strategic ambitions	In-year and future risks	Management and mitigation	Outcomes to addressing risk and opportunities
<p>Our people and capabilities ambition</p>	<p>Failing to develop key services that would improve the overall capacity and capability of the Trust across the North Yorkshire patch</p> <p>Not ensuring staff are able to develop and provide the level of service expected by the communities and the Trust, including 7 day working</p> <p>Fail to attract the right people to work in the Trust</p>	<p>Use of existing internal systems to confirm effective use of capacity and capabilities</p> <p>Maintaining dialogue with key stakeholder</p> <p>Extensive curriculum of training and development available to staff. Further relationships being formed with other educational providers</p> <p>Regular staff appraisals are undertaken and the Trust has introduced the personal responsibility framework for all staff</p> <p>Development of recruitment approaches and working with education establishments</p>	<p>Use of strong systems of continuous improvement which will ensure the workforce and organisation develops to be able to provide excellence for patients.</p> <p>Implement the Carter recommendations and obtain the relevant benefits</p> <p>Introduction of new recruitment processes and systems such as apprenticeships</p>

Strategic ambitions	In-year and future risks	Management and mitigation	Outcomes to addressing risk and opportunities
	<p>Fail to care for the wellbeing of the staff</p> <p>Fail to develop learning, creating new knowledge through research and share this widely</p>	<p>Introduction of health and wellbeing programme</p> <p>Development of a revised research strategy</p>	<p>Using the comments from staff surveys to develop systems to introduce further wellbeing initiatives</p> <p>Increased attention on research will support the approach to attracting high quality staff to the organisation</p>

Strategic ambition	In-year and future risks	Management and mitigation	Outcomes to addressing risk and opportunities
<p>Our facilities and environment ambitions</p>	<p>Not maintaining a safe environment and infrastructure resulting in non-compliance with legislative standards.</p>	<p>Regular audits and completion of work. Updating legislative requirements. Development of a site master plan and annual capital programmes.</p>	<p>Improvement in the environment and infrastructure so supporting the delivery of quality and safe services for all. Implementation of the Carter recommendations provides an opportunity to review and develop the site in an effective and efficient way underpinned by the Estates Management Strategy</p>

Information governance assurance programme

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 Medical Director is the Trust's Caldicott Guardian. The Trust has appointed a Chief Clinical Information Officer, and the Finance Director is the Senior Information Risk Owner (SIRO) for the Trust.

The SIRO takes ownership of the Trust's information risk policy, acts as advocate for information risk on the Board, and provides written advice to the Accounting Officer on the content of the Annual Governance Statement, in regard to information risk. The SIRO provides an annual report to the Board of Directors on information governance activities and the outcome of the Information Governance Toolkit Scores. The Corporate Risk Committee and the Quality and Safety Committee will receive ad hoc reports when a significant issue is identified.

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

The Trust takes data security and management very seriously. The Trust has well established systems to ensure data security and management is maintained at all times.

The Trust has spent time reviewing and approving policies to ensure that the enlarged organisation has single policies for the organisation.

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.

In accordance with the requirements of the Information Governance Toolkit, the Trust has developed an approach of undertaking a regular review of arrangements that are in place to ensure the safe management and control of data. A significant amount of work has taken place over the year to further improve these processes. This approach is detailed in the Trust's Information Risk Handbook, and nominated officers are required to undertake information risk assessments, develop a resultant treatment plan and then escalate any significant risks to the information risk register. These assessments are reviewed twice a year with the results being fed back to the organisation's Senior Information Risk Owner.

The Deputy Director of Healthcare Governance acts as the Trust's Data Protection Officer. The Director for Systems and Network has operational responsibility for information management.

Information Governance risks are managed in accordance with compliance with the standards contained within the Information Governance Toolkit, and, where appropriate, recorded on the Corporate Risk Register.

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 IG session.

The Trust had no information security breaches during the year which was of a scale or severity to require a report to the Information Commissioner.

The Trust complies and has attained level 2 or greater, with all the requirements of version 13 of the Information Governance Toolkit.

Care Quality Commission

York Teaching Hospital NHS Foundation Trust has not participated in any special reviews by the CQC during the reporting period. Last year we reported that the Trust was subject to a CQC inspection over three days 17-20 March 2015 with a further unannounced inspection taking place on 30-31 March 2015. This was part of the full inspection and the CQC published its concluding report in October 2015 and assessed the organisation overall as 'Requiring Improvement'. Key issues related to performance against a number of national standards, both medical and nurse staffing, critical care services, attendance levels at statutory and mandatory training, the updating of clinical guidelines with a specific issue around records management and the privacy and dignity of a very small cohort of patients on the Nurse Enhanced Unit.

The report findings included a small number of improvement requirement notices, which all have an appointed executive lead. The Board of Directors received an update report on progress against the recommendations in March 2016; this indicated that the majority of actions were completed at the end of March 2016.

Compliance with NHS Foundation Trust condition 4 – NHS Foundation Trust Governance Arrangements

In 2014-15 the Trust undertook an internal review of the effectiveness of the governance structures and the responsibilities of directors and sub-committees. This review considered the reporting lines and accountabilities between the Board, its sub-committee and the executive team and led to a further evaluation of the accountability portfolio of the Executive Directors and a review of the Board Assurance Framework and the Corporate Risk Register. During 2015-16, the Trust undertook a Well Led Review. Grant Thornton was commissioned to undertake the work and they reported to the Board of Directors at the January 2016 Board meeting. The Report concluded that there were three key recommendations that required the attention of the Board. Those key recommendations were around the development of a single strategy document,

further review of the Board Assurance Framework and review of the structures around the quality and healthcare governance directorate.

As a further part of the Trust's continued governance improvement cycle, during 2015-16, Grant Thornton LLP were commissioned to undertake a review of the Trust's Finance Function. The review examined all aspects of the finance service and included interviews and questionnaires with finance customers and stakeholders, both internal and external. The findings reflect positively on the Finance Function and the services provided but the findings have also been used to prepare a set of improvement recommendations. These recommendations deal with suggested improvements to team structures, enhanced integration of finance teams, process streamlining opportunities and the potential to release transactional resource to better support the Trust's clinical directorates. These recommendations are now being taken forward by the Trust's senior finance team.

The Trust has applied the principles, systems and standards of good corporate governance and has reviewed the guidance that has been issued by Monitor during the year, and where appropriate, 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.

Effectiveness of governance structures

The Trust's systems and accountability arrangements for directors ensures compliance with the duty to operate efficiently, economically and effectively. The Trust gains its assurance that these systems are in place through the reporting information, Corporate Risk Register, Board Assurance Framework and the Internal Audit Reports presented to the Audit Committee. The Board has in place three Board Committees that review performance in detail in advance of the Board meeting. During the year the Board introduced an additional Board Committee that considers the environmental and estates issues on behalf of the Board. This Committee meets on a quarterly basis and escalates any concerns to the Board. The Board receives the minutes from the Committee.

The Board of Directors has an underpinning governance structure that ensures information from the Board is fed into the organisation and information from the ward is considered at Board. Below is a summary of the Board Committees and key operational committees and groups that support the governance structure.

Board of Directors

The Board of Directors 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 Assurance Framework and Corporate Risk Register.

The Board of Directors addresses the risks reported in the quarterly self-assessment document submitted to Monitor. This arrangement ensures the Board of Directors understands the strategic risks to the Trust in the context of the Trust's strategic direction.

The Board receives reports from the Quality and Safety Committee and the Finance and Performance Committee at each Board meeting. This includes the Committees

oversight of performance across the Trust. The Board of Directors will test and challenge the Directors on the level of performance in the Trust as part of the discussion and feedback from the Board Committees.

The Board of Directors during 2015-16 made a small number of changes to the Board Committees. The standing Board Committees in place during the whole year were the Audit Committee and the Remuneration Committee, the Quality and Safety Committee, Finance and Performance Committee and Workforce Strategy Committee. The Environment and Estates Committee held its first meeting in September 2015. The Committee is chaired by Mr Michael Sweet.

On an annual basis the Board requests a self-assessment of compliance against the Monitor licence. The self-assessment is shared with the Board of Directors in advance of the Board approving the Corporate Governance Statement.

Changes to the Board during the year

There have been a number of changes to the Board of Directors during the year:

- Dr Alastair Turnbull, Medical Director, retired from the Trust in May 2015.
- The Board of Directors welcomed Dr Jim Taylor as Interim Medical Director and Dr Ed Smith as Interim Medical Director from May 2015. Following an interview process Mr James Taylor was appointed Medical Director from 26 October 2015
- Mrs Sue Holden, Executive Director of Workforce and Organisational Development has undertaken a secondment for one year from September 2015 and is currently not a member of the Board of Directors.

Audit Committee

The Audit Committee is chaired by a Non-executive Director and membership consists of two additional Non-executive Directors. Executive directors attend the meeting as required by the Audit Committee.

The membership of the Audit Committee has been reviewed during the financial year. It was agreed that Mr Michael Sweet would step down from being a member of the Committee.

The Audit Committee Chair is a member of the Patient Safety Group, a Group Chaired by the Medical Director. The Audit Committee Chair is also a member of the Quality and Safety Committee which reports directly to the Board of Directors on key assurances around quality and safety.

The Audit Committee undertakes the following roles:

- Consideration of financial risk management
- Consideration of the annual accounts
- Soundness of overall system of internal control
- Consideration of Clinical Governance systems

The Board of Directors delegated authority to the Audit Committee for the development of working groups, as required. The Audit Committee receives regular updates from the Data Quality Work Group.

Data Quality Work Group

The Data Quality Work Group was tasked with investigating and understanding the systems and processes involved in ensuring the Trust maintains appropriate and relevant systems for data quality such as HR, patient and financial information. The group then provides assurance to the Audit Committee at each meeting. During the year the group has been working on a mapping exercise and has provided an interim report to the Audit Committee.

Remuneration Committee

The Committee reviews the Directors' remuneration package, annual appraisals and succession planning for the Board of Directors. This Committee's membership is made up of the non-executive directors. The Chief Executive attends the meeting when requested by the Chair of the Committee.

Quality and Safety Committee

The Quality and Safety Committee meets the week before the Board of Directors and reviews, in detail, the previous month's information relating to patient safety, clinical performance, quality of services and any issues or matters of concern are brought to the attention of the full board. The Committee is expected to consider, as part of its work, the specific risks included on the Corporate Risk Register and Board Assurance Framework aligned to the agenda they are considering.

Finance and Performance Committee

The Finance and Performance Committee meets the week before the Board and reviews, in detail, the previous month's information relating to financial performance, the cost improvement programme and operational activity and performance, drawing any issues or matters of concern to the attention of the full board. The Committee is expected to consider, as part of its work, the specific risks included on the Corporate Risk Register and Board Assurance Framework aligned to the agenda they are considering.

Workforce Strategy Committee

The Workforce Strategy Committee meets every two months and receives any draft strategic plans relating to workforce. The Committee monitors progress against strategic plans, and present their findings to the Board for consideration. The Committee considers the Trust's approach on nursing establishments, and the agreed overall approach. This will continue to form an important part of its future agenda. The Committee considers, as part of its work, the specific risks included on the Corporate Risk Register and Board Assurance Framework aligned to the agenda they are considering.

Environment and Estates Committee

The Environment and Estates Committee meets on a quarterly basis to consider specific information related to the environment and estate, including reviewing the premises assurance model and receiving any health and safety information, along with information about the sustainable development management plan. The Committee reports to the Board following each meeting and will provide assurance to the Board on the systems and processes used by the Trust to support the Environment and Estates agenda.

Executive Board

The Executive Board is the key operational group of the Trust. Its membership includes the Clinical Directors 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.

Hospital and Community Boards

The Trust holds two Hospital and Community Boards. One is based in Scarborough and the other in York.

The Clinical Directors and Deputy Clinical Directors from Scarborough constitute the membership along with the Corporate Directors for the Scarborough Hospital and Community Board.

The Clinical Directors and Deputy Clinical Directors from York constitute the membership with the Corporate Directors for the York Hospital and Community Board.

The Boards will consider and address issues specific to their locations and report the actions to the Executive Board.

Resource Management Group

The Board of Directors is assured by the Executive Directors on the achievement of the efficiency agenda through the Resource Management Group. This group is executive led and monitors progress on the achievement of the cost improvement plan. The Trust has also introduced a dedicated team of staff to support the directorates in achieving the cost improvement programme initiatives.

The group:

- Supports the development of the annual cost improvement plan
- Generates, develops and reviews efficiency initiatives both corporately and in specific areas
- Monitors progress against plan
- Champions and challenges key corporate efficiency projects.

Corporate Risk Committee

The Corporate Risk Committee has concentrated on understanding and improving the identification and description of risks included in the Directorate Risk Registers and Corporate Risk Register. The Committee has continued to review the developments being made to the Board Assurance Framework and agree those developments.

Communication with stakeholders

The Trust has a comprehensive 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 any necessary consultation exercises.

A number of forums exist that allow communication with stakeholders. The forums provide a mechanism for risks identified by stakeholders that affect the Trust to be discussed, and where appropriate, action plans can be developed to resolve any issues.

Examples of the forums and methods of communication with stakeholders are as follows:

Council of Governors

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 during 2015-16:

- Held six meetings during the year
- Held working groups to consider issues such as patient experience, annual planning and the Quality Report
- Ensured there was communication with members through a regular newsletter and open events including the Annual Open Event and the Annual General Meeting
- Regular reports on the activities of the Trust
- Consulted on proposed changes in the organisation e.g. the transfer of community assets
- Attended the Nursing and Midwifery Conference

Staff

- Raising concern policy
- Regular newsletter
- Staff meetings and team briefings
- Staff surveys
- Ad hoc emails from the Chief Executive
- Consultation exercises
- Family and friends for staff
- Team brief

Public and service users

- Patient surveys
- Patient experience
- Patient forum
- Family and friends' initiative
- Meetings with the Friends of York Hospitals and self-help groups
- Healthwatch

Other organisations

- Other health and social care communities where the Trust has an interaction including with the GPs directly and the CCGs
- Clinical and professional network groups in North Yorkshire
- North Yorkshire and York City Council Health Overview and Scrutiny Committees
- Chief Executive forums where an integrated approach to healthcare is discussed and developed

The Board of Directors has reviewed the healthcare standards binding on the Trust, including, but not restricted to, standards specified by the Secretary of State, the CQC, NHS England and statutory regulators of healthcare professionals, and has identified a number of actions that should be taken for the Trust to return to full compliance.

During Q4 2014-15, a Performance Recovery Plan was developed. It was split into four sections, each relating to areas where performance has not been achieved by the Trust. The sections are as follows:

1. Emergency Department 4-hour Recovery Plan
2. 18 Week Admitted Referral to Treatment Recovery Plan
3. Diagnostics Recovery Plan
4. Cancer Recovery Narrative

The Board of Directors has had full oversight of all actions and plans against the agreed trajectories. The Trust's performance management framework 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.

Integral to the success of all these plans is close working arrangements with all our partners, which will ensure performance is recovered is sustainable.

During the year the Finance and Performance Committee, on behalf of the Board, has reviewed the Performance Recovery Plan and provided assurance to the Board on progress against the plan. The Trust achieved the Diagnostic Recovery Plan, an element of the Performance Recovery Plan. This has consequently been removed from the Performance Recovery Plan. Work continues to achieve the remaining three priorities included in the plan.

The Board of Directors introduced the TAP. This programme manages the organisation's approach to delivering a sustainable financial future. It ensures that the Trust focuses its management effort on their priorities.

TAP does this by bringing structure, process and discipline in to line, for example, the alignment of the Corporate Improvement Team with the delivery of Trust priorities, the design and introduction of a new business case process and approach to ensuring return on investment, a revamped vacancy control process, and the introduction of a new performance assurance framework.

The principles that have been embedded and reinforced through the Turnaround Avoidance Programme are detailed below.

Successful programmes of this nature have a number of characteristics, including:

- Visibility – both in terms of what needs to be done and in terms of leadership and ownership of the programme
- Transparency – using sufficient documentation and communication so that the broader organisation (our staff) feel engaged and can contribute and challenge
- Evidence over anecdote, the programme will rely heavily on information and analysis to make decisions about the programme and to demonstrate progress
- A policy of active workforce engagement (including representative of stakeholder organisations).

The programme includes four key work streams:

- Fines Avoidance
- Delivering CQUINs
- Productive workforce
- Better financial management

The Board of Directors has ensured that effective financial decision making; management and control have been in place throughout the year.

All of the statements included in this document provide the Board with the assurance that the Trust has in place the required evidence and systems to provide appropriate validity to our Corporate Governance Statement.

The Trust continues to operate within the context of the difficult national economic situation and its impact on the NHS.

At the end of the 2015-16 financial year, the Trust reported an income and expenditure deficit of £18.8m, and a Continuity of Services rating (CoSR) of 2. This position includes a technical adjustment for losses on disposal of assets of £4.6m, impairment of £1.7m and restructuring costs of £0.6m, all of which are discounted by NHS Improvement in their assessment of the Trust's underlying performance of a £11.8m deficit. Disappointingly, this represents a significant adverse variance against the planned position of a £7.4m deficit.

There are essentially two material components to the variance from the plan:

- An inability to recruit medical and nursing staff into substantive posts resulting in a significant increase in the use of locum and agency staff. A contributing factor to this is the national shortage of professionals in key specialties resulting in provider organisations competing from a small pool of staff. The cost of the premium incurred by the Trust in using agency and locum staff is assessed at £8.0m, an increase over

that experienced in prior years of £3.1m (+39 per cent). The Trust has introduced the national cap on the use of agency staff, but as this was only introduced towards the end of the year, the Trust has experienced significant additional costs during the year. As required by Monitor (NHS Improvement) the Trust has reported those occasions when the Trust has paid above the cap for agency staff, both medical and nursing

- As a consequence of non-elective activity increases and wider health and social care system difficulties, the Trust struggled to deliver the 4-hour Emergency Care Standard. Despite acknowledged system-wide difficulties, the Trust is the only partner in the community to suffer the application of penalties for failure to meet the required standard. For 2015-16 these penalties totalled £3m.

Compliance with equality, diversity and human rights legislation

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Trust takes due regard of equality and human rights issues during the development of any service or change to service and the Management of Policies, this includes a detailed requirement to undertake equality analysis as part of the formulation of any new or updated policy.

The Trust is developing an Equality Analysis Toolkit to approach equality analysis in a structured and consistent manner. Also under development is a system where appropriate papers prepared for corporate committees will include equality analysis. The Trust has not routinely published equality analysis but will put in place procedures to ensure publication does occur.

The Trust complies with the requirements included in the Modern Slavery and Human Trafficking Act 2015.

Compliance with NHS pension scheme regulations

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to 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.

Climate change and adaptation requirements under the Climate Change Act 2008

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place, in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projections, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

5 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 Resource Management Group, an executive group, is led by the Chief Executive and ensures the effective management of the Trust efficiency agenda. The membership of the group includes all the Corporate Directors.

During 2015-16 Internal Audit have reviewed the systems and processes in place and published reports detailing the required actions within specific areas to ensure economy, efficiency and effectiveness of the use of resources is maintained, the outcome of these reports are graded according to the level of remaining risks within the area.

The Trust invited Monitor to visit the Trust to review the TAP and our cost improvement programme. Monitor confirmed that they were satisfied with the approaches being taken, but made a number of suggestions that have been included in the current systems.

The Board of Directors has also received assurances on the use of resources from agencies outside the Trust, including Monitor. Monitor requires the Board of Directors to self-assess on a quarterly basis. During the year, Monitor adjusted the metric from a CoSR to a FSRR Under the Risk Assessment Framework. Monitor scores the assessment on a number score for FSRR and a colour or narrative rating for governance.

The CoSR took into account the balance sheet sustainability and liquidity; the FSRR includes the balance sheet sustainability and liquidity and also takes into account the underlying performance and the variance from plan.

The table below shows the quarterly ratings received by Monitor.

Monitor assessment during 2015-16 on a quarterly basis			
Quarter	Continuity of Services (as per the Risk Assessment Framework)	Financial Sustainability Risk Rating (as per the amendment to the Risk Assessment Framework)	Governance Rating (as per the Risk Assessment Framework)
Q1	3	-	Under review
Q2	-	2	Under review
Q3	-	2	Under review
Q4	-	2	Under review

6 Annual Quality Report

The Directors are required under the Health Act 2009 and the NHS (Quality Accounts) Regulations 2010 to prepare the Quality Report for each financial year. Monitor has issued guidance to NHS Foundation Trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Trust has appointed the Chief Nurse to lead and advise the Board of Directors on all matters relating to the preparation of the Trust's annual Quality Report.

To ensure that the Trust's Quality Report presents a properly balanced picture of its performance over the year the Quality and Safety Committee oversees its production.

The Trust has developed separate clinical quality and safety strategies to reflect the management responsibilities of the Chief Nurse and Medical Director.

The Nursing and Midwifery Strategy describes the quality aspects of the care provided in the Trust.

The Patient Safety Strategy describes the safety aspects in place.

The strategies identify the key quality and safety goals of the Trust, including the introduction of new and revised systems to support the delivery of the Clinical Quality and Safety and to ensure a continuation of the delivery of high quality safe clinical care.

During 2015-16 the Trust did not fully achieve all the objectives set as priorities in the Quality and Safety Strategy and Quality Report. More detail of the achievements can be found in the Quality Report. The Trust has considered the reasons for not fully achieving the set priorities and described the reasons in the Quality Report. The priorities that were not achieved will continue to be addressed by the Trust and managed by the Patient Safety Group during 2016-17 and will be reported in the Quality Report for 2016-17.

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 Quality and Safety Committee and Board of Directors will receive a six monthly update on progress against the set priorities during the year.

7 Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust that have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report, attached to this Annual Report, and other performance information available to me.

My review is also informed by comments made by the external auditors in their reports to those charged with governance (interim and annual). I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board of Directors, the Audit Committee, Corporate Risk Committee and the Patient Safety Group, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The level of assurance has been enhanced during the year through continued development and refining of the collection and use of data.

The Head of Internal Audit Opinion 2015-16 highlighted that overall control continues to improve, as indicated by the increase in percentage of Significant Assurance reports issued within the year. Some audits, including core systems, whilst evidencing well designed controls have identified issues related to functional operational responsibility for control compliance. Management have identified actions to address the weaknesses and improvements relating to the financial systems have been reported. It is becoming apparent that the future focus should increasingly include operational compliance with agreed systems and processes.

Taking into account all of our findings, and the Trust's actions in response to my recommendations during 2015-16 and timing of audits, the areas of notable control weakness regarding risk management and child safeguarding, as identified in 2014-15, remain.

Control weaknesses in risk management, particularly relating to escalation and reporting, still exist. Actions have been taken to improve risk management processes during the year and the revised framework in April 2015 has addressed some of these issues in 2015/16. However, these were found to still not be fully embedded within the Trust.

Whilst child safeguarding protocols continue to develop and actions are taken to further strengthen controls, these are not fully embedded or effective. A wider review of adult and child safeguarding identified that attendance at Child Protection Supervision sessions was found to be poor. Documentation for children with Child Protection Plans in place, attending the Emergency Departments was not always fully completed. Attendance at the Child Protection and Safeguarding Governance Group was found to be below the expected level. The Safeguarding Adult Service Specification requires review to ensure it is consistent with national legislation.

No further areas of notable control weakness were identified during the 2015-16 programme.

When Internal Audit provide an assurance report to the Board of Directors that shows only limited assurance can be obtained from the systems and processes in use, I meet with Internal Audit, the Directors and Managers responsible for the system. The objective of the meeting is to ensure there is clarity around the weaknesses in the systems and the actions being taken to address those systems. The overall Head of Internal Audit opinion gives the Trust significant assurance.

My opinion is also informed by:

- The Trust achieved CNST Maternity Standards level 2 in 2013-14
- Contracts with commissioners for 2015-16 were agreed in a cooperative and collaborative manner through the Trust's engagement with the commissioners. The Trust has engaged with its commissioner throughout the year in order to ensure that contracts were performing in line with expectations and mitigate any emerging risks

- The Board of Directors receive a monthly report from the Medical Director, Chief Nurse, Chief Executive and Finance Director which provides the Board of Directors with assurance about the clinical, quality and corporate issues within the Trust. The performance report is also presented on a monthly basis to the Board of Directors. The Board of Directors receives information about patient experience at each Board meeting. This varies from month to month, but includes hearing a patient talk about their experience in the Trust, hearing from community staff, hearing from the Head of Patient Experience about the strategy that is being developed. A robust system is applied to the management of complaints and this has been discussed with the Board of Directors and Council of Governors during the year.
- The Audit Committee has received a number of audit reports from Internal Audit at each meeting. The Audit Committee reviews the reports and discusses the recommendations made. The Audit Committee has reviewed the information from the Patient Safety Group of which the Chair of the Audit Committee is a member.
- The Trust continues to be monitored by Yorkshire and Humber Health Education Board regarding the quality of delivery of the Learning and development agreement. The Trust has hosted a number of colleges and deanery visits throughout the year and has received positive feedback on the general quality of student experience. Changes in the funding of non-medical students have resulted in a renewed focus upon the delivery and enablement of multi-disciplinary learning, which the Trust continues to develop. The Trust is seen as a pathfinder in the development of Advanced Clinical Practitioner roles and has presented at a number of regional events on the approach taken to develop greater workforce flexibility and capability. The Trust is working with educational providers to jointly explore the development of non-registered roles up to Agenda of Change band 4.
- The Trust has a Clinical Audit Strategy and Policy in place, which outlines the systems and processes to monitor clinical audit undertaken by the Trust. This enables a systematic process to address risks and to provide assurance to the Trust, commissioners and monitoring bodies.
- All clinical audit activity is registered with the Effectiveness Team and is collated on the Effectiveness Project and Clinical Audit Database. The Effectiveness Team follow up on all reports/briefcases (summary report) and action plans. These are attached to the database to evidence changes to practice.
- A clinical audit report evidencing key performance indicators are presented to the Clinical Standards Committee every two months. The Clinical Standards Group is a formal sub group of and is accountable to the Patient Safety Group. The Audit Committee during 2015-16 received an update on the clinical governance arrangements and will continue to monitor the assurance the process provides.
- Internal Audit is an independent service who has a risk based plan agreed with the Audit Committee for the year. The plan includes areas where controls within the systems and process maybe improved or enhanced. Internal Audit presents their findings to the Audit Committee and the Board of Directors through the Audit Committee minutes on a quarterly basis (as a minimum). The Head of Internal Audit Opinion is written as a summary of the findings of all the audits held.

- The completion of the Well Led Review and development of the action plan along with the review completed by the CQC and action plan.
- I have been advised on the implications of the results of my review of the effectiveness in the monitoring of corporate and directorate performance, by the publication of audit reports in line with their work programme by Internal Audit during the year, and by the evidence of the assessment of the Trust and the capacity and capability of the Board, by Monitor, in relation to its financial management, governance arrangements and risk management systems, the Board's self-certification to Monitor.

8 Conclusion

I am satisfied that no significant internal control issues have been identified.

A handwritten signature in black ink, appearing to read 'P. Crowley', written in a cursive style.

Patrick Crowley – Chief Executive

Date 25 May 2016

Voluntary disclosures

Equality

York Teaching Hospital NHS Foundation Trust is committed to promoting equality, diversity and human rights in all our activities for all patients, visitors and staff. Everyone who comes into contact with the Trust can expect to be treated fairly and with respect.

This year the leadership for equality and diversity has moved to the Director of Estates and Facilities, supported by the Equality and Diversity Facilitator who encourages and

takes action to ensure the Trust is conscious of its responsibilities. Every opportunity is taken to embed equality and diversity considerations into processes and developments to enable inclusive and responsive services. At board level, equality and diversity is championed by the Trust lead and a Non-Executive Director.

The Trust's Fairness Forum membership is taken from across the organisation including Trust Governors and a Healthwatch representative. The Forum meets every quarter and begins with a patient story to enable learning from experience, which leads to sharing of information and discussion of issues; acting in an advocacy role to give voice to those who may not be heard and connecting the legal, business and moral aspects of equality and diversity.

Performance against equality objectives

	Objective	Progress
1	Improve data collection, analysis and monitoring of protected characteristics	<p>Continued raising of awareness to the importance of recording protected characteristics and the benefits this brings during staff training and at awareness events (mentioned in achievements)</p> <p>The successful introduction of a learning hub (August 2014) enables central collation of information and is beginning to allow analysis of workforce development programme applicants and progression though this is dependent on declaration of protected characteristics by staff</p> <p>Friends and Family Test format has been amended to include protected characteristics</p> <p>Improved system implemented by Patient Experience Team which records more detailed information enabling themes and issues to be identified.</p>
2	Further develop engagement and involvement of patients, carers, governors and staff to reflect local demographics	<p>Patient stories of experiences with the Trust included at Board Meetings and other staff forums</p> <p>Corporate communication standard and style guide approved and implemented</p> <p>In-depth consultation with patients, carers and staff enabled the development of a new Patient Experience strategy which was launched at the Trust's nursing conference in September 2015</p>
3	Develop strong partnerships with social care and GPs to ensure	Continued development of partnership work with local councils and Health and Well Being

	Objective	Progress
	patient pathways are free from barriers between providers for everyone	Boards Representative member of the three Healthwatch in our area attends the Fairness Forum Continued work with local provider/ commissioner NHS organisations to assess equality progress against the NHS Equality Delivery Framework.
4	Continue the Board of Directors and senior management development programme ensuring equality and diversity is embedded into all decision making processes leading to active promotion of good relations	Equality Analysis reviewed and submitted to Fairness Forum for discussion prior to pilot and implementation including name change to equality assurance to link to culture of organisation

Other achievements

Continued work of our staff support groups, established in 2014, a staff LGBT network and Fairness Champions. Both are comprised of staff who have volunteered with the common aims to:

- Provide a safe environment to raise issues
- Give information, guidance and support to staff
- Contribute to staff development activities and awareness events
- Assist colleagues to assess impact of policy etc. to ensure inclusivity
- Signpost and support people to live the Trust values

The Trust has a staff LGBT network. During the year the network undertook the following activities:

- In June 2015 the network attended York Pride and ensured rainbow flags were raised at the Hospital for visible support to the LGBT community
- In February 2016 LGBT history month joined with York LGBT history month to promote an image gathering initiative in response to feedback from EDS2 and received valuable feedback which has been shared as patient stories and will be included in their work plan for the year.

The Trust continues to be a corporate member of the York LGBT forum and hosted their Annual General Meeting attended by the local MP and Lord Mayor of York.

“WARMEST THANKS for a lovely evening” – extract from thank you letter.

The Trust has a number of Fairness Champions in the organisation. Over the last year they have been involved in the following:

- Recording data so that themes of mental health issues and Eldercare are identified as top contacts from staff
- In May 2015, an event supporting NHS Employers Equality and Diversity Week was held with a theme of 'linking thinking' as it was also Mental Health Week and Walk to Work Week at the same time

The Trust's Access to Services Group has reformed based on feedback from colleagues at North Yorkshire County Council about prioritisation of audiology services for people who are deaf/blind. Our conversations also recognised the need to develop shared materials for seamless services and training for staff. The group meets regularly, including service users – we are grateful for their time and support.

Thanks to funding from York Teaching Hospital Charity we purchased 'Pictocomm' folders for every ward and department in the Trust; these are based on clear and easy to understand pictures and where pictures are unable to communicate translations are provided. They bring many benefits including another option to give patients a 'voice' to communicate enabling confidence and assurance that their needs will be fulfilled.

Challenges and future developments

There are a number of developments and challenges that the Trust will consider and support over the next financial year; these include:

- Implementation of the Accessible Information Standard – which requires us to:
 - Ask people if they have any information or communication needs and how to meet these
 - Record those needs clearly and in a set way
 - Highlight or flag the persons notes/files if it is clear they have communication needs and how to meet these needs
 - Share information about peoples' information or communication needs with other providers of NHS and adult social care when they have permission to do so
 - Take steps to make sure people receive information which they can access, understand and receive communication support if they need it.

The greatest challenge is anticipated to be sharing information. Whilst recording is to be in a set way there are many computer systems and associated compatibility issues. The Trust is required to:

- Review the options for capture and monitoring of patient information on the Core Patient Database (CPD). This is an enormous piece of work and will involve many areas of the Trust, but is vital to improve patient experience, quality and continuity of care

- Work in partnership with healthcare commissioners/providers on the outcomes and priorities of the EDS2
- Review our equality objectives and strategy for 2016 onwards, with the aims of making our services more accessible, improving the experiences of people using them, addressing health inequalities and a representative, valued and supported workforce.

Sustainability

In 2009, The Trust Board approved a Sustainable Development Statement committing the organisation to continuous improvement in minimising the impact of its activities on the environment and becoming a good corporate citizen.

In 2012 and 2013, the Trust geographic area extended significantly with operational responsibility for former Scarborough and North East Yorkshire Healthcare NHS Trust and North Yorkshire and York Primary Care Trust property migrations.

The Trust now provides healthcare facilities to the largest geographic area in England. The extended geographic area with its diverse property portfolio brings with it its own additional sustainability challenges.

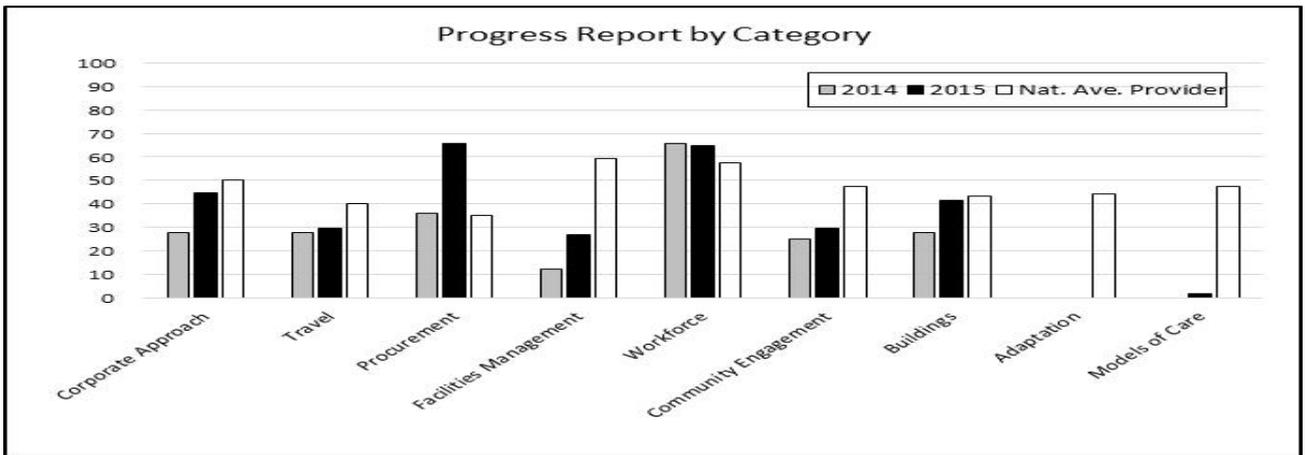
Over the last 12 months, the Trust has progressed the objectives set out in its Board approved Sustainable Development Management Plan including its commitments to continue to review its performance against the Good Corporate Citizenship Assessment model and to review and improve its action plan and carbon baseline information in line with the NHS Sustainable Development Unit (SDU) guidance.

The 2014-15 Board Report states that the Trust's ultimate objective is, "To be trusted to deliver safe, effective and sustainable healthcare to our communities", thus highlighting the importance of sustainability to the Trust.

Governance and corporate approach

The Trust's Director of Estates and Facilities leads the Sustainable Development Group, which manages and monitors the sustainable management development plan.

The Sustainable Development Group has shown a 9 per cent improvement (achieving 33 per cent) on the Good Corporate Citizenship Assessment. The performance on Good Corporate Citizenship over the last 2 years, and its comparison with the national average for providers, can be seen in the graphs.



The SD group is developing new key performance indicators to add to the SD action plan for each work stream. The action plan also demonstrates how a score of 60 per cent can be achieved in 2016 on the Good Corporate Citizenship Assessment.

The key performance indicator information agreed to date is as follows:

Indicator	KPI	Proposed targets	Baseline value 2013-14	2014-15 value	2015-16
Carbon Footprint	Total tonnes CO2	28% by 2020 80% by 2050	114,088	109,726 (4% reduction)	TBA
Energy efficiency of estate	KgCO2/m2		160	120 (25% reduction)	114.5 (28.4% reduction on 2013-14)
Total energy carbon	Tonnes CO2	-10% in 2016-17	21,078	19,572 (7% reduction)	19,582 (7% reduction on 2013-14)
Waste recycled	Tonnes recycled	TBA (was 25% in 2015-16)	325 (14%)	314 (14%)	527 (25.2%)
Total waste	Tonnes waste		2,268	2,195 (3% reduction)	2,090 (8% reduction from 2013-14)

Further KPIs will be developed for travel, procurement, buildings, engagement and workforce.

The SD group has also been working to develop the sustainability communication and engagement work by delivering events and activities across several sites e.g. personal travel planning advice, electric vehicles promotions, NHS Sustainability Day, recycling promotions, energy efficiency advice, boiler house and carbon/energy reduction measures.

In 2016-17 further work will be undertaken to develop a more comprehensive engagement plan to better integrate the sustainability principles and practices across the whole organisation.

Carbon targets and emissions

The 2009 approved targets were to achieve NHS **carbon emission targets of 10 per cent by 2015** (from 2007 baseline), and **80 per cent by 2050**. These targets were re-stated in the 2015 report and other targets were adopted in line with national NHS guidance.

Thirty-four per cent by 2020 from a 1990 baseline (which is stated to be equivalent for Health and Social Care England) to **28 per cent** from a 2013 baseline.

This year the Trust's Sustainable Development Group has looked in more detail at the carbon emissions using the NHS SDU template in order to establish its baseline carbon emissions and highlight the areas where further work is required.

The emissions for the base year of 2007-08 are assessed to 74,751 tonnes CO₂e.

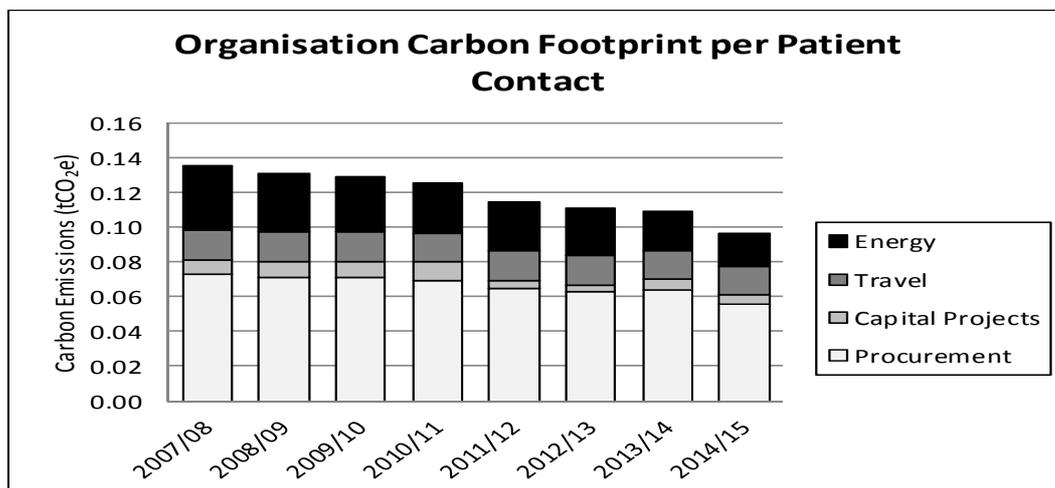
The total measured Trust emissions for the year of 2014-2015 are assessed to 109,726 tonnes CO₂e. This represents an increase of plus 47 per cent since 2007 against a target reduction of minus 10 per cent. The total emissions have had a general trend which increased year on year until 2013-14 and in 2013-14 a reduction in emissions was achieved.

Scope (tonnes CO ₂ e)	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	% Change from 2007-08	% Change from 2013-14
Scope 1&2 Energy	18,390	18,675	19,320	19,070	19,916	21,283	21,078	19,572	+6.4	-7.1
-Total Scope 1&2	21,742	21,924	22,719	22,476	23,735	25,660	25,088	23,954	+10.2	-4.5
Total Scope 3	53,009	57,042	61,802	66,456	68,231	72,400	88,999	85,772	+61.8	-3.6
Total Scope 1,2 & 3	74,751	78,966	84,522	88,932	91,966	98,060	114,088	109,726	+46.8	-3.8

DECC definition: Scope 1: All direct emissions, from gas oil and coal, fuel from owned vehicles and anaesthetic gases, Scope 2: Indirect emissions from consumption of purchased electricity heat or steam. Scope 3: Other indirect emissions

More detail can be found at <http://www.sduhealth.org.uk/delivery/measure/reporting.aspx>

However, it should be noted that the number of patients have continued to rise since the baseline year and that the carbon savings per patient contact have improved year on year giving an overall decrease of 29 per cent.

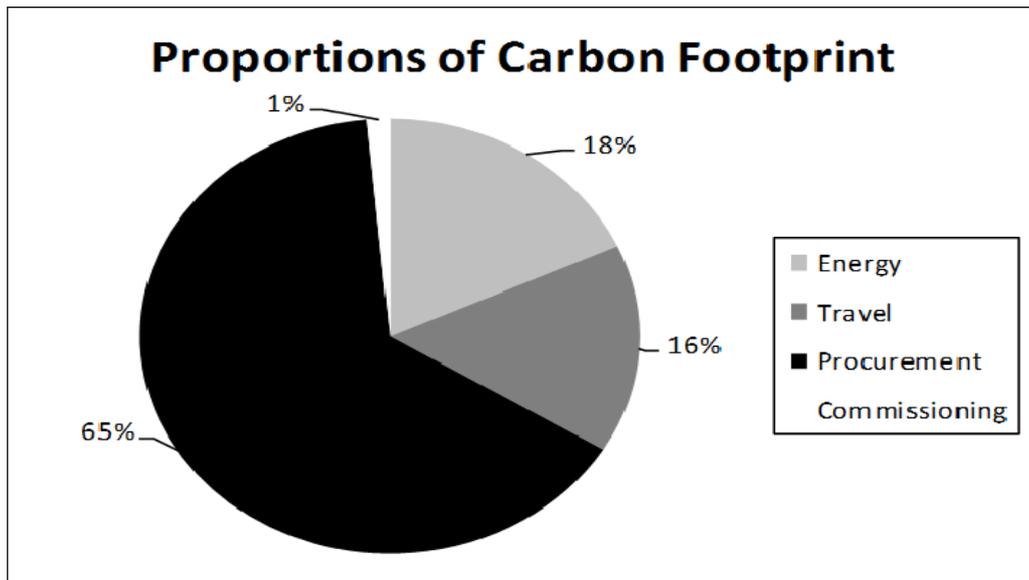


Notable decreases have also been measured in relation to carbon emissions from energy within the last year, which has achieved a 7 per cent reduction against the 2013-14 levels.

These emissions will reduce further in 2016 due to the completion of the Scarborough and Bridlington Carbon Energy Fund Projects, which will realise further savings of a 15 per cent reduction against 2014-15 Trust carbon energy savings, or will result in savings of at least 10 per cent on energy emissions from the baseline year.

By comparison, information from the NHS SDU has noted that there has been a 4.3 per cent decrease in building energy carbon footprint across NHS Providers in England since the 2007-08 baseline with only a 1.4 per cent reduction in the last year.

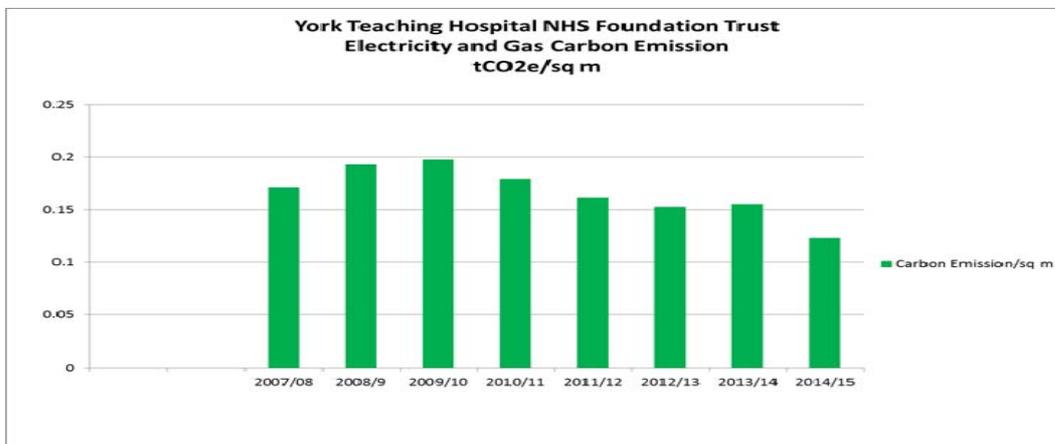
Whilst carbon emissions from energy are now reducing as a result of the Carbon Energy Fund programme at York, Scarborough and Bridlington, work must accelerate in relation to procurement, as the growth in carbon emissions for the category has increased by 62 per cent since the baseline year and is currently approximately 65 per cent of the Trusts current carbon footprint. It is recognised that investment decisions must take account of and mitigate against rising carbon emissions.



Energy

The Trust has a comprehensive prioritised energy saving and carbon reduction plan for the three major acute hospitals which are the biggest energy users and carbon emitters within the Trust. A Carbon Energy Fund Project has been completed at York Hospital and close to completion at Scarborough and Bridlington.

Carbon Energy Fund Project at York is achieving significant savings – the following graph demonstrates a 28 per cent reduction in carbon emissions per square metre from 2007-08 to 2014-15 for the Trust as a whole.



A significant reduction is demonstrated in 2014-15 due mainly to the Carbon Energy Fund Project at York Hospital. This project, costing £3.74m, included replacement of obsolete lighting throughout the hospital, replaced obsolete heating plant, upgraded heating/air conditioning and ventilation controls and installed Combined Heat and Power plant in the hospital boiler house.

The resulting operational savings in the first year of a fifteen year energy performance contract were £902,500 and 3,000 tonnes of carbon (approx. 25 per cent reduction of the site's emissions) which were higher than the guaranteed savings of £692,941.

Similar projects are currently close to being completed at this Trust's Scarborough and Bridlington Hospitals and are anticipated to save another 2,800 tonnes of carbon and approx. £300,000 operating costs.

Water

Water consumption is monitored and reported internally at all sites on a monthly basis (along with electricity and gas use). Any significant variation in consumption and cost from the budget projections is reviewed and investigated as necessary

Waste

The Waste Management Plan, which aims to prevent, reduce and recycle waste, in order to reduce the waste being sent to landfills, has been updated in the last 12 months.

The total amount of waste produced by the Trust has decreased for the last 2 years and this year recycling exceeded the 25 per cent target (the figures for 2015-16 demonstrated an achievement of 25.2 per cent recycling). This is a significant change due to more robust reporting, improved waste segregation and several waste projects which have produced good results.

Improving waste segregation at the main York Hospital site theatres has been a key focus throughout 2015-16. Waste bins for dry mixed recycling was introduced as a pilot in 2015-16 to reduce the amount of plastics, paper and cardboard, which was found in the clinical waste stream and was being sent for incineration. This work has resulted in a 6.3 tonne reduction in clinical waste, saving approximately £2,000 per year. Consideration is being given to extending the provision of recycling bins to include the Eye Theatres, Day Unit and Labour Ward in 2016-17 which is estimated to result in a further 5 tonnes a year reduction in clinical waste.

Travel

Promotional activities have been undertaken at both York and Scarborough Hospitals to raise awareness of sustainable and active travel choices through advice on personal travel planning, public transport and cycling and also at electric vehicle demo days.

Whilst Scarborough and York Hospitals have their own travel planning documents, a Trust wide travel plan will be developed in 2016-17 which will incorporate plans to reduce carbon emissions through modal shift, procurement choices and the promotion of healthy and sustainable travel options.

Plans for 2016-17 are in place to deliver electric vehicle infrastructure initially procuring nine electric fleet vehicles.

Procurement

During 2015-16 this Trust took part in a research and best practice study undertaken by the Joseph Rowntree Foundation, in conjunction with Leeds Beckett University, along with a number of other anchor institutions in the Leeds City Region. The aim of the project was to help to develop the local economy through procurement and supportive

workforce policies. As a result, a checklist of environmental and corporate social responsibility questions is now being incorporated in new tenders.

The Trust recently sent out a tender for a taxi contract which incorporated evaluation criteria for judging carbon and air quality implications.

The Trust's Procurement Strategy has been published on intranet and includes sustainable and ethical elements.

E-learning on sustainable procurement has now been made available to all staff on the intranet and an email encouraged all requisitioners to undertake this training.

Work was undertaken to improve the carbon footprint modelling on procurement, by grouping the spend of 80 per cent of our procurement into e-categories. Once the year end data for 2015-16 is available, these new data sets will be used to re-model the carbon footprint and identify the areas with a significant impact on the Trust's carbon footprint.

In 2016-17, work is planned to develop a set of sustainable procurement objectives with success measured by metrics including how procurement decisions reduce energy and water use and reduce waste.

In addition, an assessment is planned of at least the top 28 suppliers (who make up 50 per cent of everything sourced) to identify the impact on our sustainable development objectives covering all the GCC themes and encourage them to report and reduce their impact on carbon emissions, minimising travel, local sourcing, waste reduction, limiting the use and impact on resources through re-use and recycling.

Workforce

The Trust has a Staff Health, Well-being and Engagement Strategy with a 3 year action plan and a Steering Group.

In 2015, the Trust was deemed an Exemplar Organisation in staff health and wellbeing by NHS England. The Trust offers a range of benefits through its employment practices (e.g. Flexible Working Policy, Special Leave Policy and Childcare Vouchers which help to accommodate and support the specific needs of parents and carers, Living Wage Employer, apprenticeships schemes, work with Job Centre Plus to recruit staff from 'return to work' schemes). This work has resulted in our Trust piloting further initiatives for NHS England to further improve staff health and wellbeing.

During the last year, the Trust job description template was updated to include the personal responsibility for all staff to consider sustainability and corporate social responsibility issues, including reducing carbon emissions.

In 2016-17, further work will be undertaken to investigate the possibility of incorporating Sustainable Development objectives into the staff and Board induction process and through mandatory training and Leadership Programme for continuing staff and Board learning and development

Community engagement

During the last 12 months, discussions have been held with representatives of the City of York Council, North Yorkshire County Council and Leeds City Region to identify sustainability issues where the Trust might consider working in partnership to achieve mutual benefit. This has resulted in a range of initiatives where knowledge is shared and the organisations assist each other with the delivery. One of these initiatives in 2015-16 was the promotion of free insulation in homes where patients have cold related illnesses, and also the Trust offered energy efficiency advice to staff and visitors to the hospital. Other issues currently under discussion are the development of feasibility studies for district heating, solar panels, and also shared staff resources for travel planning and car sharing promotions.

NHS Sustainability Day events were held for visitors and staff to find out more about the work of the Trust's SD Group and also to invite them to offer their ideas about sustainability opportunities.

In 2016-17, a communication and engagement plan will be delivered. This will include the development of sustainability information on the website and via other means which encourages the **public and staff to offer ideas** on how to improve our environment and sustainability.

Buildings

Discussions have begun to develop a sustainable building strategy as part of revised capital project procedures incorporating a capital project procedure and sustainability checklists together with the objectives to achieve 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. This work will be developed further in 2016-17 and regular reporting on building sustainability will be introduced to the Capital Programme Executive Group.

Models of care

The Trust's ultimate objective is, "***To be trusted to deliver safe, effective and sustainable healthcare within our communities***", and discussions have begun with senior operational managers about how the sustainability part of this agenda can be delivered.

Partnership working between the District Nursing teams with the City of York and Selby District Councils resulted in a project to install free loft and cavity wall insulation to out of hospital patients suffering from cold related health conditions.

As part of the proposed Communication and Engagement Plan (in 2016-17), the Trust will seek develop a dialogue which ensures that sustainability and achieving sustainable models of care become part of the clinical care work including reducing carbon emissions of service delivery (and/or other sustainability metrics).

Adaptation

Formal emergency planning procedures are in place to deal with any adverse circumstances which would include current and future climate change risks.

The action for 2016-17 is to encourage completion/review of business continuity plans which require consideration of the consequences arising from current disruptive weather events and raise awareness of longer term trends.

Other voluntary declarations

Slavery and Human Trafficking Act 2015

The Board of Directors approved a statement at its meeting in March 2016 confirming compliance with the requirements of the Slavery and Human Trafficking Act 2015. The required statement has been published on the Trust's website.

Counter-fraud policies and procedure

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 the introduction of a Trust-wide countering fraud and corruption policy. An annual counter fraud plan identifying the actions to be undertaken to create an anti-fraud culture, deter, prevent, detect and, where not prevented, investigate suspicions of fraud is produced and approved by the Trust's Audit Committee.

Quality Report

Part 1 – Overview

Letter from the Chief Executive

As an organisation we advocate that the quality and safety of the care you receive continues to be our highest priority and drives all that we do.

We want you to feel both safe and cared for. By that, we mean that not only do we expect that the technical things we do for you will be the safest possible but the way in which we do them will make you feel cared for – as we would all expect for ourselves and our families.

It is a fundamental part of everyone's job working throughout our growing organisation to ensure that you are cared for with dignity, respect and compassion and that you receive the best possible healthcare from all our staff, wherever you are receiving care – from your home to our hospitals.

We treat and hear from thousands of people every year, and the responses that we receive via the Friends and Family Test indicate that the vast majority of our service users are pleased with the great care we are able to deliver. However, we acknowledge that there are occasions when we don't get it completely right and your views are important to us on this and help us focus on the steps we need to take to improve the quality and safety of the services that we deliver.

This year has been exceptional. With both the Trust and the NHS in general facing both unprecedented financial challenges, and demand on our services. At times, such acute demand for services has resulted in the patient experience being not as we would hope, with delays being experienced in emergency care and in some other care pathways. This is in part due to a growing elderly population with significant medical needs and a lack of provision within social care. Additionally, like many other organisations we have struggled with some staff shortages, and have found it particularly difficult to recruit to some medical posts. This has resulted in us having to look critically at where some specialist services are provided, and consider different workforce models.

Despite these pressures, we have continued to make significant progress on the Quality and Safety agenda, significantly reducing the number of category 3 pressure ulcers acquired by patients whilst within our care, reducing the number of falls resulting in significant harm, and our mortality ratios.

It is important to us that you feel safe within our care and in October 2015 we welcomed the publication of the CQCs post inspection reports. Whilst the organisation as a whole was rated as 'requires improvement' there was much to celebrate within the reports which reflected the organisation as being effective in its delivery of services and caring. As a provider of healthcare services it is difficult to wish for more. Nevertheless, we have welcomed the learning that the review has brought and continue to work on those areas where improvements are required.

In any organisation, there will be occasions when an adverse incident occurs. Learning from such incidents is important to us, and over the year the Trust has strengthened its approach to ensure that learning from incidents is shared and acted upon. This helps us to ensure improvements are made in the delivery of patient focused care.

Over the coming year we will continue to roll out the overall safety priorities to ensure that they are embedded within the enlarged organisation. We will also continue to work together with our local partners and Commissioners to ensure that the local priorities and expectations of patients and families are recognised, supported and met.

None of this care would be possible without every member of staff, clinical and nonclinical, being committed to living the organisations values through the delivery of safe, effective and harm free care.

At times of great change for healthcare it continues to be my job to ensure that we have the strategies, culture and will to change for the better – keeping you safe at the heart of all that we do.

I declare to the best of my knowledge that the information contained in this report is accurate.



Patrick Crowley
Chief Executive
25 May 2016

A handwritten signature in black ink that reads "P. Crowley". The signature is written in a cursive, flowing style with a large initial "P" and a long, sweeping underline.

Part 2 – Priorities for improvement and statements of assurance from the Board

The Trust described a number of priorities that it would report on in this quality report these include:

Patient safety

- We would improve the care of acutely ill and deteriorating patients
- We would reduce harm to patients
- We would improve infection prevention and control

Clinical effectiveness and outcomes

- We would monitor the prevalence of pressure ulcers
- We would improve the monitoring of critical medicines and antimicrobials
- We would reduce our mortality rates

Patient experience

- We would expand systems for patients to provide feedback and respond to that feedback
- We would improve excellence in end of life care

More detail around our achievements can be found later in this report.

Additionally, the Trust has in place a number of key strategies that provide improvements to the quality of care received by patients.

Patient safety strategy

- Improving our culture of patient centred care and safety
- Consistent care 24 hours, 7 days a week
- Reducing mortality and improving mortality indicators
- Continued focus on the deteriorating patient
- Excellence in end of life care
- Tighter attention to infection prevention as an integral part of safe care
- Introduction of electronic prescribing and medicines administration.

During the year we have continued to improve the culture of patient centred care and safety. The Trust has sought assurance from the patient safety team and the Medical Director around the improvements that have been made.

The Trust is continuing to develop systems that provide consistent care 24 hours 7 days a week. Further developments will take place over the next couple of years around the introduction of 24 hour, 7 day a week consistent care.

During the year the Trust has reviewed the Standardised Hospital Mortality Indicator (SHMI). This indicator has demonstrated that the Trust has reduced mortality throughout the year. Over 2016-17 the Trust will be introducing a new metric – Avoidable Deaths. This measure has been mandated by the Health Secretary and requires Chairs of Trusts to provide a plan

on how they intend to eradicate avoidable deaths. This includes the regular clinical review of all patient deaths within our hospitals and the dissemination of resultant learning.

The Trust has continued to maintain a focus on the deteriorating patient and has introduced a number of new systems which support the monitoring of patients. These systems include National Early Warning Score (NEWs), Maternity Early Warning Score (MEWs) and Paediatric Advanced Warning Score (PAWs). Further work will continue in 2016/17 to develop further systems.

The Trust has spent the year developing and enhancing the system around excellence in end of life care. The Trust was recognised by the CQC for the quality of the end of life care service. Developments during the year include the development of care plans for the last days of life, Specialist Palliative Care Nurse 7 day service provision, comfort boxes and nurse led beds (NLB) Scarborough.

The Trust has worked hard during the year to make infection control a more integrated aspect of safe care. The Trust has reviewed how the department functions and the way information is used and collected. As a result, there is more executive ownership of infection control and earlier involvement from the infection control team when a suspected infection has arisen.

During 2015-16 the Trust developed the supporting systems for electronic prescribing and medicines management and in the early part of 2016-17 a pilot roll out of the system will be planned. It is intended that the whole system will be rolled out during 2016-17.

Each of these priorities continues to be of great importance to the Trust and will continue as priorities for 2016-17. These priorities are underpinned by six driving principles:

- A culture of safety
- Partnering with other organisations
- Involving patients with safety
- Harnessing technology
- Costs and efficiency
- Developing our workforce.

Quality of care

- Greater inclusion of matrons in the delivery of the infection prevention and control agenda
- Replacement of nursing care indicators with an early warning trigger tool and nursing dashboard
- Review and agree any amendments to all statutory and mandatory training for nurses and midwives
- Implementing the safer staffing project.

Over the last couple of years, the role of the Matrons in the organisation has changed. The Matron is at the centre of the delivery of care to patients; they are supporting all aspects of patient care and are a key element to ensuring the infection prevention and control agenda.

The Trust has successfully introduced the early warning trigger tool and nursing dashboard. The Board of Directors used the information to assure itself of the quality of the care delivered in the organisation.

All statutory and mandatory training for nurses and midwives has been reviewed during the year. Nationally a revalidation system has been introduced for nurses and midwives. The Trust is currently implementing the system.

The Trust has implemented the safer staffing project. The safer staffing project is focussed work around nurse, midwifery and HCA recruitment, monitoring and reporting locally and nationally on nurse staffing levels, the development of local metrics to monitor and report on nurse staffing across the organisation to help improve nurse staffing levels to ensure effective, safe and timely use of resources.

The Nursing and Midwifery Strategy for 2016-17 will continue to see further developments on the items already listed and will also:

- Support the increase in the places of choice for the delivery of care to patients at the end of their lives
- Continue to conduct skill mix reviews to ensure the Trust uses the resources available to it in the most efficient and effective way
- Introduced and evaluate Ward Accreditation Programme
- Use of Advanced Clinical Practitioners to support clinical workforce models.

Quality of the environment

- **Prioritisation of the backlog maintenance and capital investment programme.** The 2016-17 programme is to be agreed at March 2016 Board of Directors Meeting and the Estate strategy will be published in April 2016.
- **Establish a 24 hour 7 day a week building management monitoring system.** We are working with our Carbon Energy Fund partners to ensure that we can monitor and control our building services remotely. This will require some capital investment to link some of our remote sites.
- **Complete Carbon Energy fund project at York.** The project at York has been completed. Projects at Scarborough and Bridlington are due to go live in April 2016.
- **Review patient catering on all sites.** The Board of Directors agreed a Food and Drink Strategy in September 2015, which sets out our ambitions for patient and staff catering.
- **Continue to develop local sourcing of fresh ingredients to support central production unit.** We are working with procurement on this.
- **Ensure the environment is clean and meets regulatory standards as a minimum.** We are rolling out new cleaning rotas to ensure that we have consistent standards across all sites
- New car park completed at Scarborough in 2015
- Review parking provision at Bridlington. Additional parking is being considered as part of the Bridlington redevelopment plans
- Develop the security officer role to maximise the benefit of this service. A management restructure within estates and facilities will offer new opportunities in 2016
- Introduce an automated switchboard at Scarborough. The Scarborough switchboard has been integrated with York and has an automated call answering service. We will work with the equipment provider this year to improve responsiveness
- Work with Harrogate to ensure managed transfer of community equipment. This was completed in December 2015.

We describe later in this report the key achievements that have been made in implementing these strategies during the year.

Recognising excellence

The Trust's Star Award is a monthly award presented to staff that go above and beyond the call of duty in the development or delivery of their services to improve patient care. It is awarded to teams or individuals who have made a real difference by:

- Improving patients' experience and/or safety
- Living the values and beliefs of the organisation
- Going the extra mile within or outside of the everyday workload
- Demonstrating efficiency and value for money.

The Trust also holds an annual awards ceremony to recognise and reward individual and team key achievements, and innovative ways of delivering great care. The award categories and winners for 2015 are detailed below.

Living Our Values – Individual Award	Awarded to a Grounds and Garden supervisor who was nominated due to leading multiple refurbishment schemes whilst maintaining a wonderful grounds environment at Scarborough Hospital.
Living Our Values – Team Award	Awarded to the Theatre Recovery Team at Scarborough Hospital who were nominated for helping to care for patients following their operations, during a time of increased demand, in order for these operations to go ahead.
Unsung Hero	Awarded to a Healthcare Assistant who was nominated for ensuring the highest standards of nursing care, particularly in the care of elderly patients with dementia.
Volunteer of the Year	Awarded to a volunteer porter in Pharmacy who has worked unpaid for 20 hours a week since 2011 who was nominated for always being kind and respectful and for going the extra mile.
Enhancing Systems and Services	Awarded to the Trust-wide Ophthalmology Age Related Macular Degeneration (AMD) service who were nominated due to training optometrists, under the guidance of a consultant, to enable clinics of 50 plus patients to be seen in one morning. The service is described as exemplary due to the hard work and sheer determination of the team.
Efficiency Award	Awarded to a staff member who devised a project which dramatically reduced the number of backlog patients waiting for surgery.
Excellence in Patient Experience	Awarded to the Whitecross Court and St Helen's Multi-disciplinary Teams in Community Services who were nominated for listening to patients' families, who said their relatives would like to socialise more during their stay.
Patient Safety Award	Awarded to a team who were nominated for setting up and establishing weekly simulation training on the busy Acute Medical Unit to ensure learning from critical incidents and

	helping team dynamics.
Patients Award	Awarded a staff nurse at York Hospital who was nominated after being described by a patient's family as 'shining light' for her dedication respect and compassion towards their family and friends as the patient's condition deteriorated.
Fundraiser of the Year	Awarded to the leader of the Snowdrop Appeal at Scarborough Hospital who was nominated for fundraising to create a maternity bereavement suite at Scarborough Hospital.
Governor's Award	Awarded to the nurses on Ward 11 who were nominated for going above and beyond to help a young man who had been a long term patient on the ward.
Nursing Leadership Award	Awarded to a midwife at York Hospital.
Chairman's Award	Awarded to the Lead Nurse for End of Life
Chief Executive's Award	Awarded to the Energy Manager.
Lifetime Achiever Award	Awarded to the Chief Clinical Investigation Manager

National awards

Awarding Body	Winners
	<p>An award recognising outstanding contribution to health visiting was presented to a York Health Visitor who was nominated for her union work by the Community Practitioner and Health Visitors Association.</p>
	<p>York Hospital was recognised as a flagship Trust in falls prevention at the national Patient First 'Preventing Harm, Improving Care' conference.</p>
<p>Ministry of Defence – Employer Recognition Scheme Award</p>	<p>The Trust has been awarded the Silver Employer Recognition Scheme Award for being among the country's leading employers for supporting the Reserve Forces.</p>
	<p>The Trust has been awarded the prestigious Baby Friendly Award which is international recognition from UNICEF (United Nations Children's Fund).</p>
<p>La Roche-Posay European Research Awards 2015</p>	<p>A Trust Dermatologist has been awarded €4,000 for his work with the CRUK Beatson Institute for Cancer Research in Glasgow in identifying a new driver of melanoma cell migration. This award helps researchers around the world to be recognised by their peers and collaborate with new researchers.</p>

Local awards

Awarded By	Winners
<p>York College Apprentice of the Year</p>	<p>Awarded to an apprentice maintenance electrician who is in the third year of his apprenticeship at York College.</p>
<p>Active York Sports Awards 2015 – Active Workplace of the Year</p>	<p>Awarded to the Trust in relation to the wide range of activities provided by the Trust, and the many ways people could get involved in sports, walking, choir and fundraising challenges.</p>

Awarded By	Winners
Yorkshire and the Humber Constructing Excellence Awards	Awarded to the Trust in relation to for the Trust's work with Kier Group PLC on capital developments such as the new Lilac Ward at Scarborough Hospital.
Healthwatch York – Making a Difference Awards	Awarded to the three staff members from the Glaucoma Clinic, Orthodontics and Emergency Medicine who were nominated by members of the public through the Healthwatch York Feedback Centre.
HFMA Yorkshire and Humber Branch Efficiency and Innovation award	Awarded to North Yorkshire Audit Services who were nominated for their controls improvement audit (CIA) protocol.

In More Detail Performance for the last 12 months

Our performance against the quality and safety priorities from York Teaching Hospital NHS Foundation Trust's 2015-16 quality report is shown below.

Key	Green	Achieved	Amber	Partially Achieved	Red	Not Achieved
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Green=the target specified has been achieved

Amber =More than 50 per cent progress towards meeting the target has been made

Red=Less than 50 per cent progress has been made towards achieving the target

Priorities from 2015-16

What we said we would do about patient safety, we said
<p>We would improve the care of acutely ill and deteriorating patients By the end of March 2016, we said we would ensure that:</p> <ul style="list-style-type: none"> • The Post-Take Ward Round Checklist is embedded for all acute medicine, elderly and acute surgery inpatients • 90 per cent of patients admitted urgently with a major risk factor for Acute Kidney Injury (AKI) will have recorded in their discharge summary: stage of AKI, medicines review and type and list of blood samples required for monitoring • 90 per cent of patients with severe sepsis will have antibiotics initiated within one hour of presentation • Patients have a medical review by a senior doctor within 14 hours of arrival to the Medical Admissions Unit.

How did we do	
<ul style="list-style-type: none"> The Post-Take Ward Round Checklist is embedded for all acute medicine, elderly and acute surgery inpatients 	GREEN
<ul style="list-style-type: none"> 90 per cent of patients admitted urgently with a major risk factor for AKI will have recorded in their discharge summary: stage of AKI, medicines review and type and list of blood samples required for monitoring 	GREEN
<ul style="list-style-type: none"> 90 per cent of patients with severe sepsis will have antibiotics initiated within one hour of presentation 	RED
<ul style="list-style-type: none"> Patients have a medical review by a senior doctor within 14 hours of arrival to the Medical Admissions Unit 	AMBER York
	RED - Scarborough
<p>We would reduce harm to patients By the end of March 2016, we said we would ensure that:</p> <ul style="list-style-type: none"> Over 90 per cent of patients (aged 75 or over) acutely admitted with delirium or dementia, have a dementia specific assessment and are referred for further diagnostic advice and specialist treatments on all our hospital sites. In addition, we will ensure that carers of people with dementia and delirium feel adequately supported In theatre, the surgical safety checks include a team safety briefing at the beginning of the operating list and a STOP at the point of knife to skin We reduce serious injury to patients following a fall in hospital by a further 20 per cent We enhance supported discharge for patients following a stroke. 	
How did we do	
<ul style="list-style-type: none"> Over 90 per cent of patients (aged 75 or over) acutely admitted with delirium or dementia, have a dementia specific assessment and are referred for further diagnostic advice and specialist treatments on all our hospital sites. In addition we will ensure that carers of people with dementia and delirium feel adequately supported 	GREEN
<ul style="list-style-type: none"> In theatre, the surgical safety checks include a team safety briefing at the beginning of the operating list and a STOP at the point of knife to skin 	GREEN
<ul style="list-style-type: none"> We reduce serious injury to patients following a fall in hospital by a further 20 per cent 	AMBER
<ul style="list-style-type: none"> We enhance supported discharge for patients following a stroke. 	GREEN

<p>We would improve infection prevention and control By the end of March 2016, we will ensure that:</p> <ul style="list-style-type: none"> • We continue, through effective audit/surveillance and Post Infection Review (PIR) to monitor and benchmark rates of Healthcare Associated Infection aiming to demonstrate a continual reduction below the national mean • We improve practice in relation to invasive device management through enhanced and specific education and training initiatives (ANTT, Device Management role). 	
<p>How did we do</p>	
<ul style="list-style-type: none"> • We continue, through effective audit/surveillance and PIR to monitor and benchmark rates of Healthcare Associated Infection aiming to demonstrate a continual reduction below the national mean 	<p>AMBER</p>
<ul style="list-style-type: none"> • We improve practice in relation to invasive device management through enhanced and specific education and training initiatives (ANTT, Device Management role) 	<p>GREEN</p>
<p>What else have we done to improve patient safety in the Trust</p> <ul style="list-style-type: none"> • We held a very successful Patient Safety Conference in May 2015 which gave staff time to discuss and present local initiatives and to celebrate progress. A conference planning group has been developed to ensure that this becomes an annual event and that we prepare our staff for even greater participation • We have worked with our junior doctors to provide a supportive training programme in incident recognition and reporting. We have also launched a publication Patient Safety Matters which has been developed as a monthly update for junior doctors • We have continued to focus on developing a culture of safety throughout the Trust. Patient Safety Walk Rounds take place on a weekly basis and staff are encouraged to discuss with senior managers and members of the Board of Directors any patient safety concerns • We have been reviewing our incident reporting system to increase the accessibility for all staff, but particularly medical staff who are low reporters. 	
<p>What did we say we would do about improving clinical effectiveness and outcomes? We said:</p>	
<p>We would monitor the prevalence of pressure ulcers By the end of March 2016, we will ensure that:</p> <ul style="list-style-type: none"> • We report the prevalence of patients in our care who have a category 2-4 pressure ulcer (old or new) as measured using the Safety Thermometer tool and aim to maintain the prevalence in line with the national benchmark • We continue to learn from pressure ulcer development by reporting all category 3 and 4 pressure ulcers as Serious Incidents and aim to reduce the incidence by 20 per cent. 	

How did we do	
<ul style="list-style-type: none"> We report the prevalence of patients in our care who have a category 2-4 pressure ulcer (old or new) as measured using the Safety Thermometer tool and aim to maintain the prevalence in line with the national benchmark 	GREEN
<ul style="list-style-type: none"> We continue to learn from pressure ulcer development by reporting all category 3 and 4 pressure ulcers as Serious Incidents and aim to reduce the incidence by 20 per cent 	GREEN
<p>We would improve the monitoring of critical medicines and antimicrobials By the end of March 2016, we will ensure that:</p> <ul style="list-style-type: none"> We will monitor the prescription of antimicrobials; specifically the indications for the prescription and the review dates and improve compliance with the antimicrobial prescribing policy We will monitor and reduce the number of missed doses and the frequency of prescribing errors by 20 per cent We will have designed and tested processes for implementation of EPMA throughout the Trust 	
How did we do	
<ul style="list-style-type: none"> We will monitor the prescription of antimicrobials; specifically the indications for the prescription and the review dates and improve compliance with the antimicrobial prescribing policy 	GREEN
<ul style="list-style-type: none"> We will monitor and reduce the number of missed doses and the frequency of prescribing errors by 20 per cent 	AMBER
<ul style="list-style-type: none"> We will have designed and tested processes for implementation of EPMA throughout the Trust 	GREEN
<p>We would reduce our mortality rates By the end of March 2016, we will ensure that:</p> <ul style="list-style-type: none"> We continue the consultant led, systematic review of all in-patient deaths in the acute hospital and GP led review in our community hospitals We work towards achieving a SHMI of less than 100 for both acute hospital sites We work towards achieving an overall HSMR of 100 or less 	
How did we do	
<ul style="list-style-type: none"> We continue the consultant led, systematic review of all in-patient deaths in the acute hospital and GP led review in our community hospitals 	AMBER
<ul style="list-style-type: none"> We work towards achieving a SHMI of less than 100 for both 	GREEN -York

acute hospital sites	RED - Scarborough
<ul style="list-style-type: none"> We work towards achieving an overall HSMR of 100 or less <p>(HSMR is no longer monitored. The Trust monitors patient mortality through the SHMI and RAMI)</p>	NOT MEASURED
What did we say we would do about improve patient experience. We said:	
<p>We would expand the systems for patients to provide feedback on care and treatment received</p> <p>By the end of March 2016, we will ensure that:</p> <ul style="list-style-type: none"> The Trust will develop and launch a Patient Experience Strategy Across the Trust the Friends and Family Test will achieve a 90 per cent + score for patients reporting that they would recommend the Trust to their Friends and Family if they needed similar care or treatment 'Knowing How We Are Doing Boards' will be rolled out to all wards and departments across the Trust and reviewed on a rolling quarterly basis Working with individual directorates we will provide local information reports to improve the patient experience 	
How did we do	
<ul style="list-style-type: none"> The Trust will develop and launch a Patient Experience Strategy 	GREEN
<ul style="list-style-type: none"> Across the Trust the Friends and Family Test will achieve a 90 per cent + score for patients reporting that they would recommend the Trust to their Friends and Family if they needed similar care or treatment 	GREEN
<ul style="list-style-type: none"> 'Knowing How We Are Doing Boards' will be rolled out to all wards and departments across the Trust and reviewed on a rolling quarterly basis 	GREEN
<ul style="list-style-type: none"> Working with individual directorates we will provide local information reports to improve the patient experience 	GREEN
<p>We would improve excellence in end of life care</p> <p>By the end of March 2016, we will ensure that:</p> <ul style="list-style-type: none"> We are achieving best practice standards with end of life care All patients have appropriate and inclusive DNACPR decision making 	
How did we do	
<ul style="list-style-type: none"> We are achieving best practice standards with end of life care 	AMBER

<ul style="list-style-type: none"> All patients have appropriate and inclusive DNACPR decision making 	GREEN
What else did we do to improve Clinical Effectiveness and outcomes	
<ul style="list-style-type: none"> The Trust Patient Experience Strategy <i>Your Experiences Matter</i> was launched at the Nursing and Midwifery Conference on 21 September 2015. Three Patient Experience workshops, each attended by 40 nurses or midwives, were delivered. The workshops introduced the strategy and challenged participants to ask themselves: “What have I done today to make a difference” During the year we have developed our complaints process so that investigating officers now have early contact with complainants to introduce themselves and talk through the issues raised and introduced new style for complaints responses We are looking at the information we receive back from our Friends and Family Test results and looking to ensure feedback is used effectively within local teams. We are also looking are how this information can be used to highlight and celebrate good practice and whether this could be developed further We have been examining how to develop and grow the contribution from our volunteers and will be reporting on progress with this in next year’s Quality Report We have commenced a review of our PALS and will be reporting back on this in next year’s Quality Report 	

Progress against previous initiatives

Each year the Trust is required to publish a Quality Report which includes a list of priorities. Over the years, there have been occasions when the Trust has not managed to achieve the set priority. Listed below are the priorities that were not achieved in the past and have not been included in further reports.

Prescribing and administration of medicine errors – In 2011-12 and 2012-13 and 2014-15 we said we would reduce missed doses of critical medicines by 20 per cent. We did not achieve the priority at that time. However even though the number of incidents being reported has increased the majority of these are in the minor/low harm category. We are continuing to look at and increase the number of incidents reported overall in order to understand a fuller picture of this issue and will report back on the number of incidents reported overall in the next Quality Report.

Achieving best practice standards with end of life care. In 2015-16 we advised that we would achieve best practice in end of life care. We did not achieve this priority, but in 2016-17 we will be undertaking the following actions to achieve best practice in end of life care.

- Fully reviewing the impact of providing a 7 day service, and be willing to invest in staffing if this is indicated
- Ensuring end of life care education is available across all professionals
- Embedding the care plan for the last days of life into each clinical setting
- Continuing with IT development and aim for interoperability between services
- Increasing activity in end of life care research

Looking forward to 2016-17

The rationale for the selection of the priorities is from a number of different sources including:

- The results of the National Patient Survey
- The Trust's Patient Safety Strategy
- Informal and formal feedback from patients to the Patient Experience Team
- The agreement with the commissioners on the priorities included in the Commissioning for Quality and Innovation
- The Patient Forum discussions
- Agreement from the Patient Safety Group
- Agreement with the Quality and Safety Committee.

Priorities for the Trust - Quality and Safety for 2016-17	
Patient Safety	
Reduce avoidable mortality	By the End of March 2017, we will ensure that:
	<ul style="list-style-type: none"> • Ensuring that all patients admitted urgently to our acute hospitals have a review by a medical consultant within 14 hours of admission
	<ul style="list-style-type: none"> • Promoting screening for severe sepsis and early intervention of Sepsis 6 throughout our hospitals (national CQUIN)
Reducing harm to patients	By the End of March 2017, we will ensure that:
	<ul style="list-style-type: none"> • Reduce the number of patients who experience serious harm from falls and pressure ulcers by 10 per cent
	<ul style="list-style-type: none"> • Increase the overall number of incidents reported by 10 per cent when compared with the number reported in 2015-16.
Clinical Effectiveness and Outcomes	
Monitoring critical medicines and antimicrobials	By the End of March 2017, we will ensure that:
	<ul style="list-style-type: none"> • Ensure effective care for patients receiving insulin and those in need of capillary blood glucose monitoring (local CQUIN).

Priorities for the Trust - Quality and Safety for 2016-17

	<ul style="list-style-type: none"> Implement a system of electronic prescribing and medicines administration.
Advanced decision making in end of life care	By the End of March 2017, we will ensure that:
	<ul style="list-style-type: none"> All senior staff involved with advanced decision making in end of life care will have received training in Do Not Attempt CPR Decision Making
Reduce hospital associated infections of C. diff, MRSA bacteraemia and MSSA by:	By the End of March 2017, we will ensure that:
	<ul style="list-style-type: none"> Ensuring safe prescribing and monitoring of antibiotics (national CQUIN)
	<ul style="list-style-type: none"> Improving management of short-term use of urethral catheters for patients in acute medicine (local CQUIN)
Patient Experience	
Volunteering	By the End of March 2017, we will ensure that:
	<ul style="list-style-type: none"> Volunteers already make an important contribution to the experience of patients, carers and visitors to the hospital. We will develop and grow this contribution through: <ul style="list-style-type: none"> - Increasing the number of active, registered volunteers in the Trust by 25% - Ensuring our volunteers are best supported by reviewing and strengthening the Trust's approach to induction, recruitment, supervision and training
Learning from complaints	<ul style="list-style-type: none"> Our Patient Experience Strategy is to listen, report and respond and learn. To provide assurance that we are completing this cycle and delivering improvements from feedback we will pilot and evaluate a system for case file audit for complaints. A sample of closed cases will be audited for: <ul style="list-style-type: none"> - Compliance with Trust policy and best practice for case handling - Evidence that lessons learned have been completed
Friends and Family Test	<ul style="list-style-type: none"> Across the Trust the Friends and Family Test will achieve a 90 per cent + score for patients reporting they would recommend the Trust to their Friends and Family if they needed similar care or treatment

Priorities for the Trust - Quality and Safety for 2016-17

	<ul style="list-style-type: none">• The Trust will achieve an average response rate of at least 20 per cent for inpatient and maternity and to increase this to 25 per cent by year end. To achieve an average response rate of at least 15 per cent for the emergency department
	<ul style="list-style-type: none">• We will also re-launch PALS with new information for patients, carers and staff about the support it provides and a more visible presence in our hospitals• Enhance our partnership working with paediatric services and mental health agencies, with a focus on adolescents we will develop shared pathways of care for those patients at risk of suicide who need acute hospital care

What else will we continue to improve

- We were not successful in making sure all patients have a medical review by a senior doctor within 14 hours of arrival to the Medical Admissions Unit. We will continue to work on improving this position during the year and report in the next Quality Report
- We were not successful in making sure 90 per cent of patients with severe sepsis will have antibiotics initiated within one hour of presentation. We will continue to promoting screening for severe sepsis and early intervention of Sepsis 6 throughout our hospitals and report in the next Quality Report
- We were not successful in demonstrating a continual reduction below the national mean of healthcare acquired infections through effective audit/surveillance and Post Infection Review to monitor and benchmark rates of Healthcare Associated Infection to demonstrate. We will continue to work seek a reduction in healthcare acquired infections during the year and report in the next Quality Report
- We were not successful in reducing serious injury to patients following a fall in hospital by a further 20 per cent. We will continue to work towards this priority and seek to reduce falls by 10 per cent during the year and report in the next Quality Report
- We will continue to work towards this priority and seek to reduce serious harm from pressure ulcers
- We were not successful in fully completing the consultant led, systematic review of all in-patient deaths in the acute hospital and GP. We will revise and enhance our approach to mortality reviews by ensuring that in all cases of death in hospital a mortality review is completed that where the death is identified as avoidable an independent case note review is undertaken
- We were not successful in fully monitoring and reducing the number of missed doses and the frequency of prescribing errors by 20 per cent. However even though the number of incidents being reported has increased the majority of these are in the minor/low harm category. We will also seek to increase the number of overall incidents which have been reported so that we have a fuller understanding of this issue and we will report back on this in the next Quality Report
- We were not successful in SHMI of less than 100 for both acute hospital sites. During the next year we will focus on reducing avoidable mortality and will report back on this in next year's Quality Report. We have not reported back on our

Priorities for the Trust - Quality and Safety for 2016-17

priority of working towards achieving an overall HSMR of 100 or less as this method is no longer measured by the Trust

Part 3 – Regulatory Requirements and Assurance from the Board

Statement of assurance from the Board of Directors

The Regulations

The Government introduced a specific set of regulations that Foundation Trusts are required to address as part of the Quality Report. These requirements are included in the assurance statements made by the Board of Directors.

Assurance from the Board

During 2015-16 the York Teaching Hospital NHS Foundation Trust provided and/or sub-contracted 36 relevant health services.

The Board of Directors and Council of Governors have during the year reviewed data related to the quality of care. The Board of Directors at every meeting receives details from the Medical Director and/or Chief Nurse on the quality of care in the organisation. The Council of Governors have access to that information and receive regular presentations on quality at their meetings held in public. The York Teaching Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in 36 of these relevant health services.

The income generated by the relevant health services reviewed in 2015-16 represents 100 per cent of the total income generated from the provision of NHS services by York Teaching Hospital NHS Foundation Trust. The income generated has been received from services commissioned by Clinical Commissioning Groups, NHS England, and the Local Authorities.

Commissioning for Quality and Innovation Payment Framework (CQUIN)

A proportion of York Teaching Hospital NHS Foundation Trust income in 2015-16 was conditional upon achieving quality improvement and innovation goals agreed between York Teaching Hospital NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the CQUIN.

The financial value of the scheme is set at 2.5 per cent of all healthcare services commissioned through the NHS Standard Contract, excluding high cost drugs, devices and listed procedures. 0.5 per cent of overall contract value is linked to the national CQUIN goals and 2.0 per cent is linked to local indicators. The value locally is approximately £8.5m.

The CQUIN goals are managed through our internal processes and cover a significant number of areas. They fall into three areas:

National – Acute kidney, sepsis screening, sepsis antibiotics.

Local – Dementia, paediatric transitional plans, scan reporting times, post take ward round checklist, community patient experience, community nursing at MDT.

Specialist – Hepatitis C, NICU data completeness, Oncotype.

At the time of writing this report the Trust had agreed payment with the Commissioners for CQUINS. Further details of the agreed goals for 2015-16 and for the following 12 month period are available electronically at www.yorkhospitals.nhs.uk. The CQUIN is reported to the Board of Directors on a monthly basis and can be found as part of the Board papers.

The 2015-16 value of the CQUIN was set at 2.5 per cent of the contract value. The value locally was £7.5m.

Care Quality Commission

York Teaching Hospital NHS Foundation Trust is required to register with the CQC and its current registration status is 'Registered without conditions'.

The CQC has not taken enforcement action against York Teaching Hospital NHS Foundation Trust during 2015-16.

York Teaching Hospital NHS Foundation Trust has not participated in any special reviews by the CQC during the reporting period.

In the 2014-15 Quality Report we stated that the Trust was subject to a CQC inspection over three days, 17-20 March 2015, with a further unannounced inspection taking place between 30-31 March 2015.

The CQC published its post inspection report in October 2015 and assessed the organisation overall as 'Requiring Improvement'. Key issues related to:

- Issues with emergency care triage
- Performance against a number of national standards
- Medical and nurse staffing
- Critical care services
- Attendance levels at statutory and mandatory training
- The maintenance of some equipment
- The monitoring of fridge temperatures
- The updating of clinical guidelines with a specific issue around records management
- Privacy and dignity of a very small cohort of patients on the Nurse Enhanced Unit
- Improvements to governance processes.

The report findings included a small number of improvement requirement notices, which related to the Quality and Patient Safety issues outlined above. The Trust developed a resultant action plan, of which all actions have an appointed executive lead. Actions are actively being managed through the various sub committees of the Board.

The Board of Directors received an update report on progress against the recommendations in March 2016; this indicated that the majority of actions had either been completed or were well on their way to completion at the end of March 2016. The Trust also discusses progress against the action plan with the CQC at regular engagement meetings.

Whilst the Trust was assessed 'Requires Improvement', a number of areas were considered to demonstrate best practice, particularly Children's Services, End of Life Care and Community Services.

The CQC Quality Report scorecard is shown below.

Our ratings for the York hospital are:

	Safe	Effective	Caring	Responsive	Well-Led	Overall
Urgent & Emergency	Requires improvement	Good	Good	Requires improvement	Requires improvement	Requires improvement
Medical Care	Requires improvement	Good	Good	Good	Good	Good
Surgery	Good	Good	Good	Requires improvement	Good	Good
Critical Care	Good	Good	Good	Requires improvement	Requires improvement	Requires improvement
Maternity & Gynaecology	Good	Requires improvement	Good	Good	Good	Good
Children & Young People	Requires improvement	Good	Good	Good	Good	Good
End of Life Care	Good	Good	Good	Good	Good	Good
Outpatients & Diagnostic Imaging	Good	Inspected but not rated	Good	Good	Good	Good
Overall	Requires improvement	Good	Good	Requires improvement	Requires improvement	Requires Improvement

Our ratings for Scarborough Hospital are:

	Safe	Effective	Caring	Responsive	Well-Led	Overall
Urgent & Emergency	Requires improvement	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement
Medical Care	Requires improvement	Good	Good	Requires improvement	Requires improvement	Requires improvement
Surgery	Requires improvement	Good	Good	Requires improvement	Requires improvement	Requires improvement
Critical Care	Requires improvement	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement
Maternity &	Requires	Requires	Good	Good	Good	Requires

	Safe	Effective	Caring	Responsive	Well-Led	Overall
Gynaecology	improvement	improvement				improvement
Children & Young People	Requires improvement	Good	Good	Good	Good	Good
End of Life Care	Good	Good	Good	Good	Good	Good
Outpatients & Diagnostic Imaging	Requires improvement	Inspected but not rated	Good	Requires improvement	Requires improvement	Requires improvement
Overall	Requires improvement	Requires improvement	Good	Requires improvement	Requires improvement	Requires Improvement

Our ratings for Bridlington Hospital are:

	Safe	Effective	Caring	Responsive	Well-Led	Overall
Medical Care	Requires improvement	Good	Good	Good	Requires improvement	Requires improvement
Surgery	Requires improvement	Good	Good	Good	Good	Good
End of Life Care	Good	Good	Good	Good	Good	Good
Outpatients & Diagnostic Imaging	Requires improvement	Inspected but not rated	Good	Good	Requires improvement	Requires improvement
Overall	Requires improvement	Good	Good	Good	Requires improvement	Requires Improvement

Our ratings for Community Services are:

Safe	Effective	Caring	Responsive	Well-Led	Overall
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	Safe	Effective	Caring	Responsive	Well-Led	Overall
Community health services for adults	Requires improvement	Good	Good	Good	Good	Good
Community inpatient services	Requires improvement	Good	Good	Good	Good	Good
Community end of life care	Good	Good	Good	Good	Good	Good
Community services for children and young people	Requires improvement	Good	Good	Good	Good	Good
Overall	Requires improvement	Good	Good	Good	Good	Good

Our rating for the Trust overall

	Safe	Effective	Caring	Responsive	Well-Led	Overall
Overall trust	Requires Improvement	Good	Good	Requires Improvement	Requires Improvement	Requires Improvement

Statement of Directors' responsibilities in respect of the Quality Report

The Directors are required, under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010, to prepare Quality Accounts for each financial year.

Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of Annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that Foundation Trust Boards should put in place to support the data quality for the preparation of the Quality Report.

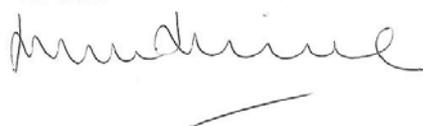
In preparing the Quality Report, Directors are required to take steps to satisfy themselves that:

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Report Manual 2015-16
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period 1 April 2015 to 25 May 2016
 - Papers relating to the Quality Report to the Board over the period 1 April 2015 to 25 May 2016
 - Feedback from commissioners dated 12 May 2016
 - Feedback from Healthwatch York dated 6 May 2016

- Feedback from Healthwatch North Yorkshire 20 May 2016
 - Feedback from Overview and Scrutiny Committee dated 18 May 2016
 - Feedback from governors dated 2 May 2016
 - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 25 May 2016
 - The national staff survey dated 30 March 2016
 - The national patient survey 15 April 2015
(The current year national patient survey is embargoed at the time of completing the Annual Report. The Board of Directors will receive the national patient survey when the embargo has been lifted)
 - The Head of Internal Audit's annual opinion over the Trust's control environment dated 16 May 2016
 - CQC Intelligent Monitoring Reports ceased to be issued post May 2015 and have been superseded by Trust Inspection reports
- The Quality Report presents a balanced picture of the York Teaching Hospital NHS Foundation Trust's performance over the period covered
 - The performance information reported in the Quality Report is reliable and accurate
 - There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
 - The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) well as the standards to support data quality for the preparation of the Quality Report

The Directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the Quality Report.

By order of the Board



25 May 2016 Chairman



25 May 2016 Chief Executive

Data quality

York Teaching Hospital NHS Foundation Trust submitted records during 2015-16 to secondary user service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The Trust continually strives to improve its data quality by constantly reviewing the data in conjunction with clinical and operational teams and its main commissioners. This may result in changes to systems and processes.

The percentage of records in the published data which included a valid NHS number or a General Medicine Practice Code (data for April 2014 to March 2016) was:

	2015/16 (March Flex Included)
Valid NHS Number	
Admitted patient care	99.89%
Outpatient care	99.95%
Accident and emergency	98.64%
Valid General Medical Practice	
Admitted patient care	99.83%
Outpatient care	99.95%
Accident and emergency	98.93%

Information governance

The Trust submitted its annual self-assessment in March, achieving 88 per cent compliance with the Information Governance Toolkit requirements. The standards relate to six areas of activity: Information Governance Management, Confidentiality and Data Protection, Information Security, Clinical Information Assurance, Secondary Uses Assurance and Corporate Information Assurance. The Trust evidenced attainment Level 2 or above, representing satisfactory or higher performance, against all 45 Toolkit requirements.

Payment by results

York Teaching Hospital NHS Foundation Trust was not subject to any Payment by Results Clinical Coding Audit during 2015-16.

Reference cost submission

During 2015-16 York Teaching Hospital NHS Foundation Trust has been audited on our 2014-15 Reference Cost Submission, which is underpinned by our Service Level Reporting system. The draft audit report completed by PWC has been received and external auditors have given an opinion of 'Materially Compliant'.

Part 4 – Clinical audit

During 2015-16, 47 national clinical audits and national confidential enquiries covered services that York Teaching Hospital NHS Foundation Trust provides.

During that period York Teaching Hospital NHS Foundation Trust participated in 47 (100 per cent) national clinical audits and national confidential enquiries which it was eligible to participate in.

Details of these can be found in Table 2. The table also identifies which of the NHS Outcome Framework Domains are covered by each audit. The NHS Outcomes Framework are designed to provide a national overview of how well the NHS is performing, and how quality is being improved through encouraging a culture of change alongside behaviour focused health outcomes. Indicators in the NHS Outcomes Framework are grouped into five domains as indicated in Table 1.

NHS Outcomes Framework Domains (Table 1)

Domain 1	Preventing people from dying prematurely
Domain 2	Enhancing quality of life for people with long-term conditions
Domain 3	Helping people to recover from episodes of ill health or following injury
Domain 4	Ensuring that people have a positive experience of care
Domain 5	Treating and caring for people in a safe environment and protecting them from avoidable harm

National Audit and Enquiry Activity (Table 2)

National Clinical Audits York Teaching Hospital NHS Foundation Trust were eligible for and participated in 2015-16	Data collection undertaken 2015-16	Data collection completed %		NHS Outcome Framework domains covered				
		YH	SGH	Green	Purple	Blue	Orange	Light Blue
General and acute medicine								
MINAP - Acute Coronary Syndrome or Acute Myocardial Infarction	✓	100%	30%	✓		✓		✓
NICOR - National Cardiac Rhythm Management Audit	✓	100%	100%	✓	✓	✓	✓	✓
COPD Audit - Part 1. Chronic Obstructive Pulmonary Disease - Secondary Care	✓	100%	100%	✓	✓	✓	✓	
COPD Audit - Part 2. Chronic Obstructive Pulmonary Disease - Pulmonary Rehab	✓	100%		✓	✓	✓	✓	
NICOR - Coronary	✓	100%	Not	✓				

National Clinical Audits York Teaching Hospital NHS Foundation Trust were eligible for and participated in 2015-16	Data collection undertaken 2015-16	Data collection completed %		NHS Outcome Framework domains covered				
		YH	SGH					
Angioplasty (BCIS/PCI)			Applicable					
National Diabetes Core Audit	✓	100%	100% <i>submitted via local GPs</i>	✓	✓			
NADIA - Diabetes Inpatient Audit	✓	100%	100%	✓	✓			
NDFA - National Diabetes Foot Care Audit	✓	100%	100%	✓	✓			
NICOR - National Heart Failure Audit	✓	53%	0%	✓	✓	✓		
General and acute medicine								
IBD - Inflammatory Bowel Disease – Biologics	✓	60%	0%	✓	✓		✓	✓
LUCADA - National Lung Cancer Audit (NLCA)	✓	96.8%	93.1%	✓	✓	✓	✓	✓
NCAA - National Cardiac Arrest Audit	✓	100%	100%	✓				✓
Renal Replacement Therapy (Renal Registry)	✓	100%	Not Applicable					
UK Cystic Fibrosis Registry (Adults)	✓	100%	Not Applicable	✓				
BTS Emergency Use of Oxygen	✓	100%	100%					
General Surgery and Urology								
NBOCAP - National Bowel Cancer Audit Programme	✓		88%	✓				
PROMS National Elective Surgery - Hernia	✓		74.5%			✓		
PROMS National Elective Surgery - Hip	✓		100%			✓		
PROMS National Elective Surgery - Knee	✓		100%			✓		
PROMS National Elective Surgery - Varicose veins	✓		20.5%			✓		

National Clinical Audits York Teaching Hospital NHS Foundation Trust were eligible for and participated in 2015-16	Data collection undertaken 2015-16	Data collection completed %		NHS Outcome Framework domains covered				
		YH	SGH					
National Comparative Audit of Blood Transfusion - Part 2. 2015	✓	100%		✓	✓	✓		
NOGCA - National Oesophago-gastric Cancer Audit	✓	84%		✓	✓	✓		✓
National Prostate Cancer Audit	✓	46%		✓		✓	✓	
National Complicated Diverticulitis Audit (CAD)	✓	100%	Audit provider analysing data	✓	✓	✓	✓	
Elderly medicine								
FFFAP - Falls and Fragility Fractures Audit Programme	✓	74.4%	48.1%	✓		✓		✓
SSNAP - Sentinel Stroke National Audit Programme, includes SINAP	✓	100%	100%	✓	✓	✓		✓
Obstetrics and Gynaecology								
MBRRACE - UK - Maternal, Infant and Newborn Clinical Outcome Review Programme	✓	100%	100%			✓		✓
NDA Diabetes (Adult) - National Pregnancy in Diabetes (NPID) Audit	✓	100%	100%	✓	✓			
Community								
National Audit of Intermediate Care	✓	100%			✓	✓	✓	✓
Specialist medicine								
National Comparative Audit of Blood Transfusion - Part 1. 2015 Audit of Patient Blood Management in Scheduled Surgery	✓	100%	100%	✓	✓	✓		

National Clinical Audits York Teaching Hospital NHS Foundation Trust were eligible for and participated in 2015-16	Data collection undertaken 2015-16	Data collection completed %		NHS Outcome Framework domains covered				
		YH	SGH					
National Comparative Audit of Blood Transfusion - Part 3. 2016 Audit of the Use of Blood in Haematology	✓	100%	100%		✓	✓		✓
National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis	✓	Case ascertainment was not sufficient to provide robust benchmarking at trust level			✓		✓	
UK Parkinson's Audit	✓	100%	100%		✓		✓	✓
NELA - National Emergency Laparotomy Audit	✓	82%	52%	✓		✓		✓
ICNARC CMP - Adult critical care (Case Mix Programme)	✓	100%		✓				✓
Child health								
NNAP - National Neonatal Audit Programme	✓	100%	100%	✓		✓	✓	
BTS Paediatric Asthma	✓	100%	100%		✓			
NPDA - National Paediatric Diabetes Audit	✓	Data collection in progress				✓	✓	
Ophthalmology								
National Ophthalmology Audit	✓	Currently working on 2015/16 data				✓	✓	
Emergency medicine								
TARN - Severe Trauma (Trauma Audit & Research Network)	✓	63.5%	60%	✓	✓	✓	✓	✓
CEM Procedural Sedation in Adults	✓	100%	100%				✓	✓
CEM Vital signs in children	✓	100%	100%			✓	✓	✓
CEM VTE risk in lower limb immobilisation	✓	100%	100%			✓	✓	✓
National Confidential Enquiries York Teaching Hospital NHS Foundation Trust were	Data collection undertaken	Data collection completed %		NHS Outcome Framework domains covered				

eligible for and participated in 2015-16	2015-16	YH	SGH	1	2	3	4	5
NCEPOD023 Provision of Mental Healthcare in Acute Hospitals	✓	Data collection in progress						✓
NCEPOD022 Acute Pancreatitis	✓	90%						✓
NCEPOD021 Sepsis	✓	100%						✓
NCEPOD020 Gastrointestinal Haemorrhage	✓	87.5%						✓

For some of the National Audits which York Teaching Hospital NHS Foundation Trust were eligible for, and participated in, there was a lower percentage of data submission for Scarborough Hospital compared to that of York Hospital; the reason for these lower percentages are either that there was insufficient resource to fully participate in the audit or that there was no identified dedicated lead for data input at Scarborough Hospital.

To improve this situation for future years, it is therefore planned to ensure that all National Audits will have an identified dedicated audit lead at both sites (when relevant) and that where resources are an issue for National Audit participation this is to be considered for inclusion on Directorate Risk Registers.

National clinical audit activity

The reports of 18 national clinical audits and national enquiries were reviewed by the provider in 2015-16 and York Teaching Hospital NHS Foundation Trust is taking the following actions to improve the quality of healthcare provided:

Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)

The report for 2014-15 data will be published in April 2016 and following this the Trust will develop any further actions required to continue to improve coronary care services.

The Full Report for 2013-14 included the following key recommendations:

Findings and recommendations	York Trust actions
Better data completeness for risk-adjusted outcomes (currently missing). The extent of missing information on patient characteristics that might reasonably be expected to affect outcome	York hospital achieved 98.3% data completeness, thereby assuring accuracy of risk-adjusted outcomes for those patients included within this audit
Continued investment in clinical audit. The need increase rather than decrease, the need for reliable contemporary knowledge	Recruitment to the Critical Care Nurse post in Scarborough Hospital with additional specific duty to collate and

of hospital performance	submit relevant cases/ data to ensure full participation in the national audit
Timeliness of angiography following nSTEMI (nSTEMI) the optimum timing of angiography (and follow-on PCI) after admission remains unclear. The most recent NICE Quality Standard suggests treatment within 72 hours	York hospital achieved 100% for patients receiving angiography following nSTEMI (nSTEMI).

Overall the data shows that we continue to perform well in all areas of cardiac care. The exception is regarding admitting non ST-segment elevation myocardial infarction (nSTEMI) patients directly to a Cardiology Ward, instead York admits through the Acute Medical Unit (AMU). However, this is an issue in many hospitals nationally.

National Cardiac Rhythm Management Audit (CRM)

The CRM data was reported at regional level until April 2014. The report for 2014-15 data was due to be published in December 2015; however, this has not yet been published.

The full report for 2013-14 included the following key finding and recommendations

Findings and recommendations	York Trust findings and actions
There has been a steady increase in pacemaker implant rates across the UK in recent years, in line with an ageing population	The Trust fitted a total of 282 of those 225 were newly fitted and 57 were replacements
Total UK implant rates for pacemakers, ICDs and all high energy devices (ICD + CRT-D) are significantly lower than the Western European average	Ensuring all data entries are checked for accuracy (all data fields) before final submission to NICOR, including selection of correct codes for the device option
The total rate of CRT therapy implantation in the UK is slightly above the European average	The Trust is slightly below the UK average relating to Physiological Pacing for Sick Sinus Syndrome reporting 74% compared to UK national average of 87.3%

National Diabetes Core Audit (NDCA)

The combined report for 2013-14 and 2014-15 was published in January 2016.

The full report included the following key findings:

Findings and recommendations	York Trust findings and actions
There are encouraging trends of improvement in blood pressure control for	Since the Think Glucose meeting was established in 2009, meeting attendance

Findings and recommendations	York Trust findings and actions
people with Type 1 and Type 2 diabetes and glucose control for Type 1 diabetes	has been reviewed to ensure all stakeholders have been included in order to assist the improvements in blood glucose control for patients
People aged under 65 with either Type 1 or Type 2 diabetes are much less likely to achieve the NICE treatment targets	The percentage of patients in York Hospital receiving NICE recommended eight care processes (excluding eye screening) was 53.6% compared to the England and Wales average of 59.9%. Scarborough Hospital data was reported as part of the NHS Scarborough and Ryedale CCG which was 69%
People aged under 40 are much less likely to receive their care processes and those under 65 are less likely to achieve their treatment targets	The Core Patient Database (CPD) has been updated enabling better identification of in-patients with diabetes. The Trust has made appointment of a dedicated full-time Diabetes Inpatient Specialist Nurse and Specialist Nurse

National Heart Failure Audit (NHFA)

The NHFA data for 2013-14 was reported in October 2015; the report for 2014-15 data has not yet been published.

The full report included the following key finding and recommendations:

Findings and recommendations	York Trust findings and actions
The National Heart Failure Audit supports the clinical indicators recommended by the National Institute for Health and Care Excellence (NICE). The first NICE guideline on Acute Heart Failure (CG187) was published in October 2014, and so implementation is not reflected in the current audit cycle	In future years, the data collection for this audit will enable the Trust measure its compliance with NICE guidance on Acute Heart Failure (CG 187)
The coding of heart failure continues to be problematic, this year 9% of records were excluded if the patient did not have a confirmed diagnosis of heart failure, and did not have any clinical indication of heart failure	The appointment of a Heart Failure Nurse (HFN) whose role is to improve the care of patients with heart failure. She has introduced and completed the following: A referral system to HFN specialist for inpatients to provide support, education, helps with accurate diagnosis, patient counselling and optimise treatment in

Findings and recommendations	York Trust findings and actions
	<p>hospital. This also ensures appropriate referral to services.</p> <p>Liaison with HFN's in the community.</p> <p>Follow up by telephone and in outpatient clinic at the hospital and inpatient</p>
<p>Patients should be treated on a cardiology ward whenever appropriate and possible.</p> <p>When it is not possible, or other co-morbidities suggest a different specialist ward may be provide better care, patients should still receive input from a heart failure specialist – usually a consultant cardiologist or another consultant with specific remit for heart failure patients</p>	<p>For inpatients a Multi-Disciplinary Team (MDT) ward round with Consultant Cardiologist is undertaken weekly</p>
<p>A number of clinical guidelines advise on best practice in the treatment and management of heart failure. They consistently recommend a set of evidence-based therapies and disease management strategies</p>	<p>For York Hospital Trust, the Hospital Episode Statistics (HES) in 2013-14 was 53% compared to England average of 86%</p>

Falls and Fragility Fractures Audit Programme (FFFAP)

The report for 2014-15 has been published and the full report included the following key recommendations:

Findings and recommendations	York Trust findings and actions
<p>Staff in hip fracture programmes should use the findings of this report alongside our 'live' online charts of performance and outcome as a basis for the monthly clinical governance meetings that are central to improving care in individual units</p>	<p>Regular reviews of National Hip Fracture Database (NHFD) data, has been pivotal to developing local services and improving patient care throughout their time in hospital. The Trust now have one of the best rates of return home from home within 30 days among NHFD sites, and our service was highly commended at the Patient Safety Awards 2015</p>
<p>Hospital managers should challenge areas of poor performance identified in this report's regional tables, and in the accompanying 'dash-board' summary designed for chief executives</p>	<p>Specialist Falls Assessment performed for York Hospital in 2014 was 99.4% and Scarborough Hospital was 98.2% compared to England average of 96.8%. The Trust has undertaken extensive work to improve the care of hip fracture patients – securing additional dedicated theatre time at weekends: Sunday trauma</p>

Findings and recommendations	York Trust findings and actions
	list with priority given to hip fracture patients. As a consequence, the proportion of our patients receiving best practice tariff-eligible care increased from 66.6% in 2013 to 74.2% in 2014
NHS management should consider the weaknesses identified in our understanding of the care provided to frail and older people following their initial hospital care	<p>Our specialist nurse integrates patient care from admission in A&E, links with theatre and ward teams, ensures regular patient and family updates and coordinates discharge plans with the ward team. She also ensures completion of cognition assessments and offers counselling for future bone health treatment for all patients, in keeping with NICE guidelines.</p> <p>Our team has introduced a daily ward round that links with the detailed multi-disciplinary team meeting, which is also attended by our ward dietician. With this cohesive approach, we ensure that discharges are planned in advance and discussed with the pharmacy to ensure that discharge medications are available on time</p>

National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis

The first annual report of the National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis (EIA) in England and Wales was issued in January 2016. Our results highlighted a huge number of learning opportunities and we realised that significant measures needed to be put into place, including additional resources.

The full report identified the following key finding for acute hospital Trusts:

Findings and recommendations	York Trust findings and actions
Only 38% of patients were seen in rheumatology within 3 weeks of referral (NICE Quality Standard 2), and 53% were treated with disease modifying drugs within 6 weeks (Quality Standard 3)	<p>The Rapid Assessment Clinic has been established to see suitable patients within 3 weeks of GP referral (quality standard).</p> <p>After a successful business case the Trust has employed a co-ordinator who will identify patients before clinic, complete consent and fill in any non-clinical data and work alongside the clinics where patients are seen to provide a co-</p>

	ordinated approach between consultant and patient
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National Paediatric Diabetes Audit (NPDA)

The Trust data for 2013-14 was reported at regional level for Yorkshire and the Humber region therefore it has not been possible to benchmark the Trust's specific progress against this data.

The full report included the following key finding and recommendations

Findings and recommendations	York Trust findings and actions
All care processes completed should be recorded to provide the best possible measure of performance as per NICE recommendations	The Trust has undertaken the introduction of a 24/7 consultant paediatric diabetes cover rota
Managing blood glucose levels and other risk associated outcomes such as blood pressure and cholesterol are a challenging balancing act for children, young people and parents, which impacts on relationships, emotions, health and well-being. Yet less than half of children and young people have access to Structured Education Programmes and there is limited access to psychological assessment when required	A structured education programme has been introduced; one for diabetics aged 11-14 for one week in October half-term and one for age 14-18 for three separate days throughout the year
PDUs should ensure an adequate annual screening process is in place to identify those needing expert psychological assessment. NICE recommends timely referral for psychology support	Routine screening questionnaire for emotional wellbeing is to be undertaken at the time of annual review

Trauma Audit and Research Network (TARN)

The report provides outcomes for data collected from 1 January 2012 up to and including 30 September 2015.

The report includes the following key findings and recommendations:

Findings and recommendations	York Trust findings and actions
Injuries to the brain and skull – CT Imaging of the head should be performed within 1 hour of arrival for patients with a head injury and a GCS of less than 13	Time to CT Scan at York Hospital was 1.33 hours and at Scarborough was 0.70 hours against a National average of 0.57 hours. The Trust has therefore identified a need

Findings and recommendations	York Trust findings and actions
	at York Hospital for an internal audit/improvement of the time from referral to computed tomography scan (CT scan) and inter-unit transfers
Injuries to the Spine – Immediate referral must be made to the appropriate spinal injury service if there is evidence of partial or complete spinal cord or cauda equina lesion	<p>At York Hospital 126 patients with partial or complete spinal cord or cauda equina lesion were admitted of these 63 (50%) of these patients were transferred to another facility for further treatment.</p> <p>At Scarborough Hospital 51 patients with partial or complete spinal cord or cauda equina lesion were admitted and of these 37 (73%) patients were transferred to another facility for further treatment</p>
Injuries to the Chest - Examination of the chest is a fundamental component of the cardiopulmonary assessment of the seriously injured and should be supervised by the most experienced clinician	<p>The seniority of doctors treating patients with cardiothoracic injuries at York Hospital was STR grade (41.3%) and consultant (37%).</p> <p>At Scarborough Hospital the grade of the medic was not recorded for 54.8% of patients.</p> <p>Therefore there is an identified need at Scarborough Hospital for dedicated data input to improve data submission</p>
Injuries to the limbs and pelvis – Early wound excision to reduce dead tissue and bacterial contamination is critical in avoiding both primary and hospital acquired infection. This should be undertaken promptly and thoroughly by a senior experienced surgeon.	<p>Time to Theatre at York Hospital was 17.57 hours against a national average of 12.18 hours.</p> <p>Fewer than 10 cases were received at Scarborough Hospital to fulfil this standard and therefore did not provide accurate information.</p> <p>The Trust has adopted the use of a regional trauma chart as a result of this and the other standards covered by this audit</p>

Local clinical audit activity

The reports of 203 local clinical audits were reviewed by the provider in 2015-16. A selection of actions from the local audits that will have beneficial outcomes on patient care is described below.

Management of patients with hypernatremia Project No. 2741

- To produce a local guideline in line with NICE Clinical Knowledge Summary (CKS) recommendation on management of Hypernatremia and to discuss it with different groups of clinicians
- The introduction of a joint endocrine meeting with endocrinologists from York hospital

Peripheral cannula insertion

Project No. A7149

- Provision of education to medical staff to:
 - Ensure cannula does not remain in situ longer than 72 hours
 - Explain the benefits of recording cannula on CPD: indication, site and date of insertion
 - Provide training on how this is done on CPD
 - Ensure cannula with no date label should be removed and replaced with a new cannula with a date label attached to the dressing.

Last days of life care plan documentation

Project No. A7109

- Continue education and support to all staff using the care plan for the last days of life. In order to do this, we continue to discuss the care plan at the monthly statutory and mandatory sessions, during the monthly education days for staff and during bespoke training opportunities.

Febrile neutropenia: current management

Project No. 2907

- Regular teaching of paediatric doctors – febrile neutropenia and management (guidelines)
- Checklist to be created and completed when patient admitted with suspected febrile neutropenia (placed on ward)
- Empowering nursing staff – to access portocaths to take bloods. Nursing staff to prepare antibiotics once aware child with potential febrile neutropenia will be arriving to the ward. Recent weight is often kept in records so this is possible. Aim: to administer antibiotics under one hour
- Incident reporting and escalation to seniors (in line with escalation policy) if there is any delay in assessment of patients with suspected febrile neutropenia
- Assessment should be a priority.

Re-audit – capnography use in the Post Anaesthesia Care Unit (PACU)

Project No. 2930 (re-audit of 2223)

- Business case for implementation of capnography at all bed spaces in PACU.

Re-audit management of pain following fractured neck of femur – A review of current practice

Project No. 2882 (Re-audit of 2008)

- Fascia Iliac Compartment Blocks (FSICB) training for advanced practitioners
- Discussion with Emergency Department and wards regarding recording pain scores.

Word catheters – our outcomes versus NICE Guidelines

Project No. 2635

- Raise awareness of patient information booklet and documentation of insertion at new doctor's induction. Also discuss at presentation of audit departmentally
- Ongoing patients to be given questionnaires regarding discomfort and acceptability.

Compliance with NICE CG154 – management of miscarriage

Project No. A7004

- Ensure all Early Pregnancy Assessment Unit (EPAU) staff are aware of the need to document in the medical notes 'options discussed' and written information given
- All EPAU staff to inform patients when commencing medical management they must complete the follow-up period of 3/52 unless clinically unstable
- Junior medical staff to be aware that py bleeding is an expected outcome following medical management and, unless clinically unstable, patients need to continue with the follow-up period
- Review ways to more effectively manage admissions for surgery to reduce delays to theatre.

Is the duty radiology role still required for justifying CT requests?

Project No. D9017

- Issue an alert on order-comms if a CT scan has been performed within two weeks of request
- Enforce guidelines e.g. at junior doctor induction
- Continue to require the second step of personal discussion with Duty Radiologist if inpatient CT requested.

Pain with intravitreal injections

Project No. 2887

- Introduce Tetracaine as additional anaesthetic available.

Current patient pathway of those being referred for a sleep study

Project No. 2072

- Discussion with Ear, Nose & Throat (ENT) department regarding creation of trust guidelines to ensure efficient and appropriate use of sleep studies in the management of those being referred to the ENT department with obstructive symptoms. This should also help standardise the care received.
- Education: how to identify 'at risk' patients who require polysomnography to help reduce the number of unnecessary investigations.

The outcomes of audits and quarterly progress are reported to the Clinical Standards Group and relevant directorate Clinical Governance Groups where action plans and progress are monitored.

Research and development – Figures April 2015 to March 2016

The number of patients receiving relevant health services provided or sub-contracted by York Teaching Hospital NHS Foundation Trust in 2015-16 that were recruited during the period to participate in research approved by a research ethics committee is 2,582.

The Trust is a partner organisation within the Yorkshire and Humber Clinical Research Network (Y&H CRN). The CRN provide funding to support research

staff who work across a wide range of specialities. These staff are appropriately trained and qualified and (with the exception of the two generic teams) managed by the Trust's Lead Research Nurse Coordinators. The generic research staff are managed directly by the CRN and support studies that do not conveniently fit with the more established speciality teams.

The Trust also employs a Research Advisor who works closely with investigators to ensure that all Trust Sponsored research is developed and conducted to the appropriate standards. In addition, all research in the Trust is conducted in accordance with the Trust Standard Operating Procedures (http://www.northyorksresearch.nhs.uk/sops_and_guidance_/sops/). The Trust also employs a R&D Quality Assurance Officer who carries out risk-based audits and monitoring of research and who reports directly to the Head of R&D.

Listed below is the range of studies the Trust is part of as of 31 March 2016.

	Active and recruiting	Active and in follow-up
Anaesthetics	7	2
Cancer and Oncology (York)	17	24
Cancer and Oncology (Scarborough)	18	13
Cardiology	6	4
Dermatology	7	1
Emergency Department	3	1
Clinical Research Facility+	1	1
Gastroenterology	2	2
Generic Team (York)+	14	2
Generic Team (Scarborough)+	23	3
Neurology	2	2
Obstetrics	5	4
Ophthalmology	11	5
Palliative Care	0	0
Paediatrics	9	0
Renal	12	2
Rheumatology	8	2
Sexual Health	4	2

	Active and recruiting	Active and in follow-up
Stroke	8	2

+These teams support research across a number of specialities including sexual health, stroke, ICU, A&E, orthopaedics, tissue viability, dementia.

Part 5 – New initiatives, targets and trajectories

Trust performance against National Quality Indicators

Indicator	2014-15 achieved	2015-16 target	2015-16 actual	Target achieved	Target & trajectories 2016/17
Infection prevention and control					
Clostridium difficile – meeting the c diff objective	59	48	65*	Y	
* Following detailed post infection review it was identified that 17 of the total number of cases reported were not due to lapses in care					
MRSA – maintaining the annual number of MRSA bloodstream infections at less than half the 2003	6	6	7	N	
Cancer waiting times (maximum waits)					
31 days from decision to 1st treatment	97.80%	96.0%	98.36 %	Y	96.0%
31 days for 2nd or subsequent treatment for all cancers – anti cancer drugs	99.48%	98.0%	99.71 %	Y	98.0%
31 days for 2nd or subsequent treatment for all cancers – surgery	95.48%	94.0%	96.28 %	Y	94.0%
62 days from all referrals to treatment for all cancers – urgent GP referral	84.21%	85.0%	85.95 %	Y	85.0%
62 days from urgent referral to treatment for all cancers – cervical screening	93.59%	90.0%	94.91 %	Y	90.0%
14 days from referral to 1st seen for all urgent cancers	86.84%	93.0%	93.64 %	Y	93.0%
14 days from referral to 1st seen for symptomatic breast patients	72.37%	93.0%	93.84%	Y	93.0%
18 week pathway					
Admitted patients –18 week	83.73%				90.0%

Indicator	2014-15 achieved	2015-16 target	2015-16 actual	Target achieved	Target & trajectories 2016/17
maximum wait from point of referral to treatment					
Non-admitted patients –18 week maximum wait from point of referral to treatment	95.91%				95.0%
Maximum time of 18 weeks from point of referral to treatment – patients on an incomplete pathway	92.45%				92.0%
In April 2015 Monitor changed and introduced a new single measure for the 18-week pathway					
Referral to treatment time, 18 weeks in aggregate, incomplete pathways		92%	92.99%	Y	92%
The Trust continued to measure two further targets related to 18 week pathway, but is not required to submit					
Referral to treatment time, 18 weeks in aggregate, admitted patients		90%			
Referral to treatment time, 18 weeks in aggregate, non-admitted patients		95%			
Accident and Emergency waiting times					
Maximum waiting time of 4 hours in A&E from arrival to admission, transfer or discharge	91.30%	95.0%	88.02%	N	95.0%
Data completeness (community services)					
Referral to treatment	100.0%	50%	100%	Y	50%
Referral information	71.10%	50%	72.3%	Y	50%
Treatment activity information	98.50%	50%	96.1%	Y	50%
Learning Disabilities					

Indicator	2014-15 achieved	2015-16 target	2015-16 actual	Target achieved	Target & trajectories 2016/17
Certification against compliance with requirements regarding access to healthcare for people with learning disabilities**	Met	**Meet the six criteria detailed below	Met	✓	**Meet the six criteria detailed below
<p>1. Does the Trust have a mechanism in place to identify and flag patients with learning disabilities and protocols that pathways of care are reasonably adjusted to meet the health needs of these patients?</p> <p>2. Does the Trust provide readily available and comprehensible information to patients with learning disabilities about the following criteria?</p> <ul style="list-style-type: none"> • Treatment options • Complaints procedures • Appointments <p>3. Does the Trust have protocols in place to provide suitable support for family carers who support patients with learning disabilities?</p> <p>4. Does the Trust have protocols in place to routinely include training on providing healthcare to patients with learning disabilities for all staff?</p> <p>5. Does the Trust have protocols in place to encourage representation of people with learning disabilities and their family carers?</p> <p>6. Does the Trust have protocols in place to regularly audit its practices for patients with learning disabilities and to demonstrate the findings in routine public reports?</p>					

Reporting against core indicators

Trust performance against the set of core indicators mandated for inclusion in the quality report by the Department of Health is shown below.

For each indicator, the number, percentage value, score or rate (as applicable) for the last two reporting periods is shown. Where this data has been published by the Health and Social Care Information Centre (HSCIC), the lowest and highest values and national average for each indicator for the latest reporting period are also shown.

Summary Hospital-level Mortality Indicator (SHMI) and Banding	Trust Oct 13 – Sept 14	Trust Oct 14 – Sept	NHS Average Oct 14 –	NHS Highest Trust	NHS Lowest Trust Oct 14 –
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		15	Sept 15	Oct 14 – Sept 15	Sept 15
Trust score (lower value is better)	103	99	100	118	65
Banding (higher value is better)	2	2	2	1	3

- Information on the Summary Hospital-level Mortality Indicator (SHMI) is reported to and scrutinised by the Executive Board, Quality and Safety Committee and Board of Directors when published. The above data is consistent with locally reported data
- We continue to audit the quality of our clinically coded data for deceased patients as part of our mortality reviews to ensure it is an accurate reflection of the patient's diagnoses and procedures. All clinicians are required to validate the clinical coding of patients who died in hospital to ensure it accurately reflects the main conditions for which the patient was treated and investigated, and that all co-morbidities have been recorded.

The York Teaching Hospital NHS Foundation Trust continues to monitor mortality by:

- Ensuring that all in-patient deaths are reviewed by a consultant within four weeks of the death occurring
- Promoting discussion of learning from mortality review at department governance meetings
- Providing a quarterly report on learning from mortality reviews
- Expanding the terms of reference of the Trust Mortality Review Group to provide an emphasis on identification, review and learning from avoidable mortality.

We will:

- Continue with our mortality review programme including consultant mortality reviews and development of in-depth review of avoidable mortality.

Palliative Care Coding	Trust Oct 13 – Sept 14	Trust Apr 14- Mar 15	NHS Average Apr 14- Mar 15	Highest Trust Apr 14- Mar 15	Lowest Trust Apr 14- Mar 15
% Deceased patients with palliative care coded	19.2%	27.4%	25.8%	50.9%	0.0%

The York Teaching Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- This data is consistent with the data reported on the monthly Patient Safety and Quality report presented to the Board of Directors.

The York Teaching Hospital NHS Foundation Trust has taken the following actions to ensure the accuracy of clinical coding:

- Monitoring the quality of our clinically coded data for deceased patients as part of our mortality reviews to ensure it is an accurate reflection of the patient's diagnoses and procedures. In addition, the Clinical Coding Team receive weekly information on any patients who have had palliative care or contact with the Palliative Care Team, so that this can be reflected in the clinical coding.

We will:

- Continue with our mortality review programme and ensure we continue to validate the clinical coding of deceased patients as part of the mortality reviews undertaken by consultants.

Patient Reported Outcome Measures (EQ-5D Index, Percentage of Patients Improving scores)	Trust Apr 14 – March 15	*Trust Apr – Dec 15	England Apr-Dec 15	Highest Trust Apr-Dec 15	Lowest Trust Apr-Dec 15
Groin hernia	51.2%	43.3%	37.3%	Not available	
Hip replacement	88.8%	66.0%	66.1%	Not available	
Knee replacement	78.2%	53.1%	55.4%	Not available	
Varicose vein	62.5%	45.2%	41.0%	Not available	

*Provisional scores

Note: Patients undergoing elective inpatient surgery for the above elective procedures funded by the English NHS are asked to complete questionnaires before and after their operations to assess improvement in health as perceived by the patients themselves. As participation is voluntary, patients can choose not to participate. The percentage of patients reporting improvement after a procedure is only available at individual Trust level and at national level, therefore it is not possible to determine the highest and lowest score for Trusts.

The York Teaching Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- This data is consistent with locally reported data. This performance information is benchmarked against other Trusts in the Yorkshire and Humber region with Trust performance being within the expected range for all procedures.

The York Teaching Hospital NHS Foundation Trust intends to take/has taken the following actions to improve these scores, and so the quality of its services by:

- Ensuring that relevant staff attend regional PROMs workshops which facilitates networking with colleagues from other Trusts and allows sharing of best practice.

We will:

- Continue to ensure that the Trust Executive Board and Board of Directors received PROMs outcome and participation rates so that we can ensure that any areas of performance

where the Trust may be an outlier are acted upon.

Readmissions within 28 Days of discharge	Trust 2011-12	Trust 2012-13	NHS average 2012-13	Highest Trust 2012-13	Lowest Trust 2012-13
Percentage of readmissions aged 0 to 15	9.7% (10.0%)	Not available	Not available	Not available	Not available
Percentage of readmissions aged 16 and Over	10.6% (9.8%)	Not available	Not available	Not available	Not available

Note: This data is based readmissions for hospitals categorised as medium acute hospitals only. The lower the percentage the better the performance.

Monitoring on readmissions within 30 days of discharge is included in the monthly performance report to the Board of Directors.

The York Teaching Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is consistent with that reported locally on the Trust's electronic performance monitoring system.

The York Teaching Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this percentage, and so the quality of its services by:

- Continuing with the weekly Quality and Safety briefings to consistently address any issues raised. The meetings are Chaired by the Deputy Medical Director and are attended by the Director of Nursing, Deputy Director of Patient Safety, Deputy Director of Healthcare Governance and Assistant Director of Nursing
- The agenda of these meetings includes emergency readmissions and other quality and safety issues.

We will:

- Continue to hold our weekly quality and safety briefings and take action to address any issues raised
- Continue to monitor readmission rates as part of our contract monitoring process with our commissioners and take remedial action if the rate is exceeded.

Responsiveness to personal needs of patients	Trust	Trust	NHS average	Highest Trust	Lowest Trust
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	2013-14	2014-15	2014-15	2014-15	2014-15
Ensuring that people have a positive experience	78.7%	Not available	Not available	Not available	Not available

The York Teaching Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- All feedback from patient surveys is reported to and scrutinised by the Trust's Quality and Safety Committee, and by Board of Directors in the Chief Nurse Quality of Care Report
- Feedback from the Friends and Family test is also reported to the Patient Experience Steering Group, Quality and Safety Committee and Board of Directors.

The York Teaching Hospital NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services by:

- Continuing to respond and act on feedback provided from Healthwatch, national surveys, complaints and concerns, and the Friends and Family Test
- Development of the Trust's Patient Experience Strategy 2015-18 and continuing with local patient surveys, patient forums and other initiatives as part of our patient and public involvement work to enhance our services and improve patient care.

We will:

- Continue to act on the feedback received to ensure patients have a positive experience and delivery our commitment to involving patients as outlined in our Patient Experience Strategy 2015-18 we will:
 - Develop Patient Experience Volunteers who will actively seek views of patients and increase opportunities for face-to-face feedback
 - Encourage patient and public involvement through partnership with Healthwatch, listening weeks, involvement in Trust patient forums and other activities
 - Strengthen our links with community groups and communities of interest, providing greater opportunities for them to make their voices heard and get involved
 - Draw on the skills and experiences of our governors and members.

Staff recommending the Trust to family and friends	Trust 2014	Trust 2015	NHS average 2015	Highest Trust 2015	Lowest Trust 2015
Percentage of staff who would recommend the Trust *	64	67	69	89	46

* note – data represents acute Trusts only

The York Teaching Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The data published by the Information Centre is consistent with the staff survey results

received by the Directorate of Human Resources for the 2014 and 2015 staff surveys. The results of the annual staff survey are reported to the Board of Directors

- Friends and Family: staff is monitored by the Trust and the results are included in the monthly Quality and Safety report which is received by the Board of Directors.

The York Teaching Hospital NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services by:

- Staff and Patient suggestions will be used to inform decisions
- Improved communication between staff and senior managers. Specifically, feedback will be provided about how staff and patient suggestions have been used
- Incident reporting procedures are to and should be seen to be fair and effective.

We will:

- Continue to encourage all of our staff to complete the Staff Friends and Family Test which was launched across the Trust in September 2015. This will give valuable feedback which we will use to improve outcomes for our patients
- Continue to develop and monitor the Trust's action plan in response to the findings of the Staff Survey.

Patients admitted and risk assessed for venous thromboembolism	Trust Oct-Dec 2014	Trust Feb 2015	NHS Average Oct-Dec 2015	Highest Trust Oct-Dec 2015	Lowest Trust Oct-Dec 2015
Percentage of patients risk assessed	97.2%	97.9%	95.6%	100.0%	75%

Note – data is for acute Trusts only.

The York Teaching Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- Compliance with venous thromboembolism (VTE) assessments is reported monthly to the Board of Directors as part of the Patient Safety and Quality Report. Compliance is also reported on Signal, the Trust's electronic activity and performance monitoring dashboard, as part of compliance monitoring against CQUIN targets. The above data is consistent with locally reported data.

The York Teaching Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this indicator/percentage/score/data/rate/number, and so the quality of its services by:

- Continuing to measure and report compliance with VTE risk assessments as described above.

We will:

- Continue to monitor and report compliance with VTE assessments as described above to ensure that performance continues to meet and exceed the required standards.

Clostridium difficile infection (for patients aged 2 and over)	Trust 2013-14	Trust 2014-15	NHS average 2014-15	Highest Trust 2014-15	Lowest Trust 2014-15
Rate per 100,000 bed days	48.6	44.9	39.9	114.4	0.0

The York Teaching Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- Clostridium difficile Infection incidence is increasing nationally. Internally it is reviewed and discussed at the Infection Prevention Operational Group, Quality and Safety briefing and at Post Infection Review (PIR)

Incidence of all Healthcare Associated Infection (HCAI) is reported to Trust Board via the quarterly Director of Infection Prevention and Control report that aims to assure the Board of action and mitigation in relation to HCAI and infection prevention performance. HCAI is also reviewed and actions agreed at the Trust Infection Prevention and Control Steering Group (TIPSG) and with Directorate leads at Performance and Assurance Meetings lead by the Chief Nurse, Chief Executive and Finance Director.

The York Teaching Hospital NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services by:

- Continuing to monitor progress against trajectory through multi-disciplinary Post Infection Review (PIR) of all cases overseen by the clostridium difficile Operational Group
- Through PIR and case follow up, continually and critically monitoring and auditing infection prevention practices to ensure they reflect best practice and enhance patient safety
- Audit and monitoring of antibiotic prescribing remains a key priority for the Trust's Antimicrobial Stewardship Team. Compliance with antibiotic prescribing is reported to the Quality and Safety Committee via the TIPSG and to the Board of Directors. Audit results are also disseminated to individual consultants, clinical directors and matrons for information and action
- Ward based training and education sessions are delivered to staff in high incidence areas to address and raise awareness of PIR outcome and best practice in line with Trust IP policies/guidelines with subsequent dissemination at PNLF, Senior Nurse meetings and Medical Staff training. PIR outcomes and lessons learnt are also disseminated via staffroom and case studies are developed to assist understanding and learning
- Introduction of a proactive high level disinfection programme, however, this is severely compromised by lack of decant space and isolation. This has been raised with Operations Leads with the aim of planning a programme for summer 2016.

We will:

- Continue with PIR and dissemination to staff of lessons learnt to inspire and generate improvement. Audit of compliance with best practice and antimicrobial stewardship will continue together with seeking new initiatives to reduce incidence.

- Continue to report progress to the Board of Directors in the Director of Infection Prevention and Control quarterly report which as previously described, provides assurance to the Board of Directors that initiatives continue to be developed aimed at achieving sustainable reduction in HCAI.
- Continue to discuss incidence and risk at weekly quality and safety briefings to identify and agree action required.

Patient safety incidents and the number of incidents resulting in severe harm or death	Trust Apr - Sep 14	Trust Oct 14 - Mar 15	NHS average Oct 13 - Mar14	Highest Trust Oct 14 - Mar 15	Lowest Trust Oct 14 - Mar 15
Rate of patient safety incidents	31.7	31.29	37.15	82.21	3.57
Number of incidents resulting in severe harm	33	31	17.32	128	1
% of incidents resulting in severe harm	0.6%	0.6%	0.44	5.2	0
Number of incidents resulting in death	1	3	5.23	24	0
% of incidents resulting in death	0%	0.1%	0.14	1.1	0

Note – data represents acute trusts only.

The rate of patient safety incidents is based on per 1,000 bed days. The data is taken from information reported to the National Learning and Reporting System (NLRS).

The York Teaching Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- All incidents of severe harm or death are validated by the Deputy Director of Patient Safety and the Deputy Director of Healthcare Governance prior to being reported to the National Patient Safety Agency.

The York Teaching Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this rate, number and percentage, and so the quality of its services by:

- Holding weekly quality and safety briefings and ensuring that appropriate action is taken in response to any issues raised. These meetings between the Deputy Medical Director, Director of Nursing, Deputy Director of Patient Safety, Deputy Director of Healthcare Governance and Assistant Director of Nursing are held to discuss quality and safety issues,

which includes deaths, serious incidents, critical incidents, adverse incidents, and safety alerts.

We will:

- Continue to hold our weekly quality and safety briefings and take action to address any issues raised, and continue to validate all incidents of severe harm and death.

Family and friends test score (patient element)	Trust Feb 15	Trust Dec 15	NHS average Dec 15	Highest Trust Dec 15	Lowest Trust Dec 15
Inpatient % recommend	94	95	96	100	73
A&E % recommend	86	86	88	100	58

Note – data for acute hospitals only.

The York Teaching Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

- The data on the Family and Friends Test (FFT) cards completed by patients is independently collated by our commissioned service provider, Patient Perspective.

The York Teaching Hospital NHS Foundation Trust intends has taken the following actions to improve this score, and so the quality of its services by:

- Monitoring the FFT score on a monthly basis, and highlighting any deterioration in performance directly to the relevant wards and departments for action. As part of the monthly Quality and Safety Dashboard, which is also reported to the Board of Directors, the Trust Board receives monthly performance information on the FFT. Detailed information on FFT is included in the quarterly Patient Experience Report. The Patient Experience Steering Group also receives regular updates on performance, and this also forms part of all Directorate’s Performance Improvement Meetings.

We will:

- Continue to monitor performance with the FFT with regular updates to the Board of Directors

	Trust 2014	Trust 2015	NHS Average 2015	Highest Trust 2015	Lowest Trust 2015

Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	23%	22%	24%	37%	17%
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- Scores are for combined community and acute trusts only

The results of the annual staff survey are reported to the Board of Directors. The data is consistent with that reported to the Board of Directors.

The York Teaching Hospital NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services by:

The results of the 2015 survey will be used to evaluate the actions which were taken in response to the 2014 survey.

We will:

Use the results to inform a corporate action plan to address the worse ranking scores and scores which have deteriorated.

	Trust 2014	Trust 2015	NHS average 2015	Highest Trust 2015	Lowest Trust 2015
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	92%	89%	87%	94%	70%

- Score are for combined community and acute trusts only

The results of the annual staff survey are reported to the Board of Directors. The data is consistent with that reported to the Board of Directors.

The York Teaching Hospital NHS Foundation Trust intends has taken the following actions to improve this score, and so the quality of its services by:

The results of the 2015 survey will be used to evaluate the actions which were taken in response to the 2014 survey. The results will also be used to inform a corporate action plan to address the worse ranking scores and scores which have deteriorated.

We will:

Use the results to inform a corporate action plan to address the worse ranking scores and scores which have deteriorated.

The Trust has systems and processes in place that ensure accurate records, reports and clinical indicators are maintained. The Trust's Council of Governors are required to select an indicator for external audit to measure. The Governors of the Trust have chosen to seek assurance on the

dementia CQUIN indicator in the quality report. Performance on this indicator is reported monthly in the Quality and Safety report to the Board of Directors. As part of the audit our external auditors will be taking a sample of 25 patients and considering if the correct assessment has taken place and the patients involved have been correctly classified.

Part 6 – Statements from Key Stakeholders

Statement on behalf of the Council of Governors (CoG)

Three members of the Council of Governors met, on behalf of the whole Council of Governors, with representatives of the Trust to review, comment on and have input into the draft Quality Report 2015/2016 before the document was finalised and published. This year's report reflects the work of the organisation to highlight and address issues in relation to the quality and safety of the patient care delivered and identify where work still needs to be undertaken to reach the targets agreed across the whole of the Trust. The report does highlight where there are differences between areas across the Trust.

The audit chosen by the Governors last year was that all patients who require it have an appropriate and inclusive DNACPR decision making. Compliance was met with this target. Whilst continuing to review all the outcome information on where the trust is in achieving targets, the Council of Governors has chosen to audit the compliance to assess at least 90% of patients who are 75 years of age or over at time of admission with a dementia specific assessment tool. Dementia continues to be an issue that Governors feel is of significant importance. They are pleased to note the work already being undertaken to diagnose patients with dementia and to address the particular needs of this group of patients. The Governors look forward to receiving updates of the progress being made to achieve the target for this assessment on a regular basis across the Trust.

The Council of Governors are very pleased to be working with the trust in relation to the quality of care being delivered by the organisation and the safety of patients being cared. They look forward to learning about the progress being made to achieve the targets agreed.

As far as the Council of Governors is aware, the information within this report is a fair and accurate assessment of where the trust stands in relation to meeting the agreed targets.

Governors statement written on behalf of the Council of Governors
Sheila Miller (Public Governor for Ryedale and East Yorkshire
Jeanette Anness (Public Governor for Ryedale and East Yorkshire
Margaret Jackson (Public Governor for York)

Response from Healthwatch York to York Teaching Hospital NHS Foundation Trust Quality Report 2015-16

May 2016

Thank you for giving Healthwatch York the opportunity to comment on your Quality Report for 2015-16.

Throughout the year we have appreciated the Trust's responses to the issues we have raised with them following feedback received from members of the public and the recommendations in our reports. In particular we appreciate the continuing work the Trust is doing to improve the experience of Deaf patients as a result of the recommendations in our report on Access to Services to Deaf people.

It is very good to see the details of all the awards Trust staff have been given - the Trust's Star Award, local and national awards. On behalf of members of the public who had posted feedback on our website we were very pleased to recognise three members of York Hospital staff with our Making a Difference awards in July 2015.

Healthwatch York staff and volunteers have attended and actively contributed to a number of the Trust's meetings throughout the year, including the Patient Experience Steering Group and the Fairness Forum.

During the past year the Trust have asked Healthwatch York readability group volunteers to review and provide feedback on seven Trust patient information leaflets. We hope this work helps the Trust to provide clear and accessible information for their patients.

Healthwatch York has started to develop stronger links with Trust governors and we hope this is something we will be able to build on next year. We look forward to continuing the productive working relationships we have established with the Trust during the coming year.

Pat Crowley
Chief Executive
York Teaching Hospital NHS
Foundation Trust
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Dear Mr Crowley,

12 May 2016

YORK TEACHING HOSPITAL NHS FOUNDATION TRUST QUALITY ACCOUNT STATEMENT 2015/16

On behalf of NHS Scarborough and Ryedale CCG, NHS East Riding of Yorkshire CCG, NHS Vale of York CCG is pleased to provide comments on York Teaching Hospital NHS Foundation Trust's Quality Account for 2015/16.

Over the past 12 months the whole of the health and social care system has experienced significant pressure on services and financial challenges. York Teaching Hospital NHS Foundation Trust failed to meet the 4 hour Emergency Care Standard throughout this period due to multifactorial issues including recruitment to key nursing and medical posts across the whole Trust. In order to fill the gaps in the rotas, particularly at weekends, the Trust have used Locums and agency staff. Due to nursing staff shortages at York there have been closures of the ambulance handover area and the observation ward in Emergency Department, as well as reduced staffing on AMU which has impacted on patient flow.

Significant bed closures particularly at the Scarborough site following an outbreak of Norovirus, have placed a strain on bed capacity and resulted in ambulance handover delays and a number of 12 hour breaches.

Despite these pressures, the Trust has consistently achieved the Incomplete RTT target of 92% and the majority of Cancer targets through 2015/16.

Against this backdrop we have worked in partnership with the Trust to improve the quality and safety of patient services. We are especially pleased to note the following achievements:-

- Overall rating of 'good' for staff caring for patients by the CQC.
- Rollout of the National Early Warning Score Systems to maintain a focus on the care of the deteriorating patient.
- Reduction in SHMI scores at both York (down from 99 to 93) and Scarborough (down from 109 to 107) and continued efforts to drive further reductions across all sites

- Changes to the Governance and Executive ownership of Infection Control and greater inclusion of matrons in the delivery of the infection prevention and control agenda to improve patient care and safety.
- Key focus on the safer staff project which focuses on nurse, midwifery and HCA recruitment and retention.
- Completed new car park at Scarborough in 2015.

York Teaching Hospital NHS Foundation Trust achieved the majority of the requirements of the 2015/16 CQUIN Scheme – but only partially met the national Sepsis indicator.

The Trust and CCGs have agreed the following areas for CQUIN indicators in 2016/17 which focus on both patient safety and the transformation agenda.

- Staff Health & Wellbeing
- Sepsis
- Glucose Monitoring
- Insulin Care
- Acute Catheter Care
- Paediatric Transition
- Paediatric – Self Harm
- Dementia – John’s Campaign
- Community Transformation (NHS Vale of York)
- Frailty (NHS Scarborough & Ryedale & East Riding CCG)

The Care Quality Commission inspected both York and Scarborough hospital sites in March 2015 and the Trust was assessed ‘requires improvement’ overall. The Trust was rated ‘good’ for Caring throughout the Trust, End of Life Care and Community Services.

The priorities identified in the Quality Account for 2016/17 clearly identify with the three main elements of quality assurance: patient safety, clinical effectiveness and patient experience and will focus on:-

Patient Safety

- Senior review by a medical consultant within 14 hours of admission
- Promoting screening of severe sepsis and early intervention of Sepsis 6
- Mortality review to be completed where a patient death is identified as avoidable

Clinical Effectiveness

- Reduce the number of patients who experience serious harm from falls and pressure ulcers. The CCGs hope that the Trust will strive to be more ambitious in their reduction of harm improvements in quality during these difficult times.
- Implement fully a system of electronic prescribing and medicines administration
- Reduce hospital associated infections of C.Diff, MRSA bacteraemia and MSSA

Patient Experience

- Audit of complaints to ensure compliance with Trust policy and ensure that lessons learned have been shared with staff and completed.
- Increasing the response rate for Friends and Family in ED, Inpatient and Maternity services and achieving a 90%+ patient recommendation score
- Increasing the number of volunteers in the Trust by 25%
- Re-launch PALS service

- Enhance partnership working with Paediatric and Mental Health Services to develop shared care pathways for patients at risk of suicide who need acute hospital care.

As lead commissioner for York Teaching Hospital NHS Foundation Trust, NHS Vale for York CCG would like to commend the work of the Trust in 2015/16. We can confirm that with NHS Scarborough and Ryedale CCG and NHS East Riding of Yorkshire CCG, NHS Vale of York CCG are satisfied with the accuracy of this Quality Account. The CCGs look forward to working more collaboratively with the Trust in 2016 and would ask York Teaching Hospital NHS Foundation Trust to be more proactive in sharing information and being open about the challenges we all face in order to meet the Emergency Care Standard and address issues with delayed transfer of care.

Yours sincerely



Michelle Carrington Chief Nurse
NHS Vale of York Clinical Commissioning Group



Carrie Wollerton Executive Nurse
Scarborough & Ryedale Clinical Commissioning Group



Paula South Executive Nurse
East Riding of Yorkshire Clinical Commissioning Group

Statement on behalf of City of York Council Health & Adult Social Care Policy & Scrutiny Committee.

The report seeks to reassure patients and their families about services provided at York Hospital and that these services are being improved and outcomes monitored.

We welcome the Trust's commitment in putting patient care first and continually striving to improve the patient experience despite the challenges and pressures faced by York Teaching Hospital NHS Foundation Trust in these difficult financial times.

At meetings with senior management over the past year, Committee Members have expressed concerns about failure to meet the 4-hour waiting time target in A&E and it is disappointing that relevant data for 2015/16 has not been included in the draft, as is also the case with many elements of the Trust's performance against national quality indicators.

We look forward to continuing the productive working relationship with the Trust which the Committee has enjoyed this year.

Statement from Healthwatch North Yorkshire

Healthwatch North Yorkshire is assured that it has not received any issues of concern around the services provided by York Teaching Hospital NHS Foundation Trust. The Trust's friends and family test results shows strong performance, in inpatient and maternity consistently above 90% across these services. Emergency Department results do represent more of a cause for concern with figures significantly below target. In terms of quality we note that the number of PALS

complaints is consistently higher month on month in 2015/16 compared with the previous year. In specific regards to the Quality Accounts we would flag the omission of elderly medical wards from comments or target. We do have some evidence that more work needs to be done to improve communication with carers and relatives while people are on these wards. We have also received positive feedback about how the Trust has handles concerns with individuals feeling the response was effective and swift. Concern has been raised about the use of automated telephony systems. The new staff team have yet to meet with the senior team, however early requests for information have shown a willingness to work together which instils confidence that the Trust treats patient engagement seriously.

Glossary

Term	Description
Acute Kidney Injury (AKI)	AKI is sudden damage to the kidneys which causes them to stop working properly. This can range from minor loss of kidney function to complete kidney failure.
Age Related Macular Degeneration (AMD)	AMD is a painless eye condition that causes a loss to central vision, usually in both eyes.
Aseptic Non Touch Techniques (ANTT)	ANTT are methods which aim to prevent micro-organisms on hands, surfaces or equipment from being introduced to a susceptible area such as a surgical wound.
Blood Gas Analysis	Blood gas analysis is a test used to check how well your lungs are working and whether they are able to exchange oxygen and carbon dioxide efficiently. The test may be recommended if you are having breathing problems, such as shortness of breath or rapid breathing.
Board of Directors	Individuals appointed by the Council of Governors and Non-Executive Directors. The Board of Directors assumes legal responsibility for the strategic direction and management of the Trust.
Clinical Standards Group	The Clinical Standards Group is the Trust body which has responsibility for demonstrating evidence of degree of compliance for all nationally agreed best practice as defined by the National Institute for Health and Clinical Excellence (NICE), National Confidential Enquiry into Patient Outcome and Death (NCEPOD) and other nationally agreed clinical guidance. It is also responsible for assessing and monitoring progress with national and local clinical audits, and challenging the actions required to

Term	Description
	implement changes in practice.
Clostridium Difficile (C Diff)	Clostridium difficile is a species of bacteria of the genus Clostridium that causes severe diarrhoea and other intestinal disease when competing bacteria in the gut flora are wiped out by antibiotics.
Care Quality Commission (CQC)	The CQC regulates care provided by the NHS, local authorities, private companies and voluntary organisations. They aim to make sure better care is provided for everyone – in hospitals, care homes and people's own homes. They also seek to protect the interests of people whose rights are restricted under the Mental Health Act.
CQC Quality Risk Profile (QRP)	The QRP is a tool for healthcare providers, commissioners and CQC staff for monitoring compliance with the essential standards of quality and safety. They help in assessing where risks lie and can play a key role in internal monitoring as well as informing the commissioning of services.
College of Emergency Medicine	The College of Emergency Medicine advances education and research in Emergency Medicine. It is responsible for setting standards of training and administering examinations in Emergency Medicine, and also works to ensure high quality care by setting and monitoring standards of care, and providing expert guidance and advice on policy to relevant bodies on matters relating to Emergency Medicine.
Commissioning for Quality and Innovation (CQUIN) Payment Framework	The CQUIN scheme was announced in <i>High Quality Care for All</i> (2008) and introduced through the new standard NHS contracts and the NHS Operating Framework for 2009-10. It is a key element of the NHS Quality Framework, introducing an approach to incentivising quality improvement. CQUIN schemes were mandated for

Term	Description
	acute contracts from 2009-10.
Comfort Rounds	<p>Comfort rounding is the process where healthcare professionals (usually nurses) carrying out regular and documented checks with their patients with the aim of increasing patient comfort and ensuring they feel supported. Checks will include addressing pain issues, ensuring patients are positioned comfortably, ensuring the environment is safe for the patient, addressing personal hygiene needs and any other issues which may be of concern to the patient.</p>
Council of Governors (CoG)	<p>Every NHS Foundation Trust is required to establish a Council of Governors. The main role of the Council of Governors is threefold:</p> <p>Advisory – to advise the Board of Directors on decisions about the strategic direction of the organisation and hold the Board to account.</p> <p>Strategic – to inform the development of the future strategy for the organisation.</p> <p>Guardianship – to act as guardian of the NHS Foundation Trust for the local community.</p> <p>The Chair of the Council of Governors is also the Chair of the NHS Foundation Trust. The Council of Governors does not ‘run’ the Trust, or get involved in operational issues.</p>
Department of Health (DH)	<p>The Department of Health is a government department with responsibility for government policy for health and social care matters and for the (NHS) in England. It is led by the Secretary of State for Health.</p>
Deteriorating Patient	<p>Sometimes, the health of a patient in hospital may get worse suddenly. There are certain times when this is more likely, for example following an emergency admission to hospital, after surgery and after leaving critical care. However, it can happen at any stage of an illness. It increases the patient's risk of needing to stay longer in hospital, not recovering fully or dying. Monitoring patients regularly while they are in hospital and taking action if they show signs of becoming worse can help avoid serious</p>

Term	Description
	problems.
Did Not Attend (DNA)	A DNA is defined as a patient failing to give notice that they will not be attending their appointment. Patients who give prior notice, however short, that they will not be attending their appointment will be classed as a CNA (could not attend).
Do Not Attempt Cardiopulmonary Resuscitation (DNACPR)	If someone's heart or breathing stops suddenly, the brain can only live for about three to four minutes before death could result. When this happens it may be possible to try to restart the heart and breathing with emergency treatment called CPR or cardiopulmonary resuscitation. All healthcare organisations will routinely attempt CPR on any individual where cardiac or respiratory function ceases, unless there is direct and written order not to attempt CPR, a 'DNACPR' decision.
Electronic Prescribing and Medicines Administration (EPMA)	EPMA is a system which allows prescribing, administration, reviewing and viewing of medication to be undertaken electronically.
Family and Friends Test	From April 2013, all patients will be asked a simple question to identify if they would recommend a particular A&E department or ward to their friends and family. The results of this friends and family test will be used to improve the experience of patients by providing timely feedback alongside other sources of patient feedback.
Financial Risk Rating (FRR)	FRRs are allocated using a scorecard which compares key financial information across all foundation trusts. A rating of 5 reflects the lowest level of financial risk and a rating of 1 the greatest.
Hospital Episode Statistics (HES)	HES is a data warehouse containing details of all admissions, outpatient appointments and A&E attendances at NHS hospitals in England. This data is collected during a patient's time at hospital and is submitted to allow hospitals to be paid for the care they deliver. HES data is designed to enable secondary use,

Term	Description
	that is use for non-clinical purposes, of this administrative data.
Hospital Standardised Mortality Ratio (HSMR)	The HSMR is a measure of deaths while in hospital care based on 56 conditions which represent 80% of deaths, where death occurs in hospital. It also shows whether the number of deaths linked to a particular hospital is more or less than expected, and whether that difference is statistically significant. It covers all English acute non-specialist providers.
Information Governance Toolkit	The Information Governance Toolkit is a performance tool produced by the Department of Health. It draws together the legal rules and central guidance set out above and presents them in one place as a set of information governance requirements. The organisations are required to carry out self-assessments of their compliance against the Information Governance requirements.
Inhaler Technique	Using an inhaler is the most common way of taking asthma medicines and is very effective because inhaling the medicine takes it straight into the lungs. It is very important that inhalers are used properly so that every dose taken gives patients the most benefit.
Intelligent Monitoring Report	The Intelligent Monitoring Report reflects the CQC's newly developed model for monitoring a range of key indicators about NHS acute and specialist hospitals. The indicators are used to raise questions about the quality of care. Together with local information from other agencies partners and the public, it helps the CQC to decide when, where and what to inspect. The results of the CQC's intelligent monitoring work is used to group NHS Trusts into six bands based on the risk that people may not be receiving safe, effective, high quality care – with band 1 being the highest risk and band 6 the lowest.
Liverpool Care Pathway (LCP)	The LCP for the Dying Patient is a model of care which enables healthcare professionals to focus on care in the last hours or days of life when a death is expected. The LCP is tailored to the person's individual needs and includes consideration of their physical, social, spiritual and psychological needs. It requires senior clinical

Term	Description
	<p>decision making, communication, a management plan and regular reassessment. The LCP is not a treatment in itself but a framework for good practice – it aims to support, but does not replace, clinical judgement. The LCP guides and enables healthcare professionals to focus on care in the last hours or days of life, when a death is expected. However, communication, care and compassion must come from all the healthcare workers caring for an individual patient and their family.</p>
<p>Monitor</p>	<p>Monitor was established in January 2004 to authorise and regulate NHS Foundation Trusts. Monitor is independent of central government and directly accountable to Parliament. There are three main strands to Monitor's work:</p> <ul style="list-style-type: none"> Determining whether NHS Trusts are ready to become NHS Foundation Trusts Ensuring that NHS Foundation Trusts comply with the conditions they signed up to – that they are well-led and financially robust Supporting NHS Foundation Trusts development
<p>Methicillin-resistant Staphylococcus aureus (MRSA)</p>	<p>MRSA is a bacterium responsible for several difficult-to-treat infections in humans. It may also be called multi-drug-resistant Staphylococcus aureus or oxacillin-resistant Staphylococcus aureus (ORSA). MRSA is, by definition, any strain of Staphylococcus aureus that has developed resistance to certain antibiotics.</p>
<p>NHS Improvement</p>	<p>NHS Improvement is responsible for overseeing foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care. They offer the support these providers need to give patients consistently safe, high quality, compassionate care within local health systems that are financially sustainable. By holding providers to account and, where necessary, intervening, they help the NHS to meet its short-term challenges and secure its future.</p>
<p>National Clinical Audits</p>	<p>The National Clinical Audit and Patient Outcomes Programme (NCAPOP) is a set of centrally-funded national projects that provide local Trusts with a common format by which to collect audit data. The projects analyse the data centrally and feedback comparative findings to help participants identify necessary improvements for patients. Most of these projects involve services in</p>

Term	Description
	England and Wales; some also include services from Scotland and Northern Ireland.
National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	NCEPOD promote improvements in healthcare and support hospitals and doctors to ensure that the highest possible quality of safe patient care is delivered. NCEPOD use critical senior and appropriately chosen specialists to critically examine what has actually happened to the patients.
National Early Warning System (NEWS)	NEWS is based on a simple scoring system in which a score is allocated to six physiological measurements already taken in hospitals – respiratory rate, oxygen saturations, temperature, systolic blood pressure, pulse rate and level of consciousness. The more the measurements vary from what would have been expected (either higher or lower), the higher the score. The six scores are then aggregated to produce an overall score which, if high, will alert the nursing or medical team of the need to escalate the care of the patient.
National Institute for Clinical Excellence (NICE) quality standards	National Institute for Clinical Excellence (NICE) quality standards are a set of specific, concise statements that act as markers of high-quality, cost-effective patient care, covering the treatment and prevention of different diseases and conditions. Derived from the best available evidence such as NICE guidance and other evidence sources accredited by NHS Evidence, they are developed independently by NICE, in collaboration with the NHS and social care professionals, their partners and service users, and address three dimensions of quality: clinical effectiveness, patient safety and patient experience.
Oral Steroids	Steroids (also known as cortisone or corticosteroids) are hormones that occur naturally in the body. Steroids decrease inflammation, suppress the body's immune system and can block a chemical called histamine (released during an allergic reaction). Oral steroids are steroids that you can take by mouth - tablets, soluble tablets and liquids. They are used to treat a large number of conditions.
Oxygen Saturation	Oxygen saturation is a measure of how much oxygen the blood is carrying as a percentage of the maximum it could carry.

Term	Description
Patient and Public Involvement Strategy (PPI)	The involvement of patients and the public is core to healthcare reform and to a 'patient led NHS'. As a healthcare organisation the Trust needs to listen, understand and respond to patient and public needs, perceptions and expectations ensuring patients' experiences and preferences inform continuing improvement. Evidence demonstrates that effective patient and public involvement leads to increased patient satisfaction, more positive outcomes and improved professional/patient relationships. Creating such partnership encourages patients to take more responsibility for their personal healthcare and supports the most effective use of resources.
Patient Reported Outcome Measures (PROMS)	Patient Reported Outcome Measures are questionnaires that ask patients about their health before and after an operation. This helps to measure the results or outcome of the operation from the patient's point of view. This outcome is known as the 'health gain'. All NHS patients undergoing planned hip replacement, knee replacement, varicose vein or groin hernia surgery procedures are invited to fill in PROMs questionnaires.
Partial Booking	Partial booking is a system where patients receive a letter prior to their appointment advising them to ring the hospital to book an appointment at a time that is convenient for them. If patients do not respond within two weeks, a reminder is sent. If patients fail to book their appointment following this reminder, they are automatically referred back to their GP.
Peak Flow	Peak flow rate is a measure of a person's maximum speed of expiration, using a small hand-held device to monitor a person's ability to breathe out air. It is a measure of how well a patient is breathing and its use is a key part of the asthma care plan.
Pulse	Measurement of a pulse is the equivalent of measuring the heart rate, or how many time the heart beats per minute. Your heart rate can vary depending on what you're doing.

Term	Description
	For example, it will be slower if you're sleeping and faster if you're exercising.
Pressure Ulcers	<p>Pressure ulcers or decubitus ulcers, are lesions caused by many factors such as: unrelieved pressure; friction; humidity; shearing forces; temperature; age; continence and medication; to any part of the body, especially portions over bony or cartilaginous areas such as sacrum, elbows, knees, and ankles.</p> <p>Pressure ulcers are graded from 1 to 4 as follows:</p> <ul style="list-style-type: none"> • Grade 1 – no breakdown to the skin surface • Grade 2 – present as partial thickness wounds with damage to the epidermis and/or dermis. Skin can be cracked, blistered and broken • Grade 3 – develop to full thickness wounds involving necrosis of the epidermis/dermis and extend into the subcutaneous tissues • Grade 4 – present as full thickness wounds penetrating through the subcutaneous tissue.
Risk Adjusted Mortality Indicator (RAMI)	The RAMI model uses a number of factors to calculate the risk of death for each patient and then uses this data to predict an expected number of deaths across a patient group. The RAMI is then calculated as the ratio of the actual number of in-hospital deaths compared to the expected number of deaths.
Quality Governance Framework	Quality Governance refers to the Board's leadership on quality and their ability to understand the relative quality of services their Trust provides; identify and manage risks to quality, act against poor performance, and implement plans to drive continuous improvement.
Respiratory Rate	The number of breaths over a set period of time. In practice, the respiratory rate is usually determined by counting the number of times the chest rises or falls per minute. The aim of measuring respiratory rate is to determine whether the respirations are normal, abnormally

Term	Description
	fast, abnormally slow or non-existent.
Safety Thermometer	The NHS safety thermometer is an electronic data collection system to collect evidence of four particular patient harms. These harms are VTE, pressure ulcers, falls and catheter related urinary tract infections. Data is collected at the point of care by healthcare professionals one day per month and entered into the instrument. The system allows assessment of 'harm free care'.
Secondary Uses Service (SUS)	The SUS is a service which is designed to provide anonymous patient-based data for purposes other than direct clinical care such as healthcare planning, commissioning, public health, clinical audit and governance, benchmarking, performance improvement, medical research and national policy development. The service is provided by the Health and Social Care Information Centre.
Summary Hospital-level Mortality Indicator (SHMI)	The SHMI is a measure of deaths following hospital treatment based on all conditions, which occur in or out of hospital within 30 days following discharge from a hospital admission. It is reported at Trust level across the NHS in England using standard methodology.
Supported Discharge	Supported Discharge describes pathways of care for people transferred out of a hospital environment to continue a period of rehabilitation and recuperation at a similar level of intensity and delivered by staff with the same level of expertise as they would have received in hospital.
Upper Quartile	Quartiles are a set of values that divide data set into four equal groups, each representing a fourth of the population being sampled. In survey terms, performance in the upper quartile is the best that could be achieved, being in the top 25% of organisations.
Venous thromboembolism (VTE)	VTE is a condition in which a blood clot (thrombus) forms in a vein. Blood flow through the affected vein can be limited by the clot, and may cause swelling and pain. Venous thrombosis occurs most commonly in the deep

Term	Description
	<p>veins of the leg or pelvis; this is known as a deep vein thrombosis (DVT). An embolism occurs if all or a part of the clot breaks off from the site where it forms and travels through the venous system. If the clot lodges in the lung a potentially serious and sometimes fatal condition, pulmonary embolism (PE) occurs.</p> <p>Venous thrombosis can occur in any part of the venous system. However, DVT and PE are the commonest manifestations of venous thrombosis. The term VTE embraces both the acute conditions of DVT and PE, and also the chronic conditions which may arise after acute VTE, such as post thrombotic syndrome and pulmonary hypertension, both problems being associated with significant ill-health and disability.</p>
<p>World Health Organisation (WHO) Surgical Safety Checklist</p>	<p>The aim of the WHO checklist is to ensure that all conditions are optimum for patient safety, that all hospital staff present are identifiable and accountable, and that errors in patient identity, site and type of procedure are avoided. By following a few critical steps, healthcare professionals can minimise the most common and avoidable risks endangering the lives and well-being of surgical patients.</p>

Independent Practitioner's Limited Assurance Report to the Council of Governors of York Teaching Hospital NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of York Teaching Hospital NHS Foundation Trust to perform an independent limited assurance engagement in respect of York Teaching Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2016 (the "Quality Report") and certain performance indicators contained therein against the criteria set out in Annex 2 to Chapter 7 of the 'NHS Foundation Trust Annual Reporting Manual 2015/16' (the 'Criteria').

Scope and subject matter

The indicators for the year ended 31 March 2016 subject to the limited assurance engagement consist of those national priority indicators as mandated by Monitor:

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- percentage of patients with a total time in Accident and Emergency (A&E) of four hours or less from arrival to admission, transfer or discharge.

We refer to these national priority indicators collectively as the 'Indicators'.

Respective responsibilities of the Council of Governors and Practitioner

The Council of Governors are responsible for the content and the preparation of the Quality Report covering the relevant indicators and in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual 2015/16' issued by Monitor and 'Detailed guidance for external assurance on quality reports 2015/16'.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the Criteria;
- the Quality Report is not consistent in all material respects with the sources specified in Monitor's 'Detailed guidance for external assurance on quality reports 2015/16'; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the 'NHS Foundation Trust Annual Reporting Manual 2015/16' and supporting guidance and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports 2015/16'.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual 2015/16, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes for the period 1 April 2015 to 25th May 2016;
- Papers relating to quality reported to the Board over the period 1 April 2015 to 25th May 2016;
- Feedback from Commissioners dated 12 May 2016;
- Feedback from Healthwatch York dated 6 May 2016;
- Feedback from Healthwatch North Yorkshire 20 May 2016;
- Feedback from Overview and Scrutiny Committee dated 18 May 2016
- Feedback from governors dated 2 May 2016;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 25 May 2016;
- The national patient survey dated 15 April 2015;
- The national staff survey dated 30 March 2016;
- The Head of Internal Audit's annual opinion over the Trust's control environment dated 16 May 2016; and
- CQC Intelligent Monitoring Reports which ceased to be issued post May 2015 and have been superseded by Trust Inspection reports.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of York Teaching Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting York Teaching Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2016, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law,

we do not accept or assume responsibility to anyone other than the Council of Governors as a body, and York Teaching Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Assurance Standards Board (‘ISAE 3000’). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- analytical procedures;
- limited testing, on a selective basis, of the data used to calculate the indicators back to supporting documentation;
- comparing the content requirements of the 'NHS Foundation Trust Annual Reporting Manual 2015/16' to the categories reported in the Quality Report; and
- reading the documents.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual 2015/16'.

The scope of our limited assurance work has not included governance over quality or non-mandated indicators which have been determined locally by York Teaching Hospital NHS Foundation Trust.

Our audit work on the financial statements of York Teaching Hospital NHS Foundation Trust is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as York Teaching Hospital NHS Foundation Trust's external auditors. Our audit reports on the financial statements are made solely to York Teaching Hospital NHS Foundation Trust's members, as a body, in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. Our audit work is undertaken so that we might state to York Teaching Hospital NHS Foundation Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. Our audits of NHS Foundation Trust's financial statements are not planned or conducted to address or reflect matters in which anyone other than such members as a body may be interested for such purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than York Teaching Hospital NHS Foundation Trust and York Teaching Hospital NHS Foundation Trust's members as a body, for our audit work, for our audit reports, or for the opinions we have formed in respect of those audits.

Conclusion

Based on the work described in this report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2016:

- the Quality Report is not prepared in all material respects in line with the Criteria;
- the Quality Report is not consistent in all material respects with the sources specified in Monitor's 'Detailed guidance for external assurance on quality reports 2015/16'; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the 'NHS Foundation Trust Annual Reporting Manual 2015/16' and supporting guidance and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports 2015/16'.

Grant Thornton UK LLP

Chartered Accountants

Leeds

25th May 2016

Independent auditor's report to the Council of Governors of York Teaching Hospital NHS Foundation Trust

Our opinion on the financial statements is unmodified

In our opinion the financial statements of York Teaching Hospital NHS Foundation Trust (the 'Trust'):
give a true and fair view of the state of the financial position of the Trust's affairs as at 31 March 2016 and of the Trust's expenditure and income for the year then ended; and have been prepared properly in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the 2015/16 FReM as contained in the NHS Foundation Trust Annual Reporting Manual and the Directions under paragraph 25(2) of Schedule 7 of the National Health Service Act 2006.

Who we are reporting to

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with paragraph 24(5) of Schedule 7 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.

What we have audited

We have audited the financial statements of York Teaching Hospital NHS Foundation Trust for the year ended 31 March 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in taxpayers' equity, the statement of cash flows and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union, and as interpreted and adapted by the 2015/16 Government Financial Reporting Manual (the 2015/16 FReM) as contained in the NHS Foundation Trust Annual Reporting Manual (ARM) and the Directions under paragraph 25(2) of Schedule 7 of the National Health Service Act 2006 issued by Monitor, the Independent Regulator of NHS Foundation Trusts.



Overview of our audit approach

- Overall materiality: £4,602,000, which represents 1% of the gross revenue expenditure of the Trust.
- Key audit risks were identified as:
 - Occurrence and valuation of healthcare income
 - Occurrence of non-healthcare income, and the existence of the associated receivable balances
 - Completeness of operating expenditure.

Our assessment of risk

In arriving at our opinions set out in this report, we highlight the following risks that, in our judgement, had the greatest effect on our audit:

Audit risk	How we responded to the risk
<p>Occurrence and valuation of healthcare income</p> <p>Over 89% of the Trust's income is from Healthcare income including income from healthcare commissioners.</p> <p>The Trust invoices its commissioners throughout the year for services provided, and at the year-end estimates and accrues for activity not yet invoiced. Invoices for the final quarter of the year are not finalised and agreed until after the year-end and after the deadline for the production of the financial statements.</p> <p>This can involve further negotiation of contractual adjustments with commissioners.</p> <p>We, therefore, identified</p>	<p>Our audit work included, but was not restricted to:</p> <p>evaluating the Trust's accounting policy for recognition of healthcare income for appropriateness and consistency with the prior year;</p> <p>gaining an understanding of the Trust's system for accounting for healthcare income and evaluating the design of the associated controls;</p> <p>using an analysis provided by the Department of Health to identify any significant differences in income and receivable balances with contracting NHS bodies;</p> <p>agreeing, on a sample basis, amounts recognised in healthcare income in the financial statements to signed contracts and invoices;</p> <p>agreeing, on a sample basis, additional income to contract variations and non-contractual income adjustments to supporting documentation; and agreeing, on</p>

Audit risk	How we responded to the risk
<p>the occurrence and valuation of healthcare income as a significant risk requiring special audit consideration.</p>	<p>a sample basis, other revenue transactions to supporting documentation.</p> <p>The Trust's accounting policy on income recognition is shown in note 1.3 to the financial statements and related disclosures are included in note 2.</p>
<p>Occurrence of non-healthcare income, and the existence of the associated receivable balances</p> <p>11% of the Trust's income is from non- healthcare sources.</p> <p>Income is recognised when the service has been performed. At the year-end income is accrued for services that have been performed but for which an invoice has not been issued. This can involve an element of estimation applied by management in determining it and contractual adjustments with commissioners.</p> <p>We, therefore, identified the occurrence of non-healthcare income, and existence of the associated receivables as a significant risk requiring special audit consideration.</p>	<p>Our audit work included, but was not restricted to:</p> <p>evaluating the Trust's accounting policy for recognition of non-healthcare income for appropriateness and consistency with the prior year;</p> <p>gaining an understanding of the Trust's system for accounting for non-healthcare income and evaluating the design of the associated controls;</p> <p>agreeing, on a sample basis, amounts recognised as non-healthcare income in the financial statements to signed contracts and invoices;</p> <p>agreeing, on a sample basis, accrued income and other revenue transactions to supporting documentation; and</p> <p>agreeing, on a sample basis, non-healthcare receivable balances at year to third party confirmations.</p> <p>The Trust's accounting policy on income recognition is shown in note 1.3 to the financial statements and related disclosures are included in note 2. The Trust's accounting policy on non-healthcare receivables is covered in note 1.3 to the financial statements and related disclosures are included in note 11.1.</p>

Audit risk	How we responded to the risk
<p>Completeness of operating expenditure</p> <p>Expenditure on goods and services represent 20% of the Trust's total expenditure. Management uses judgement to estimate accruals of expenditure for amounts yet to be invoiced at the year end</p> <p>We, therefore, identified completeness of expenditure on goods and services as a risk requiring particular audit attention.</p>	<p>Our audit work included, but was not restricted to:</p> <p>gaining an understanding of the systems used to recognise non-pay expenditure and year-end accruals, and evaluating the design of the associated controls;</p> <p>review of the year-end reconciliation of the subsidiary system interface and general ledger control account to ensure that all transactions from the subsidiary system are reflected in the Trust's financial statements;</p> <p>testing, on a sample basis, post year-end payments one month after year-end (to reflect a reasonable cut-off period for making year-end accruals) to confirm the completeness of year-end creditors and accruals; and considering the completeness of reported accruals and provisions by review of Trust committee minutes, events subsequent to the year end and of the Trust's analysis of legal expenditure for the year.</p> <p>The Trust's accounting policy on expenditure on goods and services is shown in note 1.5 to the financial statements and related disclosures are included in note 3.1.</p>

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

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.

We determined materiality for the audit of the financial statements as a whole to be £4,602,000, which is 1% of the Trust's gross revenue expenditure. This benchmark is

considered the most appropriate because we consider users of the Trust's financial statements to be most interested in how it has expended its revenue and other funding.

Materiality for the current year is at the same percentage level of the Trust's gross revenue expenditure as we determined for the year ended 31 March 2015 to reflect our view that we had not identified any reason for users of the accounts to change their view of the appropriate level of materiality.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the financial statements.

We also determined a lower level of specific materiality for certain areas such as cash and disclosures of senior manager salaries and allowances in the Remuneration report.

We determined the threshold at which we would communicate misstatements to the Audit Committee to be £230,100. In addition, we communicated misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Overview of the scope of our audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Chief Executive as Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We conducted our audit in accordance with ISAs (UK and Ireland) having regard to the Financial Reporting Council's Practice Note 10 'Audit of Financial Statements of Public Bodies in the UK (Revised)'. Our responsibilities under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code) and those standards are further described in the 'Responsibilities for the financial statements and the audit' section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Trust in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Trust's business and is risk based, and in particular included an interim visit to evaluate the Trust's internal control environment including its IT systems and controls over key financial systems.

Overview of the scope of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2015, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined these criteria as those 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 2016 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 form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Other reporting required by regulations

Our opinion on other matters required by the Code is unmodified

In our opinion the part of the Remuneration Report and Staff Report subject to audit have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 FReM as contained in the NHS Foundation Trust Annual Reporting Manual; and

the other information published together with the audited financial statements in the annual report is consistent with the audited financial statements.

Matters on which we are required to report by exception

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

materially inconsistent with the information in the audited financial statements; or

apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or

otherwise misleading.

In particular, we are required to report to you if:

we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable; or

the annual report does not appropriately disclose those matters that were communicated to the Audit Committee which we consider should have been disclosed.

Under the Code of Audit Practice we are required to report to you if, in our opinion:

the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust ARM or is misleading or inconsistent with the information of which we are aware from our audit; or

we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in respect of the above matters.

Responsibilities for the financial statements and the audit

What the Chief Executive, as Accounting Officer, is responsible for:

As explained more fully in the Statement of Chief Executive's Responsibilities as Accounting Officer of York Teaching Hospital NHS Foundation Trust, 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 Direction issued by Monitor and for being satisfied that they give a true and fair view.

The Accounting Officer is also responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Code of Audit Practice and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We are also required under Section 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. 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.

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.

Graham Nunns

Director

for and on behalf of Grant Thornton UK LLP

Leeds

25 May 2016

Annual Accounts



2015-16

**York Teaching Hospital NHS Foundation
Trust**

FOREWORD TO THE ACCOUNTS

YORK TEACHING HOSPITAL NHS FOUNDATION TRUST

These accounts for the year ended 31 March 2016 have been prepared by York Teaching Hospital NHS Foundation Trust under paragraphs 24 and 25 of schedule 7 of the Health and Social Care (Community Health and Standards) Act 2006 in the form which Monitor has, with the approval of the Treasury, directed.

York Teaching Hospital NHS Foundation Trust Annual Report and Accounts are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) of the National Health Service Act 2006.

Signed

A handwritten signature in black ink, appearing to read 'P. Crowley', written in a cursive style.

Patrick Crowley – Chief Executive

25 May 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 MARCH 2016

	Notes	2015/16 £000	2014/15 £000
Operating income	2	460,079	441,120
Operating expenses	3	(477,986)	(452,527)
(Deficit) before transition support income		(17,907)	(11,407)
Transition support income		10,906	12,218
Operating surplus/(deficit) after transition support income		(7,001)	811
Finance costs			
Finance income	5	130	163
Finance expense – financial liabilities	6	(406)	(354)
Finance expense – unwinding of discount		(16)	(23)
PDC dividends payable	1.19	(6,842)	(6,238)
Net finance costs		(7,134)	(6,452)
Loss from transfer by absorption	19	(4,690)	0
(DEFICIT)/SURPLUS FOR THE YEAR		(18,825)	(5,641)
Other comprehensive income and expense			
Impairments		(1,489)	(1,363)
Revaluation gains on property, plant and equipment		19,526	6,945
Total other comprehensive income and expense		18,037	5,582
Total comprehensive (expenditure)/income for the year		(788)	(59)

The notes on pages 247 to 277 form part of these accounts.

The Trust took over responsibility for the former Scarborough and North East Yorkshire Healthcare NHS Trust (SNEY) from 1 July 2012 onwards. Under the terms of this agreement the Trust received additional transition funding of £17.08m in 2012-13, £11.98m in 2013-14, £12.22m in 2014-15 and £10.91m in 2015-16. These figures are included in the Statement of Comprehensive Income as transition support income.

In November 2015, Whitby Hospital was transferred to NHS Property Services Ltd. Under the terms of the Transforming Community Care (TCS) initiative, if at any point the Trust ceased to be

the primary provider of services from any community property, the asset should transfer to NHS Property Services Ltd for no financial consideration. This asset was valued at £4.6m at the time of transfer. Under absorption accounting, the full write down value of (£4.6m) has been accounted for as a loss in expenses, but not within operating activities.

All income and expenditure is derived from continuing operations.

STATEMENT OF FINANCIAL POSITION 31 MARCH 2016

	Notes	31 March 2016 £000	31 March 2015 £000
Non-current assets			
Intangible assets	8	2,499	1,716
Property, plant and equipment	9	244,279	225,882
Trade and other receivables	11	1,366	1,087
Total non-current assets		248,144	228,685
Current assets			
Inventories	10	8,090	6,840
Trade and other receivables	11	20,541	21,045
Non-current assets held for sale	9	0	237
Cash and cash equivalents	18	13,662	18,493
Total current assets		42,293	46,615
Current liabilities			
Trade and other payables	12	(36,721)	(30,768)
Borrowings	14	(1,616)	(1,312)
Provisions	16	(107)	(108)
Other liabilities	13	(1,542)	(1,607)
Total current liabilities		(39,946)	(33,795)
Total assets less current liabilities		250,451	241,505
Non-current liabilities			
Trade and other payables		(16)	0
Borrowings	14	(18,280)	(11,539)
Provisions	16	(1,055)	(1,115)
Total non-current liabilities		(19,351)	(12,654)
Total assets employed		231,100	228,851
Financed by (taxpayers' equity)			
Public dividend capital		88,967	85,930
Revaluation reserve	17	73,721	56,337
Income and expenditure reserve		68,412	86,584
Total taxpayers' equity		231,100	228,851

The financial statements on pages 242 to 246 were approved by the Board of Directors on 25 May 2016 and signed on its behalf by:

Signed:  (Chief Executive)

Date: 25 May 2016

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDING
31 MARCH 2016**

	Total £000	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000
Taxpayers' equity at 31 March 2014	227,924	84,944	50,755	92,225
Deficit for the year	(5,641)	0	0	(5,641)
Transfers by absorption between reserves	0	0	0	0
Transfers to I & E reserve on disposal of assets	0	0	0	0
Revaluation gains on property, plant and equipment	6,945	0	6,945	0
Impairment losses	(1,363)	0	(1,363)	0
Public dividend capital received	986	986	0	0
Taxpayers' equity at 31 March 2015	228,851	85,930	56,337	86,584
Surplus/deficit for the year	(18,825)	0	0	(18,825)
Transfers by absorption between reserves	0	0	(653)	653
Transfers to I & E reserve on disposal of assets	0	0	0	0
Revaluation gains on property, plant and equipment	19,526	0	19,526	0
Impairment losses	(1,489)	0	(1,489)	0
Public dividend capital received	3,037	3,037	0	0
Taxpayers' equity at 31 March 2016	231,100	88,967	73,721	68,452

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	2015-16 £000	2014-15 £000
Cash flows from operating activities		
Operating surplus/(deficit)	(7,001)	811
Non-cash income and expense		
Depreciation and amortisation	11,092	10,850
Impairments	3,121	4,749
Reversal of impairments	(1,403)	(992)
Income recognised in respect of capital donations	(471)	(634)
Profit on disposal of assets	(4)	0
Decrease/(increase) in trade and other receivables	(190)	6,616
(Increase)/decrease in inventories	(1,250)	(274)
Increase/(decrease) in trade and other payables	5,694	2,605
Increase in other liabilities	(65)	390
(Decrease) in provisions	(77)	(94)
Other movements in operating cash flows	10	0
NET CASH GENERATED FROM OPERATIONS	9,456	24,027
Cash flows from investing activities		
Interest received	130	163
Purchase of intangible assets	(78)	(293)
Purchase of property, plant and equipment	(18,291)	(24,015)
Sales of property, plant and equipment	243	0
Receipt of donations to purchase capital assets	471	634
Net cash used in investing activities	(17,525)	(23,511)
Cash flows from financing activities		
Public dividend capital received	3,037	986
Loans received from the Department of Health	8,357	200
Loans repaid	(1,258)	(1,125)
Capital element of finance lease rental payments	(54)	(107)
Interest paid	(357)	(321)
Interest element of finance lease	(9)	(14)
PDC dividend paid	(6,478)	(6,957)
Net cash generated from/(used in) financing activities	3,238	(7,338)
(Decrease)/increase in cash or cash equivalents	(4,831)	(6,822)
Cash and cash equivalents at 1 April 2015	18,493	25,315
Cash and cash equivalents at 31 March 2016 (Note 18)	13,662	18,493

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Monitor and The Trust Development Agency (TDA) became part of NHS Improvement from April 2016; any reference to Monitor in these Accounts is interchangeable with NHS Improvement.

Monitor, the Independent Regulator of Foundation Trusts, is responsible for issuing an accounts direction to NHS Foundation Trusts under the National Health Service Act 2006. Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with Secretary of State. Consequently, the following financial statements have been prepared in accordance with the 2015-16 NHS Foundation Trust Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies 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 liabilities.

1.1 **Transfer of functions**

Following a formal tender process by the commissioner, which the Trust made a decision not to participate in, the Whitby Community Services contract transferred to Humber NHS Foundation Trust in March 2016. In line with the NHS Foundation Trust Annual Reporting Manual the pre transfer activities remain in the Trust accounts. The transfer of this service represents a machinery of government change and has been accounted for as a transfer by absorption. As part of the transfer, £0.1m of assets were transferred to the new provider, Humber NHS Foundation Trust, for no financial consideration in line with the terms of the Transforming Community Care (TCS) initiative. Under absorption accounting, the full write down value of (£0.1m) has been accounted for as a loss in expenses, but not within operating activities.

1.2 **Key sources of judgement and estimation uncertainty**

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 2015-16 accounts, the most significant judgement relates to the recognition of clinical income due from the Trust's key commissioners. The impact of estimation has been mitigated as year-end positions have been agreed in advance with the Trusts key commissioners. 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 in line with

previous settlements.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provisions

The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the year, taking into account the risks and uncertainties.

Injury benefits

The carrying amount of injury benefit provisions is estimated as the present value of those cash flows using HM Treasury's discount rate of 1.37% in real terms. The period over which future cash flows will be paid is estimated using the England life expectancy tables as published by the office of National Statistics.

Other legal

Estimates are based on information supplied by the NHS Litigation Authority and the Trust's solicitors.

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 impact of this valuation was reflected in the accounts as at the 31 March 2014. In subsequent years, desk top valuations of the Trust's estate were obtained and this has been the basis for the valuation as at 31 March 2016.

Actuarial assumptions for costs relating to the NHS pension scheme

The Trust reports, as operating expenditure, employer contributions to staff pensions. The employer contribution is based on an annual actuarial estimate of the required contribution to the scheme's liabilities. It is an expense that is subject to change.

Critical judgements in applying accounting policies

Estimates and judgements have to be made in preparing the Trust's annual accounts. These are continually evaluated and updated as required, although actual results may differ from these estimates.

The following are the critical judgements, apart from those involving estimations 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.

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

After making enquiries the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the accounts have been prepared on a going concern basis.

1.3 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the NHS Foundation Trust is contracts with commissioners in respect of healthcare services.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.4 Expenditure on employee benefits

Short term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the NHS Foundation Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers pension cost contributions are charged to operating expenses as and when they become due.

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

trust commits itself to the retirement, regardless of the method of payment.

1.5 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 these goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Foundation Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably and
- individually has a cost of at least £5,000 or
- collectively has a cost of at least £5,000 and individually has a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

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

Valuation

Land and buildings used for the NHS Foundation Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the Statement of Financial Position date. Fair values are determined as follows:

- Specialised buildings – depreciated replacement cost based on modern equivalent assets

- Land and non-specialised buildings – existing use value

Non-operational properties (including surplus land) – existing use value – An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirement of IAS 40 or IFRS 5.

From 2015-16 IFRS 13 Fair Value is adopted in full; however, IAS 16 and IAS 38 have been adapted and interpreted for the public sector context which limits the circumstances in which a valuation is prepared under IFRS 13.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and where it would meet the location requirements of the service being provided, an alternative site can be valued. The NHS Foundation Trust has applied this basis of valuation from 1 April 2009. A full desk top revaluation was carried out at 31 March 2016 to reflect the changes in building values throughout the year.

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 but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Increases arising on revaluation are taken to the revaluation reserve except when it reverses a revaluation decrease for the same asset previously recognised in the Statement of Comprehensive Income, in which case it is credited to the Statement of Comprehensive Income to the extent of the decrease previously charged there. A revaluation decrease is charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the Statement of Comprehensive Income.

Impairments

In accordance with the Foundation Trust Annual Reporting Manual, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of

- (i) the impairment charged to the operating expenses; and
- (ii) the balance in the revaluation reserve attributable to that asset before impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the

loss is reversed. Reversals are recognised in operating income 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. Reversal of 'other impairments' are treated as revaluation gains.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

The standard economic lives of property, plant and equipment assets are as follows:

- | | |
|---|----------------|
| • Buildings (excluding dwellings) | 20 to 60 years |
| • Dwellings | 5 to 60 years |
| • Engineering and fixed plant | 5 to 50 years |
| • Medical equipment and engineering plant and equipment | 5 to 15 years |
| • Transport | 3 to 7 years |
| • Mainframe information technology installations | 5 to 8 years |
| • Furniture and fittings | 5 to 10 years |
| • Office and information technology equipment | 3 to 5 years |
| • Set up costs in new buildings | 10 years |

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales
- the sale must be highly probable i.e.
 - management are committed to a plan to sell the asset
 - an active programme has begun to find a buyer and complete the sale

- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated, government grant and other grant funded assets

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

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

1.7 Intangible assets

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS Foundation 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 NHS Foundation Trust and where the cost of the asset can be measured reliably. They are only capitalised when they have a cost of at least £5,000. Intangible assets acquired separately are initially recognised at fair value.

The NHS Foundation Trust does not recognise any internally generated assets; associated expenditure is charged to the statement of comprehensive income in the period in which it is incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

Following initial recognition, intangible assets are carried at amortised replacement cost as this is not considered to be materially different from fair value.

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

The standard economic lives of intangible assets are as follows:

- Software 5 to 10 years

1.8 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.

When the NHS Foundation Trust acts as a lessee, the following applies:

- Amounts held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments using the interest rate implicit in the lease. The asset is recorded as property, plant and equipment, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Income.
- Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability 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.

When the NHS Foundation Trust acts as a lessor, the following applies:

- Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories are stated at actual cost and this is considered to be a reasonable approximation to current cost due to the high turnover of stocks. Partially completed contracts for patient services are not accounted for as inventories, but rather as receivables.

1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and

that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash and bank balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book. These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see 'third party assets' see note 1.18). Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, 'interest receivable' and 'interest payable' in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.11 Provisions

The NHS Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

1.12 Contingencies

Contingent liabilities are provided for where a transfer of economic benefits is probable. Otherwise, they are not recognised, but are disclosed in a note unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.13 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to operating expenses. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 16.

1.14 Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Foundation Trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims

arising. The annual membership contributions and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.15 Financial instruments

Financial assets and financial liabilities are initially recognised at fair value. This is determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active markets are determined with reference to quoted market prices
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instrument.

Financial assets

Financial assets are classified into the following categories:

- financial assets 'at fair value through profit and loss'
- 'held to maturity investments'
- 'available for sale' financial assets
- 'loans and receivables'

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The NHS Foundation Trust's financial assets all fall under the category 'loans and receivables'.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classed as 'loans and receivables'. They are measured at amortised cost using the effective interest method less any impairment; interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

Receivables are assessed for indicators of impairment at each Statement of Financial Position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future

cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for financial assets other than trade receivables, where the carrying amount is reduced through an allowance for irrecoverable debts, changes in which are recognised in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

Financial liabilities are classified into the following categories:

- 'financial liabilities at fair value through profit and loss'
- 'other financial liabilities'.

The NHS Foundation Trust's financial liabilities all fall under the category 'other financial liabilities'.

Other financial liabilities including borrowings are initially measured at fair value, less transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense.

1.16 Value Added Tax

Most of the activities of the NHS Foundation Trust are outside the scope of VAT and in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable the amounts are stated net of VAT.

1.17 Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the Statement of Comprehensive Income. At the Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the Statement of Financial Position date.

1.18 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. Details of third party assets are given in note 25 to the accounts.

1.19 Public Dividend Capital (PDC) and PDC Dividend

PDC is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the original NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as PDC dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for;

- (i) donated assets
- (ii) average daily cash balances held with the Government Banking Service (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.

Average relevant net assets are calculated as a simple average of opening and closing relevant net assets.

1.20 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the NHS Foundation Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure). However, the losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

1.21 Corporation tax

The NHS Foundation Trust does not undertake any activities that would give rise to the payment of corporation tax and therefore has determined that it has no corporation tax liability.

1.22 Consolidation of charity accounts

York Teaching Hospital NHS Foundation Trust acts as the Corporate Trustee for the York Teaching Hospital Charity. Although the Foundation Trust has the power to govern the financial and operating policies of the Charity, it has not consolidated the accounts of the Charity as they are not considered material.

The income for the Charity for 2015/16 is £1.13m (2014-15 is £1.08m) which represents 0.24% (2014/15 0.24%) of the operating income of the Foundation Trust and, if consolidated, would not have a material effect on the accounts of the Foundation Trust.

1.23 Accounting standards that have been issued but have not yet been adopted

The HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2015-16. These standards are still subject to HM Treasury FReM interpretation, with IFRS 9 and IFRS 15 being for implementation in 2018-19, and the Government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 15 Revenue for Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2017, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRS 10 Sale or Contribution of assets – Application required for accounting periods beginning on or after 2016/17 but not yet adopted by the FReM, early adoption is not therefore permitted.
- IAS 1 – Amendment to Disclosure Initiative – Application required for accounting period 2016/17 but not yet adopted by the FReM, early adoption is not therefore permitted.

2. Segmental analysis

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.

2.1	Operating income (by classification)	2015-16	2014-15
	Income from Activities	£000	£000
	Elective income	61,565	60,149

Non elective income	106,013	101,558
Outpatient income	62,933	59,489
A&E income	14,691	13,527
Other NHS clinical income	132,260	127,242
Community income	36,838	35,038
Private patient income	979	1,119
Other non-protected clinical income	1,716	1,559
Total income from activities	416,995	399,681
Total other operating income	53,990	53,657
TOTAL OPERATING INCOME (inc Transition Support Income)	470,985	453,338

2.2	Operating Income (by type)	2015-16 £000	2014-15 £000
	Income from activities		
	NHS Foundation Trusts	1	0
	CCGs and NHS England	407,772	391,553
	Local authorities	6,310	5,208
	NHS: Other	216	242
	Non NHS: Private patients	979	1,119
	Non NHS: Overseas patients (non-reciprocal)	135	129
	NHS injury scheme (was RTA)	1,254	1,223
	Non NHS: Other	328	207
	Total income from activities	416,995	399,681
	Other operating income		
	Research and development	4,844	3,722
	Education and training	15,531	16,260
	Charitable contributions for the purchase of capital assets	472	634
	Charitable and other contributions to expenditure	171	234
	Non-patient care services to other bodies	23,639	24,978
	Reversal of impairments of property, plant and equipment	1403	992
	Profit on disposal of other tangible fixed assets	4	0
	Income in respect of staff costs	2,455	2,282
	Rental revenue from operating leases	529	164
	Other	4,942	4,391
	Total other operating income	53,990	53,657
	Total operating income	470,985	453,338

2.3	Overseas visitors (relating to patients charged directly by the foundation trust)	2015-16 £000	2014-15 £000
	Income recognised this year	135	129
	Cash payments received in-year (relating to invoices raised in current and previous years)	74	68
	Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	24	13
	Amounts written off in-year (relating to invoices raised in current and previous years)	8	49
2.4	Operating Lease Income	2015-16 £000	2014-15 £000
	Rents recognised as income in the period	529	164
	Total operating lease income	529	164
	Future minimum lease payments due on leases of buildings expiring:		
	- Not later than one year	109	82
	- Later than one year and not later than five years	123	316
	- Later than five years	0	655
	Total operating lease income	232	1,053
2.5	Analysis of Other Operating Income: Other	2015-16 £000	2014-15 £000
	Car parking	1,937	1,871
	Staff accommodation rentals	529	233
	Catering	1,249	1,161
	Other	1,227	1,126
	Total	4,942	4,391
3.1	Operating Expenses (by type)	2015-16 £000	2014-15 £000
	Services from NHS Foundation Trusts	883	1,367
	Services from NHS Trusts	1,268	1,620
	Services from CCGs and NHS England	0	1
	Services from other NHS Bodies	473	452
	Purchase of healthcare from non NHS bodies	5,986	3,137
	Employee expenses - Executive directors costs	1,708	1,300

Employee expenses - Non-executive directors costs	161	164
Employee expenses - Staff	315,864	298,687
Drug costs	47,610	41,382
Supplies and services - clinical (excluding drug costs)	42,709	43,108
Supplies and services - general	6,804	7,329
Establishment	3,716	3,829
Research and development	1,332	417
Transport (business travel only)	1,902	2,052
Transport (other)	1,687	1,353
Premises	15,111	15,960
Rentals under Operating Leases	6,279	5,893
Increase in provision for impairment of receivables	322	51
Change in provisions discount rate	(5)	41
Depreciation on property, plant and equipment	10,635	10,340
Amortisation of intangible assets	457	510
Impairment of property, plant and equipment	3,121	4,749
Audit fees - statutory audit and limited assurance	76	87
Fees – Non Statutory Audit Services	92	0
Clinical negligence	4,603	4,746
Legal fees	270	180
Consultancy costs	31	10
Internal Audit costs (included in employee expenses)	727	656
Training, courses and conferences	1,018	1,089
Patient travel	70	84
Redundancy	595	145
Early Retirements	(13)	172
Hospitality	17	26
Insurance	648	591
Losses and special payments	302	201
Other	1,527	1,454
Total operating expenses	477,986	452,527

3.2	Arrangements containing an operating lease	2015-16	2014-15
		£000	£000
	Minimum lease payments	6,279	5,893
	Total Lease Payments	6,279	5,893

3.3	Arrangements containing an operating lease	31 March 2016	31 March 2015
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	£000	£000
Total future minimum lease payments due:		
- not later than one year;	4,871	5,125
- later than one year and not later than five years;	9,177	9,093
- later than five years	1,316	989
	15,364	15,207

4.1	Employee Expenses	2015-16			2014-15		
		Total	Perm	Other	Total	Perm	Other
		£000	£000	£000	£000	£000	£000
	Salaries and wages	241,568	220,793	20,775	235,358	216,214	19,144
	Social security costs	18,901	17,275	1,626	18,402	16,905	1,497
	Pension costs - defined contribution plans - Employers contributions to NHS Pensions	29,385	26,858	2,527	28,225	25,929	2,296
	Pension costs – other	20	20	0	15	15	0
	Termination benefits	595	595	0	355	355	0
	Agency/contract staff	29,388	0	29,388	18,845	0	18,845
	Total Staff Costs	319,857	265,541	54,316	301,200	259,418	41,782
	of which						
	Costs capitalised as part of assets	(963)	(963)	0	(858)	(858)	0
	Total employee benefits excl. capitalised costs	318,894	264,578	54,316	300,342	258,560	41,782

During the year 12 Directors had benefits accruing under the NHS Pension Scheme and the Trust made employer contributions to the NHS Pension Scheme of **£163,119** in respect of these Directors.

4.2	Average number of employees (WTE basis)	2015-16			2014-15	
		Total	Perm	Other	Total	Perm
		Number	Number	Number	Number	Number
	Medical and dental	708	371	337	700	376
	Administration and estates	1,660	1,560	100	1,607	1,513
	Healthcare assistants and other support staff	1,371	1,347	24	977	950

Nursing, midwifery and health visiting staff	2,464	2,228	236	2,691	2,618
Scientific, therapeutic and technical staff	905	856	49	857	807
Healthcare science staff	328	316	12	318	306
Bank and agency staff	743	0	743	406	0
Total average numbers	8,179	6,678	1,501	7,556	6,570
Of which					
WTE employees engaged on capital projects	18	18	0	17	17

4.3 Exit Packages	Total		2015-16 Compulsory Redundancies		Other departures agreed		2014-15 Total	
	No.	£000	No.	£000	No.	£000	No.	£000
Exit package cost band								
< £10,000	5	25	1	9	4	16	1	9
£10,001 - £25,000	14	217	2	41	12	176	3	50
£25,001 - £50,000	11	353			11	353	2	86
£50,001 - £100,000	0	0	0	0	0	0	1	85
£100,001 - £150,000	0	0	0	0	0	0	1	125
Total	30	595	3	50	27	545	8	355

4.4 Analysis of non-compulsory exit packages	2015-16		2014-15	
	Number of cases	Cost of cases £000s	Number of cases	Cost of cases £000s
MARS Local	27	545	1	46

Early retirements in the efficiency of the service	0	0	2	210
Total	27	545	3	256

This note provides an analysis of exit packages agreed during the year. Other departure costs include voluntary redundancy costs and the provisions of the NHS Mutually Agreed Resignation Scheme (MARS). Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension scheme and are not included in the table.

4.5 Early retirements due to ill health

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. During 2015-16 there were nine early retirements (12 in 2014-15) from the Trust on the grounds of ill-health. The estimated additional pension liabilities of ill-health retirements will be £0.262m (£0.715m in 2014-15). This information has been supplied by NHS Pensions and the cost will be borne by the NHS Business Services Authority Pensions Division.

4.6 Off Payroll arrangements

The Trust has a policy of not employing senior staff, directors and senior managers, via off payroll arrangements. For other staff, the Trust ensures that contracted individuals declare that they are paying an appropriate level of tax to HMRC.

5. Finance income	2015-16	2014-15
	£000	£000
Interest on bank accounts	130	163

6. Finance costs - interest expense	2015/16	2014/15
	£000	£000
Interest on loans from the Independent Trust Financing Facility	393	340
Interest on Finance Leases	13	14
	406	354

7. Losses and special payments	2015/16	2014/15
	Number	Number
		Value
		£000
Cash losses (including overpayments, physical losses, un-vouched payments and theft)	34	20
		10

Bad debts and claims abandoned	55	40	40
Stores losses (including damage to buildings and other properties as a result of theft, criminal damage and neglect)	8	33	5
	11		
Compensation Payments	2	151	67
	20		
	9	244	122

8. Intangible assets

Total (all software licences)

	£000
Gross cost at 31 March 2015	4,544
Additions - purchased	78
Additions - donated	0
Reclassifications	1,162
Gross cost at 31 March 2016	5,784
Amortisation at 31 March 2015	2,828
Provided during the year	457
Amortisation at 31 March 2016	3,285
Net book value	
NBV at 1 April 2015	1,716
NBV at 31 March 2016	2,499
Gross cost at 1 April 2014	4,032
Additions - purchased	269
Additions - donated	24
Reclassifications	219
Gross cost at 31 March 2015	4,544
Amortisation at 1 April 2014	2,318
Provided during the year	510
Amortisation at 31 March 2015	2,828
Net book value	
NBV at 1 April 2014	1,714
NBV at 31 March 2015	1,716

9.1 Property, plant and equipment

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2015	275,787	18,020	185,176	1,940	7,890	40,736	205	21,738	82
Transfers by absorption	(5,278)	(850)	(3,849)	0	0	(579)	0	0	0
Additions - purchased	18,096	0	1,527	14	16,191	152	0	212	0
Additions - donated	471	0	27	0	73	371	0	0	0
Impairments through expenditure	(3,308)	(193)	(2,963)	0	(152)	0	0	0	0
Reversal of Impairments	1,032	35	997	0	0	0	0	0	0
Reclassifications	(1,162)	0	6,184		(14,019)	2,623	0	4,050	0
Impairments through revaluation reserve	(1,727)	(197)	(1,530)	0	0	0	0	0	0
Revaluations	13,717	252	13,383	82	0	0	0	0	0
Disposals	(259)	0	0	0	0	(239)	(20)	0	0
Cost or valuation at 31 March 2016	297,369	17,067	198,952	2,036	9,983	43,064	185	26,000	82
Accumulated depreciation at 1 April 2015	49,905	0	650	0	0	32,273	179	16,738	65
Transfers by absorption	(588)	0	(95)	0	0	(493)	0	0	0
Provided during the year	10,635	0	6,794	95	0	2,246	6	1,491	3
Impairments through expenditure	(187)	0	(187)	0	0	0	0	0	0
Impairments through revaluation reserve	(238)	0	(238)	0	0	0	0	0	0
Reversal of impairments	(371)	0	(371)	0	0	0	0	0	0
Revaluations	(5,809)	0	(5,714)	(95)	0	0	0	0	0
Disposals	(257)	0	0	0	0	(239)	(18)	0	0
Accumulated depreciation at 31 March 2016	53,090	0	839	0	0	33,787	167	18,229	68
Net book value									
NBV - Owned at 1 April 2015	221,405	18,020	181,185	1,940	7,890	7,392	26	4,935	17
NBV – Finance Leased at 1 April 2015	53	0	0	0	0	0	0	53	0
NBV – Donated at 1 April 2015	4,424	0	3,341	0	0	1,071	0	12	0
NBV total at 1 April 2015	225,882	18,020	184,526	1,940	7,890	8,463	26	5,000	17
NBV - Owned at 31 March 2016	239,478	17,067	194,507	2,036	9,983	8,087	18	7,766	14
NBV – Finance Leased at 31 March 2016	0	0	0	0	0	0	0	0	0
NBV - Donated at 31 March 2016	4,801	0	3,606	0	0	1,190	0	5	0

NBV total at 31 March 2016	244,279	17,067	198,113	2,036	9,983	9,277	18	7,771	14
Cost or valuation at 1 April 2014	258,695	18,195	168,846	1,991	9,900	39,086	205	20,390	82
Transfers by absorption	0	0	0	0	0	0	0	0	0
Additions - purchased	21,377	0	388	0	19,097	672	0	1,220	0
Additions - donated	610	0	20	0	487	103	0	0	0
Impairments through expenditure	(4,749)	0	(4,723)	0	(26)	0	0	0	0
Reversal of Impairments	992	0	992	0	0	0	0	0	0
Reclassifications	(219)	0	20,321	0	(21,568)	900	0	128	0
Impairments through revaluation reserve	(1,363)	(60)	(1,303)	0	0	0	0	0	0
Revaluations	706	10	747	(51)	0	0	0	0	0
Transfers to/from Assets Held for Sale and Assets in Disposals Groups	(237)	(125)	(112)	0	0	0	0	0	0
Disposals	(25)	0	0	0	0	(25)	0	0	0
Cost or valuation at 31 March 2015	275,787	18,020	185,176	1,940	7,890	40,736	205	21,738	82
Accumulated depreciation at 1 April 2014	45,829	0	522	0	0	29,936	171	15,140	60
Transfers by absorption	0	0	0	0	0	0	0	0	0
Provided during the year	10,340	0	6,271	96	0	2,362	8	1,598	5
Revaluation reductions	(6,239)	0	(6,143)	(96)	0	0	0	0	0
Disposals	(25)	0	0	0	0	(25)	0	0	0
Accumulated depreciation at 31 March 2015	49,905	0	650	0	0	32,273	179	16,738	65
Net book value									
NBV - Owned at 1 April 2014	208,486	18,195	165,223	1,991	9,900	8,050	34	5,071	22
NBV – Finance Leased at 1 April 2014	160	0	0	0	0	0	0	160	0
NBV - Donated at 1 April 2014	4,220	0	3,101	0	0	1,100	0	19	0
NBV total at 1 April 2014	212,866	18,195	168,324	1,991	9,900	9,150	34	5,250	22
NBV - Owned at 31 March 2015	221,405	18,020	181,185	1,940	7,890	7,392	26	4,935	17
NBV – Finance Leased at 31 March 2015	53	0	0	0	0	0	0	53	0
NBV - Donated at 31 March 2015	4,424	0	3,341	0	0	1,071	0	12	0
NBV total at 31 March 2015	225,882	18,020	184,526	1,940	7,890	8,463	26	5,000	17

9.2 Property, plant and equipment (continued)

The total at 31 March 2016 included land valued at £2,575,000 open market value (31 March 2015 £2,750,000). There were no buildings or dwellings valued at open market value.

9.3 Assets held for sale

The trust had a terrace property held for sale as at 31 March 2015 which was sold in June 2015.

	2015-16	2014-15
NBV of non-current assets held for sale at 1 April 2015	237	0
Assets classified as available for sale in the year	0	237
Less assets sold in year	(237)	0
NBV of non-current assets held for sale at 31 March 2016	0	237

10. Inventories

	31 March 2016 £000	31 March 2015 £000
Drugs	1,636	1,491
Consumables	6,309	5,214
Energy	145	135
	8,090	6,840

	31 March 2016 £000	31 March 2015 £000
11.1 Trade receivables and other receivables		
Current		
NHS Receivables - Revenue	9,054	10,874
Other Receivables with related parties - Revenue	2,904	2,532
Provision for impaired receivables	(1,279)	(1,039)
Prepayments	1,863	2,273
Accrued income	4,098	2,197
PDC Dividend	198	562
Other receivables	3,703	3,646
Total current trade and other receivables	20,541	21,045
Non-current		
Other Receivables with related parties - Revenue	1,518	1,208
Provision for impaired receivables	(152)	(121)
Total non-current trade and other receivables	1,366	1,087

11.2 Provision for impairment of receivables	2015/16	2014/15
	£000	£000
At 1 April	1,160	1,498
Increase in provision	439	318
Amounts utilised	(51)	(389)
Unused amounts reversed	(117)	(267)
At 31 March	1,431	1,160

11.3 Analysis of impaired receivables	31 March 2016	31 March 2015
	£000	£000
Ageing of impaired receivables		
0-30 days	161	120
31-60 days	0	0
61-90 days	2	10
91-180 days	156	78
Over 180 days	1,112	952
Total	1,431	1,160
Ageing of non-impaired receivables past their due date		
0-30 days	1,687	1,654
31-60 days	760	256
61-90 days	429	825
91-180 days	616	300
Over 180 days	115	1,186
Total	3,607	4,221

12. Trade and other payables	31 March	31 March
	2016	2015
	£000	£000
Current		
Receipts in advance	799	38
NHS payables – revenue	2,550	1,079
Amounts due to other related parties – revenue	4,061	3,925
Trade payables – capital	1,941	1,716
Other trade payables – revenue	5,164	4,277
Social security costs	5,395	5,530
Other payables	3,057	2,700
Accruals	13,754	11,503
Total current trade and other payables	36,721	30,768
Non-current		
Other trade payables – revenue	16	0
Total non-current trade and other payables	16	0

13. Other Liabilities	31 March 2016 £000	31 March 2015 £000
Deferred income	1,542	1,607
14. Borrowings	31 March 2016 £000	31 March 2015 £000
Current		
Loans from Independent Trust Financing Facility	1,610	1,247
Other Loans	6	12
Obligations under finance leases	0	53
Total current borrowings	1,616	1,312
Non-current		
Loans from Independent Trust Financing Facility	18,280	11,533
Other Loans	0	6
Obligations under finance leases	0	0
Total non-current borrowings	18,280	11,539
15. Finance Lease Obligations	31 March 2016	31 March 2015
	£000	£000
Gross lease liability	0	60
Of which liabilities are due		
- not later than one year	0	60
- later than one year and not later than five years	0	0
Finance charges allocated to future periods	0	(7)
Net lease liability	0	53
Net lease liability		
- not later than one year	0	53

- later than one year and not later than five years	0	0
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16. Provisions for liabilities and charges

	Pensions - other staff £000
At 1 April 2015	1,223
Change in the discount rate	(5)
Arising during the year	66
Utilised during the year	(108)
Reverse unused provisions	(30)
Unwinding of discount	16
At 31 March 2016	1,162
Expected timing of cash flows	
- not later than one year;	107
- later than one year and not later than five years;	412
- Later than five years.	643
	1,162

£124.26m (2015 - £66.78m) is included in the provisions of the NHS Litigation Authority at 31 March 2016 in respect of clinical negligence liabilities of York Teaching Hospital NHS Foundation Trust.

17. Revaluation reserve

	Revaluation Reserve £000
Revaluation reserve at 31 March 2015	56,337
Transfer by absorption	(653)
Impairments	(1,489)
Revaluation gains on property, plant and equipment	19,526
Revaluation reserve at 31 March 2016	73,721
Revaluation reserve at 1 April 2014	50,755
Transfer by absorption	0
Impairments	(1,363)
Revaluation gains on property, plant and equipment	6,945
Revaluation reserve at 31 March 2015	56,337

18. Cash and cash equivalents	2015-16	2014-15
	£000	£000
At 1 April	18,493	25,315
Net change in year	(4,831)	(6,822)
At 31 March	13,662	18,493
Broken down into:		
Cash at commercial banks and in hand	620	110
Cash with the Government Banking Service	13,042	18,383
Cash and cash equivalents as in SoFP	13,662	18,493
Cash and cash equivalents as in SoCF	13,662	18,493

19. Transfers by absorption

York Teaching Hospital NHS Foundation Trust transferred Whitby Hospital to NHS Property Services on 2 November 2015, under the terms of the Transforming Community Care (TCS) initiative the asset transferred for no financial consideration. Under absorption accounting the full write down value of the asset (£4.6m) has been accounted for as a loss in expense, but not within operating activities.

Following a tender process by the commissioner, the Whitby Community Services contract transferred to Humber NHS Foundation Trust on 1 March 2016. The transfer of this service represents a machinery of Government change and has been accounted for as a transfer by absorption. As part of the transfer, £0.1m of assets were transferred to the new provider for no financial consideration in line with the TCS initiative described above. Under absorption accounting, the full write down value of (£0.1m) has been accounted for as a loss in expense, but not within operating activities.

	2015/16	2014/15
	£000	£000
Property, plant and equipment	4,690	0
Total assets transferred	4,690	0
Revaluation reserve: transfers to I & E reserves	(653)	0
I & E reserve: transfer from revaluation reserve	653	0
Total equity	0	0

20. Capital commitments

Commitments under capital expenditure contracts at 31 March 2016 were £1.7m (31 March 2015 £0.6m).

21. Contingent liabilities

There are no contingent liabilities identified for this financial year.

22. Post balance sheet events

For the year 2016-17 the Foundation Trust will receive the final payment of transition support in relation to the Scarborough and North East Yorkshire Healthcare NHS Trust integration programme.

23. Related party transactions

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.

For those entities where significant transactions have occurred during the year, details of income and expenditure and balances receivable and payable are listed below. Transactions are considered significant, if income or expenditure for the year exceeds £1.7m or the receivable or payable balance exceeds £0.5m.

The Trust has also received contributions of £600k towards revenue expenditure and £471k 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 £274k due from the York Teaching Hospital Charity.

Related Party Transactions	Balances			
	Receivables	Payables	Income	Expense
	£000	£000	£000	£000
Sheffield Teaching Hospitals NHS FT			4,166	
Harrogate & District Foundation Trust	1,282	1,010	2,384	
Health Education England			14,365	
Leeds Teaching Hospital NHS Trust				
NHS Blood & Transplant				1,935
NHS East Riding of			40,943	

Related Party Transactions	Balances			
	Receivables	Payables	Income	Expense
Yorkshire CCG				
NHS England	2,373		69,067	
NHS Hambleton, Richmondshire and Whitby CCG			14,849	
NHS Harrogate and Rural District CCG			5,194	
NHS Scarborough and Ryedale CCG	1,916		79,670	
NHS Vale of York CCG	2,998	830	204,538	
NHS Property Services	645			
North Yorkshire County Council			3,589	
City of York Council			2,628	
Social Security costs		5,395		
NHS Pension Scheme		3,950		29,385
NHS Litigation Authority				4975
HM Revenue & Customs				18,901
TOTAL	9,214	11,185	441,393	55,196

24. Financial instruments

IAS 32, 39 and 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 NHS Foundation Trust's net operating costs are incurred under annual service agreements with local CCG, which are financed from resources voted annually by Parliament. York Teaching Hospital NHS Foundation Trust is not generally exposed to significant liquidity risks.

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 NHS Foundation Trust receives the majority of its income from CCGs and Statutory Bodies, the credit risk is therefore generally negligible.

Foreign currency risk

The NHS Foundation Trust carries out a minimal amount of foreign currency trading therefore the foreign currency risk is negligible.

24.1 Financial assets by category

	Loans and receivables £000
Assets as per SoFP	
Trade and other receivables excluding non-financial assets	16,430
Cash and cash equivalents (at bank and in hand)	18,493
Total at 31 March 2015	34,923
Trade and other receivables excluding non-financial assets	16,865
Cash and cash equivalents (at bank and in hand)	13,662
Total at 31 March 2016	30,527

24.2 Financial liabilities by category

	Other financial liabilities £000
Liabilities as per SoFP	
Borrowings	12,798
Obligations under finance leases	53
Trade and other payables excluding non-financial liabilities	25,200
Total at 31 March 2015	38,051
Borrowings	19,896
Obligations under finance leases	0
Trade and other payables excluding non-financial liabilities	30,484
Total at 31 March 2016	50,380

24.3 Fair values

The NHS Foundation Trust has carried all financial assets and financial liabilities at fair value for the year 2015-16.

25. Third party assets

The NHS Foundation Trust held £3k cash at bank and in hand at 31 March 2016 (31 March 2015 – £5k) which relates to monies held by the NHS Foundation Trust on behalf of patients.

26. Limitation on auditor's liability

	2015-16	2014-15
	£000	£000
Limitation on auditor's liability to any part of any loss suffered which is proportional to their responsibility.	2,000	2,000