Hull University Teaching Hospitals NHS Trust
Annual Report and Accounts
2019/20

Other Formats

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PERFORMANCE REPORT

This section of our Annual Report provides information about the Trust including its vision and values, the services that we provide and who we provide those services to. It also contains an overview of the challenges we face and how we are addressing them.

Statement from the Chief Executive

Great staff, great care, great future

I do not believe I have known a financial year to end so differently to the start. On 1 April 2019, our organisation was one month in to using its new organisational name, Hull University Teaching Hospitals NHS Trust, and was looking forward to making progress on the delivery of our strategic objectives, particularly on supporting and developing our staff to improve our patients care, extend our research partnerships internationally and deliver a capital funding plan to develop the ground floor of Hull Royal Infirmary for acute patient care.

The year ended with our hospital reconfiguring our wards, outpatient services, staff teams and inpatient care due to the global Coronavius pandemic (Covid-19).

I have never been more proud to work for the NHS; the resilience and dedication demonstrated by our staff is second-to-none and reinforces to me that our vision of *great staff, great care, great future*, has never been so apt, as it is guiding everything we do.

It is hard to reflect on the whole year while we are coming out of the first surge of Covid-19 patients; we are already taking stock of our services and the way these have been reconfigured, seeking to provide assurance to the public that we remain open and available to them for all of their hospital care needs. An area of focus throughout the year has been the Trust's performance against the four-hour Emergency Department standard, as we have not done as well for our patients as we should have against this requirement. Until mid-March 2020, we had only two patients waiting more than 52 weeks for treatment and were on track to ensure our waiting list had not grown in size. Throughout the whole year, I am pleased to report that we have been able to maintain key quality standards: within our Trust, no patient waited more than 12 hours for emergency inpatient admission and we maintained our wards as single-sex accommodation throughout the year. However, while our waiting times in cancer waiting times and for diagnostic tests have been improved, these have been too variable and are not consistently meeting the required standards, and for this, along with our Emergency Department performance, I apologise to our patients who have been waiting longer for their care and treatment.

We have been making progress on delivering improvements in the areas highlighted by the Care Quality Commission (CQC) in their previous inspections of the Trust. The Care Quality Commission commenced an inspection of the Trust in March 2020, however two elements of the inspection were not completed before inspection activities were put on hold nationally; we await formal feedback from the CQC on their findings on the inspection activity that was undertaken and will implement actions to address any requirements identified. Whilst the requirement has been postponed nationally, our Trust is going to produce a set of Quality Accounts for 2019-20, which will be available on our website by 30 June 2020, and will provide a detailed review of quality of care in the Trust during the year.

Whilst the Trust met its financial requirements for 2019-20, the underlying financial position of the organisation remains an issue. Coming into this financial year it was assessed that the organisation had a recurrent deficit totalling £24.6m; this has been reduced to circa £9m at year-end and represents an improved position. The challenge remains to address this over the next two years, in line with the NHS Long Term Plan requirements, as part of an Integrated Care System financial planning process.

Our Golden Hearts awards in 2019 demonstrated to me once again that we have remarkable staff working in our organisation. Each year, it is so difficult to be part of the panel process to determine winners and runners up; the stories behind each of the awards nominations are all so excellent and show the incredible dedication of our staff and the gratitude of our patients.

I am grateful for the opportunity to add my personal thanks for the hard work of our staff during another challenging year. We face an unprecedented time for the NHS coming in to 2020-21 and I cannot thank our staff enough for their great care for all of our patients.

Chris Long
Chief Executive
18 June 2020

Purpose and activities of the Trust

1. Introduction

On 1 March 2019, *Hull and East Yorkshire Hospitals NHS Trust* changed its name to *Hull University Teaching Hospitals NHS Trust* through Statutory Instrument. The Trust requested this name change to more accurately reflect the status of the Trust and has already brought about benefits in recruitment to a number of departments and disciplines.

Hull University Teaching Hospitals NHS Trust is a large acute NHS Trust situated in Kingston upon Hull and the East Riding of Yorkshire. The Trust was established in October 1999 through the merger of the former Royal Hull Hospitals and East Yorkshire Hospitals NHS Trusts. We employ just over 7,000 whole time equivalent staff, have an annual income of circa £630 million and we have two main hospital sites: Hull Royal Infirmary and Castle Hill Hospital and some support sites predominantly in Hull. Outpatient services are also delivered from locations across the local health economy area.

2. Services provided

We provide a full range of urgent and planned general hospital services, covering the major medical and surgical specialties, routine and specialist diagnostic services and other clinical support services. These secondary care services are provided to a to a catchment population of approximately 600,000 in the Hull and East Riding of Yorkshire area.

The Trust also provides specialist and tertiary services to a catchment population of between 1.05 million and 1.25 million extending from Scarborough in North Yorkshire to Grimsby and Scunthorpe in North East and North Lincolnshire respectively. The only major services not provided locally are transplant surgery, major burns and some specialist paediatric services. The Trust is a designated as a Cancer Centre, Cardiac Centre, Vascular Centre and a Major Trauma Centre. The Trust is a university teaching hospital and a partner in the Hull York Medical School.

In 2019/20 we provided the following services:

- We assessed over 130,000 people who attended our Emergency Department at Hull Royal Infirmary
- We had over 700,000 attendances at our outpatient clinics
- We admitted over 150,000 patients to our wards and over 10,000 patients attended our wards for a planned review following treatment

The Trust is structured in five Health Groups (Medicine, Surgery, Cancer and Clinical Support, Family and Women's Health and Emergency Care) through which our clinical services are delivered. The Health Groups are supported by Corporate Services (Estates, Facilities and Development, Planning, Finance, Human Resources including Education and Development, Quality Governance, Corporate Governance, Information Management and Technology).

3. Vision, values and goals of the Trust

The vision of the Trust is *'Great Staff, Great Care, Great Future'*. We believe that by developing an innovative, skilled and caring workforce, we can deliver great care to our patients and a great future for our employees, our Trust and our community.

Last year, the Trust Board signed off a refreshed Trust strategy for 2019-2023, which included an updated set of strategic goals:

- Honest, caring and accountable culture
- Valued, skilled and sufficient workforce
- High quality care
- Great clinical services
- Partnership and integrated services

- Research and innovation
- Financial sustainability.

We have a set of organisational values – *Care, Honesty, Accountability* – developed in conjunction with our staff and these form the basis of a Staff Charter which sets out the behaviours staff expect from each other and what staff can expect from the Trust in return.

As noted above, we have a Trust Strategy (2019-24), which describes our long-term aims as an organisation. Supporting this over-arching strategy, we have some specific strategies, which will help us develop and deliver our aims over the next few years:

- People Strategy 2019-2022
- Estate Strategy 2017-2022
- Digital Strategy 2018-2023
- Sustainable Healthcare Strategy
- Arts Strategy

All of these documents are published on our website.

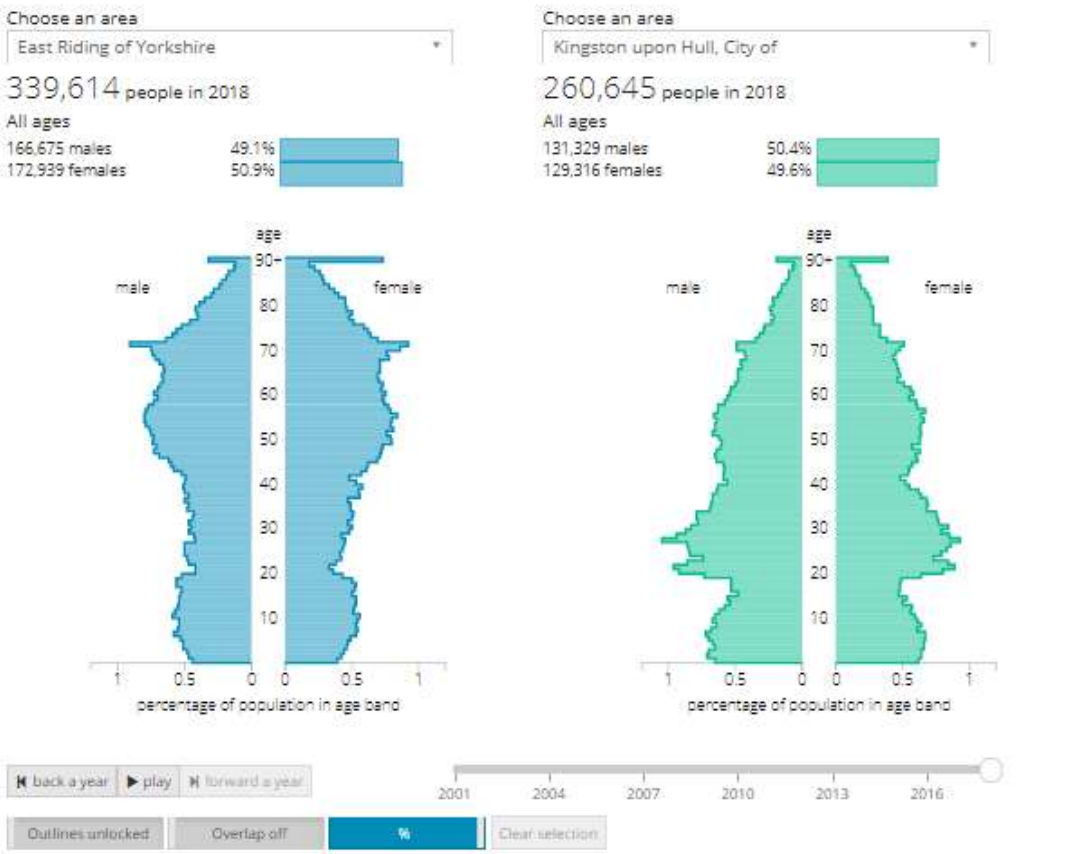
3. Our catchment population

The local health system served by the Trust centres on the City of Kingston Upon Hull, its suburbs and the surrounding East Riding of Yorkshire, a rural area containing a number of market towns.

Hull is a geographically compact city of circa 260,645 people (2018). It was identified as the 4th most deprived local authority in England in 2019. The health of people in Hull is generally worse than the England average, with life expectancy for both men and women being lower than the England average. 28% (14,430) of children in Hull live in low income families and the health and wellbeing of children is worse than the England average.

The East Riding of Yorkshire is a predominantly rural area, populated by 339,614 people (2018). The geography of the East Riding makes it difficult for some people to access services. The health of people living in the county and their life expectancy is better than the England average. 12.2% (6,370) of children live in low income families and the health and wellbeing of children is better than the England average.

The age profiles for the two Local Authorities are very different. Hull has a higher proportion of residents aged 20-39 years, while the East Riding has twice the number of people aged 50 years and over compared to Hull.



Source: Office for National Statistics, National Records of Scotland, Northern Ireland Statistics and Research Agency – Population Estimates

People are living longer, many with multiple and complex needs, and with higher expectations of their health and social care services. Within the next 20 years, the number of people aged 80 years and over in Hull and the East Riding is expected to increase from 33,000 to 55,300. Births are predicted to decline slightly.

Whilst the ethnicity of the two populations is predominantly white, Hull has a higher percentage of residents who are either South Asian, Black, mixed race, Chinese or other origin.

Although the two local authority areas are very different in their patient populations, health profiles, geographical landscape and distribution, common themes have emerged in respect to addressing health inequalities, prevention and management of long term conditions. The higher incidence of deprivation in Hull and the ageing and increasing population of the East Riding requires the Trust to tailor its services to meet the needs of these two very different patient populations.

In order to address these challenges, the Trust is working as a key partner within the Humber, Coast and Vale Health and Care Partnership (HCAV HCP), along with Clinical Commissioning Groups (CCGs) and other health and care providers with the aim of achieving Integrated Care System (ICS) status in 2020, underpinned by Integrated Care Partnerships (ICPs) covering North Yorkshire and York; Hull and the East Riding of Yorkshire; North East Lincolnshire and North Lincolnshire.

The Humber Coast and Vale vision for 2021 is for a system that supports everyone to manage their own care better, reduces dependence on hospitals, and uses resources more efficiently. In order to realise this vision, the HCP's key area of focus is the development of new arrangements for the integration of care delivery, specifically between primary, community and social care, and between in-hospital and out-of-hospital care in each locality and ICP.

The Trust's role in delivering this plan is to work openly and collaboratively with partners to support the development of new models of care and the closer integration of health and social care services. The Trust is also supporting two reviews of acute or secondary care, one across the Humber region and one across the York and Scarborough areas. The Trust is working closely with local partners on the Humber Acute Services Review to identify opportunities for collaboration and joint working, in particular with colleagues from Northern Lincolnshire and Goole Hospitals NHS Foundation Trust (NLAG).

Key issues and risks that could affect the Trust in delivering its objectives
This section of the annual report sets out the background to the issues under the headings of the Trust's refreshed key strategic goals, the risk that they posed and the action taken.

Honest, caring and accountable culture
The Trust has seen performance in national staff surveys improve significantly since 2014. The challenge has been to move into the top 20% of organisations nationally overall. There are many good areas of performance in the national staff survey 2019. Improvements have once again been made to issues of bullying and harassment, staff engagement and safety culture. Morale of HUTH staff was above the national average. Work to improve the health and wellbeing of staff and quality of appraisals is well underway

There continues to be a strong focus on enabling managers and leaders to shift from good performance to outstanding performance and a culture of excellence. Staff continue to report feeling undervalued by the organisation, they describe being short-staffed and unable to deliver the care they aspire to, while communication from managers, despite improving, remains poor.

The Trust focussed on the detailed findings of the national staff survey and the quarterly cultural surveys as part of the new People Strategy approved during this financial year, providing our organisation with a refreshed strategy for our staff from 2019-2022

Valued, skilled and sufficient staff
The Trust's financial position was challenging throughout 2019-20 with pressure on pay budgets with an increase in agency spending noted for the year. The Trust continues to balance the need to recruit to vacancies and use agency staff where absolutely necessary to maintain safe, high quality, accessible services. Throughout the year, the Trust Board continued to report against the mandated requirements in relation to nursing and midwifery staff and fill rates for inpatient areas. The Trust reported careful management of nursing staff numbers and fill-rates and as seen in previous years, there was a gradual turnover of nursing staff numbers until an injection of new nursing staff through the September graduating class. During 201920, the Trust saw the benefit of the previous year's investment of over £1m in new routes into nursing, with the first cohorts of Nursing Associates completing training and continued investment investing in posts for these individuals post-registration, as well as continuing nursing apprentices and Health Care Support Work Apprenticeships. The Trust continues to invest in Advanced Care Practitioners and Physicians Associates, both trainees and qualified staff. To manage this risk on a day-to-day basis, the Trust has a robust system for managing nurse staffing risks in order to keep patients safe, which has been quoted as exemplar practice to other organisations.

The Trust would recruit from the newly qualifying nurses in September each year; the recruitment process for September 2020 had already commenced prior to year-end. Part of the Covid-19 preparations being put in place as the financial year closed was to consider the emergency powers put in place by emergency Covid-19 legislation, including the recruitment of final-year nursing and medical student. The Trust has offered 125 final year nurse students a Band 4 post within the Trust. This was achieved by working in partnership with Health Education England and Higher Education Institutions. 122 have commenced with the Trust (as at 10 May 2020)

A number of these students had already secured a post with the Trust and were due to commence as part of the autumn recruitment campaign. These students have been deployed in the areas where they've secured a position. Current second year nurse students may also be offered a Health Care Assistant role if required. This will impact on recruitment later in the 2020-21 year. In addition, the Trust has agreed with Health Education England to take 43 medical students as part of its Covid-19 workforce plan. Of these, 32 newly qualified doctors (FY1 level) have commenced with the Trust in April 2020. This will also need to be mapped through to normal intake and rotation periods.

High Quality Care

The Trust was partly inspected during 2019/20 by the Care Quality Commission. The Care Quality Commission commenced an inspection of the Trust in March 2020 and consisted unannounced inspections to four core services: medicine, surgery, the emergency department and critical care. Due to the COVID-19 pandemic, the CQC and NHS Improvement have suspended the well-led and the use of resources assessments. The Trust has not received the report from the core services inspection as yet. It is a key aim of the Trust to move its Care Quality Commission rating to 'Good' overall as soon as possible, as the rating impacts on the confidence of patients in the services we deliver and on staff morale.

Against its suite of core patient quality and safety indicators within the Single Operating Framework, against which all hospital Trusts report, the Trust has delivered on 5 out of 10 'safe' standards and 2 out of the 5 'effective' standards for which there is a reported year-end position. Further detail on all Single Operating Framework requirements are contained in this annual report. The Trust undertakes a robust audit and feedback programme on fundamental standards of nursing care throughout the year, and has reported improvements in quality of nursing standards across the Trust. This programme has also identified particular areas on which the Trust needs to make further improvement, which is action planned and monitored accordingly. The Trust declared 8 Never Events during the financial year, which contrasts to the previous year, in which zero Never Events were reported. Each Never Event has been subject to a full investigation, which are summarised to the Trust Board and reviewed in more detail by the Quality Committee.

Great Clinical Services

2019-20 was the third year of an Aligned Incentive Contract (AIC) with Hull and East Riding Clinical Commissioning Groups. This approach has marked a fundamental change from an organisational-based Payment by Results (PbR) contract to a system contract with shared risk, shared opportunity and shared vision. It provides all parties with a common goal: the effective management of patient pathways irrespective of organisational boundaries.

The Trust is required to work towards the mandated waiting times within the NHS Constitution, based on trajectories of improvement agreed with its local commissioners. The Trust's plans in 2019/20 included some reconfiguration of the medical bed base in order to provide better patient flow in acute medical pathways. The Trust's 18-week and cancer performance is more adversely affected by increases in referrals and increases in volumes of related diagnostics, which are capacity constraints in being able to provide all care within the target responsiveness times.

The Trust recognises that changes are needed to the way in which clinical services are configured, delivered and resourced. In 2018-19 the Trust was successful in its bid for Wave 4 capital investment to improve the urgent and emergency care pathways within the Hull Royal Infirmary through the reconfiguration of accommodation and the procurement of additional diagnostic equipment, including MRI and CT and the Trust was able to bring forward a number of elements of this work in to 2019-20, which should impact positively on patient flow in 2020-21.

Partnership and Integrated Services

In 2019-20, the Trust continued worked as a key partner within the Humber Coast and Vale Health and Care Partnership (HCP). The Trust is a member of and sends representation to the following:

- HCP Executive Board
- Hull Place-Based Board
- East Riding Place-Based Board
- The Hull and East Riding Provider Collaborative
- Hospital Partnership Board (with the Trust as the Chair of this Board)
- Cancer Alliance Board (Trust Directors lead two of the four Alliance work programmes)
- The Local Maternity System, (chaired by the Trust Chief Nurse)
- Digital Technology Workstream (with the Trust as the Chair of this Board)
- Estates Workstream
- Workforce Workstream
- Finance Technical Working Group

During 2019-20, in response to the formation of the Primary Care Networks (PCNs), the Trust allocated a link manager to each of the 11 PCNs for whom HUTH is the lead provider of secondary care. A number of these Trust representatives have been invited to join PCN Boards.

The Trust is jointly leading a Humber Acute Services Review within the HCP together with Northern Lincolnshire and Goole NHS Foundation Trust and the four Humber Clinical Commissioning Groups

The Trust has identified a risk to its strategic objective 'Partnership and Integration' related to the collective ability of the HCP to shape service reconfiguration in a way that meets the financial, quality and planning objectives as published in Humber Coast and Vale Sustainability and Transformation Plan. Increasingly, national funding allocations are being made through the HCP. The Trust, together with the partner organisations, needs to provide capacity and leadership to the HCP in order to achieve the system-wide goals which impact upon the Trust.

Research and Innovation

The Research and Innovation Strategy 2018-23 was approved by the Trust Board in July 2018. The strategy will be delivered through three key priority themes:

1. *A Research Aware Organisation*
2. *Positive, Proactive Partnerships*
3. *Reputation through Research*

Achievements in 2019-20 have been to:

- Generate institutional research awareness through metrics. The development of performance dashboards available on the staff intranet provide all staff with access to interactive, visually appealing reports that give real-time data intelligence for planning and forecasting purposes.
- Focus on involving Patient Research Ambassadors (PRAs) in co-design and review (via Trans-Humber Consumer Research Panel – hosted by HUTH).
- Achieve the Yorkshire and Humber target in the Patient Research Experience Survey 2019
- Put in place cluster arrangements (clinical Synergies) for multi-morbidity research: Diabetes + Renal, ICU + Infectious Diseases, Cardiology + Interventional Cardiology + Cardiothoracic Surgery.
- Achieve 'Provisional' accreditation status for the Hull Hospital Trial Unit (HHTU) confirmed by UKCRC. Full accreditation expected within 3 years.

- Currently sponsoring multiple NIHR grants with delegated management to HHTU.
- Consistently achieving >= 80% of closed studies recruiting to time and target, ranked 3rd in Y&H for commercial recruitment. Attracting commercial work with new companies (paediatrics) and preferred site status with AbbVie (Oncology) and Novo Nordisk (Diabetes)
- 4 PhD Scholarships awarded in conjunction with University of Hull (2 Allied Health Professionals)
- 6 areas and individuals supported with protected time or methodological support following the award of 'Research Support Funding' from the Trust, the University of Hull and the Hull/York Medical School
- 2 R&D Funded Clinical Research Fellows appointed (Renal and Cardiothoracic Surgery)
- 4 further Clinical Research Fellows (funded from NIHR RCF or other external sources – 2 in Orthopaedics, I in Gastroenterology (IBD)), 1 in Renal).
- Lead Research Nurse appointed October 2019.
- Vascular AHP leading an NIHR grant.
- Secured 1 NIHR Senior Investigator Award (Prof Chetter, Vascular Surgery)
- Secured multiple Academic Clinical Fellows (ACFs) in key clinical and academic areas for appointment in 2020
- Developed an international research and innovation partnership with the Sri Ramachandra Institute in India, leading to a successful first joint conference in early 2020

The Trust will need to work within its resources. Nationally, there is a reduction in Clinical Research Network funding in 2020/21. The Trust is also having to manage a lack of capacity in support services (pharmacy, imaging, labs) to allow increased research volume and range.

Financial sustainability

The Trust is reporting an unadjusted deficit on the face of its Statement of Comprehensive Income for the year totalling £1m. Three adjustments are made to this figure to reflect technical accounting issues across the NHS. These are as follows:

i. £11.7m impairment to the Trusts fixed asset base following a full site valuation exercise at 31 March 2020,
ii. Removal of PSF income received in year but relating to 2019/20 totalling £0.6m.
iii. £0.3m relating to donated assets received in year.

After allowing for these technical adjustments the Trust is reporting an adjusted financial surplus of £10.5m, which is in line with the Control Total set for the organisation at the start of the year.

This surplus includes £11.0m of Provider Sustainability and MRET Funding received in year and £1.7m of income to fund the additional costs of Covid-19 in the period to 31 March

The organisation's underlying financial health remains challenging with a recurrent deficit estimated at circa £9.0m. This reflects a continued reliance on non-recurrent income from commissioning partners and an inability to deliver recurrent cost savings across the organisation.

In terms of its own efficiency, the Trust continues to work through the recommendations of the Lord Carter Efficiency Review in addition to pursuing its own analysis of opportunities for increasing productivity and reducing cost. A steering group oversees this work, which also includes a number of regional collaborative opportunities. The Trust has participated in a number of Getting It Right First Time reviews and continues to work with the Operational Productivity directorate at NHS Improvement to identify and realise further areas for improvement.

The Trust invested £35.4m in capital expenditure in the period. This was funded through a combination of depreciation, charitable donations, public dividend capital and loan funding. This

programme reflects a significant investment in replacement infrastructure: in terms of medical equipment, backlog maintenance of our physical estate and essential digital infrastructure works including the continued replacement of the Trusts digital network.

Looking to the immediate future the Covid-19 Pandemic has significantly impacted on the Trust's ability to provide cost effective clinical services with reductions in productivity and capacity becoming more pronounced as the pandemic extends. The Trust will continue to work with system partners to develop services in line with emerging national planning guidance and will operate a financial system that delivers in line with national expectation.

Given the impact of Covid-19 it is highly unlikely that the organisation's strategic objective of returning to a recurrent financial balance within two years will be achieved.

Performance Summary
The year-end performance against the Trust's key 'responsiveness' indicators met the required standards for the following areas*:

- 12 hour trolley breaches
- Delayed Transfers of Care
- Cancer: 2 week wait Referral to Seen
- Cancer: 31-day Subsequent Drug cancer standard
- Cancer: 31-day Subsequent Radiotherapy cancer standard
- Stroke 60 minutes target
- Stroke Care
- Dementia: Aged 75 and over emergency admission greater than 72 hours

The year-end performance against the Trust's key 'responsiveness' indicators did not meet the required standards for the following areas*:

- 95% 4-hour Emergency Care Standard;
- Cancer: Symptomatic Breast 2 week wait Referral to Seen
- Cancer: 31-day Standard
- Cancer: 31 day Subsequent Surgery standard;
- Cancer: 62 day Referral to Treatment standard;
- Cancer: 62 day Screening Referral to Treatment standard;
- RTT Incomplete standard;
- 52 week breach standard;
- Patients not treated within 28 days of last minute cancellation standard;
- Diagnostic 6 week wait standard

(*Cancer data available up to February 2020 at the time of writing)

The year-end performance against the Trust's key 'safe' indicators met the required standards for the following areas:

- Potential under-reporting of patient safety incidents
- Patient safety alerts outstanding
- Mixed sex accommodations breaches
- *clostridium difficile* cases
- Escherichia coli cases

The year-end performance against the Trust's key 'safe' indicators did not meet the required standards for the following areas:

- Venous Thromboembolism (VTE) risk assessment
- Year-end position for emergency caesarean sections
- MRSA bacteraemia – 3 cases reported in 2010/20. The standard states to have zero cases

- Never Events

The year-end performance against the Trust's key 'effective' indicators met the required standards for the following areas:

- Hospital Standardised Mortality Rate (HSMR) at year-end
- Hospital Standardised Mortality Rate (HSMR) weekends at year-end
- 30 day re-admissions

The year-end performance against the Trust's key 'safe' indicators did not meet the required standards for the following area:

- Standardised Hospital Mortality Index (SHMI) at year-end

The year-end performance against the Trust's key 'caring' indicators met the required standards for the following areas:

- Inpatient Friends and Family test scores above the NHS England average
- Maternity Friends and Family test scores above the NHS England average

The year-end performance against the Trust's key 'caring' indicators did not meet the required standards for the following areas:

- Year-end Friends and Family test score above the NHS England average for A&E

There is more detailed analysis against performance further on in this annual report.

Chris Long
Chief Executive
18 June 2020

PERFORMANCE ANALYSIS

This section of the Annual Report sets out our most important performance measures and tells you how we did against them in 2019-20.

GREAT STAFF

NHS Staff Survey Results 2019

In the previous national staff surveys 10 key themes were identified. This has been increased to 11 in the 2019 survey, with Team Working the new theme, as follows:

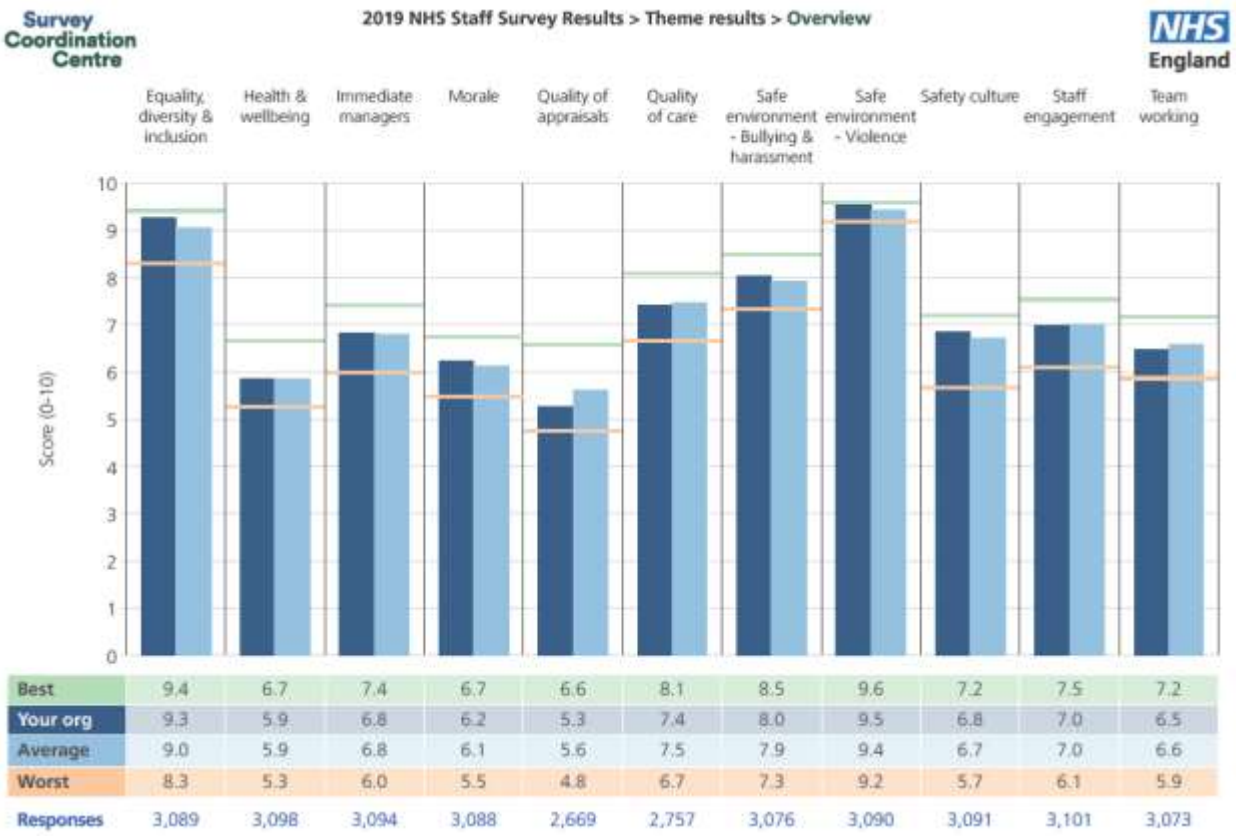
1. Staff Engagement
2. Safety Culture
3. Equality, Diversity and Inclusion
4. Health and Wellbeing
5. Immediate Managers
6. Morale
7. Quality of Appraisals
8. Quality of Care
9. Safe Environment – Bullying
10. Safe Environment – Violence
11. Team working

For each of the key themes organisations receive a score out of ten.

Capita has advised that where we can see our percentage scores for individual questions then only a shift of three or more percent represents a significant change from the previous year.

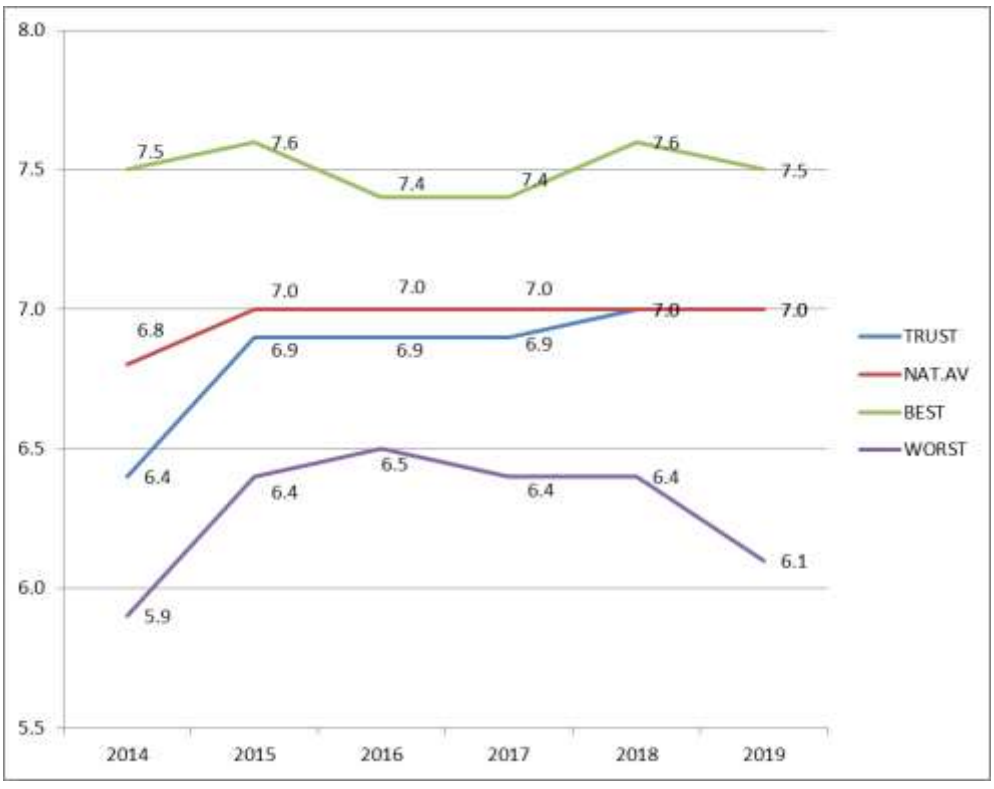
Key Themes

Overall the Trust is better than or equal to the national average for eight of the eleven key themes in the National Staff Survey. Quality of Care, Team Working and Quality of Appraisals are worse scores than the national average. The following section of the report provides the Trust's performance compared with the national average, best score in the NHS and worst score in the NHS for each of the eleven key themes. Trend data is visible for all indicators except Morale, which is calculated from a new set of questions in the survey.



i) Staff engagement

This is a key indicator for the Trust which aspires to be in the top 20% of organisations in 2020 for staff engagement. The Trust has sustained performance in terms of engagement, while both the best and worst scores in the country have deteriorated.

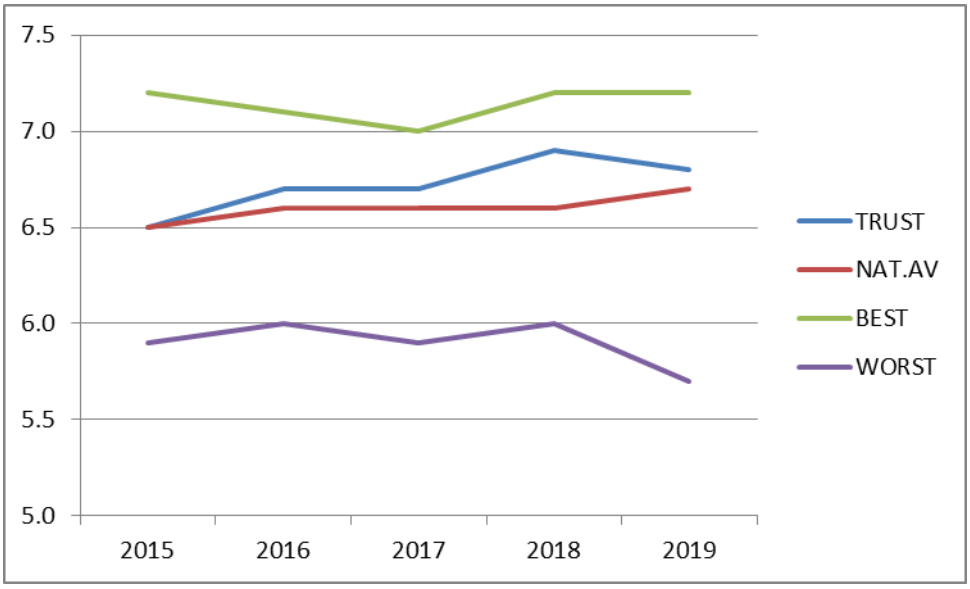


For the nine component questions the Trust has seen no significant change. As in previous years, the lowest scoring question is staff saying they are able to make improvements happen.

Question	2018	2019	Diff
I look forward to going to work	61.1	58.8	-2
I am enthusiastic about my job	75.2	75.0	0
Time passes quickly when I am working	77.3	76.5	-1
There are frequent opportunities for me to show initiative in my role	72.7	72.9	0
I am able to make suggestions to improve the work of my team/department	73.4	73.4	0
I am able to make improvements happen in my area of work	56.6	54.7	-2
Care of patients / service users is my organisation's top priority	74.3	74.7	0
I would recommend my organisation as a place to work	62.6	62.7	0
If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation	70.1	70.3	0
OVERALL SCORE FOR ENGAGEMENT	**7.0**	**7.0**	**0**

ii) Safety Culture

While the Trust remains ahead of the national average for Safety Culture our score has deteriorated while the national average has improved.

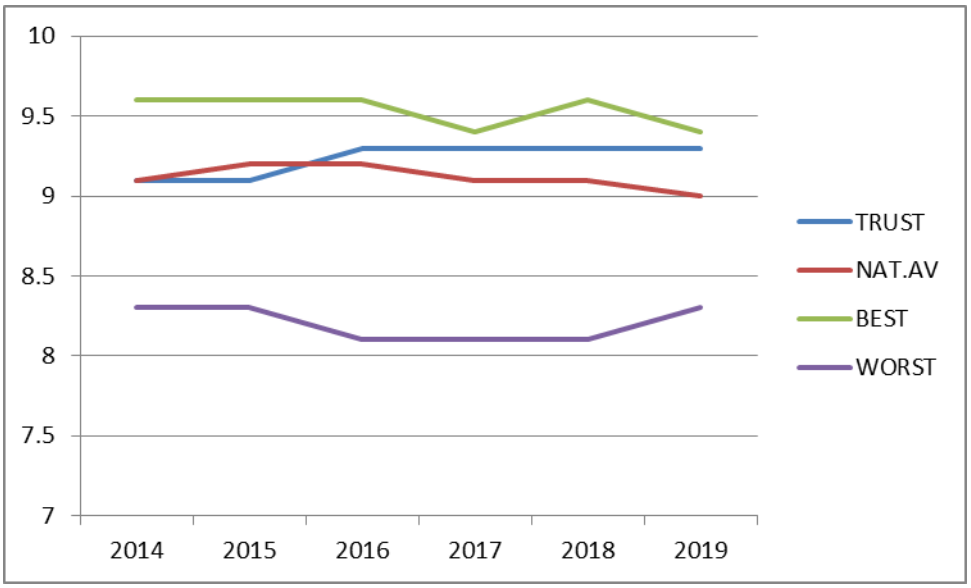


Six questions comprise this theme in the survey.

Question (%)	2018	2019	Diff
My organisation treats staff who are involved in an error, near miss or incident fairly	58.5	59.0	0
When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again	75.0	74.8	0
We are given feedback about changes made in response to reported errors, near misses and incidents	68.8	67.4	-1
I would feel secure raising concerns about unsafe clinical practice	72.1	73.4	1
I am confident that my organisation would address my concern	62.0	60.7	-1
My organisation acts on concerns raised by patients / service users	72.3	71.5	-1

iii) Equality, diversity and inclusion

For Equality, Diversity and Inclusion the Trust's performance has remained static since the 2017 survey. For the theme as a whole however, the Trust is performing better than the national average, and almost as well as the best performing trusts in the country.



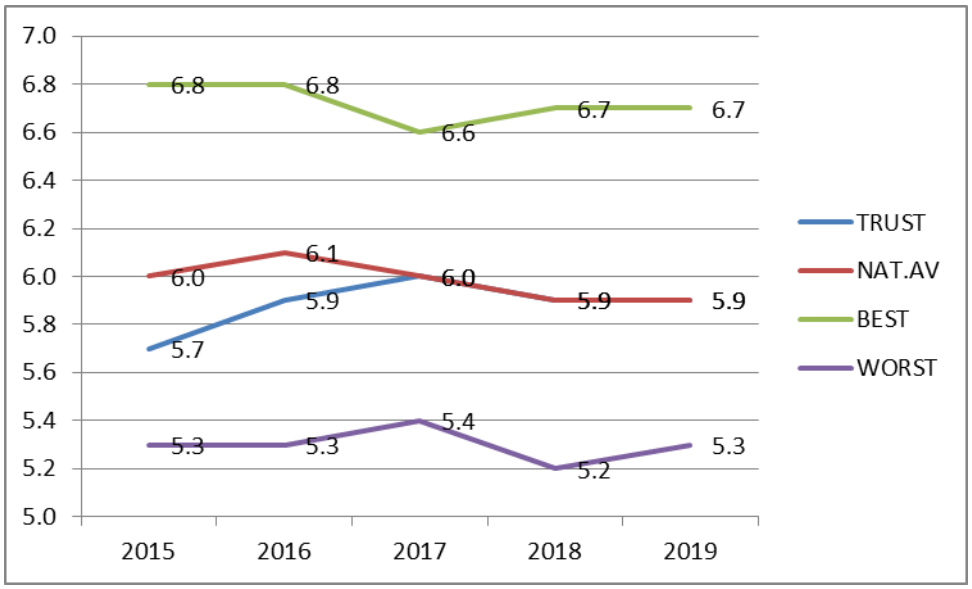
Four questions comprise this theme in the survey.

Question (%)	2018	2019	Diff
Does your organisation act fairly with regard to career progression / promotion, regardless of ethnic background, gender, religion, sexual orientation, disability or age?	88.7	87.5	-1
In the last 12 months have you personally experienced discrimination at work from patients / service users, their relatives or other members of the public? (low score is better)	4.1	4.1	0
In the last 12 months have you personally experienced discrimination at work from manager / team leader or other colleagues? (low score is better)	7.0	6.4	0
Has your employer made adequate adjustment(s) to enable you to carry out your work?	74.8	73.3	-1

All Health Groups are performing around the Trust average for this theme, however in Emergency Care staff do report greater incidences of discrimination from the public and service users than in other areas.

iv) Health and wellbeing

For the Health and Wellbeing theme the Trust is performing at the level of the national average.

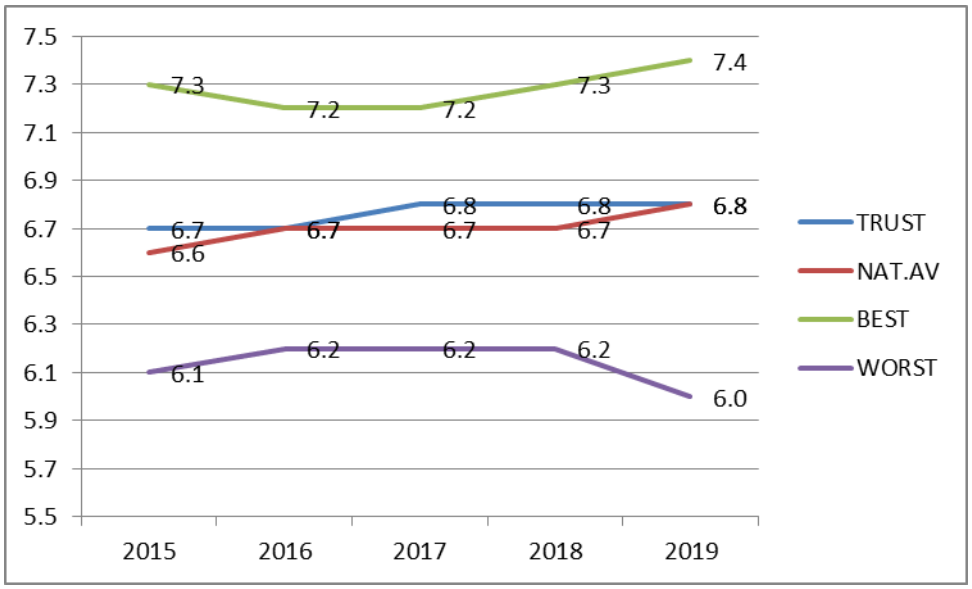


Five questions make up this theme in the survey.

Question (%)	2018	2019	Diff
The opportunities for flexible working patterns	52.9	52.3	0
Does your organisation take positive action on health and well-being?	27.0	27.5	0
In the last 12 months have you experienced musculoskeletal problems (MSK) as a result of work activities? (low score is better)	28.5	28.2	0
During the last 12 months have you felt unwell as a result of work related stress? (low score is better)	39.1	40.4	-1
In the last three months have you ever come to work despite not feeling well enough to perform your duties? (low score is better)	54.3	56.5	-2

v) Immediate Managers

The Trust score has remained the same and due to an improving national picture we are performing at the level of the national average.



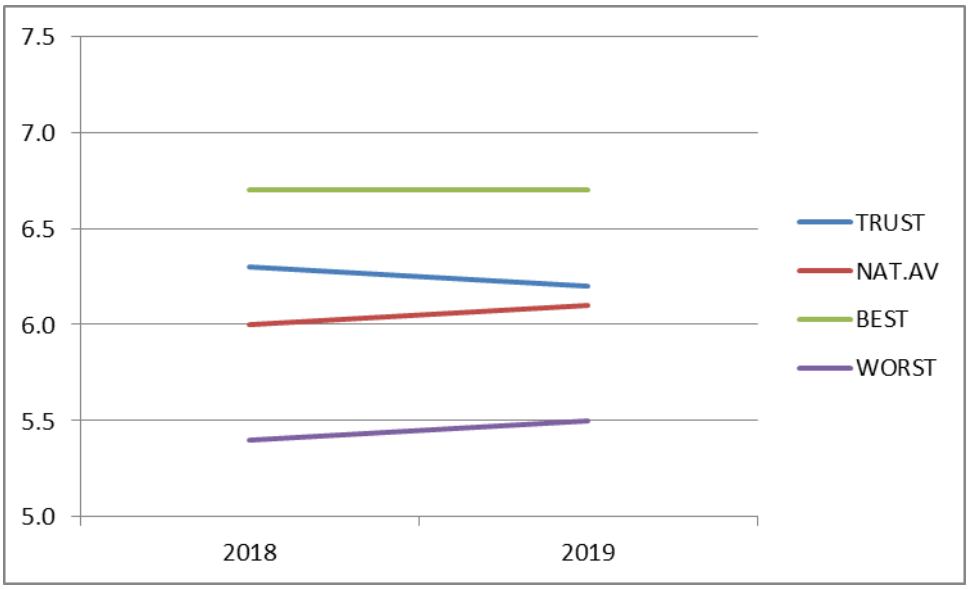
Six questions comprise this theme in the survey.

Question (%)	2018	2019	Diff

The support I get from my immediate manager*	68.5	68.8	0
My immediate manager gives me clear feedback on my work	60.8	60.2	0
My immediate manager asks for my opinion before making decisions that affect my work	54.2	54.6	0
My immediate manager takes a positive interest in my health and well-being	67.4	67.7	1
My immediate manager values my work	71.3	70.1	-1
My manager supported me to receive this training, learning or development	58.9	57.0	-2

vi) Morale

2019 is the second year that a theme for morale has featured in the staff survey. The Trust is ahead of the national average for this theme although our score has deteriorated slightly.

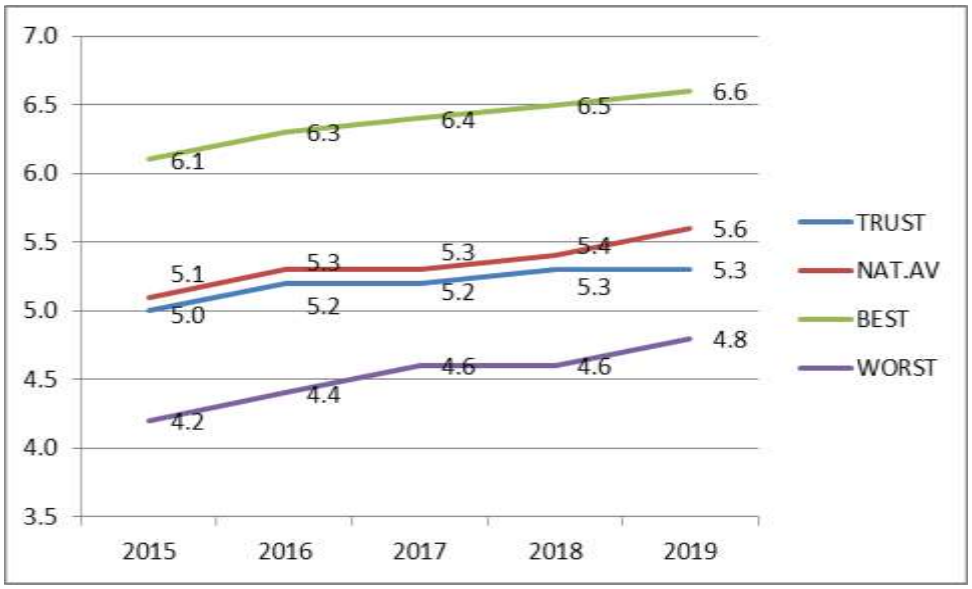


Nine questions comprise this theme in the survey.

Question (%)	2018	2019	Diff
I am involved in deciding on changes introduced that affect my work area / team / department	53.2	51.9	-1
I receive the respect I deserve from my colleagues at work*	68.8	67.7	-1
I have unrealistic time pressures	23.8	24.3	0
I have a choice in deciding how to do my work	56.6	55.3	-1
Relationships at work are strained	43.2	42.0	-1
My immediate manager encourages me at work *	67.6	67.7	0
I often think about leaving this organisation (low score is better)	26.0	26.4	0
I will probably look for a job at a new organisation in the next 12 months (low score is better)	15.0	17.1	-2
As soon as I can find another job, I will leave this organisation (low score is better)	10.0	12.3	-2

vii) Quality of appraisals

Overall the trust is behind the national average for this theme.

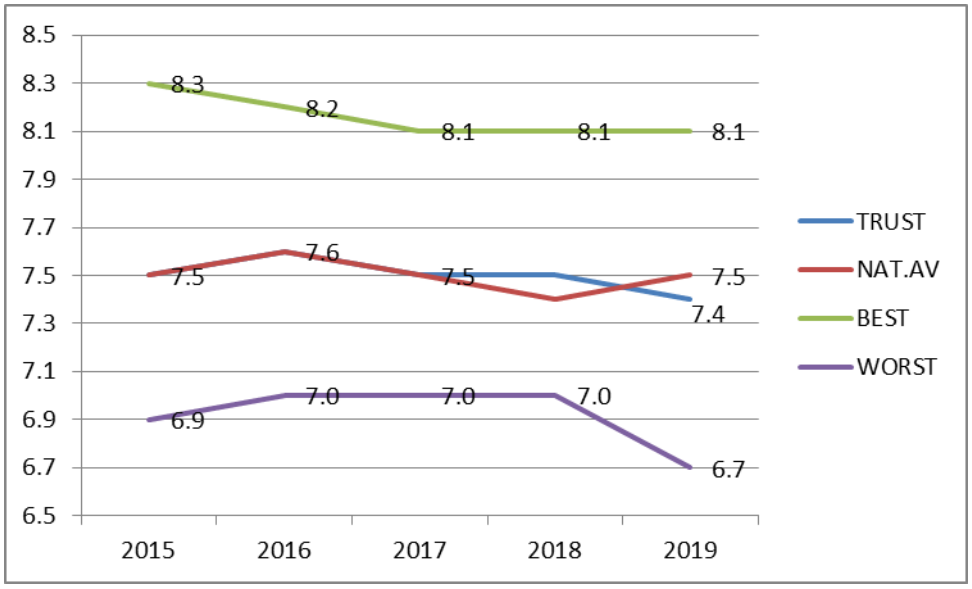


Four questions comprise this theme in the survey.

Question (%)	2018	2019	Diff
It helped me to improve how I do my job	23.2	22.8	0
It helped me agree clear objectives for my work	37.1	36.0	-1
It left me feeling that my work is valued by my organisation*	30.4	28.4	-2
The values of my organisation were discussed as part of the appraisal process*	33.4	31.6	-2

viii) Quality of Care

For the theme of Quality of Care the Trust is performing slightly below the national average.



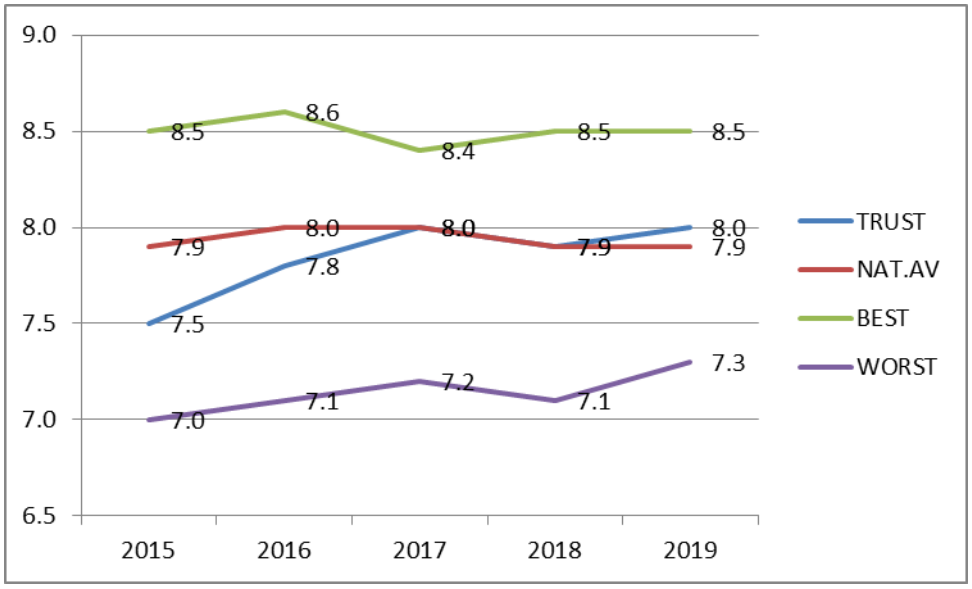
Three questions comprise this theme in the survey.

Question (%)	2018	2017	Diff
I am satisfied with the quality of care I give to patients / service users	81.5	79.7	-2
I feel that my role makes a difference to patients / service users*	88.8	88.1	-1
I am able to deliver the care I aspire to	68.1	67.3	-1

ix) Bullying and harassment

For the theme of bullying and harassment the Trust is performing better than the national average for the first time since we began analysing and benchmarking the national staff survey this data.

The Trust is closer to the best performing trusts in the country than the worst.

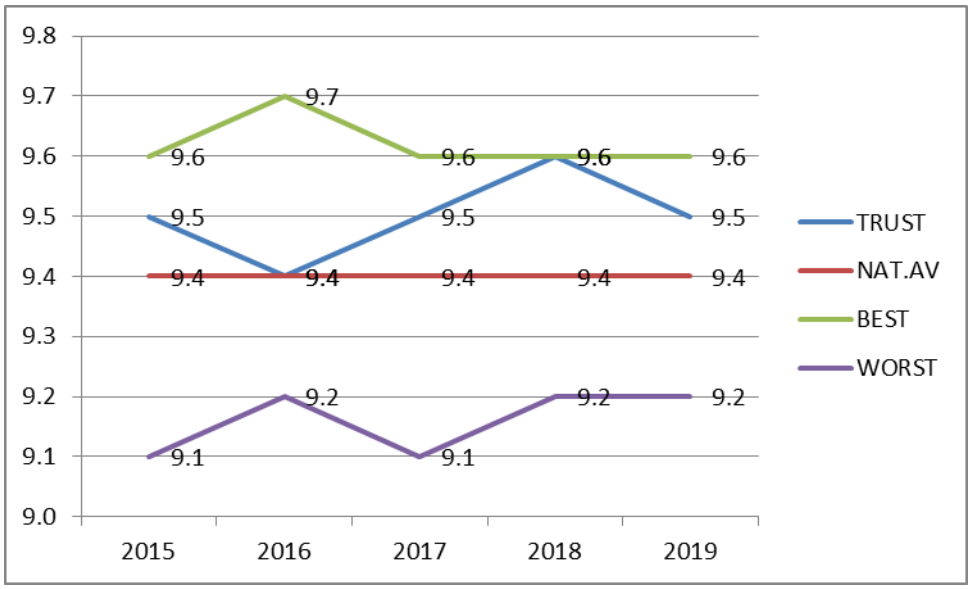


Three questions comprise this theme in the survey and for all indicators a low score is better than a high score. The Trust saw improvements against all three indicators, while nationally the picture deteriorated.

Question (%)	2018	2019	Diff
In the last 12 months how many times have you personally experienced harassment, bullying or abuse at work from patients / service users, their relatives or other members of the public?	26.3	25.7	1
In the last 12 months how many times have you personally experienced harassment, bullying or abuse at work from managers?*	15.5	13.5	2
In the last 12 months how many times have you personally experienced harassment, bullying or abuse at work from other colleagues?*	22.1	20.4	2

x) Violence

For the theme of violence the Trust is performing almost as well as the best organisations in the country, although the overall score for this theme has deteriorated slightly in the last 12 months.



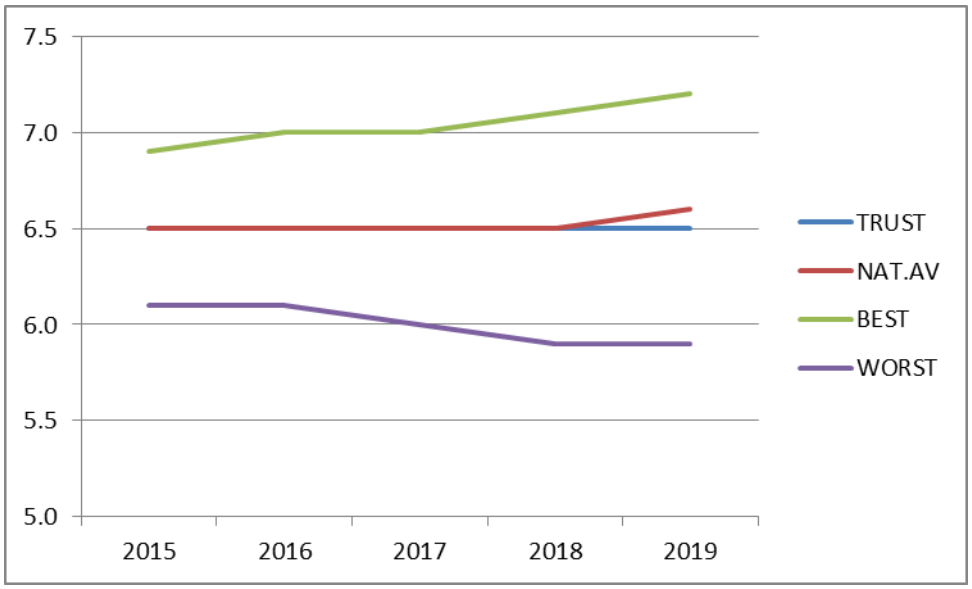
Three questions comprise this theme in the survey and for all indicators a low score is better than a high score.

Question (%)	2018	2019	Diff
In the last 12 months how many times have you personally experienced physical violence at work from patients / service users, their relatives or other members of the public?	11.7	11.9	0
In the last 12 months how many times have you personally experienced physical violence at work from managers?	0.5	0.5	0
In the last 12 months how many times have you personally experienced physical violence at work from other colleagues?	1.2	1.4	0

xi) Team working

Team working is a new theme introduced to the staff survey for the first time in 2019. There is strong evidence that teams, which have agreed objectives and which meet regularly to discuss their issues and performance against their objectives have more motivated and engaged staff. Evidence also suggests that these teams provide better and safer care.

Trend data is available for the Trust as the questions which make up this new theme are not themselves new to the survey. Overall the Trust is below the national average with performance static for the past five years.



Only two questions contribute to the Team Working theme:

Question (%)	2018	2019	Diff
The team I work in has a set of shared objectives	72.1	72.7	1
The team I work in often meets to discuss the teams effectiveness	56.6	56.1	-1

The Staff Survey results have been shared across the organisation and have been split per Health Group and service (where more than 10 staff completed the survey). Each team has been asked to draw up an action plan specific to their area to make improvements where their team score is below the Trust's average score. The responses to the staff survey are monitored monthly at the Performance and Accountability meetings with the Executive team and the Trust Board Workforce, Education and Culture Committee maintains oversight of the delivery of the People Strategy and how this is linked to improving organisational culture, as measured by the Staff Survey and quarter staff morale questionnaires.

Freedom to Speak Up Guardian

Since 2017, all Trust have been required to have a Freedom to Speak Up Guardian in place, as a member of staff who colleagues can talk to if they are concerned about speaking up about poor practice or behaviours. Since taking up the role, the Trust's Freedom of Speak Up Guardian has supported 71 members of staff (15 in 2017-18; 27 in 2018-19; 29 in 2019-20) and teams to raise their concerns about staff or patient welfare. As with the Staff Advice and Liaison Service, the Freedom to Speak Up Guardian helps to signpost and give advice on raising concerns, to be addressed by the Trust or within a team. The Freedom to Speak Up Guardian reports directly to the Trust Board on their work on a quarterly basis. The Freedom to Speak Up Guardian has reported on the types of concerns being raised through this role and through the Staff Advice and Liaison Service so that the Trust Board is sighted on the issues being raised up in the organisation. In the main, the issues raised are about poor communications and behaviours between team members or between a manager and a supervisee. The Freedom to Speak Up Guardian signposts staff to health and well-being support in a lot of her responses to staff to ensure each individual knows that speaking up issues can affect their health and that a number of sources of support are available.

Health, Wellbeing and Safety at Work

A key improvement area for the Trust since 2014 has been staff reporting issues of bullying and harassment. This work has also been enhanced with the development of the Equality and Inclusion Strategy and the adoption of the Workforce Race Equality Standard (WRES), which seek to ensure no member of the workforce is disadvantaged based on the ethnic background, gender, sexual orientation, disability or age. Whilst national reporting on the WRES has been

delayed for the 2019-20 data, the Trust continues to work on equality, diversity and inclusion thorugh the People Strategy and supporting committee structure.

Over time the Trust has seen its performance improve against these indicators. As noted in the Staff Survey section, the Trust has seen a reduction of staff reporting they have experienced bullying and harassment to below the national average for the first time in 5 years.

The Trust has worked hard on its well-being offer to staff and launched Up!, the new branding for staff health and well-being in March 2020. Staff support is crucial and has increased even more during the Covid-19 pandemic, including 24/7 psychological first aid support, a range of mental well-being support, as well as practical support to staff including free meals, car parking and childcare.

Guardian of Safe Working

The Trust has in place a Guardian of Safe Working, to support and safeguard the working conditions for doctors in training (junior doctors). The Guardian of Safe Working monitors compliance with rotas and availability of training and support opportunities, as well as encouraging staff to exception report where they have worked additional hours or have queries about their rosters. The Guardian of Safe Working reports directly to the Trust Board on the quarterly basis.

The Guardian of Safe Working noted that the most common reason for submitting an exception report during the year appears to be related to staying beyond the contracted hours or support to educational and training opportunities. The Guardian of Safe Working has provided updates to the Trust Board on actions taken to address these issues, which include meeting with senior clinicians and education supervisors within specialties to plan improvements.

During the year, an updated Junior Doctor mess was created to provide better space for rest and recuperation, which has been warmly welcomed by our colleagues. In addition, senior staff attended the Junior Doctors' Forum by invitation to engage in the issues that would make a positive difference to junior doctors' experiences in the Trust. This year, invitations have been extended to the Chief Executive and Director of Workforce and Organisational Development. In addition, the Freedom to Speak Up Guardian has attended to introduce herself and her role, and provide assurance that speaking up is supported in the Trust.

Staff Support during Covid-19

The Staff Psychosocial Support Team was created week commencing 16th March 2020 and is a collaborative effort of our Psychological Services, Pastoral and Spiritual Care, Occupational Health and Organisational Development (OD)Teams.

The service commenced to ensure our people received the right support to assist them through traumatic and difficult situations. The service is also built upon the work the Psychological Services Team had begun around a response for staff in case of a Major Incident. The Psychosocial Staff Support Service is working to the Covid-19 Trauma Response Working Group rapid guidance and the recent guidance issued by the British Psychological Society. Each service uses 4 different levels to understand how our staff are presenting, who is appropriate to support them and what level of intervention might be required.

Successes:

- Quick turnaround of service provision. We had local provision of staff support line 2 weeks in advance of national offer.
- Move of drop in centres to dining rooms has increased visibility and availability of level 1 and 2 support. Using treats and freebies helps us to start an easy dialogue and create an atmosphere where it is easy to talk and ask for help. Private talking spaces are also available for those that need it.

- Collaborative working between all teams has been outstanding with all bringing their appropriate knowledge, skills and experience to the service.
- Psychological First Aid – virtual and face to face training for teams and individuals allows a wider spread of skills and supports a culture where it's ok to ask for help.
- Alone Together Project – Supporting those feeling isolated with online clubs and chat.
- Wobble Room/Escape Space support and kits (DIY in local rooms) have been popular with over 30 requests for the kits to set up their own room. The first 3 were delivered on 1 May 2020 with a further 30 to be delivered by 8 May 2020.
- Planning in place for post Covid-19 working in collaboration with CCGs for staff services and referral pathways.

Concerns:

- Managing transition of teams providing the staff support services back into their "original work roles" alongside maintaining a service. Focus on understanding how long and at what level service provision needs to continue within HUTH.
- On-going capacity to staff services such as Drop in, phone line and training provision during a transition back to "normal" service provision.
- Post Covid-19 support for staff and in particular supporting managers with staff who are recovering both physically and mentally from Covid-19 or its impacts.

Workforce Equality

The Trust believes in fairness and equity and above all values diversity in all of our dealings, both as a provider of health services and employer of people. The Trust's Equality, Diversity and Inclusion Strategy, which feeds into the Trust's People Strategy 2019 to 2024, supports this vision by demonstrating our commitment to meeting the needs and wishes of local people and our staff, and the duties placed upon us by the Public Sector Equality Duty which was created by the Equality Act 2010.

In line with the Public Sector Equality Duty, the Trust is required to annually report on how large the pay gap is between their male and female employees via the Gender Pay Gap Report; the differences between the experience and treatment of White and BAME staff via the Workforce Race Equality Standard; and the differences between workplace experiences between Disabled and Non-Disabled staff via the Workforce Disability Equality Standard.

As at 31 March 2019, the Trust's mean gender pay gap is 29.04% (i.e. this means that women's average earnings are 29.04 less than men's). The median gender pay gap is 18.18% (i.e. this means that women's average median earnings are 18.18% less than men's). Further details on the Trust's Gender Pay Gap Report can be found in full in this report and also on the Trust's website

The Workforce Race Equality Standard report covering the period 1 April 2018 to 31 March 2019 showed a number of positive steps towards closing the gap between the experiences of White and BME staff in the Trust. Further details can be found in last year's annual report and also on the Trust's website.

In 2019, the Trust published its first Workforce Disability Equality Standard (WDES). The WDES is a set of ten specific measures which enables NHS organisations to compare the workplace experiences of Disabled and non-disabled staff. Further details can be found on the Trust's website.

Whilst the requirements of the general duty of the Equality Act 2010 remain in force, due to COVID-19, The Equality and Human Rights Commission has suspended Public Sector Equality Duty reporting obligations in England for 2020, meaning there is a delayed submission of the NHS Workforce Race Equality Standard (WRES) or the NHS Workforce Disability Equality Standard (WDES) this year. The Trust continues to be committed to the equality, diversity and inclusion agenda and ensuring that the principles of equality and inclusion are in all that we do

and will be publishing its data and analysis for the WRES and WDES for the new submission date later in 2020, and will be available from the Trust's website in due course.

Trade Union Facility Time
The Trade Union (Facility Time Publication Requirements) Regulations 2017 requires employers, including NHS Trusts, to report annually a range of data in relation to their usage and spend on trade union facility time.

The Government has confirmed that, due to the pressures faced by COVID-19, the deadline for reporting on trade union facilities time (time off from an individual's job to carry out a trade union role) will be extended from 31 July 2020 until 30 September 2020. This will cover the reporting period 1 April 2019 to 31 March 2020.

Whilst therefore not detailed in this Annual Report, the Trust will ensure it publishes its report separately by the revised national reporting deadline on the Trust's website and via the Government portal to enable it to be placed on the Gov.UK website.

Modern Slavery Statement
Following the introduction of the Modern Slavery Act in 2015, businesses are required to produce and publish on their website an annual modern statement within six months of the end of the financial year. This should set out the steps they have taken to identify and address their modern slavery risks, not only in their own business but also in supply chains.

In April 2020 the Government produced guidance, advising that businesses which need to delay the publication of their modern slavery statement by up to 6 months due to COVID-19 related pressures will not be penalised. On this basis, given current workloads and priorities associated with COVID-19, the Trust will delay publication until later in the year. The Statement, which will provide detail from 1 April 2019 to 31 March 2020, and Action Plan will be published on the Trust's website by 30 September 2020.

Golden Hearts nominations
The Trust celebrates its great staff each year through a staff awards scheme called the Golden Hearts. An extensive process to receive and review staff nominations in a number of categories is undertaken and a celebration event held where winners receive their awards.

The ninth annual Golden Hearts awards ceremony took place on 7th June 2019 to celebrate teams and individuals who go the extra mile for their patients, colleagues and services. Held at the Hilton Hotel, Hull, more than 400 people attended to see 15 awards given out to our very worthy winners.

The full list of 2019 Golden Hearts winners is as follows:

Award	**Winner**
Making it Better	HEY Baby Team
Great Leader	Lindsey Harding, Head of HR Advisory Service
Moments of Magic	Jenny Wilson, Nurse Auxiliary, Ward 5
Lifetime Achievement	David Haire, Project Director, Fundraising
Team Spirit	Renal, Dietetic Team
University Partnership Working	Respiratory Palliative Care Research Partnership
Lessons Learned	Karen Harrison, Tissue Viability

Apprentice of the Year	Andrew Eagle, Grounds and Gardens Team
Outstanding Team of the Year: Non-Clinical	Radiotherapy Physics Team
Outstanding Team of the Year: Clinical	Kidney Transplant Team
Outstanding Individual: Medical	Kamrudeen Mohammed – Consultant Diabetes and Endocrinology
Outstanding Individual: Nursing/Midwifery	Chloe Tennyson, Staff Nurse, Paediatric Outpatients
Outstanding Individual: Scientific, Therapeutic &Technical	Julie Randall, Pharmacy
Outstanding Individual: Non-Clinical	Stuart Cutts and Tania Hicks
Health Group Award	Clinical Support Services

Further information about our staff is set out in the Remuneration and Staff section of this Annual Report.

GREAT CARE

The Trust uses a number of performance indicators to measure the quality of care that it provides to its patients. The Trust sets its own quality and safety priorities, following consultation with stakeholders and these are published in the Trust's Quality Accounts. In addition, the Trust Development Authority (now NHS Improvement) has a number of mandated indicators which cover patient safety, infection control, clinical effectiveness, maternity, patient experience and NHS Constitution standards.

A number of performance standards in March 2020 were significantly affected by Covid-19 and the steps that

Quality Accounts 2019/20

Each year the Trust publishes its Quality Accounts. These contain the details of the quality and safety priorities for 2018/19 and how we performed against them. The Quality Accounts are published on NHS Choices webpage and also on the Trust's website. The Quality Accounts are published by 30 June and this Annual Report should be read in conjunction with the Quality Accounts.

Patient Safety

Domain	Indicator	Standard	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	2019/20
Safe	Occurrence of any Never Event	0	0	1	2	1	1	0	0	0	2	0	1	0	8
	Potential under-reporting of patient safety incidents (reported 6 months)	reduction	50.75						33.56						42.15
	VTE Risk Assessment	95%			92.63%			92.29%			92.12%			not yet published	92.35%
	Patient Safety Alerts Outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	MRSA Bacteraemias	0	0	0	1	0	1	0	0	0	0	0	0	1	3
	Clostridium Difficile	<=80 (19/20)	3	3	3	0	2	5	6	3	3	4	5	7	44
	Emergency C-section rate	<=12.1%	16.30%	18.50%	14.60%	17.70%	14.70%	20.20%	19.90%	16.80%	16.80%	19.60%	15.50%	14.50%	17.09%
	Stroke - % of patients spending at least 90% of their time on a Stroke Ward	≥80%	83.87%	88.73%	75.90%	80.22%	86.67%	86.96%	81.25%	85.29%	84.34%	83.53%	85.96%	72.73%	82.73%
	Stroke - % of patients admitted to a Stroke Ward within 4 hours via A&E	≥90%	77.60%	76.00%	81.50%	72.90%	82.00%	79.20%	78.00%	82.70%	69.00%	78.60%	71.10%	75.70%	77.00%
	Stroke - TIA Service: % of high risk patients treated within 24 hours	≥75%	100.00%	100.00%	100.00%	77.80%	100.00%	100.00%	100.00%	100.00%	100.00%	not yet published	not yet published	not yet published	96.80%
	Stroke - TIA Service: % of low-moderate risk patients receiving specialist assessment and brain scan within 7 days	≥95%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	not yet published	not yet published	not yet published	100.00%

The Trust has reported 8 Never Events this year; zero were reported last financial year. A full investigation has taken place for each incident. Whilst each incident was unrelated, there has been an issue with compliance with the Trust's safer surgical checklist policy, as measured through regular audits. The Trust invited a peer visit from NHS Improvement to look at the Trust's implementation of the safer surgical checklist and welcomes the insight provided by this team. The Trust has implemented more robust measures on its safer surgical checklist training, audit and policy.

The Trust was below the threshold for *clostridium difficile* cases and further information on infection prevention and control is given below. The Trust has maintained its position in responding to patient safety alerts throughout the year, as well as meeting three out of four stroke measures. The fourth measure is indicative of an issue that the Trust needs to address, around acute patient flow.

Areas where further improvements are required: The Trust continues to work on its compliance with Venous Thromboembolism Episode (VTE – a blood clot) risk assessments and acknowledges that compliance needs to reach the required standard in this area. The Trust is also reviewing its emergency Caesarean Section rate – the Trust has set a stretch target to below 12.1% against a national standard to be below 15%.

MRSA: please see infection prevention and control section below.

Infection Prevention and Control

CAI means Community Acquired Infection, i.e. an infection that originated outside of the organisation but required joint investigation and treatment by the Trust

Figures in red for 2019-20 indicate that the Trust's threshold was exceeded; green figures that the Trust remained under threshold

MRSA bacteraemia				
	2016/17	2017/18	2018/19	2019/20
Totals	**2**	**1**	**4 (+2 CAI)**	**3 (+3 CAI)**

Threshold for 2019/20 = 0

Clostridium difficile				
	2016/17	2017/18	2018/19	2019/20
Totals	45	38	32	34

Threshold for 2019/20 = 80

MSSA Bacteraemia				
	2016/17	2017/18	2018/19	2019/20
Totals	35	36	60	62

2019/20 threshold - there are no national thresholds for this infection but for 2019/20 there is a locally agreed CCG stretch target of 50 cases

E.coli Bacteraemia				
	2016/17	2017/18	2018/19	2019/20
Totals	81	110	112	120

Monitoring only – no threshold set

Klebsiella bacteraemia				
	2016/17	2017/18	2018/19	2019/20
Totals	-	28	33	44

Monitoring only – no threshold set

Pseudomonas Aeruginosa Bacteraemia				
	2016/17	2017/18	2018/19	2019/20
Totals	20	20	13	24

Monitoring only – no threshold set

In respect of MRSA, three Trust apportioned cases have been investigated, one deemed avoidable and two unavoidable. A further community apportioned case was deemed Trust apportioned in November 20219 and deemed avoidable. Lessons learned from avoidable cases are shared with the Health Group where the infection originated.

There were 62 Trust apportioned MSSA bacteraemia cases by year end with 18 reported in Quarter 4, an increase in number of cases reported for the same time period 2018/19. All Trust apportioned cases are investigated using a root cause analysis (RCA) process. Of the first 43 reported cases investigated, it was identified that 43% were linked to catheter use with the remainder mixed trends including pneumonia, surgical site infections, skin and soft tissue infections (pressure sores/leg ulcers), urinary tract infections, possible contaminant and some cases unknown source. Ongoing work around catheter usage continues with some cases being managed by other teams outside of the Trust. Updated bundles, competency training and education are part of this ongoing work.

34 hospital-onset healthcare associated *Clostridium difficile* cases and 14 community onset healthcare associated cases were reported. All 58 cases have been investigated using a root

cause analysis (RCA) process and tabled at a commissioner led HCAI review group. To date, of the cases tabled, 5 lapses in practice have been identified. These are fed back to the Health Group for lessons learned.

For the financial year 2019-20, PHE and NHS England require a year on year reduction in E.coli bacteraemia cases. In addition, NHS Trusts continue to report cases of bloodstream infections due to Klebsiella species and Pseudomonas aeruginosa. This is to support the government initiative to reduce Gram-negative bloodstream infections by delivering a 25% reduction by the financial year 2021-2022 with the full 50% by 2023-2024.

The focus of attention is on the reduction of urinary tract infections, which are responsible for the largest burden of E.coli infections. The Trust, along with system partners, across Hull and East Riding are involved in a number of projects to try and reduce the burden of these infections including prudent assessment of patients with suspected urinary tract infections and less reliance on inaccurate diagnostic tools.

In respect of the Turst's figures, 120 *E.coli* bacteraemia cases have been reported (112 in 2018/19), 43 Klebsiella (34 in 2018/19) and twenty four Pseudomonas aeruginosa (13 in 2018/19). Any differences should be treated with caution due to small numbers and natural variation. The Infection Prevention and Control team to monitor and review patient environments and identify any 'hot spot' areas for more preventative measures that could be taken.

In addition, Antimicrobial Resistance Commissioning for Quality Improvements (CQUINs) for 2019/20 are focusing on the improving the management of lower Urinary Tract Infection in older people (CQUIN 1a) both from a diagnostic and antibiotic treatment perspective. The main drivers are concerns over the high resistance rates to commonly-used antibiotics and, also, the learning around the care of patients with urinary catheters and indwelling vascular devices both in hospital and the community. The reviews of cases in 2019-20 suggest ongoing causes related to complex abdominal and urological surgery, biliary and urinary sepsis. Ongoing review of cases continues by the Infection Prevention and Control team, with those deemed possibly preventable or preventable requiring a Root Cause Analysis by the Health Group for cases related to urinary tract infections and delay in treatment.

Influenza activity in 2019-20 was mostly seen in during January–March 2020, with mainly Influenza A resulting in inpatient admissions. During February-March 2020 a reduction in cases was noted.

Norovirus activity continued during January and February 2020, with fewer outbreaks reported in March 2020, affecting mainly medical and medical elderly wards.

Novel Coronavirus 19 (Covid-19)
As at 31 March 2020, the Trust was part of the national NHS response to testing and treating patients with Covid-19. The Trust is reporting its figures through daily sit-rep nationally and these figures are published daily. The Trust has published its Surge and preparation plans and providing daily updates to all staff. This will be analysed in full in the 2020-21 annual report; current information can be found on the Trust's website. At present there is no NHS contractual monitoring or measurement of Covid-19, which applies to the above infection prevention and control areas. It is anticipated that this will change during the course of 2020-21 and therefore included in full in the next annual report.

Covid-19 preparation
The Trust has put in place a full surge plan, which was published to all staff on 7 April 2020 and made available to the public and the media at the same time. Within this, the Trust stood up a full incident command structure in early March 2020 to respond to national requirements on all NHS Trusts: all non-urgent elective activity was stood down by the end of March 2020, all

outpatient appointment activity was reviewed, maintained or postponed, with telephone and video conference appointments put in place where possible. The Trust's inpatient wards including critical care were fully reconfigured to have Covid-19 screening and Covid-19 positive patient wards, and Covid-19 negative wards. In addition, the Trust's Emergency Department was reconfigured into Covid-19 and non-Covid-19 areas. Patient visiting was suspended on 25 March 2020 apart from exceptional circumstances. Staff were rapidly retrained and redeployed in to key clinical areas in anticipation of a surge of Covid-19 patients, as well as putting in place a clinical prioritisation process to accommodate those patients still requiring urgent surgery, including cancer-related surgery. This was all commenced in March 2020 and completed by mid-April 2020. The Trust built upon its existing infection prevention and control practices around cohorting patients, adapting its Personal and Protective Equipment guidelines to all staff as new national guidance was issued, and reviewing all patient areas, such as waiting rooms, to maintain social distancing. The Trust's figures are shared nationally each day with Public Health England and monitors patient and staff testing rates. The Trust is a full partner of the Local Resilience Forum, which is ensuring all NHS Trusts have all appropriate measures in place and support each other, such as mutual aid on PPE and staff testing capacity.

Effectiveness

Single Oversight Framework (SOF) indicators 2019/20:

Domain	Indicator	Standard	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	2019/20
Effective	HSMR	< 100	87.5	93.5	86.4	83.4	81	96.7	85.9	100.4	100.7	99.7	not yet published	not yet published	91.8
	HSMR Weekend	< 100	108.2	72.7	91.3	114.9	72.2	77.1	90.6	120.7	89.7	117.6	not yet published	not yet published	96.2
	SHMI	< 100	101.7	107.3	101.7	106.4	98.1	105.5	106.2	not yet published	not yet published	not yet published	not yet published	not yet published	105.1
	Theatre Utilisation	90%	89.0%	87.9%	89.5%	84.0%	80.5%	86.6%	87.0%	89.0%	81.7%	87.7%	86.6%	69.8%	86.3%
	30 Day Readmissions	<=7.9%	8.5%	8.8%	7.9%	7.9%	8.2%	8.2%	8.5%	8.3%	8.5%	8.2%	7.4%	not yet published	8.2%

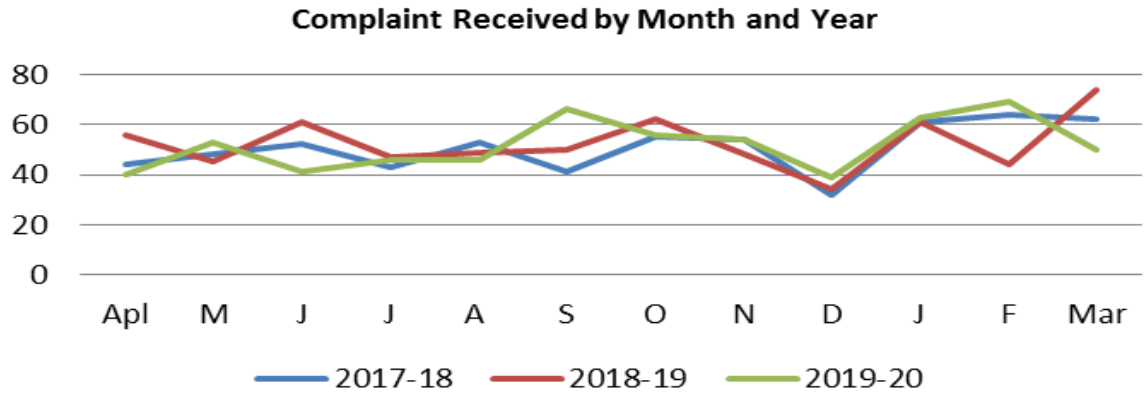
The Trust has in place a Mortality and Morbidity Committee, which is a multi-agency Committee across the Trust's Health Groups and including primary care colleagues.. The Committee undertakes more detailed analysis of the factor affecting mortality, and is making good progress against the requirements of the National Quality Board Learning from Deaths framework – at present the Trust is meeting all national requirements with this framework and the results of the Learning from Deaths reviews are reviewed at the Mortality and Morbidity Committee. The Committee has also received a deep dive in to the 30 days readmission figures to understand if particular clinical conditions were contributing to the slightly elevated figure recorded. This provided valuable insight in to the most common conditions with which patients were readmitted and whether these were avoidable.

Patient experience

Single Oversight Framework (SOF) indicators 2019/20:

Domain	Indicator	Standard	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	2019/20
Caring	Inpatient Scores from Friends and Family Test - % positive	-	97.83%	98.46%	97.97%	98.10%	98.62%	97.23%	97.69%	98.00%	99.23%	99.05%	98.31%	not yet published	98.23%
	A&E Scores from Friends and Family Test - % positive	-	80.98%	81.64%	83.53%	81.11%	81.09%	81.34%	79.04%	78.89%	78.20%	77.19%	78.22%	not yet published	80.11%
	Maternity Scores from Friends and Family Test - % Positive	-	100%	100%	98%	100%	100%	85.71%	100%	100%	100%	97%	100%	not yet published	98.00%
	Staff Surveys: FFT recommend the Trust as a place to work	-			68.5%			68.3%			62.7%			not yet published	66.50%
	Staff Surveys: FFT recommend the Trust as a place for care/treatment	-			81.6%			82.3%			70.3%			not yet published	78.10%
	Written Complaints Rate	Reduction	34	51	42	47	43	58	54	54	45	60	63	not yet published	551
	Mixed Sex Accommodation Breaches	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Complaints



Complaints by Health Group and Subject (primary)	Advice	Attitude	Care and Comfort	Communication	Delays, Waiting times and Cancellations	Discharge	Environment	Hotel	Safeguarding	Special Needs	Treatment	Total
Corporate Functions	0	1	0	3	1	0	0	0	0	0	0	5
Clinical Support	0	3	7	4	2	2	0	0	2	0	22	42
Emergency & Acute	0	3	3	3	5	1	0	1	0	0	49	65
Family & Women's	0	6	6	11	9	1	1	0	1	1	82	118
Medicine	2	9	45	11	9	17	0	3	4	0	85	185
Surgery	1	9	13	20	17	12	0	0	3	0	133	208
Totals:	3	31	74	52	43	33	1	4	10	1	371	623

This graph sets out comparative complaints data from 2017-18 to date. During the period 1 April 2019 to 31 March 2020, the Surgery Health Group (HG) received 208 complaints (33.3%), Medicine HG 185 (29.6%), Family and Women's HG 118 (19%), Emergency HG 65 (10.4%) and Cancer and Clinical Support HG 42 (6.7%) complaints. Five complaints were received for non-HG areas. The decrease in March 2020 is as a result of Covid-19 when a reduced number of complaints were received.

Complaints are not always reflective of activity in the month received and can often be about episodes of care several months, or even years previously.

In 2019/20, 606 formal complaints were closed. The Trust aims to close complaints within 40 working days and in 2019/20 67% of complaints were closed within this timescale. This is below the Trust's target of 85%. The Patient Experience team are working closely with the Health Groups to improve the closure of complaints in a timely manner. Treatment - not satisfied with plan remains the highest area for complaints (113), with outcome of surgery (72), outcome of treatment (59), diagnosis incorrect (46) and diagnosis delay (25) being the top five sub-subjects within treatment complaints.

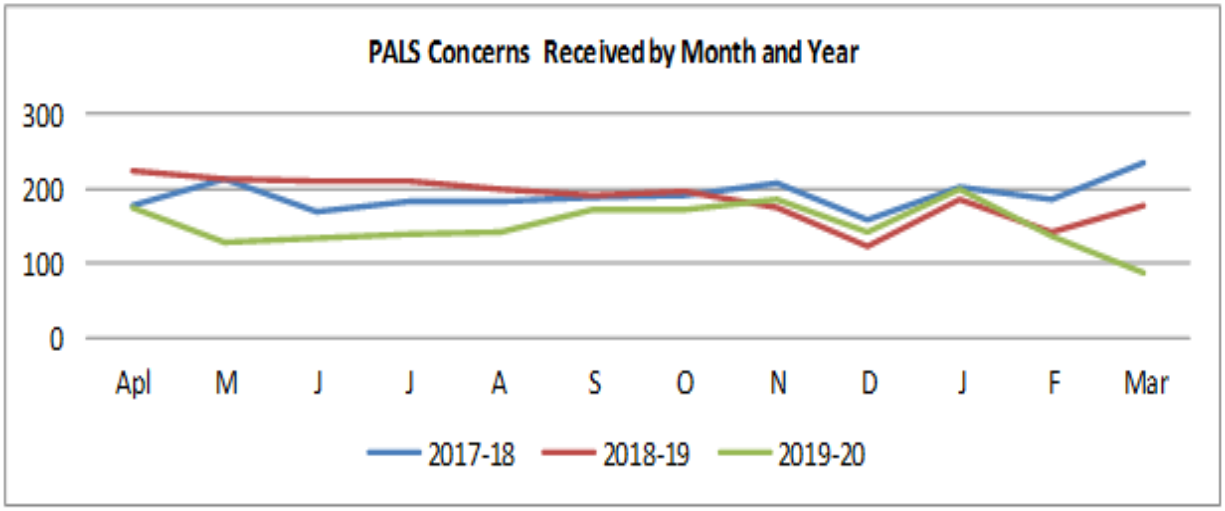
10 complaints were not investigated as the complainant had requested that it not be progressed, or the complaint was escalated for a serious incident investigation or de-escalated to PALS. 77 complaints were not upheld, 411 partly upheld and 108 upheld.

In respect of Covid-19 impact, complaints received after 23 March 2020, were held centrally for investigation to allow clinical staff to prioritise clinical duties initially. These complaints have been given a timescale of 60 working days and the Patient Experience Team will provide support as required.

Complaints closed within 40 working days 2018/19 (whole Trust):

Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
77.5%	77.5%	81.6%	58.5%	72.5%	70.7%	76%	64%	56%	50%	60%	68%

Patient Advice and Liaison Service (PALS)



PALS by Type	2017/18	2018/19	2019/20
Comments and suggestions	27	15	21
Compliments	328	150	142
Concerns	2297	2253	1813
General Advice	805	467	296
Totals:	3457	2885	2273

The total number of concerns, compliments, comments and general advice contacts received by the PALS team for April 2019 – March 2020 was 2273, a decrease of 21% from the previous financial year. The lower figure in March 2020 can be attributed to Covid-19 when activity at the Trust and patient queries significantly reduced.

The PALS team is working closely with all Health Groups to close concerns within 5 working days. PALS has moved the electronic recording of cases to DATIXweb, which will allow a more robust reporting system. The team will be working with Health Groups to develop this aspect in the coming months. This will allow the triangulation of PALS, Complaints and Incidents down to specific ward/department level and enable theme and trends to be identified quickly.

Top 3 areas of concerns raised were:
Waiting time for an outpatient appointment, including follow-up appointment.

- Not satisfied with the treatment plan
- Unprofessional or inappropriate behaviour by staff

Compliments during 2019/20 were received for the following Health Groups:
Clinical Support - 13; Emergency Medicine – 26; Family and Women's – 44; Medicine – 18; Surgery – 41

In addition to the compliments received by PALS, the Intensive Care Unit forwarded 25 letters of thank you for care provided by the nursing and medical teams

Parliamentary and Health Service Ombudsman

If the complainant remains dissatisfied with the response they receive, they can ask the Parliamentary and Health Service Ombudsman to independently review their complaint. During 2019/20 there were 3 new cases from a complaint referred to the PHSO, of which, 1 was not upheld and 2 were partially upheld.

Friends and Family Test (FFT)

In the last 12 months the Trust has received 54,557 pieces of feedback. Results are classified as Likely, Unlikely or Don't Know in respect of whether the individual would recommend the Trust's service to their friends and family. 93.28% of patients have said that they would be likely to recommend HUTH if they needed to receive care in the future and 3.33% of patients indicated they would be unlikely to recommend HUTH.

The Patient Experience team is in the process of re-launching the 'You Said We Did' feedback boards to inform patients how feedback is used to improve patient services.

Volunteer Services

Currently there are 461 volunteers at HUTH: 282 Adult volunteers and 179 Young Health Champions on the young volunteer programme across both sites. The Patient Experience Team is in the process of recruiting another 102 volunteers. The broad range of activities carried out by volunteers in the hospital is recognised by frontline staff and patients with volunteers having gifted 17,705 hours since April 2019.

The added value that volunteers bring into the organisation opportunities have been provided for the public to volunteer in departments other than clinical areas.

Patient Experience has been working to ensure the recruitment process is clearer and quicker for volunteers whilst remaining safe and that core principles of the Lampard enquiry (2015) are upheld when recruiting.

Each volunteer has access to the Trust's education website to complete mandatory training including Safeguarding, Information Governance and fire training before the recruitment process is complete. A volunteer induction is held monthly for new recruits, which volunteers must attend before actively volunteering. This gives assurance to the volunteer and the departments. The induction includes a presentation from the Infection Control Team and the Dining Companion Educators. The Voluntary Service Team has reviewed the new national learning hub for volunteering, which enables volunteers to gain a national certificate in volunteering. This is supported by Health Education England and covers the majority of mandatory training already on offer at the Trust. This will be reviewed further to consider the benefits for volunteers at HUTH.

Responsive

Single Oversight Framework (SOF) indicators 2019/20:

Domain	Indicator	Standard	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	2019/20
Responsive	Diagnostic Waiting Times: 6 Weeks	<=1%	4.59%	7.65%	8.71%	9.05%	11.22%	10.05%	9.23%	9.79%	10.71%	12.90%	11.54%	20.26%	10.56%
	Referral to Treatment Incomplete pathway	92%	76.16%	76.83%	75.75%	75.18%	73.13%	72.13%	71.14%	69.98%	69.66%	68.35%	68.14%	65.36%	
	Referral to Treatment Incomplete 52+ Week Waiters	0	0	0	0	0	0	0	0	1	0	1	0	86	
	Proportion of patients not treated within 28 days of last minute cancellation	0	4	4	0	0	0	0	0	2	2	1	5	2	
	A&E Waiting Times	95%	73.5%	75.2%	78.0%	74.5%	75.1%	73.9%	70.6%	66.9%	59.6%	60.4%	63.0%	71.7%	70.32%
	Ambulance turn around - number over 30 mins	0	786	754	741	922	893	812	1098	1294	1843	1515	1025	672	
	Ambulance turn around - number over 60 mins	0	129	133	185	174	197	249	357	422	813	671	384	193	
	Stranded Patients (21 days)	< 77 (Mar 20)	120	122	121	112	117	119	118	115	111	130	122	126	
	Two Week Wait Standard	>=93%	95.25%	94.15%	93.61%	92.95%	94.27%	93.20%	93.07%	89.50%	93.16%	90.80%	94.73%	not yet published	93.15%
	Breast Symptom Two Week Wait Standard	>=93%	82.14%	80.65%	84.14%	84.77%	88.00%	93.40%	91.91%	72.29%	79.08%	75.00%	91.67%	not yet published	83.82%
	31 Day Standard	>=96%	94.55%	92.26%	89.68%	90.74%	91.47%	90.83%	91.84%	90.12%	94.94%	89.13%	97.38%	not yet published	91.97%
	31 Day Subsequent Drug Standard	>=98%	100.00%	100.00%	100.00%	96.55%	100.00%	100.00%	100.00%	98.31%	100.00%	98.97%	100.00%	not yet published	99.39%
	31 Day Subsequent Radiotherapy Standard	>=94%	97.91%	98.90%	98.36%	98.73%	98.08%	98.70%	97.99%	100.00%	98.96%	96.60%	95.24%	not yet published	98.11%
	31 Day Subsequent Surgery Standard	>=94%	84.81%	80.26%	74.65%	87.69%	73.24%	83.33%	74.58%	83.82%	81.48%	72.88%	83.05%	not yet published	80.03%
	Cancer: 62 Day Standard	>=85%	73.05%	68.90%	63.89%	69.33%	65.91%	78.00%	73.50%	67.96%	68.20%	60.47%	67.07%	not yet published	63.96%
	Cancer: 62 Day Screening Standard	>=90%	76.60%	58.06%	76.12%	55.32%	69.64%	71.43%	68.97%	80.00%	70.00%	43.04%	39.66%	not yet published	66.80%
	Cancer 104 Day Waits	0	19	15	34	24	31	37	39	26	48	32	31	not yet published	
	Dementia: >=75 years Emergency Admission LOS >72 hours - Find	90%	90.1%	89.9%	90.2%	90.6%	90.3%	90.2%	90.3%	90.5%	90.0%	90.1%	90.1%	90.1%	90.2%
	Dementia: >=75 years Emergency Admission LOS >72 hours - Assess/Investigate	90%	100.0%	95.6%	97.5%	100.0%	100.0%	100.0%	100.0%	98.0%	98.4%	100.0%	100.0%	100.0%	99.1%
	Dementia: >=75 years Emergency Admission LOS >72 hours - Referral	90%	100.0%	97.6%	94.6%	100.0%	100.0%	97.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.2%

The Trust's position on 'responsive' was adversely affected in March 2020, following national directives to cancel elective procedures and outpatient clinics in order to create capacity for Covid-19 patients. Until this point, the Trust was on track to maintain 52-week breaches at two for the year, to maintain its waiting list volume to the required figure, to achieve the 2 week-wait standard for the year and achieve 2 out of 31-day cancer standards. Where the March 2020 data are already available, the data demonstrate the significant impact that these cancellations had on the performance the Trust was previously able to achieve.

Throughout the year, the Trust was not meeting the Emergency Department four-hour or ambulance handover targets, which had become the area of specific focus for the Trust Board. The Trust has not met the diagnostic waiting standard throughout the year and the reasons for this have been subject to detailed analysis and recovery planning.

The 18-week referral to treatment (RTT) pathway is reported against the NHS Constitutional Standard of 92% and the Trust's position remained as expected throughout the year, given that the Trust was not commissioned for the significant additional volumes of activity that reaching a waiting list position of 92% would have entailed. This will be impacted negatively by the Covid-19 measures on clinical activity and the Trust will need to put in place significant recovery planning following the anticipated surge in Covid-19 patients in order to mitigate any risk in patient harm due to longer waits for treatment.

Care Quality Commission Inspection

The Trust was inspected during 2019/20 by the Care Quality Commission. The Care Quality Commission undertook an inspection of the Trust's core services in March 2020 but due to Covid-19, was not able to complete the scheduled Use of Resource of Well-led assessments. The report from the unannounced core service inspections has not yet been received and therefore the Trust's current ratings are from the last inspection in February 2018 as follows:

	Safe	Effective	Caring	Responsive	Well-led
Overall domain for the Trust	Requires Improvement	Good	Good	Requires Improvement	Good
Overall Trust rating	Requires Improvement				

In response to previous inspections, the Trust incorporated new Quality Improvement Plan, to make progress against the areas identified by the CQC inspections and other quality improvement issues. The Trust puts in place an updated Quality Improvement Plan each year, which puts in place a project plan of improvement in particular areas of care and delivery; a significant amount of time and effort goes in to making improvements against the Quality Improvement Plan projects.

The projects from the 2019/20 Quality Improvement Plan was:

- Medicine Optimisation
- Deteriorating Patient
- Pressure Ulcers
- Nutrition
- Dementia
- Patient Experience
- Outpatients
- Acute Kidney Injury
- Mental Health

There has been a number of significant achievements in the delivery of the Quality Improvement Plan and there is good evidence that improvements and actions have been completed in relation to the CQC actions for Mental Health, Medicine Optimisation, Outpatients, Patient Experience and Dementia, however as these have not been formally re-assessed these could still remain a risk for the Trust. There continues to be a number of projects which have been unable to evidence a significant increase in performance despite completion of milestones, including some aspects of Nutrition, Dementia and Deteriorating Patient however these have remained high on the Trust's agenda and in particular for Deteriorating Patient and Nutrition, assurance has been received from the leads that progress was made via presentation to the January 2020 Quality Committee.

The Trust is currently setting its priorities for the QIP for 2020/21; this will need to take account of organisational capacity due to Covid-19 and any specific areas of improvement raised through the CQC's core service inspections once the report has been received.

A more detailed analysis of the Quality Improvement Plan is routinely contained in the Trust's Quality Accounts 2019/20, which will be available on the Trust's website by 30 June 2020.

Financial performance and organisational health

The financial position at year-end is summarised in the section above, and financial governance detailed further on in this report.

Other performance

Sustainable development

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

In order to fulfil our responsibilities for the role we play, the Trust has the following sustainability mission statement located in our sustainable healthcare strategy:

Sustainability in Healthcare is changing, not only do we have a responsibility as a provider organisation but as part of the wider NHS we have a huge part to play in the delivery of the nation's sustainability goals.

The NHS touches the lives and impacts the carbon foot print of almost every individual in the country. Consequently, we are reviewing how services are delivered now and in the future. The Trust continues to support an NHS that is working to reduce carbon emissions, minimising waste and pollution, making the best use of scarce resources. We need to build resilience to the effects of a changing climate and nurturing our communities. Working towards vertical integration of healthcare services, in partnership with our contractors and suppliers to ensure they to embrace our ethos.

Reporting on our performance is paramount to inform and educate us on the areas where our focus should be. It also provides us an opportunity to increase awareness in services that may not realise the contributions they can make. The Trust has been recognised nationally and was honoured to receive a certificate for 'Excellence in sustainability reporting' awarded by the Sustainable Development Unit (SDU), NHS Improvement and the Health Finance Managers Association (HFMA).

As a part of the NHS, public health and social care system, it is our duty to contribute towards the level of ambition set in 2014 of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline) equivalent to a 28% reduction from a 2013 baseline by 2020. It is our aim to meet this target by reducing our carbon emissions 28% by 2020 using 2013 as the baseline year.

One of the ways in which an organisation can embed sustainability is through the use of an SDMP. An update to our SDMP is required because it has not been approved by the board in the last 12 months.

We completed the Sustainable Development Assessment Tool (SDAT) tool during 2019/20 and are awaiting internal review prior to submission. The assessment proved useful to identify areas of potential improvement as well as good work that was previously not captured. An example of this was the work in recruitment team and requests from applicants for information on the Trust's work towards reducing its impact on the environment.

Our organisation evaluates the environmental and socio-economic opportunities during our procurement process, requesting and reviewing details from suppliers for environmental and

carbon management systems, including external certifications and strategies, as part of the decision-making process.

As an organisation that acknowledges its responsibility towards creating a sustainable future. We help to achieve that goal by running awareness campaigns that promote the benefits of sustainability to our staff.

Adaptation

Climate change brings new challenges to our business both in direct effects to the healthcare estates, but also to patient health. Examples of recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods, droughts etc. The organisation has identified the need for the development of a board-approved plan for future climate change risks affecting our area.

Green space and biodiversity

Currently the organisation does not have a formal approach to unlock the opportunity and benefits of natural capital within a healthcare environment in supporting the health and wellbeing of patient, staff and the community and to protect biodiversity.

Energy

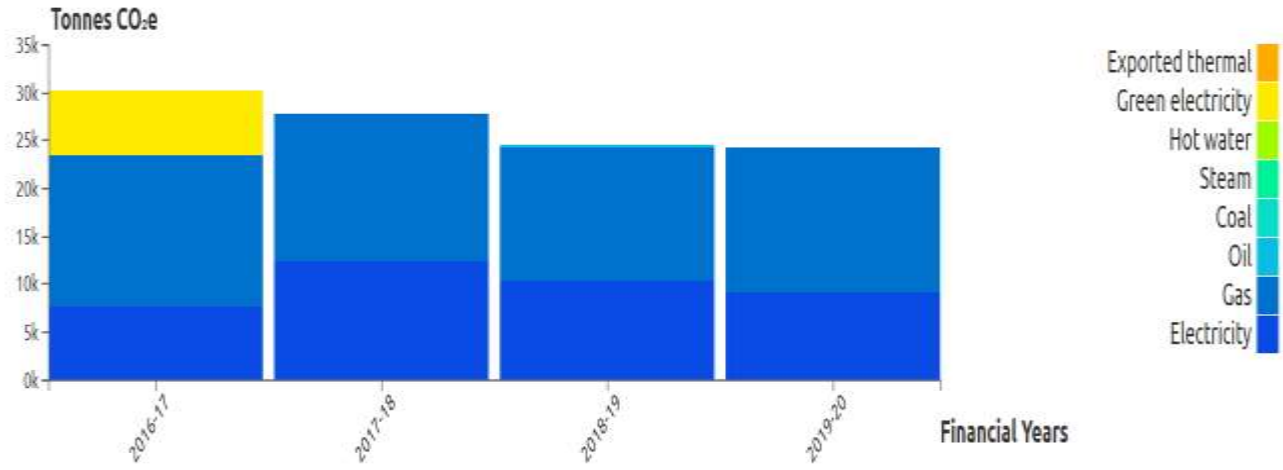
Energy consumption in kWh

	2016-17	2017-18	2018-19	2019-20
Electricity Consumed	14,635,689	27,497,952	29,045,520	28,530,717
Gas Consumed	75,731,540	72,563,655	67,254,657	72,996,079
Oil Consumed	298,298	258,110	633,914	0
Coal Consumed	0	0	0	0
Steam Consumed	0	0	0	0
Hot Water Consumed	0	0	0	0
Green electricity	12,978,818	0	0	0
Total	103,644,345	100,319,717	96,934,091	101,526,796

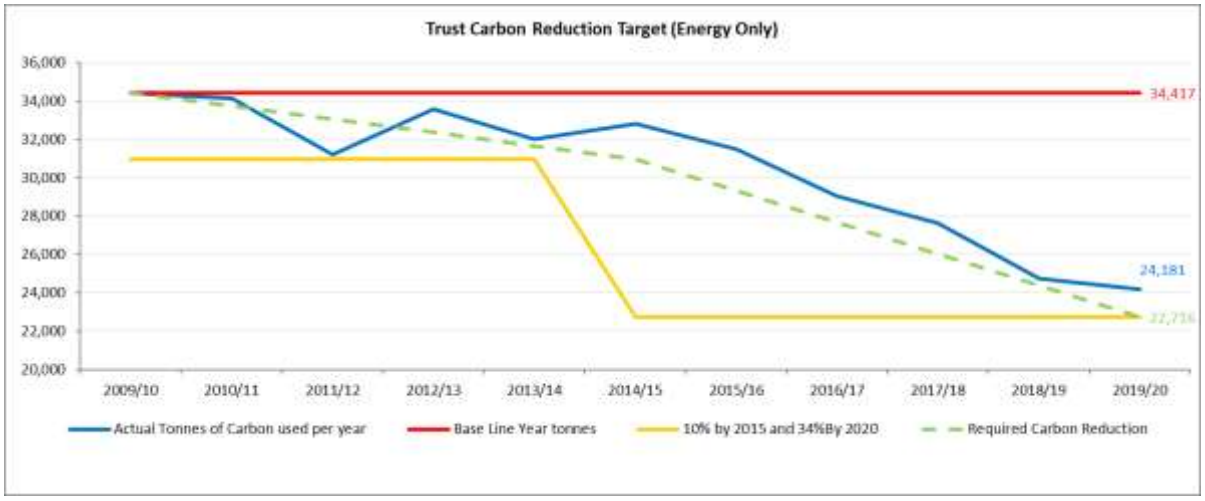
The Trust has spent £6,108,590 on energy in 2019/20, an increase of £568,417. This increase was due in part to the increase consumption and increases in the unit cost of the energy purchased.

The significant increase seen in the consumption of gas was due to the low temperatures during 2019/20. The degree day records show 19/20 was just over 7% colder than 18/19 returning closer to the average after the notable warm year experienced in 18/19. The increase in gas consumption was in line with that predicted for the Trust heating requirements combined with the CHP returning to increased operating hours from the reduction seen the previous year.

Carbon Emissions



The Trust has reduced our emissions to 24,181 tonnes. Though this remains above our target it shows a positive trend in line with the return to an increased heating demand following the warm year and hence reduced gas demand experienced in 18/19.
A number of schemes to reduce the Trusts emissions have been implemented during the year but have not yet come on line. These include two new Combined Heat and Power (CHP) plants one 100kWe unit the other a large 1.5MWe plant to replace an aging 700kWe plant. These are scheduled to come on line early in 20/21.



Water

	2016-17	2017-18	2018-19	2019-20
Water volume (m^3)	325,211	303,304	316,929	348,674
Waste water volume (m^3)	260,169	242,643	252,366	278,939
Water and sewage cost (£)	690,421	655,861	656,471	750,431

The water consumption at the Trust has increased in the last year, the majority of this increase was due to leakage experienced on both of the Trust main sites. The Estates teams have worked hard on locating and repairing leaks and to minimise future leakage the Trust continues to invest in replacing the ageing water mains on the Castle Hill Hospital site. The CHH site has now reduced its water base line to the lowest rate seen and due to monitoring leaks that do occur are repaired more quickly than previously. There is work ongoing at the HRI and new monitoring equipment installed to locate leakage or inappropriate usage to replicate the work carried out on the CHH site.

Waste

Waste in tonnes

	2016-17	2017-18	2018-19	2019-20
Waste recycling weight	1,599	1,745	1,641	1,615
Other recovery weight	25	11	27	127
Incineration disposal weight	1,190	1,165	1,079	1,208
Landfill disposal weight	86	102	87	45
Total	2,900	3,023	2,833	2,995

There has been an increase in the amount of waste sent to incineration in the last year due to segregation and increased generation of healthcare waste. This increase was identified during the year and in response the Trust has put in place a waste team to audit all areas, provide training, support and advice. Numerous areas could improve segregation that would not only reduce the cost to the Trust but also improve the volume of waste able to be recycled while minimising the burden on the countries incineration facility. This team started late in the financial year so had little impact on the figures.

Due to issues with incineration capacity and movement of healthcare waste the volume figures are accurate to the best of our ability but may be subject to change following updated returns received after this report has been submitted.

Emergency Preparedness, Resilience and Response

2019-20 Emergency Preparedness, Resilience and Response Annual Assessment

Details of the 2019-20 EPRR annual assessment were received by the Trust Board in January 2020; this submission was delayed one month past the 31 October 2019 deadline in order to undertake further audit work to check consistency of the Trust's self-assessment position. This was accepted by NHS England, which oversees this work. The assessment is used by NHS England to seek assurance the NHS is prepared to respond to an emergency and has resilience in relation to the continuing provision of safe patient care.

A total of 64 EPRR standards are applicable to the Trust as an acute provider. In 2018/19 the Trust's self-assessment found that it was not fully compliant with 5 of the standards, resulting in an overall assessment of 'substantially compliant'. This was endorsed by the subsequent NHSE/I confirm and challenge process.

In 2019/20, the Trust's self-assessment against nationally revised standards is that overall the Trust is 'partially compliant'. Of the 64 standards, the Trust is fully compliant with 50 standards, partially compliant with 13 standards and non-compliant with 1 standard.

The draft assessment was reviewed in a workshop with peers from Yorkshire and Humber Trusts and the Regional NHSE&I EPRR Team. They are content with our assessment and action plan to address the 14 standards with which the Trust does not fully comply.

The results of the Trust assessment and action plan were reviewed by a Board Committee and submitted November 2019. These were subsequently received by the next available Trust Board meeting in January 2020. The Action Plan is monitored by the Trust Resilience Committee and reported quarterly at the Non Clinical Quality Committee.

The Trust's assessment is published on its website.

Data Quality

NHS number and general practice code validity

The Trust submitted records during the past year to the Secondary Users service for inclusion in the Hospital Episode Statistics, which are included in the latest published data. The percentage of records in the published data:

- Which included the patient's valid NHS number was:

99.86% for admitted patient care;
99.95% for outpatient care; and
99.07% for accident and emergency care.

- Which included the patient's valid General Medical Practice Code was:

100% for admitted patient care;
100% for outpatient care; and
100% for accident and emergency care

The Trust meets required standards in this domain.

Information Governance Toolkit – Data Protection and Security Toolkit

The Information Governance Toolkit (IG Toolkit) was replaced by a new Data Protection and Security Toolkit for 2018-19. This has moved the focus of information governance scrutiny in NHS organisations towards best practice in data and systems' security.

The Trust submitted its first position against these standards by the end of March 2019. A further return, originally due on 31 March 2020 for this financial year, has been delayed to 30 September 2020 by NHS Digital, due to organisational capacity for Covid-19.

The Trust's position in 2019-20 is that most standards are fully met, with an improvement plan to meet all standards as soon as possible.

The Trust's work on the Data Security and Protection toolkit was also subject to review by the Trust's internal auditors. The internal auditors reviewed a number of standards within three of the nine domains of the toolkit and found that the Trust's self-assessment position was

consistent with the evidence gathered to support these positions in all but two areas. The Trust has agreed actions to address these areas.

Clinical Coding Error Rate
The Trust was not subject to an external clinical coding audit during 2019/20. The recommendations below are drawn from speciality audits performed throughout 2019/20.

Recommendation	Priority	Progress Update	Status
R1 – Engagement should be encouraged with clinicians across all specialities with examples of good and bad coding to highlight where any problems are occurring and why, and the impact this has on coding outcomes.	High	The number of validation sessions has increased. In addition to previous areas; Vascular, Oral Surgery and Paediatric Surgery have been keen to be involved in validations.	Improved, on going
R2 - Achieve Mandatory level in all internal speciality audits.	High	An on-going audit and spot check programme is in place. Internal audits have shown a requirement for on-going training, a need for coders to spend more time reading documentation and better documentation.	Programme complete 2019/20. New programme to commence April 2020.
R3 – Ensure coders are maintaining standards and receive regular audit/spot check feedback.	Medium	Regular post audit/spot check feedback.	Feedback complete 2019/20
R4 – Ensure documentation is consistent and adequate for coding purposes.	Medium	Reviewed through audits and spot checks and when identified by individual coders. Some areas still to investigate and remedy.	On-going
R5 – Streamline coding processes to allow more time to review documentation	Medium	Continually assessing viability of electronic sources over case notes. Changes made where practicable.	On-going.

An NHS England audit was undertaken in 2019/20 looking at 2018/19 data with the scores as follows

Primary Diagnosis correct	Secondary Diagnosis correct	Primary procedure correct	Secondary procedure correct
96.3%	94.5%	100%	94.5%

ELIMINATING MIXED-SEX ACCOMMODATION (EMSA)

DECLARATION OF COMPLIANCE 2019/20

Hull University Teaching Hospitals NHS Trust is able to confirm that mixed sex accommodation has been virtually eliminated in all of its hospitals.

Every patient has the right to receive high quality care that is safe, effective and respects their privacy and dignity. Hull University Teaching Hospitals NHS Trust is committed to providing every patient with same gender accommodation to help safeguard their privacy and dignity when they are often at their most vulnerable.

The Trust is able to confirm that mixed gender accommodation has been virtually eliminated in the Trust. Apart from a few exceptions for clinically justifiable reasons, patients who are admitted to any of our hospitals will only share the room where they sleep with people of the same gender. In addition, same gender toilets and bathing facilities will be as close to their bed area as possible.

Wards within the Trust are grouped according to their clinical specialties. This allows patients with similar conditions to be cared for in one area with staff that are experienced in this type of care. This means that men and women may be on the same ward but will not share sleeping, bathing or toilet facilities.

There are some exceptions to this. Sharing with people of the opposite gender will happen sometimes. This will only happen by exception and will be based on clinical need in areas such as intensive/critical care units, emergency care areas and some high observation bays. In these instances, every effort will be made to rectify the situation as soon as is reasonably practicable and staff will take extra care to ensure that the privacy and dignity of patients and service users is maintained.

How well are we doing in meeting these standards?
The Trust has made physical changes to many inpatient accommodation areas to provide privacy screening/partitioning and additional toilet and bathing facilities. Toilet and bathroom signage has also been improved and this work continues. New ward accommodation that has been built in the last 12 months has maintained single-sex standards.

The Trust is required to report any breaches of the Eliminating Mixed Sex Accommodation (EMSA) standards to its commissioners. The Trust can be subject to a financial penalty of £250 for each of these breaches. In 2019/20, there were no breaches of these standards.

The Trust has not received any contacts through its Patient Advice and Liaison Service (PALS) or any formal complaints relating to mixed sex accommodation concerns during 2019/20.

INFORMATION FOR PATIENTS AND SERVICE USERS

'Same gender-accommodation' means:

- The **room where your bed is** will only have patients of the same gender as you, and;
- Your **toilet and bathroom** will be just for your gender, and will be close to your bed area

It is possible that there will be both male and female patients on the ward but, apart from a few exceptions for clinically-justifiable reasons such as in intensive care or high dependency areas, they will not share your sleeping area. You may have to cross a ward corridor to reach your bathroom, but you will not have to walk through sleeping areas that are designated for people of the opposite gender to you.

You may share some communal space, such as day rooms or dining rooms, and it is very likely that you will see both men and women patients as you move around the hospital (e.g. on your way to X-ray or the operating theatre).

Also, it is most likely that visitors of the opposite gender will come into the room where your bed is, and this may include patients visiting one other.

It is almost certain that both male and female nurses, doctors and other staff will come into your bed space/area.

If you need help to use the toilet or take a bath that requires special equipment to help secure your care and safety (e.g. you need a hoist or special bath), then you may be taken to a "unisex" bathroom used by both men and women, but a member of staff will be with you, and other patients will not be in the bathroom at the same time as you.

The NHS and Hull University Teaching Hospitals NHS Trust will not turn patients away just because a "right-gender" bed is not immediately available for them. The patient's clinical need(s) will always take precedence.

What do I do if I think I am in mixed sex accommodation?
If you think you are in mixed accommodation and shouldn't be then please speak with the nurse in charge of the ward or area. This will be taken extremely seriously by staff and action will be taken to explain the reasons behind this and assurance will be provided that you will be moved to a same gender area/bay as soon as is reasonably practicable.

The Trust also wants to know about your experiences. Please contact the Patient Advice and Liaison Service (PALS) on telephone **01482 623065** or via email at: pals.hey@hey.nhs.uk if you have any comments or concerns about single gender accommodation. Thank you.

Signed:

Terry Moran CB
Chairman

Chris Long
Chief Executive

18 June 2020

GREAT FUTURE

2019-20 has been another positive year for the HUTH Improvement Programme (HIP). The benefits from the various programmes have been:

- OPtimise - Outpatient Programme
  Comprised of the End-to-End Services Review and Outpatients Pathway review, this programme looks at all aspects of our service from the systems and technology we use to the way and where we have conversations about our patients' health. It has delivered:
    - The successful transition of 750 staff into the Clinical Administration Service (CAS) and its Hub structure in December 2019. CAS processes, staffing and structures are delivering safer, more reliable care at cost savings – securing our services into the future
    - The End-to-End Services Review delivered £240k in savings with £310k recurrent annual savings year on year
    - Outpatients Pathways improvements increased productivity saving £34.8k and created £187.1k in cost avoidance
    - Clinical validation and nurse led clinics released 60 sessions of clinic capacity enabling an 11% reduction in patients who are overdue for review, saving an additional £21k

- Unplanned Care Delivery Programme
  Part of the Hull and East Riding A&E Delivery Board, HUTH contributes to a number of programmes aimed at improving Urgent and Emergency Care through close partnership working and by improving our ED 4 hour performance. The HIP team have provided the programme management as well as project management leading the SAFER project – reducing delays for patients in adult inpatient wards (excluding maternity).

- Getting It Right The First Time (GIRFT)
  Supporting our Chief Medical Officer, the HIP Team have provided project management support for this clinical programme ensuring there is good governance and oversight of the specialty programmes.

- Improvement Capability & Capacity
    - The HIP team outlined a 3-year development programme to increase our improvement capability and capacity informed directly by our *Trust Strategy* and our *People Strategy*. Through this programme and the wider strategic programme of cultural change activity, the staff engagement score for the organisation has steadily improved and is now above the national average.
    - Staff access development and learn *The Hull Improvement Approach* through HIP supported delivery of improvement programmes led by front line staff, through our expanded skills development programme, through our self-service offering on Pattie and through our developing community of expert practice.
    - We work closely with the Hull York Medical School training our future doctors and with partners in Health Education England.
    - We train individuals, teams, and support our Leadership Development Programme, training more than 480 staff to use *The Hull Improvement Approach* over the last 5 years.

Supported by members of the HIP Team, the Trust received the following awards:

- 2019 BAME Clinical Champion Award – Miss Uma Rajesh
- 2019 BAME Ground-breaking Researcher Award – Prof. Shaji Sebastian

The Trust was shortlisted for the following awards:

- 2019 BAME Compassionate Leader Award – CEO Chris Long

- 2019 BAME Inspiring Diversity & Inclusion Lead Award – Louise Beedle
- 2019 BAME Health & Wellbeing Advocate Award – Melanie Lee
- 2019 Clinical Champion Award – Dr Raghuram Lakshminarayan

This national recognition of the Trust's work to improve patient care is always welcome and an opportunity to network and learn further from others.

In 2020-21 the improvement programmes are:

- OPtimise - Outpatient Programme
- Unplanned Care Delivery Programme
- Hospital Improvement Programme
- Getting It Right The First Time (GIRFT)
- Improvement Capability & Capacity
- Family & Women's Health Group Theatres Improvement Project

Chris Long
Chief Executive
18 June 2020

ACCOUNTABILITY REPORT

Corporate Governance Report

Directors Report

The Chairman of the Trust during 2019/20 was Mr Terry Moran CB, and the Chief Executive was Mr Chris Long.

The Trust Board comprises the Chairman, six voting Non-Executive Directors and five voting Executive Directors. The five Executive Directors with voting rights are the Chief Executive, Chief Nurse, Chief Financial Officer, Chief Medical Officer and the Chief Operating Officer. Three other Directors attended the Trust Board throughout 2018/19 but they do not have voting rights. These were the Director of Strategy and Planning, the Director of Workforce and the Director of Corporate Affairs. Four Board members have a clinically-related background. These are the Chief Nurse, the Chief Medical Officer and two Non-Executive Directors (a Consultant Gastroenterologist (also a professor in this speciality) and the Dean of the School of Health and Social Care at the University of Hull (also a professor of midwifery). Due to the resignation of one of the Non-Executive Directors after becoming the portfolio holder for adult services at East Riding of Yorkshire Council, the Associate Non-Executive Director who had been appointed to the Trust from 1 April 2019 for a period of two years was successfully appointed as a substantive Non-Executive Director in September 2019.

Terms of Office of Non-Executive Directors

The Non-Executive Directors were appointed to the Board by NHS Improvement. Non-Executive Directors can be appointed for a maximum of 3 terms (up to 9 years). There is one exception: as the Trust is an NHS organisation with a significant teaching commitment, the University of Hull appoints one of the Trust's Non-Executive Directors. This post-holder left their position at the University of Hull and the Non-Executive role on 28 February 2020 due to a career development opportunity overseas. This Non-Executive role was vacant for the month of March 2020.

Terms of office – Non-Executive Directors

Name	Position	Current Term Commenced	Term Ends
Mr T Moran	Chairman	September 2018	March 2022
Mr M Gore	Non-Executive Director	July 2017	March 2020
Mr S Hall	Non-Executive Director	October 2019	September 2023
Mrs V Walker	Non-Executive Director	July 2017	September 2019
Mrs T Christmas	Non-Executive Director	September 2019	September 2021
Prof. M Veysey	Non-Executive Director	April 2018	March 2022
Prof. Julie Jomeen	Non-Executive Director (University of Hull nominated)	January 2019 Resigned Feb 2020	December 2020
Mr T Curry	Associate Non-Executive Director Non-Executive Director	April 2019 October 2019	September 2019 September 2021

The biographies of the Chairman and the Chief Executive together with other Board members are set out below.

Chairman and Non-Executive Directors

	Terry Moran CB – Chair Terry was appointed as Chairman to the Trust on 1 April 2017. Terry retired in March 2013 following a 36-year career in the Civil Service. His most recent appointment was as Second Permanent Secretary at the Department for Work and Pensions. He joined the civil service in 1977 straight from school as a clerical assistant and spent his first 12 years working in local offices in Yorkshire and London. The remainder of his career saw

	him move into senior regional and national roles including advising successive governments on policy changes and operations. This included the positions of Chief Operating Officer for the Department of Work and Pensions, Chief Executive of the Pension, Disability and Carers Service, Chief Executive of The Pension Service, Chief Executive of the Disability and Carers Service, Director, Jobcentre Plus, North West Region and Director, Benefits Agency, Yorkshire and Humber Region He successfully completed the Advanced Management Programme at Harvard Business School in 2005. He was previously Chair of Trustees at Together for Short Lives and a Trustee on the national Board of Victim Support, Chair of the Diversity Council from 2005-2008, and a Trustee on the Board of the Social Care Institute for Excellence. He has previous service as an NHS Non-Executive Director, with 18 months' service at Mid Yorkshire Hospitals Trust. He was appointed a Companion of the Order of the Bath (CB) in HM The Queen's Birthday Honours List 2007.
	Vanessa Walker – Non-Executive Director and Vice Chair from 1 January 2019 – resigned 30 September 2019 Vanessa was appointed in July 2015. She was previously a Non-Executive Director with Humber NHS Foundation Trust. Vanessa has more than 30 years' experience working across the NHS, civil services and local government. She has a strong track record of leading strategic change programmes designed to improve organisational culture and performance. Vanessa is an elected member of East Riding of Yorkshire Council. Vanessa took on the Vice Chair role on 1 January 2019.
	Martin Gore – Non-Executive Director Martin was appointed in January 2015. His previous role was at the Humberside Probation Trust as a Director of Corporate Services. He is a qualified accountant. He brings with him more than 25 years' experience of working at board level and in senior finance roles, as well as extensive experience of the private sector.
	Stuart Hall – Non-Executive Director and Vice Chair from 1 October 2019 Stuart was appointed in January 2015. He spent a large part of his career working with FTSE 100 company, Santander. A fellow of the Chartered Institute of Bankers, Stuart is experienced in a range of areas from governance and HR to strategy development, and a Director of a Community Interest Company specialising in vocational training and end of life care.
	Tracey Christmas – Non-Executive Director Tracey was appointed in July 2015. Tracey has extensive knowledge of both the public and private sectors, predominantly in finance and corporate services roles. Tracey is a Finance Business Partner for the Ministry of Justice/National Offender Management Service working within the Yorkshire Region at HMP Full Sutton and HMP Hatfield. She is also a past president of the ACCA Women's Society and International Assembly UK Representative, and is currently an elected representative for Yorkshire and the North East on the ACCA's Strategy Implementation Committee. Tracey has previously served as a Non-Executive Director of Eastern Hull NHS Primary Care Trust.
	Martin Veysey – Non-Executive Director Martin joined as Associate Non-Executive Director in September 2017 and became Non-Executive Director in April 2018. Martin is a Professor of Gastroenterology at the University of Hull, and holds an Honorary Consultant Gastroenterologist appointment at York Teaching Hospitals NHS Foundation Trust. He has over 25 years' experience in healthcare and higher education both in the UK and, more recently, in Australia. In February 2017, Martin joined The Hull York Medical School as Programme Director of the MBBS. His research interests include medical education, molecular nutrition and luminal gastrointestinal disease.
	Julie Jomeen – Associate Non-Executive Director April – December 2018; Non-Executive Director from 1 January 2019 – resigned 28 February 2020 Julie is Professor of Midwifery and Dean of the Faculty of Health Sciences at the University of Hull. She holds the University Non-Executive seat on the Trust Board effective from 1 March 2019 (at the date of the Trust's name change). A key focus of Julie's academic work is on

	issues of perinatal mental health and psychological health in childbearing women. Julie's research profile covers national and international collaborations including serviced development work and practitioner training initiatives. Julie is passionate about research roles and capacity-building in organisations.
	Tony Curry - Associate Non-Executive Director April – September 2019; Non-Executive Director from October 2019 Tony was appointed in April 2019 and has held senior appointments in higher education, financial services and manufacturing and also as a director with PricewaterhouseCoopers. He has over 40 years' information technology experience working in the UK and internationally. Over the past decade he has had a particular focus on strategy and transformation programmes which exploit the advances in mobile and self-service technologies.

Executive Directors

	Chris Long – Chief Executive Officer Chris has a wealth of NHS experience, including four years with the former Scarborough and North East Yorkshire Hospitals NHS Trust as Executive Director of Operations and, more recently, seven years as Chief Executive of Hull Teaching Primary Care Trust (PCT) between 2006 and 2013. Prior to joining the NHS, Chris spent 12 years in the Army, and before joining Hull and East Yorkshire Hospitals NHS Trust in 2014, he worked as the Area Director for NHS England's Locality Team in Yorkshire and the Humber.
	Lee Bond – Chief Financial Officer Lee was appointed in March 2013. Prior to this he was a Director of Business Delivery within the Trust and before that Director of Finance at Central Manchester University Hospitals NHS Foundation Trust. His previous Director of Finance posts include Sherwood Forest Hospitals NHS FT and Sheffield Children's NHS FT.
	Makini Purva –Chief Medical Officer Dr Makani Purva took up the substantive post of Chief Medical Officer on 1 July 2019; Dr Purva was interim Chief Medical Officer from August 2018. She is a Consultant Anaesthetist at the Trust, specialising in Obstetrics. She is the former Director of Simulation at the Hull Institute of Learning and Simulation. She has a particular interest in supporting innovation, and is assisting with the Trust's international recruitment strategy, as well as taking a lead role in developing the Trust's relationship with the Sri Ramachandra Medical Institute in India.
	Beverley Geary – Chief Nurse Beverley has been a nurse for over 30 years and joined the Trust on 1 March 2019. She has worked in a number of acute providers across the region working predominately in medical specialities. She also has experience in education and mental health. Some of her senior nursing roles have included quality governance and patient experience leads. Most recently Beverley was Chief Nurse and Director of Infection and Control at York Teaching Hospitals NHS Foundation Trust.
	Teresa Cope – Chief Operating Officer Teresa was appointed in April 2018 as job share with Ellen Ryabov and joined the Trust from Humber NHS Foundation Trust where she had been Chief Operating Officer for the previous 3 years. Teresa has worked within the NHS for 25 years and started her career as a Diagnostic Radiographer in 1993 before taking up a number of senior management roles in Acute, Mental Health and Community Services provider organisations. Teresa has also worked in commissioning organisations and was previously Director of Commissioning for Nottingham City CCG and Programme Director for Urgent Care for the South Nottinghamshire system leading system wide Improvement in Urgent and Emergency Care. Teresa obtained her MSc in 2001 and completed a Senior Executive Management programme with Ashridge Business School in 2012.

In attendance at Trust Board Meetings

	Jacqueline Myers – Director of Strategy and Planning (non-voting) Jacqueline was appointed in July 2013 as Director of Strategy and Planning. She was

	previously Director of Planning at Leeds Teaching Hospitals NHS Trust and prior to this held the posts of Divisional General Manager and the Lead Cancer Manager. She has also held a range of general management and strategic positions at University College London Hospitals Foundation Trust and Guys and St Thomas's Foundation Trust. She is a Trustee of St Leonard's Hospice in York.
	Simon Nearney – Director of Workforce and Organisational Development (non-voting) Simon joined the Trust in September 2012 from his previous post as Director of Human Resources at Leicestershire County Council and took up post as Director of Workforce and Organisational Development in July 2015. Simon has held several senior HR and Organisational Development management roles in large public sector organisations. Simon has a track record of transforming services, leading major organisational change programmes and improving the customer experience.
	Carla Ramsay – Director of Corporate Affairs (non-voting) Carla was appointed in December 2016. She worked previously as Head of Quality in NHS Yorkshire and Humber Commissioning Support and has held previous Board Secretary roles within NHS commissioning and in further education. She started her NHS management career at the Trust and has held operational management posts in medicine and surgery previously. She is a Trustee and Honorary Treasurer to two local charities.

Statement of Directors' Responsibilities

Name	Job Title	Key areas of responsibility
Chris Long	Chief Executive	• Accountable Officer
Lee Bond	Chief Financial Officer	• Financial management • Estates, Facilities and Development • Information Management and Technology (IM&T)
Beverley Geary	Chief Nurse	• Professional lead for nursing and midwifery • Patient experience • Safeguarding • Quality governance and assurance
Makani Purva	Chief Medical Officer	• Professional lead for medical staff
Teresa Cope	Chief Operating Officer	• Performance • Clinical Service delivery
Jacqueline Myers	Director of Strategy and Planning	• Operational and business planning • Trust Strategy • Improvement
Simon Nearney	Director of Workforce and Organisational Development	• Human resources (policy and HR delivery) • Organisational development
Carla Ramsay	Director of Corporate Affairs	• Trust Secretary • Corporate governance • Freedom to Speak Up Guardian

Statement of Non-Executive Directors' roles

Name	Committee Membership	Other Trust Roles
Terry Moran CB	Remuneration (Chair)	NED Champion for Emergency Planning
Stuart Hall	Remuneration Quality	NED lead for STP Vice Chair from 1 October 2019

	Performance and Finance (Chair until 30 September 2019)	
Martin Gore	Remuneration Audit Performance and Finance	NED champion for efficiencies, procurement and variable pay
Tracey Christmas	Remuneration Audit (Chair) Performance and Finance	Transition from children's to adult services champion NED Speaking Up/Whistleblowing champion NED Champion for Safeguarding from 1 October 2019
Vanessa Walker (Left post 30 September 2019)	Remuneration Quality Charitable Funds	NED Champion for End of Life Care NED Champion for Safeguarding Vice Chair until 30 September 2019
Martin Veysey	Remuneration Quality (Chair)	NED Champion for learning from deaths
Tony Curry	Remuneration Performance and Finance (Chair after 1 October 2019)	Digital champion
Julie Jomeen (Left post 28 February 2020)	Remuneration Quality Committee Workforce, Education and Culture Committee (Chair)	NED nominated by the University of Hull

Trust Board meetings

The Trust Board met on 7 occasions during 2019/20, including an extraordinary Trust Board meeting in May 2019 to approve the annual report and accounts. A record of attendance of kept for each Board meeting and the table below sets out the attendance of Board members during the year.

Trust Board Attendance 2018/19

	2019/20							
Name	**14/5**	**24/5**	**30/7**	**10/9**	**12/11**	**28/1**	**10/3**	**Total**
T Moran	✓	✓	✓	✓	✓	x	✓	6/7
S Hall	✓	x	✓	✓	✓	✓	✓	6/7
V Walker	✓	✓	x	✓	-	-	-	3/4
T Christmas	✓	✓	✓	✓	✓	✓	x	6/7
M Gore	✓	x	✓	✓	✓	✓	✓	6/7
C Long	x	✓	✓	✓	✓	✓	✓	6/7
L Bond	✓	✓	✓	✓	✓	✓	✓	7/7
T Cope	Deputy	✓	Deputy	✓	✓	✓	✓	5/7
M Purva	✓	x	✓	✓	✓	✓	✓	6/7
M Veysey	✓	x	✓	✓	✓	x	x	4/7
B Geary	✓	✓	✓	✓	✓	✓	✓	7/7
J Jomeen	✓	✓	✓	x	✓	✓	✓	6/7
T Curry	✓	✓	✓	x	✓	✓	✓	6/7
J Myers	✓	✓	x	✓	✓	✓	✓	6/7
S Nearney	✓	x	✓	✓	✓	✓	x	5/7
C Ramsay	✓	✓	✓	x	✓	✓	✓	6/7

*****Apologies submitted; Deputy Chief Operating Officer in attendance with acting status

Board Committees

The Trust Board has established a number of committees to support it in discharging its responsibilities. These are an Audit Committee, Quality Committee, Performance and Finance Committee and a Remuneration Committee. A new Workforce, Education and Culture Committee was established in February 2020. The Trust also has a constituted Charitable Funds Committee. The Audit and Remuneration Committees are statutory requirements and the work of the committees is detailed below. Further detail on the work of the Quality Committee and Performance and Finance Committee can be found in the Annual Governance Statement within this annual report.

Audit Committee

The Audit Committee comprises of 3 Non-Executive Directors. Other individuals attend the meeting but are not members of the committee. These are Internal Audit (RSM), External Audit (Grant Thornton), the Chief Financial Officer, the deputy Director of Finance, the Director of Corporate Affairs and the Deputy Director of Quality Governance and Assurance.

The Audit Committee provides assurance on the Trust's systems of internal control, integrated governance and risk management. A tracking system of agreed actions is in place and the internal auditors follow up recommendations to provide assurance to the Audit Committee that the issues raised have been addressed. There were 5 meetings of the Audit Committee in 2019/20 which included 1 extra ordinary meeting to consider the Annual Accounts and Report. All meetings were quorate.

Members	**Attendance**
T Christmas (Chair)	5/5
M Gore	4/5
M Veysey	4/5

The Committee reviewed relevant disclosure statements in particular the draft Governance Statement, financial Accounts and the Quality Accounts.

The internal audit programme for 2019/20 was informed by the Trust's own risk and assurance framework, discussion with a wide range of officers and the broader context of the NHS. It was developed around the Trust's strategic objectives and its business-critical systems and was risk based. A draft Director of Audit Opinion and Annual Report 2019/20 gave an overall opinion of

positive assurance with an amber/green rating, which is that the Trust has an adequate and effective framework for risk management, governance and internal control and that the internal auditors' work has identified further enhancements that can be made.

The Trust's internal auditors finalised the 13 planned internal audit reports for the Trust, seven of which resulted in positive assurance opinions (one substantial assurance; and six reasonable assurance); three reports resulted in negative assurance opinions (partial assurance), one report resulted in a split opinion (substantial and partial assurance); and two audits were advisory whereby no opinion is given. The key findings, recommendations and agreed management actions have all been and accepted by the Audit Committee from all internal audit reports.

In 2019-20, the internal audit receiving substantial assurance was the Board Assurance Framework, with the six reasonable assurance opinions being given to Financial Management, Risk Management, Payroll, Incident Management Deep Dive Review, Recruitment and Retention and Follow Up to internal audit actions Phase 2.

Partial assurance was given to safeguarding adults, group governance, and follow up to to internal audit actions phase 1.

The split assurance of partial and substantial assurance was given to e-rostering and the use of temporary staffing, with substantial assurance on the use of agency staffing in theatres

Minutes and other updates from the work of the Quality Committee and Remuneration Committees were considered by the Audit Committee, as well as routine receipt of the minutes from all other Trust Board Committees, which contributed to the overall view of governance and internal control. No concerns of gaps in the Trust's internal control framework were identified through this review work.

Work to prevent or counter fraud continued and reports were received throughout the year. The Committee reviewed the Board Assurance Framework processes as well as other documents in respect of risk. These included losses and special payments, debts, the Trust's Registers of Declared Interests and for Gifts, Hospitality and Sponsorship, legal fees, credit card expenditure and Trust Board expenses. The Audit Committee also regularly reviewed the Trust's Speaking Up arrangements, including whistleblowing and the Freedom to Speak Up Guardian, as well as other ways the Trust supports staff to raise concerns.

Remuneration Committee

The Board's Remuneration and Terms of Service Committee is responsible for setting the pay and conditions for the voting Executive Directors (Chiefs) and the Directors who report to the Chief Executive/Chairman. The Remuneration Committee met 4 times during 2019/20. The Committee was quorate at all meetings. Membership of the Committee comprises the Trust Chairman and all Non-Executive Directors. The Chief Executive, Director of Workforce and Organisational Development, the Associate Non-Executive Director and Director of Corporate Affairs also attend the Committee. Non-Executive Director members' attendance is detailed below:

Members	Attendance
T Moran	4/4
M Gore	2/4
S Hall	4/4
V Walker	1/1
T Christmas	4/4
M Veysey	2/4
J Jomeen	0/3
T Curry	2/3

The Trust complies with current NHS Improvement guidance on pay for Very Senior Managers. Executive Directors are employed on contracts of service and are substantive employees of the Trust. Their contracts are open ended and can be terminated by the Trust by up to 6 months' notice. The new VSM guidance issued in 2015 and updated in 2017 requires NHS Trusts to include in relevant remuneration package an element of earn-back pay i.e. a requirement to meet agreed performance objectives. The Chief Executive Officer, the Chief Medical Officer and the Chief Financial Officer have this requirement built in to their remuneration packages as their salary packages fall in to this guidance. Other Executive Directors in post during the year did not have a component of performance related pay as their salary agreements pre-date this guidance or fall below the salary threshold where this is applied.

Key items discussed by the Committee during the year included annual performance reviews for Executive Directors, information on the top earners in the Trust, sector salary benchmarking, changes in pension thresholds and public sector pension changes affecting NHS staff. A summary of the Remuneration Committee is received in the closed session of the Trust Board as well as summary of issues of internal control considered by the Committee received every 6 months at the Audit Committee.

Details of the remuneration, including salary and pension entitlements of the Directors is set out in the Accounts appended to this report.

Details of company Directorships which may conflict with management responsibilities
None of the Trust Board hold company directorships that may conflict with management responsibilities. The Trust publishes the declared interests of its Trust Board members on its website, in the 'About Us' section.

Personal Data related incidents
The Trust has Information Governance arrangements in place to ensure that information is handled in a secure and confidential manner. It covers personal information relating to service users and employees and corporate information, for example finance and accounting records.

The Information Governance Data Security and Protection Toolkit (DSP Toolkit) is part of the Department of Health and Social Care's commitment to ensuring the highest standards of information governance. It allows organisations to measure their compliance against legislation and central guidance and helps identify any areas of partial or non-compliance. It remains Department of Health and Social Care policy that all organisations that process NHS patient information provide assurance, via the DSP Toolkit and is fundamental to the data protection and data security both within the organisations and between organisations.

The Information Governance Assurance Statement is a required element of the DSP Toolkit and is re-affirmed by the annual submission to demonstrate the organisation has robust and effective systems in place to meet statutory obligations on data protection and data security.

The Trust's Data Security and Protection Toolkit Assessment for 2018/2019 was published as: Standards Not Fully Met (Plan Agreed), and The DSP Toolkit was audited and assessed as achieving Substantial Assurance. Due to the National COVID-19 Pandemic Response, NHS Digital has announced that the 2019/2020 DSP Toolkit Assessment submission deadline has been extended to 30th September 2020.

The Trust is required to score all Information Governance Data Security and Protection Breaches using the DSP Incident Reporting Guidelines and Assessment Scoring Grid. Any breach that is scored above the threshold is required to be reported via the DSP Toolkit Incident Reporting Tool which sends an automatic notification to the ICO and also to the NHS Digital Data Security Centre where appropriate. The Information Governance Data Security and

Protection Breaches requiring reporting to the ICO via the DSP Toolkit during 2019/2020 are detailed below:

The Trust has reported 11 Data Security and Protection Breaches in 2019/20 to the ICO as classified in the DSP Toolkit Incident Reporting Guidelines. The ICO closed 10 cases, two made recommendations of further actions to be taken by the Trust, and 8 required no further action. The outcome of one case awaited. None have resulted in regulatory action being taken against the Trust.

Date	Incident Description	ICO Response	Nature of Incident	People Affected	Subjects Informed
June 2019	Patient discharged home with another patient's discharge paper work, discovered by patient and collected by staff member and shredded.	The ICO review determined no further action is required	Disclosed in error	2	Verbally and letter
June 2019	A Hospice shop received some patient level documentation in the post sent from the Trust, which should have been sent to the Hospice the patient was discharged to. The documentation was returned to the Trust by secure method.	The ICO review determined no further action is required	Disclosed in error	1	Verbally and letter
July 2019	Patient 1 received, opened and read letter addressed to Patient 2. Patient 1 had moved house and the wrong patient record had been amended.	The ICO review determined no further action is required	Disclosed in error	2	Verbally and letter
July 2019	Member of staff had bike stolen including Meeting documentation containing patient identifiable information.	The ICO recommendations provided are being implemented	Lost or stolen paperwork	5	Verbally
July 2019	Junior medical staff had their bag stolen which contained a ward handover sheet with brief patient identifiable details for approximately 27 inpatients	The ICO recommendations provided are being implemented	Lost or stolen paperwork	27	Not applicable in this case
July 2019	Staff member posted x-ray image onto social media.	The ICO review determined no further action is required	Unauthorised Access/ Disclosure	1	No patient identifiable data was released
July 2019	PT1 and PT2 both suffered stillbirths. PT1 went home some of PT2 notes including postnatal record and demographics.	The ICO review determined no further action is required	Disclosed in error	2	Verbally and letter
January 2020	Mother noted that in her discharge notes another baby's postnatal discharge summary was enclosed in the documents and her baby's discharge summary was missing.	The ICO review determined no further action is required	Disclosed in error	2	Verbally and letter
January 2020	A gentleman had been e-mailed a cytology report for a person unknown to him.	The ICO review determined no further action is	Disclosed in error	1	Verbally and letter

		required			
January 2020	A trainee sent out a list of patient data to a non-Trust or non-NHS address on the request of a Trust Grade Doctor. The original 2 email addresses provided were Gmail address and both addresses were proved to be inaccurately written.	Reported to ICO and awaiting a response	Disclosed in error	20	To be confirmed
February 2020	The patient notes sent to a solicitor who had requested them also contained notes for 2 other patients.	The ICO review determined no further action is required	Disclosed in error	2	Verbally and letter

Incidents are scored using the DSP incident Reporting Guidelines and Assessment Grid and reported via the DSP Toolkit. The criteria include all reported incidents, including low scoring incidents that would have been previously excluded from the total numbers. The table below provides details for each category.

All Trust IG Incidents 2019/20 (including incidents reported to the ICO)	**Number**
Disclosed in Error	50
Lost or Stolen Hardware	0
Lost or Stolen Paperwork	65
Non-secure disposal paperwork	2
Other	245
Unauthorised Access / Disclosure	28
Total	**390**

'Other' Category would include: Personal information found by staff on Trust site, incorrect information or documentation found in patient's records, mis-filing of information, Information left insecurely on Trust site.

The Trust's Caldicott Guardian takes an active role in reviewing issues including incidents involving medical records, such as inappropriate access to medical records. The Caldicott Guardian is a key part of the information governance structure, together with the Trust's Senior Information Risk Officer (SIRO) and Data Protection Officer (DPO), who review Incidents Requiring Investigation, having taken advice from the Trust's operational level Information Risk Owners (HIROs), to ensure that investigation processes have been robust and outcomes clearly identified.

Directors' disclosure

Each Director knows of no information which would be relevant to the auditors for the purposes of their audit report and of which the auditors are not aware, and has taken all the steps that he/she ought to have taken to make himself/herself aware of any such information and to establish that the auditors are aware of it.

Statement of Accountable Officer's responsibilities

The Accountable Officer has overall responsibility for the financial statements. The statements are prepared through the Chief Financial Officer's office. The Audit Committee is updated on the progress in preparing the Accounts. The Chief Financial Officer prepared a report to the Audit Committee in April 2020 to discuss and review the Trust's status as a going concern. The Audit

Committee approved the Chief Financial Officer's recommendation that the Accounts should be prepared on a going concern basis.

As Accountable Officer I confirm that, as far as I am aware, there are no relevant Audit information of which the Trust's auditors are unaware and I have taken all the steps that I should take to make myself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

I confirm that the annual report and accounts as a whole is fair balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Chris Long
Chief Executive
18 June 2020

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

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

Capacity to handle risk

The Trust Board sets the Risk Management Policy for the organisation. This was reviewed and updated in April 2017 and was subject to an internal audit in December 2019, resulting in positive assurance.

This Policy describes the organisation's approach to risk and risk management. It defines the leadership roles within the Trust for risk management. In addition, staff across the Trust receive risk management training, in order to identify and report risks. The Trust has a well-established process for entering risks on to its risk register and the regular review of risks, which is described below. The Trust also strengthened its approach to escalating risks at corporate level and the way in which this informs the strategic risk managed by the Trust Board. This is also described in more detail below.

The risk and control framework

The system of internal control is designed to manage risk to a reasonable level. All risks that are entered on the Trust risk management system are assigned an initial, current and target risk rating. Controls are identified to mitigate the level of risk and where there are gaps in the controls, action plans are developed. Risks are identified and reviewed on an ongoing basis across Health Groups and corporate services. Risks are identified from a number of different sources, including day to day operational working practices and trends arising from incidents, complaints and regulatory compliance. Line managers are responsible for on-going investigation and assessment of risks.

At Trust Board level, the Board assesses its performance and discusses associated risks at each meeting, through the presentation of the Integrated Performance Report, which includes all NHS Improvement Single Operating Framework metrics. An exception report on these measures is discussed in more detail at the Board's Performance and Finance Committee and the more detailed quality issues at the Board's Quality Committee. The positive assurance and gaps in assurance are captured in the Board Assurance Framework, reviewed regularly by the Trust Board and its committees. During the year, the organisation undertook a self-assessment against the well-lead key lines of enquiry for the Care Quality Commission including NHS Improvement requirements. Furthermore the Trust Board undertook and agreed as self-assessment against the (formerly) Monitor (now NHS Improvement) licence

requirements, which are now mirrored for non-Foundation Trusts, and did not report any principal risks to compliance with these requirements.

There is a mechanism for Health Groups and corporate services to escalate risks. New high level risks are notified to the Health Group triumvirates or corporate service management teams to be dealt with immediately whilst lower level risks are discussed at the Health Group/Corporate team meetings. The Executive Management Committee reviews the highest rated risks and agrees which of these form corporate risks for the Corporate Risk Register, which is taken in to account in the Board Assurance Framework. These come via recommendation from the regular review of high-rated operational risks by the Trust Operational Quality Committee (clinical risks) and the Non-Clinical Quality Committee, recognising that risks from across the Trust have the ability to impact directly on patient care and on maintaining the Trust's statutory compliance.

There are a number of mechanisms in place, which are designed to prevent or minimise the potential of risks occurring. The Trust's incident reporting system records near misses as well as actual incidents. Lessons from Serious Incidents are discussed at Health Group Governance meetings and across the Trust through a Lessons Shared newsletter, cascaded through the Trust's Team Brief mechanism. The Quality Committee maintain board-level oversight of serious incident issues and lessons learned. Root Cause Analysis training is provided staff involved in Serious Incidents investigations. The Trust's Mortality Committee has overseen the formulation and implementation of a new Learning from Deaths policy, which includes a two-tier clinical case note review to identify patient deaths that have any flags for failure or impacts of care that could have been avoided. The Trust has developed a themes and trends report from this, reported to the Trust Board and the Quality Committee on a quarterly basis. The Quality Committee has also kept oversight of compliance with the national guidance requirements on Learning from Deaths and is satisfied that the Trust has made sufficient progress towards requirements to date.

The Trust's updated intranet site contains information to support staff in managing risks across the scope of the Trust's business. The Trust's formal communication systems (e-news, intranet, team brief cascade) are used to remind staff of their responsibilities such as reporting incidents and concerns, and sharing learning when specific initiatives or incidents have occurred. These communications include the conclusion of anti-fraud investigations and the consequences arising from information governance incidents investigations (SIRIs) during the year.

A fundamental nursing standards audit process is in place, which audits practice on each ward and is aligned to the Care Quality Commission's Key Lines of Enquiry. This gives a rating to each ward and identifies areas of potential risk; each area of risk identified requires an action plan from the ward sister/manager to address. The ward-level reporting also takes in to account issues arising from complaints and patient experience, staffing numbers and types of reported incidents. These data are published with each public Trust Board papers, to provide a risk overview of each ward.

A framework is in place for managing and controlling risks to data security. There is a Senior Information Risk Owner at Board level and a network of information risk owners across the organisation. Information Governance training is a mandatory requirement for all staff to complete. The Trust has submitted its position against the new Data Security and Protection toolkit in March 2019 with the next submission due in September 2020. The Trust's internal auditors undertook an internal audit last year of 4 domains of information governance standards against the Data Security and Protection toolkit requirements and gave an assurance rating of significant assurance at the end of 2018-19. The internal auditors reviewed a further 3 domains this year and found that the Trust's self-assessment could be substantiated in the main, with only two areas of inconsistency. The Audit Committee and the Trust Board are keeping oversight of the Trust's risk position in relation to systems security and systems resilience.

The Trust continues to review current systems and processes to ensure that it can demonstrate the best standards in research governance and delivery. The Trust adheres to national Health Research Authority (HRA) systems to manage the studies in proportion to risk; a full update on compliance, successes and risks in research was received by the Trust Board in November 2019.

The Trust Board reviewed its governance framework at the end of March 2020 as a result of several letters received by all NHS Trusts during the month as a result of the national Covid-19 pandemic. The effects of these will be seen more from April 2020 onwards, and did not affect the system of internal control within the Trust, however had an immediate impact on the Trust's service delivery and ability to treat patients within NHS Constitutional standards. These do not reflect a lack of internal control but do represent risk areas requiring detailed assessment and mitigation in the first part of 2020-21.

Principal risks to compliance with the NHS provider licence conditions

The following section provides oversight of the Trust's risk identification and categorisation process, concluding with a section as to any principal risks to compliance with the NHS provider licence conditions, particularly the effectiveness of governance structures, responsibilities of directors and sub-committees, reporting lines and accountabilities to and from the Trust Board, submission of timely and assurance information to assess compliance with the licence conditions or any associated with the oversight the Board has on Trust performance.

All Trust risks are categorised using the same risk matrix and framework based on the likelihood of the risk occurring and the severity of impact, with the highest risk having a score of 25 (almost certain and catastrophic) and the lowest risk of 1 (rare and negligible). The Trust uses a web based incident reporting and risk management system (Datix) and has a 'bottom up' approach to identifying risks.

1 - Each Health Group and corporate service area identify and enter risks on to their own operational risk registers; risks are required to be managed and mitigated at local level as far as possible

2 – the high-rated operational risks from each area are reviewed by the Trust's two operational risk management committees: the Operational Quality Committee reviews clinical risks and the Non-Clinical Quality Committee reviews non-clinical risks. The Committees escalate any high-rated risk that they feel cannot be managed within an individual health group or corporate service and represent a corporate risk across the organisation.

3 – the Trust's Executive Management Committee review the recommendations from the operational risk committees and agree what represent the Trust's corporate risk register

4 – The corporate risk register is considered as an appendix to the Board Assurance Framework, which details the key risk areas that could prevent the Trust from achieving its strategic aims. This consideration of corporate risk helps the Trust Board identify the corporate risk burden being carried by the Trust and whether this impacts on achieving the Trust's strategic goals.

There were 244 operational risks on the risk register at the end of March 2020, as follows:

Risks by HG and Current Severity	Low Risk	Moderate Risk	High Risk	Total
Corporate Functions	4	22	25	51
Clinical Support - Health Group	5	25	16	46
Emergency Medicine - Health Group	1	6	2	9
Family and Women's Health - Health Group	7	51	18	76
Medicine - Health Group	3	13	2	18
Surgery - Health Group	3	19	13	35
Trust wide COVID-19 Risk	0	1	6	7
Trust wide risk managed by Falls prevention commitee	0	1	0	1
Trust wide risk managed by Outpatients Committee	0	1	0	1
Total	23	139	74	244

This compares with 33 low risks, 111 moderate and 53 risks rated as high, and a total 197 risks at the end of March 2019. The Trust has maintained its approach to the regular review of risks at Health Group and corporate service level, to critically appraise what remains a risk in the organisation and to better capture actions being taken to mitigate the risks faced by the organisation. The increase in high-rated risks and consistent number of moderate risks, and a slightly higher volume of low risks, is indicative of an active risk management process in respect of reviewing and identifying new risks. It is notable that 7 of the risks identified related specifically to Covid-19, demonstrating that risk management around Covid-19 was part of the Trust's pandemic planning from the outset, in March 2020. The increase in high-rated risks also reflects a growing level of risk in infrastructure and service delivery issues identified in clinical services, which will need active risk mitigation to manage.

The risks that could threaten achievement of the Trust's strategic objectives are set out in the Board Assurance Framework, which is reviewed by the Trust Board throughout the year. It is also reviewed by the Trust Board Committees at each meeting in relation to the risks linked with that Committee's terms of reference and also by the Audit Committee as a governance mechanism. The Board Assurance Framework includes an assessment of the source and level of assurance received as well as gaps in assurance. Any increase or decrease in a risk score is agreed by the whole Board. There were nine risks on the Board Assurance Framework at the start of 2019/20 against Trust's seven strategic aims from the Trust Strategy. The highest-rated risks at the end of 2019/20 on the Board Assurance Framework all related to the Trust's finances, and were the ability of the Trust to meet its financial plan, to address its underlying financial deficit and to implement a capital plan that met critical infrastructure needs.

In respect of any principal risks to compliance with the NHS provider licence conditions, particularly the effectiveness of governance structures, responsibilities of directors and sub-committees, reporting lines and accountabilities to and from the Trust Board, submission of timely and assurance information to assess compliance with the licence conditions or any associated with the oversight the Board has on Trust performance, the Board's assessment was as follows: at the end of the year, whilst all risks areas on the Board Assurance Framework received some positive assurance throughout the year, 1 risk area received made sufficient progress to reach its target risk rating, which was the Trust's ability to meet its financial plan in 2019-20. Four other risks reduced their risk ratings due to positive assurance received during the year. There were 9 risk areas on the Board Assurance Framework for 2019-20. In the context of these being risks against five-year strategic goals, this rate of progress can be expected to some extent, as the Trust will only be able to mitigate some aspects of each risk within one year. As part of this strategic approach to risk management through the Board Assurance Framework, the Trust Board includes its approach to risk appetite in the Board

Assurance Framework in In addition, the Trust Board has chosen at least one Board Assurance Framework topic for a deep dive discussion at public Board meetings throughout the year, meaning that each risk on the Board Assurance Framework has received detailed, strategic discussion by the Trust Board, which has informed the assurance requirements for future reports and the Trust Board and Committee cycle of business.

As noted above, the Trust Board has received positive assurance against the Board Assurance Framework risks and the Trust has a number of controls in place to address the risks identified in the Board Assurance Framework. A Quality Improvement Programme was developed following the comprehensive CQC inspection in May 2015 and was further developed following the CQC inspection in 2016 and visit in 2017 (published February 2018). During 2019-20, this has been subject to monthly review and scrutiny by the Quality Committee and reported to the Trust Board periodically. Representatives from key QIP projects have been invited to the Quality Committee to provide further assurance on the progress being made to improve the quality of care for patients.

The Trust Board, this year and for the last 3 years, has undertaken a self-assessment against all NHS provider licence requirements. These self-assessments have demonstrated full compliance but flagged up risk in relation to performance, as included in the summary of the Board Assurance Framework above. This is further detailed in the 'Review of effectiveness' section of this Statement, below.

The Trust has a People Strategy in place, which was updated in 2019 for the period 2019-2022. The People Strategy provides the blueprint for the Trust's assessment of its short-, medium- and long-term workforce plans and organisational development requirements, as the Trust plans not only to fill workforce numbers, but to continuously improve the working environment and culture of the Trust, as part of retention. The People Strategy has seven strands that cover all aspects of short- and long-term planning and cultural development, with an emphasis on staff engagement as a key measure of success. The Trust's People Strategy and Workforce Development Plan detail the Trust's approach to tackling staffing and skills shortages, and good progress, including increases in staffing figures in some key areas, has been seen in 2019/20, as well as the Trust investing in new roles such as nursing associate training posts, nursing apprentices, Physicians Associates and Advanced Care Practitioners.

The Trust has undertaken international recruitment for nursing staff, with 60 nurses joining the Trust through this route, and also brought on board a new medical trainee partnership with the College of Physicians and Surgeons in Pakistan. The Trust continues its work on staff engagement and developing staff culture around the values identified by our staff around two years ago. The People Strategy, and the work strands underneath it, are included on the Board Assurance Framework and the level of corporate risk relates to workforce. The Trust Board receives regular updates on nursing staffing and People Strategy updates including workforce metrics received at the Board assure the Board that the Trust has staffing processes in place that are safe, sustainable and effective. The Trust Board has convened a new Workforce, Education and Culture Committee as a Board Committee to take forward strategic oversight of the People Strategy. This commenced in February 2020.

The Trust complies with the *Developing Workforce Safeguards* recommendations using existing staffing data to make an assessment of staffing levels in each health group and against vacancies, which are reviewed annually as part of operational planning for capacity and demand in respect of clinical services and the staffing requirements that make up an effective service. Workforce metrics are received and reviewed on behalf of the Trust Board by the Performance and Finance Committee and the Trust is working towards embedding the additional requirements of the *Developing Workforce Safeguards* through the Trust Board and Board Committees in 2019-20. Nurse staffing is rebased twice yearly against safe staffing levels and reported to the Trust Board. Safer nursing staffing is reported to every public Trust

Board meeting. Performance and Finance Committee examine variable pay in detail to understand short-term workforce pressures, recruitment plans and current vacancy levels.

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

The trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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

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

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

Review of economy, efficiency and effectiveness of the use of resources
The Performance and Finance Committee have Board-level oversight of the economic, efficient and effective use of resources. This is discharged through the monthly review of performance against budget and against financial plan, progress towards identifying and achieving cash-releasing efficiency savings, income against plan, performance and activity delivery against plan, cash management and budgetary management. The Performance and Finance Committee reports to the Trust Board, including escalation of any areas of concern. Further detail on the work of the Performance and Finance Committee is contained in the 'review of effectiveness' section below.

Information governance
The Trust has reported 11 Serious Incidents Requiring Reporting (SIRIs) in 2019/20 to the Information Commissioner's Office (ICO) as incidents classified as Level 2 breaches in the Information Governance Incident Reporting Tool. The ICO has closed 10 of these 11 cases, with no further action required in 8 cases and recommendations in 2 cases. One awaits a conclusion from the ICO. The ICO did not take any regulatory action against the Trust during the year.

Annual Quality Account
The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

The Trust compiles data in accordance with national requirements. The Trust submitted records during 2019/20 to the Secondary Users service for inclusion in the Hospital Episode Statistics and achieved the percentage of record standards required. These are detailed further in the annual report and in the Quality Accounts. With the implementation of the new electronic patient record in 2015, the Trust has undertaken continued testing on data quality to ensure the Trust is able to meet data quality standards required, including waiting time and elective data. The Trust gained independent assurance on its data quality through its internal audit programme in the last three financial years as well as building in and putting in place additional internal data quality reports to test the accuracy of data produced.

The Trust has a number of measures in place to provide assurance on the quality and accuracy of elective waiting time data. These include:

- Business Intelligence data quality reports
- Fortnightly Operational Data Quality Meetings with Health Group and Corporate representatives
- External assurance from both NHS Improvement in 2016 to the reporting and management of elective pathways and the refresh of processes that followed this assurance, and external assurance in 2017/18 from MBI Health Group as to the internal processes and validity of the Trust's PTL (Patient Tracking List) with significant assurance around data quality
- In January 2020, the Trust was provided a peer review by an external NHS body in, which found that the data quality on the Trust's waiting list (the PTL) was robust and that the Trust had an accurate waiting list to work from
- Quarterly internal audits on compliance with the Trust's Access Policy by the Performance Team
- Monthly data checks on the RTT data submission prior to upload to UNIFY2
- Monthly checks on Data Completeness for non-admitted and admitted pathways within the tolerances of 80 – 120%
- Mandatory E-Learning for administrative staff on Referral to Treatment rules using the NHS Improvement e-learning modules

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, the Quality Committee and the Performance and Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

<u>The Board</u>

The Trust Board is accountable for all aspects of the performance of the Trust. The Trust Board met in public on seven occasions during 2019/20 and was quorate at all meetings. The attendance of each individual Board member is set out in this Annual Report and on each Trust Board agenda. The Trust Board works towards an annual work plan including statutory and mandatory requirements. Arrangements for the discharge of statutory functions by the Trust Board have been checked for irregularities and were found to be legally compliant.

The Board has six committees which support it in discharging its responsibilities. In addition to the statutory requirement for an Audit Committee and a Remuneration and Terms of Service Committee, the Board has a Performance and Finance Committee and a Quality Committee. In February 2020, it established a Workforce, Education and Culture Committee. A Charitable Funds Committee is in place for the management of funds held on trust. All Board committees are chaired by a Non-Executive Director and have Non-Executive Director majority membership. An attendance record is kept for the Board and each of its committees.

<u>The Audit Committee including internal audit</u>

The Audit Committee met five times during 2019/20, which is the required number as set by its Terms of Reference and was quorate for all meetings. Its work plan for 2019/20 was received at its first meeting of the financial year and was also reviewed at each meeting during the year to ensure it remained relevant and current. The first part of the Audit Committee agenda is

comprised of standing items which include a review of the minutes from the Trust Board's Committees for any governance or internal control issues that require further examination by the Audit Committee. There are standing agenda sections for the internal auditor including anti-fraud, followed by the external auditor. Other agenda items are scheduled at regular intervals during the year and these include the preparation and submission of the Annual Accounts and Quality Accounts, Going Concern status, review of the Board Assurance Framework, Board members' expenses, use of Trust's credit cards, legal fees, off payroll expenses, effectiveness of clinical audit, claims management, losses and special payments register and debts above £50,000.

The internal audit programme for 2019/20 was informed by the Trust's own risk and assurance framework, discussion with a wide range of officers and the broader context of the NHS. It was developed around the Trust's strategic objectives and its business-critical systems and was risk based. The Head of Audit Opinion and Annual Report 2019/20 gave an overall opinion of positive assurance with an amber/green rating, which is that the Trust has an adequate and effective framework for risk management, governance and internal control and that the internal auditors' work has identified further enhancements that can be made. The Trust's Anti-Fraud service, undertaken as part of the internal audit contract, did not raise any issues of internal control or gaps in assurance in 2019-20.

The Audit Committee also received an internal audit report on the Board Assurance Framework, which provided substantial assurance. The Audit Committee chair fed back to the Board key issues following each meeting. These included internal audit reports giving partial assurance. One technical breach of standing orders was reported to the Trust Board, which was the waver of NHS fees for an overseas patients in exceptional circumstances. This did not represent a gap in internal control, but rather robust recognition of a technical breach and robust reporting. The Audit Committee has not escalated any serious gaps in control during the year.

Board Committees with a role of risk management including clinical audit

The Performance and Finance Committee met on 11 occasions in line with its Terms of Reference and was quorate at all meetings. The focus of each meeting was on the detailed Integrated Performance exception report, specifically the Trust's underlying performance against the key NHS Constitution standards and the Trust's financial plan, which are standing agenda items discussed at each meeting. Other key issues during the year included the delivery of the Trust's Cash Releasing Efficiency Savings. Other substantive agenda items have also been the financial position of the Trust, particularly the financial performance of the Trust's health groups and their contribution to the Trust's underlying run-rate issues. The Committee has also monitored capital expenditure in line with plan, agency spend and impact of vacancies, cash reserves, and the Trust's performance and risk management under the new Aligned Incentives Contract with local commissioners, compared with Payment By Results. The Non-Executive Chair of the meeting provided a briefing to the Board each meeting on these areas.

The Quality Committee met on 11 occasions in line with its Terms of Reference. Key issues discussed related to assurance and learning points from Serious Incident investigations, the Quality Improvement Programme linked with the outcome from the previous Care Quality Commission comprehensive inspection, compliance with the *Learning from Deaths* national requirements and incident reporting. The Committee received annual reports relating to claims, serious incidents and safeguarding. The Quality Committee has focussed on lessons learned and supporting the development of a learning culture and safety culture, particularly following Serious Incident Investigations. In the last quarter of the year, particular focus was given to the Quality Improvement Plan, inviting teams to provide further assurance on particular QIP projects, and start the process of identifying quality improvements for next financial year. Each meeting also received a report from the Operational Quality Committee, which included any points of escalation to the Quality Committee. The Board was advised of any escalation issues following each meeting by the Non-Executive Quality Committee Chair.

The Remuneration Committee met four times during 2019/20, which includes additional meetings for detailed discussions on pension changes nationally. The Committee was quorate for all meetings. Agenda items included annual performance reviews, information on the top earners in the Trust, sector salary benchmarking information, and changes to public sector pensions impacting on Trust staff. A summary of the Remuneration Committee is received in the closed session of the Trust Board.

Other review and assurance mechanisms

The Board has previously agreed a framework for Board Development and has chosen to invest additional Trust Board time in development. The Trust Board held six development sessions during the year. The Board Development Framework and work plan are now published with every public Trust Board agenda and papers for openness and transparency of the topics and development time of the Trust Board.

The Board had a time-out in July 2019 for team-building and board development. Further development sessions has covered a range of topics, including progress against the People Strategy; Trust cultural development; partnership working; long-term capital and estates planning. In addition, a discussion topic on at least one Board Assurance Framework area has been received at each public board during the year to have a more detailed, risk-based and strategic discussion on key long-term issues facing the trust, in the public realm.

Quality governance arrangements are in place, managed through a team of Quality Assurance specialists, which include clinical audit (delivering an annual clinical audit plan), operational and corporate risk management (with support provided in to each Health Group and corporate services from a central team), compliance (including CQC, ward standards and support to safeguarding), claims and safety. The Trust has in place a Trust-wide Quality Improvement Plan, which has detailed projects to improve quality of care in identified areas within the Trust. These are identified through internal compliance and quality checks, internal audit reports, CQC inspection reports and other internal processes. The Quality Improvement Plan has a governance and project management structure in place, which feeds up to the Trust Board Quality Committee and provides assurance to the Trust Board. The Trust's quality governance arrangements culminate annually in the formulation, approval and publication of the Trust's Quality Accounts. The Quality Accounts signed off in June 2019 (relating to 2018-19) are reviewed by the Audit Committee, the Quality Committee and the external auditors. The external auditors, engaged to conduct a limited assurance review of the Quality Accounts, concluded that the 2018/19 Quality Accounts were prepared in a way that was consistent with guidance and with Trust sources of information.

A Quality Report is received at each Board meeting. The report is divided into sections, which set out patient safety matters, healthcare associated infections, patient experience matters, incident reporting including Serious Incidents and Never Events, levels of harm caused to patients and actions being taken. On a quarterly basis, the report includes the Trust's position on the classic Patient Safety Thermometer and the Trust's Fundamental Standards audit. The report is written so as to account publically for the quality and safety of the Trust's services, including a monthly ward-by-ward read-across of patient safety reporting. The Trust Board also received a Nursing and Midwifery staffing report at each public Trust Board meeting, to report on the Trust's fill rates (number of nurses in post and hours of care delivery compared with planned levels) and the Trust's plans in nursing recruitment. I am pleased that the significant efforts from the Trust have paid off in nursing recruitment during this year but there are still shortage areas in nursing and midwifery to manage. This year has also seen a continuation of some gaps in doctors' rotas, which have required additional spend to maintain safe services during the year. This has had a direct impact on the Trust's financial position this year.

In 2019-20, the Trust declared eight Never Events, having declared zero in the previous financial year. This is a significant concern for the Trust and requires further work on the Trust's

safety culture. Actions taken already include a new training regime and policy on safer surgical checklists and a new audit tool, which measures compliance with standard checks and provides feedback across theatre teams. The senior team of the organisation have supported a 'Stop the Line' policy to empower any member of staff to speak up if they see something wrong that could cause harm, and the Trust aims to improve even further this safety culture in the forthcoming year.

Review of the effectiveness of risk management and internal control

The effectiveness of risk management and internal control has been determined through a number of mechanisms.

The internal audit programme for 2019/20 was informed by the Trust's own risk and assurance framework, a discussion with a wide range of officers and the broader context of the NHS. It was developed around the Trust's strategic objectives and its business critical systems and was risk based. The Head of Internal Audit Opinion and Annual Report 2019/20 gave an overall opinion of positive assurance, which stated that the Trust has an adequate and effective framework for risk management, governance and internal control, with opportunities to make further enhancements to this. This maintains the position from last year.

The Trust's Board Assurance Framework was reviewed by the Trust's internal auditors, who provided an opinion of substantial assurance that the Board Assurance Framework was appropriately structured to meet the needs of an NHS Trust, met all requirements to relevant guidance and was monitored and reviewed regularly by the Trust Board.

No critical actions were identified for those audits that received partial assurance. Partial assurance was given to safeguarding adults, group governance, and follow up to internal audit actions phase 1. The internal audit receiving substantial assurance was the Board Assurance Framework, with the six reasonable assurance opinions being given to Financial Management, Risk Management, Payroll, Incident Management Deep Dive Review, Recruitment and Retention and Follow Up to internal audit actions Phase 2. There was a split assurance of partial and substantial assurance was given to e-rostering and the use of temporary staffing, with substantial assurance on the use of agency staffing in theatres

This maintains a high balance of positive assurance as seen last year in respect of internal audit.

The Audit Committee, comprising Non-Executive Directors, gives independent assurance to the Board. It receives all audit reports from internal and external auditors and monitors progress against agreed recommendations. Where gaps in control are identified management action is agreed.

The Trust's performance against the Emergency Department 4 hour wait target has resulted in continued external scrutiny. The Trust concluded a transformational programme in the Emergency Department in 2017-18, overseen by the Urgent and Emergency Care Board. However the Trust has continued to see unacceptable variability in performance during 2019-20, partly associated with the need to improve flow in to medical beds in the hospital. This will need to be subject of particular review by the Trust in 2020-21.

The Trust did not meet the national 18 week referral to treatment (RTT - incomplete pathway) standard or the 62-day cancer targets in 2019-20. The Trust maintained 31-day cancer performance against most targets. The Trust did not meet the 1% tolerance in six-week waiting times for diagnostic tests in any month of the year but showed improvement in particular modalities within the year. The Trust saw only two breaches of the 52-week standard until March 2020 and the effect of national directives on Covid-19 capacity. Likewise, the Trust was on track to achieve its waiting list size and reductions in follow-up backlogs, but these have also been put back due to capacity requirements.

The Trust has continued to strive for improvement by embedding efficient and effective mechanisms for managing risks. Clearly defined processes are in place to ensure the Trust is continually working towards improvement in quality of care. This is regularly assessed through the clinical audit programme, nursing fundamental standard reviews, multi-disciplinary clinical reviews as well as internal ad-hoc reviews against the CQC's Key Lines of Enquiry as required. The Trust through its Quality Improvement Programme put in place arrangements to deliver improvements identified through previous CQC inspections and by partners and stakeholders via reviews of the Trust's Quality Accounts, Serious Incidents, claims and complaints. The Quality Improvement Plan has a project management set up to monitor progress, reporting up in the organisation to Trust Board level.

The Trust has committed to engaging regularly with key stakeholders and partners, including regular meetings with the CQC and NHS Improvement. During these meetings all parties will continue to monitor progress in an environment of openness and honestly. In particular, the Trust has supported the move of the Humber Coast and Vale Strategic Transformation Partnership to an Integrated Care System as close to 1 April 2020 as possible, providing significant capacity and support to the various workstreams and underpinning projects.

The Trust is has maintained the national average for staff engagement, which is a marked improvement from 5 years ago, and is now able to aspire to be in the top 20% of organisations for staff engagement. The Trust has made particular improvements in the score for staff reporting they are subject to bullying behaviours, which is a pleasing achievement. As part of our refreshed Trust strategy, with a focus on culture and a new goal on research and innovation, we must continue to engage our staff and unlock their potential and innovative ideas, and make further improvements for our Trust, as well as this being a critical part of improving our organisation's culture further.

The Trust is aware that it uses the services of national services that have service auditors' reports, two of which have been qualified. There are summarised below:

1. NHS SBS – The 2019/20 service auditor report has been qualified
2. NHS Digital – The 2019/20 service auditor report has been qualified

It is relevant for this organisation to reference these service auditors' reports in this Annual Governance Statement given the services provided to the Trust by these organisations as part of national service delivery. However, these disclosures do not affect this organisation's internal control framework or affect the Trust's internal assessment of assurance and the Trust will continue to monitor should any relevant issues arise.

Health and Safety of Staff

The Trust's excellent record with the Health and Safety regulator, the HSE, continued in 2019/20, with again no enforcement activity recorded against the Trust.

Reportable Incidents: The Trust's Safety Team reported 10 incidents to the HSE under the requirements of the RIDDOR regulations in 2019/20. This is a dramatic decrease from the previous year (which was 27) and is the lowest total on record. Manual handling RIDDOR injuries decreased from nine to four in 2019/20. Similarly, reportable slips, trips and falls injuries reduced from 10 to just one.

The incidence of less serious cases of slips, trips and falls (non-RIDDOR reportable incidents) has decreased in 2019/20 with 47 compared to 54 the year before and 102 the year before that;

In terms of timeliness of reporting to the HSE, just one of the 10 incidents were reported after the 15 day target: a significant reduction from previous years;

The Trust's Occupational Health Team reported six incidents to HSE, again a big reduction from the previous year (20). These comprised five needle-sticks and one case of other exposure to blood borne viruses. There were no reported cases of work-related dermatitis for the fourth year running.

Claims: The number of new staff claims against the Trust was 10 in 2019/20. This is a reduction of four compared with the previous year.

Link Staff: Following increasing the available training for new departmental Safety Link Staff and Moving and Handling Link Trainers, the Trust has increased these numbers by 31 and 35 respectively. These staff volunteer to be the 'eyes and ears' for safety in their work areas, and so are given extra training to fulfil this important role.

Key areas of safety management focus in 2019/20 included working at height and slips, trips and falls prevention. In the area of manual handling, additional training is also now being provided on induction, increasing practical knowledge and skills for new starters.

Covid-19

The Trust received several letters of national requirements in March 2020, as the UK faced a pandemic situation. This required the Trust to cancel elective appointments, create a surge plan for ward and intensive care capacity and a staff redeployment plan, all with rapid turnaround. The Trust was no longer able to hold meetings in public and had to review its governance arrangements, the results of which were implemented in the Trust from 24 March 2020 as follows:

- That the Board meets virtually either by telephone or video conference every month, an increase in frequency from bi-monthly
- That the Board considers only urgent business in the following four areas:
    - Our patient impacts – the quality and safety issues and relevant priorities and CQC requirements, key risks arising and decisions required of the Board;
    - Our people – resilience, safe staffing, absences; relevant priorities, key risks arising and decisions required of the Board;
    - Our money – what financial impacts and risks are arising, relevant priorities, decisions required of the board; and
    - Covid-19 preparedness, planning and operational management - to ensure other issues not captured above are reported.
- That these Board meetings are held without the public in attendance, as physical meetings are not being held during this time and attendance at public meetings is not considered essential business under Governmental social distancing guidance. Questions from the public are invited in advance, and that a public record from each meeting will be created and published on the Trust's website. If technology allows, the public will be invited to attend meetings if this can be facilitated electronically
- Papers discussed at the Board will be published unless they contain highly sensitive information which, exceptionally, in the judgement of the Board may otherwise undermine public confidence inappropriately.
- Meetings of the Board's Committees are stood down during this period, with the exception of the Audit Committee – all Board Committee business other than the Audit Committee business therefore reverts to the full Trust Board to discharge

Trust Chief Executives received a letter from NHS E/I on 18 March 2020 containing mandatory requirements to create clinical capacity in order to manage the anticipated increase in patients due to Covid-19. This included elements such as postponing all elective procedures and non-urgent outpatient appointments, and adopting new ways of working such as video and telephone appointments. This letter outlined the type of surge capacity that Trusts should plan to create and required trusts to risk stratify the effect this would have.

There is new national guidance, including NICE guidance, on the management of patient groups and patient care in light of Covid-19, such as critical care.

The Trust has already implemented the relevant elements of the NHSE/I letter and already had in place an operational command structure to manage its Covid-19 preparations including drawing up, implementing and maintaining a surge plan with all related elements, such as staff redeployment and application of relevant national clinical guidelines. The Trust is also working through the financial implications of Covid-19, both for revenue and capital, including short-notice capital bids for infrastructure works to support long-term management of Covid-19 patients, which will be captured in the 2020-21 annual report.

All Trusts are encouraged to form an Ethics Committee to take organisational policy decisions relating to treatment and ability to care for patients in light of anticipated numbers of acutely unwell patients with Covid-19. The Trust formed a COVID-19 Ethics and Clinical Prioritisation Policy Committee (ECPPC), which held its first meeting on 31 March 2020, chaired by a Non-Executive Director and has a membership of clinical expertise, governance input and external/patient and staff welfare focus. It is constituted as a short-term sub-committee of this Trust Board.

<u>Significant issues</u>
Having reviewed the areas of risk I consider that the following are significant issues:

- Covid-19 – the impact on the Trust's governance arrangements, the impact on Trust waiting lists and delivery of clinical services, the surge capacity required and the capacity to plan and delivery service recovery
- The Trust did not meet all of the NHS Constitution standards, many of which will be impacted by Covid-19 arrangements in 2020-21, and take significant resource to recover
- Prior to this, the Trust's performance against the Emergency Department four-hour target was not acceptable and will require significant support to make and sustain improvement
- Addressing the Trust's underlying financial position as part of a system financial plan, which will be constrained by commissioner affordability and the ability to make further financial savings
- Securing capital funding to address all critical and long-term infrastructure requirements
- The outcome of the partial Care Quality Commission inspection and the ability of the Trust to move to a 'good' overall rating in the short-term
- The Trust's patient safety culture requires further development and embedding in all clinical areas
- The pace and scale of challenge from the Humber Acute Service Review programme

The Trust Board acknowledges that 2020-21 will be one of the most, if not the most, challenging year that staff will experience. The need to recover during and post-Covid-19 will be a particular challenge, and the risk to patient harm is currently being assessed. The resilience of our staff is being particularly tested and we seek to maintain the highest standards of care we can, for as many patients as we can, in 2020-21.

Conclusion
This annual governance statement has identified the following significant internal control issues:

- The Trust did not meet all NHS Constitutional waiting time standards in 2019-20 and will need to carefully and quickly risk assess the new and unanticipated impact of Covid-19 on Trust capacity and access to patient care
- The Trust will need to make sustained improvement in Emergency Department performance
- The Trust met its financial plan in 2019-20 but must make further progress towards addressing the underlying financial position within a system financial plan

- Our staff are our a key priority in all areas of success: we must continue to improve our staff engagement, empower staff to make improvements in their own areas and feel part of an organisation that is striving for continuous improvement with a foundation on patient safety
- The Trust is awaiting the results of a partial Care Quality Commission inspection and may not be able to move to a ‘good’ rating in the short term

Signed

Accountable Officer: Mr Chris Long
Organisation: Hull University Teaching Hospitals NHS Trust
18 June 2020

Remuneration and staff report

This section of the Annual Report sets out the Trust's remuneration policy for directors and senior managers, reports on how that policy has been implemented and sets out the amounts awarded to directors and senior managers.

HULL UNIVERSITY TEACHING HOSPITALS NHS TRUST 2019/20
REMUNERATION TABLE - ANNUAL REPORT

This table has been subject to audit	Current year 2019/20							Prior Year: 2018/19					
Name and title	**(a) Salary (bands of £5,000) £000**	**(b) Expense payments (taxable) total to nearest £100 £'s**	**(c) Performance pay and bonuses £000**	**(d) Long term performance pay and bonuses (bands of £5,000) £000**	**(e) All pension - related benefits (bands of £2,500) £000**	**TOTAL (a to d) (bands of £5.000) £000**		**(a) Salary (bands of £5,000) £000**	**(b) Expense payments (taxable) total to nearest £100 £'s**	**(c) Performance pay and bonuses £000**	**(d) Long term performance pay and bonuses (bands of £5,000) £000**	**(e) All pension - related benefits (bands of £2,500) £000**	**TOTAL (a to d) (bands of £5.000) £000**
Terry Moran: Chairman	35-40	0	0	0	0	35-40		35-40	0	0	0	0	35-40
Tracey Christmas: Non Executive Director	5-10	0	0	0	0	5-10		5-10	0	0	0	0	5-10
Martin Gore: Non Executive Director (left 31/03/2020)	5-10	0	0	0	0	5-10		5-10	0	0	0	0	5-10
Stuart Hall: Non Executive Director	5-10	0	0	0	0	5-10		5-10	0	0	0	0	5-10
Tony Curry: Non Executive Director (started 01/04/2019)	5-10	0	0	0	0	5-10		-	0	0	0	0	-
Vanessa Walker: Non	0-5	0	0	0	0	0-5		5-10	0	0	0	0	5-10

Executive Director (left 30/09/2019)												
Martin Veysey: Non Executive Director	5-10	0	0	0	0	5-10	5-10	0	0	0	0	5-10
Julie Jomeen: Non Executive Director (left 29/02/2020)	5-10	0	0	0	0	5-10	5-10	0	0	0	0	5-10
Chris Long: Chief Executive Officer	190-195	0	0	0	0	190-195	180-185	0	0	0	0	180-185
Lee Bond: Chief Financial Officer	155-160	0	0	0	0-2.5	160-165	145-150	0	0	0	0	145-150
Teresa Cope: Chief Operating Officer	145-150	0	0	0	125-127.5	270-275	80-85	0	0	0	162.5-165	245-250
Makani Purva: Chief Medical Officer	195-200	0	0	0	80-82.5	275-280	130-135	0	0	0	142.5-145	275-280
Beverley Geary: Chief Nurse	145-150	0	0	0	77.5-80	225-230	10-15	0	0	0	62.5-65	70-75
Jacqueline Myers: Director of Strategy and Planning	115-120	0	0	0	75-77.5	190-195	115-120	0	0	0	32.5-35	150-155
Simon Nearney: Director of Workforce & Organisational Development	125-130	0	0	0	15-17.5	145-150	130-135	0	0	0	47.5-50	175-180
Carla Ramsay: Director of Corporate Affairs	70-75	0	0	0	12.5-15	80-85	50-55	0	0	0	25-27.5	80-85

Notes:

Lee Bond re-joined the pension scheme on 01/09/2019.

Simon Nearney re-joined the pension scheme on 01/05/2019.

£56,449 of Makani Purva's remuneration is affiliated to clinical roles, of which £36,192 is for a clinical excellence award.

Jacqueline Myers' whole time equivalent salary is £130,000; Ms Myers has a 0.9 whole time equivalent contract (equivalent to 33.75 hours per week)

From 1st February 2020 Terry Moran also became the Chair of North Lincolnshire and Goole NHS Foundation Trust and from this point his basic remuneration increased from £40,000 to £75,000 per annum, to reflect his combined duties at two NHS organisations.

The salary banding 35-40 in the table above represents Mr Moran's remuneration relating to Hull University Teaching Hospitals NHS Trust only.

In 2019-29, 0 exit packages were agreed and 0 compulsory redundancies were made. .
There were no payments to past directors.

HULL UNIVERSITY TEACHING HOSPITALS NHS TRUST 2019/20
REMUNERATION REPORT PENSIONS TABLE - ANNUAL REPORT

NAME	(a) Real increase in pension at pension age (bands of £2,500)	(b) Real increase in pension lump sum at pension age (bands of £2,500)	(c) Total accrued pension at pension age at 31/03/2020 (bands of £5,000)	(d) Lump sum at pension age related to accrued pension at 31/03/20 (bands of £5,000)	{e} CETV at 01/04/19 (£000)	(f) Real increase in CETV (£000)	(g) CETV at 31/03/20 (£000)	(h) Employers contributions to stakeholder pension
Chris Long	0	0	0	0	0	0	0	0
Lee Bond	0 - 2.5	0	50-55	115-120	880	10	924	0
Jacqueline Myers	2.5 - 5	5 -7.5	35-40	80-85	557	62	649	0
Simon Nearney	0 - 2.5	0	15-20	0	175	6	202	0
Carla Ramsay	0 - 2.5	0	10-15	0	115	3	130	0
Makani Purva	5 - 7.5	2.5 - 5	45-50	90-95	735	69	850	0
Teresa Cope	5 -7.5	10 - 12.5	45-50	115-120	705	99	842	0
Beverley Geary	2.5 - 5	5 - 7.5	45-50	135-140	864	73	979	0

Notes
Lee Bond re-joined the pension scheme on 01/09/2019.
Simon Nearney re-joined the pension scheme on 01/05/2019.

PAY MULTIPLES – FAIR-PAY DISCLOSURES

These figures have been subject to audit

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

	19/20	18/19	17/18
Median Salary	30,112	28,860	26,575
Multiple	6.6	6.4	8.2
Highest paid Director at 31.3.2020	197,477	185,436	216,970
Change in pay multiple	2.07%	-21.33%	1.80%
Change in highest paid Director pay	6.49%	-14.53%	1.12%
Change in median average pay	4.34%	8.64%	-0.67%
Range of staff remuneration	£7,626 - £290,499		
Highest paid employee	290,499	321,820	251,755

The Trust's highest paid Board Director in 2019-20 was the Chief Medical Officer. The banded remuneration of the highest paid Board Director in Hull University Teaching Hospitals in the financial year 2019-20 was £195,000 to £200,000, the midpoint of which is £197,500 (2018/19: £180,000-£185,000, the midpoint of which is £182,500). This was 6.6 times (2018/19: 6.4 times) the median remuneration of the workforce, which was £30,112 (2018/19 - £28,860).

The median level of remuneration has increased by 4.34 % and the remuneration of the highest paid Director has increased by 6.49%, the combination of these two factors has culminated in an increase in the pay multiple from 6.4 to 6.6. The median salary has increased primarily as a result of the 3 year NHS pay deal introduced in April 2018. The remuneration of the highest paid Director is higher than in the previous year because 2019-20 was the first complete year for the current Chief Medical Officer, having commenced the role on 1st August 2018.

In 2019-2020, 12 employees received remuneration in excess of the highest paid Board Director. The remuneration for those employees was in the range of £200,000 to £295,000 (2018/19 - £185,000 to £325,000). All 12 employees paid more than the highest paid Director are Senior Medical Consultants.

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

Staff report

These figures have been subject to audit

Number of Senior Managers by Band

Senior Manager is defined as any employee whose post is coded to a national occupational code as a 'senior manager' and who reports directly to a Director. This does not include Trust Board members, who are detailed below.

Band	WTE
Band 8b	15
Band 8c	8
Band 8d	6
VSM	11

Staff Composition

Trust Total

Gender	Headcount	%
Male	2238	24
Female	7285	76

Executive Director Grade (voting and non-voting Directors)

Gender	Headcount	%
Male	3	37.5
Female	5	62.5

Sickness Absence Data

As per the General Accounting Manual, Trusts can use the link to the data already submitted in month 12 to NHS Digital.

The Trust's Sickness Absence data for 2019-20 are available here: NHS Sickness Absence Rates.

STAFF COSTS 2019-20

These figures are subject to audit

	Permanent	Other	2019/20 Total	2018/19 Total
	£000	£000	£000	£000
Salaries and wages	298,487	-	298,487	280,468
Social security costs	28,298	-	28,298	26,945
Apprenticeship levy	1,459	-	1,459	1,371
Employer's contributions to NHS pensions *	48,336	-	48,336	32,012
Pension cost - other	144	-	144	8
Temporary staff (including agency)	-	11,297	11,297	11,621
Total gross staff costs	**376,724**	**11,297**	**388,021**	352,425
Of which				
Costs capitalised as part of assets			1,321	1,305

* The increase in employer's contribution to NHS pensions reflects the additional 6.3% for which there is a corresponding entry on income.

Average number of employees (WTE Basis)
These figures are subject to audit

	Permanent Number	**Other Number**	**2019/20 Total Number**	2018/19 Total Number
Medical and Dental	1,084	148	1,232	1,152
Ambulance staff	0	0	0	0
Administration and Estates	1,557	18	1,575	1,496
Healthcare assistants and other support staff	512	55	567	602
Nursing, Midwifery and Health Visiting staff	2,936	93	3,029	2,997
Nursing, Midwifery and Health Visiting learners	30	0	30	16
Scientific, Therapeutic and Technical staff	1,021	38	1,059	1,001
Healthcare science staff	432	0	432	433
Other	-	-	-	-
Total average numbers	**7,572**	**352**	**7,924**	7,697

Staff Policies Applied during the Financial Year: 1 April 2019 - 31 March 2020
As part of the Trust's People Strategy 2019 to 2024, we continue to be committed to transforming the Trust's HR service provision and people management culture, to deliver great staff, great care, great future, which will enable us to achieve our strategic objectives.

In line with the People Strategy, the Trust's HR service provision continues to modernise and streamline practices, using new technology, service transformation and reform. As part of this, HR policies are continually reviewed to ensure they are in line with current legislation and national terms and conditions.

Following the review and update of the Agenda for Change Terms and Conditions published in April 2019, a number of Trust policies needed to be reviewed, particularly family friendly policies.

The changes to the Agenda for Change Terms and Conditions included the provision of enhanced shared parental pay for staff, which led to a major review and rewrite of the Trust's Shared Parental Leave Policy and supporting documents. The enhanced shared parental pay is favourable for staff and brings it in line with enhanced maternity pay.

A number of Trust policies which support the health and wellbeing of staff have also been updated over the past year, including supporting staff who have alcohol and substance issues, support for staff dealing with critical incidents and staff who require special leave.

1. Employee Service Centre
The Employee Service Centre, which launched in March 2017, has continued to provide a 'one stop shop' for all employees offering first line support on Recruitment, HR, Payroll and many other related topics.

Since 1 April 2019, the Helpdesk has received over 26,000 queries via telephone calls or e-mails, which is an increase of 11,000 over the past year. Through the first line support provided by the Helpdesk, 80% of these queries were resolved immediately. This has freed up valuable time for the HR Advisory, Medical Staffing and Payroll teams, who would previously have dealt with many of these queries, allowing them to concentrate on more value-added work within their specialities.

The Medical Staffing service continues to evolve and develop.

The 2016 Medical & Dental Junior Doctors contract, which encompassed major changes including significant changes to all of the Trust's rota patterns, was successfully delivered by the team by the August 2019 deadline.

The team has also played a pivotal role in supporting the Trust's equality, diversity and inclusion agenda for Medical and Dental staff including:

- The benefits of providing flexible working options for Doctors in Training are well documented and the Trust has therefore set up a quarterly forum for those doctors already working and those considering working less than full-time. The forums, run in partnership with the BMA, have been supported by a number of speakers covering impact on pay, pensions and rotas. The Medical Staffing Team have identified a Less Than Full-Time Champion to support existing doctors and those returning to training or returning from, for example, family friendly leave.

- Following funding received from Health Education England, the Trust has appointed to the role of SuppoRRT Champion for a 3 year period. This role is to provide advice and guidance to medical trainees who are returning to work after a lengthy period of absence (for example maternity leave) as well as supporting trainers with this process.

- From August 2019 Medical and Dental staff returning to the Trust following a period of family friendly leave are provided with 3 paid supernumerary days (funded by Health Education England) to support their return to work.

After discussions with the Chief Medical Officer and due to the Trust's International Partnership with the College of Physicians and Surgeons of Pakistan, the Trust now has a process to sponsor internationally appointed doctors in support of their GMC registration. This means that the Trust can streamline the recruitment of specialist doctors from overseas into hard to fill departments within the Trust.

The Employee Service Centre continues to be a valued resource to the Trust. It has been key in supporting the Trust in its efforts against COVID-19. The current service delivery has evolved to offer a Sickness Recording Line for all staff to report any symptoms or issues relating to the pandemic. This has proved a key one stop shop for staff to call in sick, discuss self-isolation, to arrange a test, reporting back fit for work. The opening hours have been expanded to 7am to 7pm Monday - Friday and 8am - 4pm Saturday - Sunday.

2. Recruitment and Retention

Ensuring the values of new employees align with organisational values and behaviours is a key component of building a diverse workforce.

The Trust currently holds Disability Confident Employer Status which aims to help employers make the most of the opportunities provided by employing disabled people.

Non-medical recruitment processes continue to improve. Time taken to recruit for these groups has reduced by just under 1 month since the introduction of the electronic recruitment system (TRAC) in 2016. The average time to recruit was 50.9 days in December 2019, a decrease of more than a day on 2018 figures.

There remains a focus on continuing to streamline recruitment processes for both Agenda for Change and medical recruitment, to ensure all processes remain efficient, effective and safe.

2.1 EEA Staff – EU Exit

Over the last year the Trust has continued to prepare for the UK's departure from the EU.

With the uncertainty of whether the UK would leave with a deal or not, the Trust had to plan for every scenario.

Risk assessments covering a number of possible eventualities, from delayed overseas recruitment to transport issues due to delays at European entry points, were undertaken for each Health Group/Directorate within the Trust. Following this, full workforce contingency plans were developed to ensure safe services for patients could continue to be provided.

In addition to this, communicating with Trust staff, particularly EEA staff, was a priority. The Trust proactively used different medium to reach out to EEA staff to reassure them of the work going on to continue to support them. This included sharing information on the changes to the ways in which they could continue to live in the UK following the UK's exit from the EU. Details of the EU Settlement Scheme were shared, an intranet page was developed and updated and EEA staff received regular updates from their Health Groups/Directorates.

Following the UK's departure from the EU on the 31 January 2020, the UK has entered into a period of transition until 31 December 2020. Whilst during the transition period there is little change, the Trust continues to proactively engage with staff, providing reassurance and information on the EU Settlement Scheme and other important updates.

2.2 Medical Revalidation and Appraisal

In February 2020, the Trust took part in a Higher Level Responsible Officer Quality Review by NHS England and NHS Improvement in relation to Medical Revalidation and Appraisal.

Medical revalidation is the process by which the GMC confirms the continuation of a doctor's licence to practise in the UK. Its purpose is to provide greater assurance to patients and the public, employers and other healthcare professionals that licensed doctors are up-to-date, fit to practise and is a key component of a range of measures designed to improve the quality of care for patients.

Revalidation is based on a local evaluation of doctors' practice through appraisal with a senior doctor in the organisation who makes a recommendation about the doctor's fitness to practise to the GMC. This is based on the outcome of the doctor's annual appraisals over the course of five years, combined with information drawn from the organisational clinical governance systems. Revalidation also enables early identification of doctors whose practice needs attention, allowing for more effective intervention.

Following this review, the Trust received a positive outcome and was congratulated on the 2018/19 appraisal participation rate of 93.4% for its prescribed connections, as well as the policies and processes currently in place. Credit was also given to the Revalidation Team, which consists of the team of Medical Appraisers and the System Admin Team responsible for the day-to-day management of local processes and procedures.

2.3 Nurse and Staff Bank and e-Rostering

A key focus of the Trust's People Strategy is the modernisation of practices using new technology. Reviewing systems and processes and the way our employees (staff and managers) work effectively with and within them assists service transformation and continuous improvement. Improvements to how we utilise our staffing resource directly impacts on better patient care. Over the last year for the Nurse/Staff Bank and e-Rostering teams successful initiatives include;

- The e-Rostering team commenced a project to implement the e-Rostering (electronic roster) system to all remaining clinical services. Working with areas to get the best out of the system to meet staffing requirement, this significant increase in the number of live rosters (from 269 to 300) by the end of the financial year supports efficient use of the Trust's staffing resource. This also included e-Timesheet link up for each new area, thus reducing paper transactions, saving time and money for service areas and payroll.
- The team, in conjunction with the Operational Nursing team, commenced a piece of work using the Insight system (rostering based management information system) to focus on areas which need increased attention on efficient staff rostering practices. This enabled the team to work with 5 different wards per month to look at key metrics and devise plans for improvement. This included full and comprehensive roster reviews.
- A suite of reports and dashboards were developed and embedded within the services. These provide managers with live information to help them manage their services, for example to identify future rota gaps, enabling them to highlight required changes on an ongoing basis.
- Direct booking was enabled using the EmployeeOnline system. This enables Pool staff and Bank workers to directly book shifts to support wards and services with vacant duties. This has delivered multiple benefits. For staff it gives greater flexibility (as it allows them to book shifts as far in advance as they are able to commit and at short notice based on their availability) and greater control (it allows them to check bookings and that their hours of work are being paid directly). For managers it allows them to have better oversight of the cover already booked. This has reduced the volume of calls to the central line, enabling the Bank team to focus on improving other aspects of the service.
- e-Timesheet link up and the phasing out of paper timesheets has commenced for Pool and Bank workers. This is delivering a number of efficiencies across the Bank and Payroll teams.

- Work has commenced to prepare the organisation for Agency Direct bookings. This enables the Trust to send specific approved vacant duties to a set of Agencies simultaneously for them to book available workers into. This has created a fairer process but has also released capacity within the Nurse and Staff Bank team to enable focussed searches to be made to cover crucial shifts.
- Improving the efficiency and timeliness of the recruitment and selection processes for Bank Healthcare Assistant posts. This includes the introduction of assessment days for short-listed candidates (as opposed to traditional interviews which, given the significant number of applicants involved were resource intensive as they took time over a number of days) and streamlining induction arrangements.

The improvements to processes within the teams will allow the opportunity to look at how the service can continue to evolve to better support patient care.

2.4 Dying to Work

In February 2020 the Trust and Staff Side colleagues signed the TUC's Dying to Work Charter, providing protection to over 9,000 staff.

The TUC's campaign calls for additional employment protection for terminally ill workers. Current legislation provides little protection for these employees, and some are dismissed from their jobs in the final months of their lives.

Signing the charter is voluntary, but doing so shows a real commitment by the Trust to staff members with a terminal diagnosis. The Trust is committed to treating these staff with dignity, respect and compassion, setting out an agreed way of supporting, protecting and guiding them throughout their employment following diagnosis. Ultimately it will ensure that the Trust's employees are able to make the decision that is right for them and their family.

The signing ceremony was the culmination of months of partnership working between Unison and Human Resources. The Trust's commitment, designed to encourage a compassionate approach to dealing with a terminal diagnosis, is supported by guidance, frequently asked questions and a bespoke training package for staff and managers.

As our Director of Workforce said on the TUC website: "At Hull University Teaching Hospitals NHS Trust our staff provide amazing acts of care and kindness every day to our patients and it is absolutely right that we as an employer pledge to support our people particularly at times when staff really need us."

3. Reserve Forces Training and Mobilisation

The Trust continues to take steps to embed the Armed Forces Covenant, which aims to support positive outcomes for the Armed Forces community.

A holder of the Silver Award under the Employer Recognition Scheme for its work supporting the Armed Forces, as well as Veteran Aware Accreditation in recognition of its commitment to improve NHS care for veterans, reservist and members of the Armed Forces, the Trust has also signed up to the Step into Health scheme. Through this, members of the Armed Forces community can connect to NHS organisations to set up training opportunities, clinical and general work placements, insight days and receive application support. The programme provides a dedicated pathway into a career in the NHS. The Trust has benefited from a number of successful appointments from the scheme, gaining benefit from the transferable skills that the Armed Forces community bring and their compatibility with NHS roles.

There are Armed Forces Champions within the Trust who proactively advocate and support defence through the provision of information regarding relevant internal policies and external services including Citizens Advice and the Veterans Gateway. This information is promoted to reservists and veterans who currently work for, or who wish to work for, the Trust.

Representatives from the Trust meet regularly with the Army Medical Services Reserve Recruitment to help co-ordinate recruitment sessions within the Trust. The Trust has been able to offer work placements to several Veterans/Transitioning Armed Forces members and regularly shares good practise with other Trusts.

The Trust has supportive policies in place for staff who are reservists, alongside a number of e-learning packages which help staff understand the specialised needs of current and ex-Armed Forces personnel, whether a patient or an employee.

The Trust is working collaboratively with local CCGs and councils to develop health pathways for veterans, linking in with external agencies and support networks, for example Defence Medical Welfare, Hull4Heros and the Veterans Hub to share best working practice. This includes ongoing work to develop and implement a process for identifying veterans on admission, with the aim of improving patient outcomes, facilitating early discharge and, as part of the discharge process, signposting veterans to locally available support (e.g. military charities, rehabilitation services, veterans' mental health services).

The Trust was 1 of 3 organisations shortlisted for the Heropreneurs Awards 2019 in the Large Employer of the Year category.

4. Health and Wellbeing

The Trust takes seriously its responsibility to provide a wellbeing programme for staff, but at the same time, it is also important that we encourage staff to take responsibility to look after themselves and each other.

The Trust has developed and implemented a new Health and Wellbeing Programme, which was launched at a series of Health and Wellbeing Fairs for staff. This incorporates a number of new initiatives as well as repeating initiatives that had previously proved popular with staff.

Moving forward, the mental wellbeing agenda will remain a key focus for the Trust. This includes delivery of a 'Train the Trainers' programme for stress management and mental wellbeing, the pending launch of a new Mental Wellbeing Policy, in addition to the delivery of a number of courses designed to support staff mental wellbeing led by our Education and Development team.

A range of new initiatives to improve physical activity have been launched in the last 12 months including a HUTH running club (HUTH Harriers), a lunchtime walking club, a gardening club, subsidised pilates and yoga sessions for staff. All have been well received and attended by staff. A book club is imminent. These complement the existing football team and the staff discount offered by the local council at its leisure facilities and gyms.

Established initiatives including the Trust's meditation, salsa and mindfulness programmes, choir, football team and staff lottery continue to remain popular.

The Trust holds a number of popular annual events for staff, for example an 'It's a Knockout' tournament, which this year was won by the Estates and Development team (and will be hotly contested in future years!) and a Family Fun Day (held in July 2019 this was attended by almost 2000 staff and their families).

Supporting its proactive health and wellbeing culture for staff, the Trust offers a flu vaccination programme, health checks for staff, a FAST Track Physiotherapy Service, and Rapid Access to Counselling. These are in addition to the Rapid Access scheme, introduced in 2019 that allows staff to access an out-patient appointment or hospital admission for treatment following a referral from their GP by utilising late cancellation or difficult to fill appointment slots.

A number of Benefits Fairs have been held across the year at which local retailers, businesses and in-house teams talked to staff about NHS staff benefits. From discounts in restaurants to cut price cars, work-based exercise groups and everything in-between, there was something to grab everyone's interest.

The Trust's Occupational Health Department is key in supporting staff health and wellbeing. The department is an accredited member of the Safe Effective Quality Occupational Health Service (SEQOHS), which is a stand-alone scheme managed by the Royal College of Physicians of London, open to all providers of Occupational Health Services in the public and private sector. It is the formal recognition that an Occupational Health Service provider has demonstrated that it is competent to deliver a range of services.

5. Equality, Diversity and Inclusion

Whilst the requirements of the general duty of the Equality Act 2010 remain in force, due to COVID-19, the Equality and Human Rights Commission has suspended Public Sector Equality Duty reporting obligations in England for 2020, meaning there is no submission of the NHS Workforce Race Equality Standard (WRES) or the NHS Workforce Disability Equality Standard (WDES) this year.

Equality, Inclusion and Diversity is one of the key strategic workforce themes within the Trust's People Strategy 2019-2024 and states "we will continue to develop an organisational culture that encourages every member of staff, whatever their role or background to succeed. A Trust where our staff work hard to make a difference for patients, where staff access opportunities to learn, develop and grow and work in a positive environment free from discrimination."

The following provides an overview of work undertaken over the last year to support this principle.

5.1 Equality, Diversity and Human Rights Training

In 2017 the Trust agreed that Equality Training would become a part of the suite of mandatory and statutory training. As at 31 March 2020, 96.7% of staff were compliant with the requirement to complete this training.

5.2 Training and Awareness Sessions

The Education and Development Team have delivered a number of sessions linked to raising awareness of Learning Disabilities, Autism and Mental Health at Work. In addition to this, the Chair of the Trust's Diversity and Inclusion Steering Group worked with Humberside Police to deliver a number of Hate Crime Awareness sessions.

5.3 Blogs and Personal Experiences

One of the Trust's patient representatives is a key member of the Diversity and Inclusion Steering Group and regularly shares her experiences of living with an "invisible health condition". These experiences are also shared wider via blogs on the Trust's intranet.

5.4 Gender Pay Reporting

New regulations that took effect on 31 March 2017 (Equality Act 2010 [Specific Duties and Public Authorities] Regulations 2017) required all public sector organisations in England employing 250 or more staff to publish gender pay gap information.

The Trust's overarching Gender Pay Gap Report for 2019, the third since the regulations were introduced, has been published.

Gender pay gap calculations are based on ordinary pay which includes; basic pay, allowances (including shift premiums), extra amounts for on-call, pay for leave but excludes; overtime, expenses, payments into salary sacrifice schemes and Pensions.

In summary, the Trust's mean gender pay gap is 29.04% (i.e. this means that women's average earnings are 29.04 less than men's). The median gender pay gap is 18.18% (i.e. this means that women's average median earnings are 18.18% less than men's).

The mean and median gender pay gap can be explained by the fact that while men make up only 23.66% of the workforce, there are a disproportionate number of males, 39.49% in the highest paid quartile, predominantly medical staff.

The mean gender pay gap for the whole economy (according to the October 2018 Office for National Statistics Annual Survey of Hours and Earnings figures) is 16.2%, while the Trust's mean gender pay gap is 29.04% in favour of males. The median gender pay gap for the whole economy is 17.3%, compared to the Trust average of 18.18%.

Medical staff pay has a strong impact on the mean and median data. If Medical staff were excluded from the data above the mean (average) hourly pay gap is 3.29% or £0.48, and the median (mid-point) hourly pay is -0.23% or -£0.03. Nationally the Consultant workforce is predominately male.

The gender pay gap calculations are based on pay excluding the value of payments made into salary sacrifice schemes (even though employees opt into the schemes voluntarily, as they provide a benefit in kind). Payment into these schemes reduces the basic salary and hourly rate of pay.

The Trust operates a number of salary sacrifice schemes. Given 79.11% of those who pay into salary sacrifice schemes are female staff (compared to 20.89% of male staff) this has a significant impact on the Trust's gender pay gap data, including the mean and median female averages and also where females fall in pay quartiles (i.e. they might otherwise fall into a higher quartile).

Exacerbating the Trust's gender pay gap data particularly in the Lower Middle and Upper Middle quartiles and thus mean and median pay gap data has been the introduction of an additional high value salary sacrifice scheme during this reporting period. This enables staff to save money on Home Electronics. This has proven popular amongst staff. Of the 898 staff who pay into the scheme, 84.63% (760) are female. This is on top of the existing high values schemes which again more female staff pay into (Family Car Lease 76.14% and Childcare Vouchers 71.01% of female staff respectively). 124 staff pay into 2 of the high value schemes, 5 staff pay into three of the high value schemes.

Based on the Trust's overall gender split (76.34% female and 23.66% male), there is no significant gender pay gap in the lower, lower middle and upper middle quartiles. There are a disproportionate number of males, 39.49%, in the upper quartile compared to 60.51% being female. There is a mean gender pay gap of 24.31% and £8.09 in the upper quartile.

Within the Medical staff group there is a disproportionate gender split (35.56% females and 64.44% male). In the Upper Quartile for Medical staff the split is 34.30% female and 65.70% male. Medical staff account for the majority of the Trust's highest earners.

The Trust has a split of 58.90% full time and 41.10% part time staff. 92.39% of part time staff are female. The majority of part time staff are in the lower quartiles (58.39% are in the lower and lower middle).

Only 27.97% of staff in the upper quartile are part time. This is disproportionate when compared with the Trust wide figure of 41.10% of staff being part time. 88.91% of these are female staff.

The mean gender bonus gap is 37.43% when long service awards are excluded from the data, rising to 78.69% when they are included in line with national guidance.

The median gender bonus gap is 33.33% (£3,016 per year) when long service awards are excluded from the data, rising to 99.45% when they are included. This is an improvement from 36.67% (£3,314.89) in the 2018 reporting period.

The proportion of male employees receiving a bonus is 6.61% excluding long service awards (7.30% when included) and the proportion of female employees receiving a bonus is 0.65% excluding long service awards (2.12% when included).

This year the Trust has two types of bonus that meet reporting requirements – Long Service Awards (for staff who have achieved 25 years substantive service within the NHS which is a token gift to the value of £50 to recognise staffs contribution and commitment) and Clinical Excellence Awards (CEAs - which are awarded based on the performance of Consultant Medical staff subject to national and local eligibility criteria in recognition of excellent practice over and above contractual requirements).

The Trust's gender bonus data is significantly distorted by the Trust's Long Service Award scheme as, given the gender makeup of our workforce, more females receive an award. Calculations have therefore been made both including and excluding this data. Including long service awards, the median bonus pay for females is £50. Excluding long service awards, the median bonus pay for females is £6,032.00. This compares to £9,048.00 for males (the figure is the same inclusive or exclusive of the long service award).

The gender split for bonus pay is 48.42% female and 51.58% male, however as 87.27% of female bonus pay is the £50 long service award, this results negatively on mean bonus pay. There has been a significant increase in female staff numbers receiving long service awards during this reporting period (an increase from 47 in 2018 to 96 in 2019, compared to an increase in eligible male staff from 7 in 2018 to 14 in 2019), as two long service award ceremonies were held. This has resulted in an increase in the mean bonus pay gap compared to the 2018 reporting period.

If long services awards are excluded, the mean bonus pay gap reduces from 78.69% (£10,128.97) to 37.43% (£5,323.61) and the median bonus pay gap reduces from 99.45% (£8,998.00) to 33.33% (£3,016.00).

Nationally agreed changes to the local Clinical Excellence Awards scheme effective from 1 April 2018 will gradually impact on the Trust Gender Pay Gap data, commencing with this, the 2019 Gender Pay Gap report, as awards are made retrospectively. This is evident in the small 3.34% improvement this year in the median bonus pay gap (excluding long service awards).

CEA and Discretionary points account for 61.40% of all bonuses awarded.

The difference in bonus pay is also driven by the payment of higher (accumulated) bonuses for Consultant Medical staff where there is a greater proportion of men.

A greater number of the Trust's female Consultants work flexibly on a part-time basis (6.98% male, 25.86% female). This distorts both the mean and median bonus pay as CEA bonus payments are pro-rated for part-time employees. This part-time split is broadly reflected in those with CEAs (3.01% of male CEAs are for part-time Consultants, 23.81% of female CEAs are for part-time Consultants).

<u>Summary of Results</u>
The Trust is committed to ensuring all staff are treated and rewarded fairly irrespective of gender.

The Trust is using the workforce gender pay gap figures to help understand the underlying causes for its gender pay gap and to identify suitable steps to minimise it.

Some elements of the Trust's gender pay gap have a historical/national context which will take a period of time to resolve.

The Trust gender pay gap data for the period including 31 March 2019, which shows the difference in average pay between men and women in the workforce, reflects that the Trust has a majority of men in higher-paid roles, predominantly medical staff.

The mean and median hourly pay gap percentages across the health sector and bonus pay gap are significantly affected by the presence of the Medical Consultant body – due to both their high base wage and the historical differences in bonuses awarded under the Clinical Excellence Awards scheme.

This year's gender pay data has been particularly impacted by the introduction of the Trust's Home Electronics salary sacrifice scheme, and the large increase in female staff numbers receiving a long service award.

The Trust's mean gender pay gap at 29.04% has reduced since the 2018 report (30.74%) but remains higher than the average national figure of 16.2%. The Trust's median gender pay gap at 18.18% is above the national average of 17.3%. Excluding medical and dental staff these figures would be 3.29% and -0.23% respectively, an improvement on the 2018 reporting period (2018 data;3.61% and 0.32%). The overall NHS gender pay gap is 23%.

Whilst the impact of the new CEAs is not reflected in the overall CEA bonus gap data (due to the historically awarded CEAs that consultants are still in receipt of), analysis of those who have achieved a new style local CEA for the first time suggest positive changes in addressing the bonus pay gap for future years. Notably, when it came to applying, of those eligible, a slightly higher percentage of females applied compared to males. In addition the percentage of applications resulting in a successful new CEA award was higher for female medical staff.

Actions to address the gender pay gap will be taken within the context of the Trust's People Strategy 2019-22 and programme plan.

The full Gender Pay Gap Report for 2019 is available on the Trust's internet.

5.5 Gender Pay Gap in Medicine

In April 2018 the Department of Health and Social Care commissioned an independent review to advise on action to improve gender equality in the NHS. The interim update from the Gender Pay Gap in Medicine Review (published 29 March 2019) has found that the continued dominance of men in senior medical positions is one of the main causes of the gender pay gap in medicine. The update includes; that the gender pay gap for doctors is 17% based on their total pay, women are not yet represented in equal proportions in senior medical grades, two-thirds of doctors in training grades are women, but within consultant grades this drops to under half, women are over-represented in lower paid specialties, but under-represented in the highest paid specialties. The final national report is due imminently.

5.6 Race Equality

The NHS Workforce Race Equality Standard (WRES) was commissioned in 2015 to ensure employees from Black, Asian Minority Ethnic (BAME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace.

The outcomes from the Trust's last WRES return have been actively shared with, and reviewed through, the Trust's BAME Leadership Network. The Trust can demonstrate some

improvements against a number of the WRES indicators including the role of Chief Medical Officer, which is a Trust Board appointment, being a BAME colleague.

Since the Trust's previous submission, there has been an increase of 123 BAME employees, which has resulted in some positive movement in the number of BAME staff achieving higher bands in the clinical workforce (non-medical) group albeit further work is still required.

The number of BAME staff being shortlisted has increased, which has resulted in an increase in the likelihood of BAME staff being appointed following shortlisting. BAME staff also continue to be less likely to enter into the formal disciplinary process than White staff and are more likely to access non-mandatory training and CPD than White staff.

5.7 BAME (Black, Asian Minority Ethnic) Leadership Network

In October 2019 the Trust ran its first BAME Leadership Summit with over 45 colleagues across a wide range of professions attending. The aim of the event was to support, encourage and explore opportunities for BAME colleagues both personally and professionally.

The summit, attended by the Trust's Chief Executive, Chris Long, provided an opportunity to re-energise the Trust's BAME Leadership Network and shape priorities for the future. Bo Escritt, National Diversity Lead, attended as a guest speaker sharing her experiences as a BAME colleague developing BAME Networks across the NHS.

Actions that have taken place since the BAME Leadership Summit include:

- Reviewing and re-designing the Trust's in-house leadership development programmes to ensure HUTH leaders role model compassionate and inclusive leadership. The new content, which was piloted in November 2019 with a group of senior managers, has had excellent feedback. Work continues to ensure that inclusion is at the core of all of the Trust's internal leadership programmes.
- The Executive Team received feedback of the lived experiences of BAME colleagues within the Trust. The purpose was to raise awareness of the challenges and obtain support to build upon the excellent feedback received during the BAME Leadership Summit.
- Reviewed and updated the BAME pages on the Trust's intranet to provide an overview of the BAME Summit, provide updated information on the leadership and Ddvelopment opportunities available.
- Held the first of 2 BAME Network meetings to build upon the feedback from the BAME Summit and shape the purpose and key objectives of the network going forward.

<u>Success at the National BAME Awards</u>

It was a successful night for the Trust at the National BAME Awards ceremony held in London. Six staff were shortlisted of which two went on to win awards for Clinical Champion of the Year and Groundbreaking Researcher.

5.8 Celebrating Diversity Through Food

In April 2019 the Trust's second World Food Event was held, in which a number of staff joined together to celebrate their heritage through their love of food. The World Food Event enabled staff to try dishes they had never sampled before. It also provided an opportunity for the sharing of recipes whilst socialising with staff from a wide and diverse range of cultures. A great time was had by all.

<u>The Eid al Adha Celebrations</u> (also called the "Festival of the Sacrifice) is the second of two Islamic holidays celebrated worldwide each year. For 2019 the Communication and Catering teams worked together to acknowledge and raise the awareness of this key period of celebration. The Catering team created a special menu to mark the occasion and the Communications team developed branded flyers to go out to all staff. The Lottery Committee also provided funding to purchase Eid banners and decorations for the restaurants.

5.9 Hull Pride

In 2019 Hull University Teaching Hospitals NHS Trust was once again a key contributor to the Hull Pride Celebrations in Hull city centre.

5.10 Differently Abled

The Trust was a key contributor to the Differently Abled Event held at the Bonus Arena in Hull. The event was designed primarily to provide people with Learning Disabilities and Autism and their families/carers with an opportunity to meet people from local services both clinical and non-clinical. Staff from the Trust's Emergency Department, Paediatric Epilepsy Team, Audiology and Safeguarding Adults Teams represented the Trust at this event. The feedback received from Trust staff who attended was that it provided an opportunity to network with colleagues from other services that they had not previously been aware of. This in turn supported their own development and enabled them to signpost their patients to appropriate help within the community.

5.11 Job Matching Training

To ensure that job roles are evaluated (banded) fairly and equitably, in partnership with Trade Union colleagues, within the organisation, the Trust adheres to the national NHS Job Evaluation Scheme. This scheme ensures consistency and compliance with the National Agenda for Change Agreement, with particular reference to compliance with current equal pay legislation.

In June 2019 the Trust hosted a 2 day Job Matching training course, commissioned from NHS Employers which was attended both by staff internal to the Trust and from external NHS organisations. Following this, the Trust has a further 7 employees (4 management representatives and 3 staff side representatives) who are trained job matchers.

6. Remuneration Policies

The majority of staff are covered by national terms and conditions for employment, including remuneration. For those staff covered by Agenda for Change, the Consultants contract and the junior doctors contract, recruitment and remuneration is undertaken in accordance with these national requirements.

The remuneration for Executive Directors and those reporting directly to the Chief Executive is set by the Remuneration Committee, with terms of reference set through the Scheme of Delegation in Standing Orders. The work of the Remuneration Committee in 2018/19 is set out within this annual report. A summary of the Remuneration Committee minutes is received by the Trust Board.

The remuneration for Very Senior Managers who do not fall under the Remuneration Committee or national terms and conditions is set by the Pay, Terms and Conditions Group, with agreed terms of reference, and who oversee the application of the Trust's Very Senior Managers contracts, terms and conditions. The minutes of the Pay, Terms and Conditions Group are received for information by the Remuneration Committee.

The Trust has in place relevant polices for the processes of recruitment and remuneration of all staff.

Consultancy Fees 2019-20

Description	Supplier	£	Percentage
Pathology Collaborative	York Teaching Hospital NHS FT	74,882	100%
		74,882	100%

Off payroll engagements

From time to time the Trust uses the services of individuals who are self-employed or who trade through a personal services company. At 31 March 2020 the Trust received services from 3 such individuals. These 3 individuals charged an equivalent daily rate of £245 or more and had been engaged by the Trust for more than 6 months. Those engagements are set out in the table below.

The Trust requested assurances and issued contracts for service to individuals in May 2018, sought assurances on tax and indemnity and assessed these against the Trust's obligations. These 3 individuals have a formal contract for service which is clear on the Trust's expectations in relation to paying tax in the UK and sets out the Trust's right to receive assurances that taxes have been paid appropriately.

	Number
Number of existing engagements at 31 March 2020	3
Of which, the number which have existed:	
For less than 1 year at the time of reporting	0
For between 1 and 2 years at the time of reporting	0
For between 2 and 3 years at the time of reporting	0
For between 3 and 4 years at the time of reporting	2
For 4 years or more at the time of reporting	1

There have been 0 new engagements during the 2019/20 financial year.

No Board members were engaged on an off-payroll basis during 2018/19

The Trust adopts best practice with corporate governance norms and codes: it is compliant with all NHS staffing employment requirements, including relevant disclosures in this annual report. The Trust follows all required national terms and conditions of employment, with good relationships with the Local Negotiating Committee and Joint Negotiating Committee for local terms and conditions; this annual report details the workforce position, the staffing policies applied as well as best governance practice adopted: with the trust aiming to further increase staff engagement and staff satisfaction, which in turn impact positively in patient care, this is best governance practice in respect of not just applying with the letter of guidance, specifically the UK Code of Governance, but the spirit of it – to be a good employer, to care for staff and use resources wisely.

The Trust takes seriously its corporate governance role to be a good steward of public funds, and this annual report details many ways in which these are discharged: detail on financial management and disclosure of financial risks being taken in to next financial year, reporting

senior salaries and pension benefits in full and changes between this year and the pay gap in the organisation; the detail on the work of the Trust Board to manage delivery of the Trust's strategy and related risk through its Board Assurance Framework; that the Board and its Committees have met the requisite numbers of time, been quorate and considered the wide range of business required to be good stewards of public funds and be open and accountable as to how these duties have been discharged. Specifically, the above sections on Corporate Governance, remuneration and staffing figures show that the Trust is a growing organisation, managing short- and long-term risks and, as captured in the Annual Governance Statement. The Trust's internal auditors have returned an option of 'substantial' assurance, in that the Trust has good systems of internal control in place, in line with corporate governance norms and codes, as well as national NHS governance requirements, to discharge its duties.

Chris Long
Chief Executive
18 June 2020

Hull University Teaching Hospitals NHS Trust

Annual accounts for the year ended 31 March 2020

Statement of Comprehensive Income

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	2	606,587	556,067
Other operating income	3	56,089	73,125
Operating expenses	6, 8	(651,396)	(593,178)
Operating surplus/(deficit)		**11,280**	36,014
Finance income	12	263	124
Finance expenses	12	(6,912)	(6,888)
PDC dividends payable		(5,659)	(5,377)
Net finance costs		**(12,308)**	(12,141)
Other gains / (losses)	13	18	(19)
Surplus / (deficit) for the year		**(1,010)**	23,854
Other comprehensive income			
Surplus / (deficit) for the year		(1,010)	23,854
Impairments	7	(1,113)	(12,540)
Revaluations	17	19,691	6,155
Total comprehensive income / (expense) for the period		**17,568**	17,469
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(1,010)	23,854
Remove net impairments not scoring to the Departmental expenditure limit		11,720	1,570
Remove I&E impact of capital grants and donations		362	(204)
Remove 2018/19 post audit PSF reallocation (2019/20 only)		(577)	-
Adjusted financial performance surplus / (deficit)		**10,495**	25,220
Adjusted financial performance excluding PSF/MRET		(555)	(1,972)

Statement of Financial Position

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	14	5,038	4,970
Property, plant and equipment	15	311,670	284,011
Investment property	18	3,100	6,050
Receivables	21	4,071	2,920
Total non-current assets		**323,879**	297,951
Current assets			
Inventories	20	14,600	12,528
Receivables	21	38,496	50,037
Cash and cash equivalents	22	19,434	5,611
Total current assets		**72,530**	68,176
Current liabilities			
Trade and other payables	23	(66,104)	(52,689)
Borrowings	25	(38,632)	(23,087)
Provisions	27	(200)	(159)
Other liabilities	24	(511)	(1,193)
Total current liabilities		**(105,447)**	(77,128)
Total assets less current liabilities		**290,962**	288,999
Non-current liabilities			
Borrowings	25	(57,248)	(81,736)
Provisions	27	(2,224)	(871)
Total non-current liabilities		**(59,472)**	(82,607)
Total assets employed		**231,490**	206,392
Financed by			
Public dividend capital		226,783	219,253
Revaluation reserve		31,096	12,518
Income and expenditure reserve		(26,389)	(25,379)
Total taxpayers' equity		**231,490**	206,392

The notes on pages 5 to 45 form part of these accounts.

Christopher Long
Chief Executive
Date 18th June, 2020

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**219,253**	**12,518**	**(25,379)**	**206,392**
Deficit for the year	-	-	(1,010)	**(1,010)**
Impairments	-	(1,113)	-	**(1,113)**
Revaluations	-	19,691	-	**19,691**
Public dividend capital received	7,530	-	-	**7,530**
Taxpayers' and others' equity at 31 March 2020	**226,783**	**31,096**	**(26,389)**	**231,490**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	214,167	18,903	(49,233)	183,837
Surplus/(deficit) for the year	-	-	23,854	23,854
Impairments	-	(12,540)	-	(12,540)
Revaluations	-	6,155	-	6,155
Public dividend capital received	5,086	-	-	5,086
Taxpayers' and others' equity at 31 March 2019	219,253	12,518	(25,379)	206,392

Statement of Cash Flows

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus / (deficit)		11,280	36,014
Non-cash income and expense:			
Depreciation and amortisation	6.1	14,540	12,810
Net impairments	7	11,720	1,570
Income recognised in respect of capital donations	3	(116)	(651)
(Increase) / decrease in receivables and other assets		10,190	(18,335)
(Increase) / decrease in inventories		(2,072)	(468)
Increase / (decrease) in payables and other liabilities		9,767	1,136
Increase / (decrease) in provisions		1,384	104
Net cash flows from operating activities		**56,693**	32,180
Cash flows from investing activities			
Interest received		263	124
Purchase of intangible assets		(1,645)	(2,259)
Purchase of PPE and investment property		(31,219)	(18,457)
Sales of PPE and investment property		2,974	2,458
Receipt of cash donations to purchase assets		116	-
Net cash flows from investing activities		**(29,511)**	(18,134)
Cash flows from financing activities			
Public dividend capital received		7,530	5,086
Movement on loans from DHSC		(6,989)	(1,049)
Capital element of finance lease rental payments		(56)	(56)
Capital element of PFI, LIFT and other service concession payments		(1,894)	(1,778)
Interest on loans		(1,083)	(1,132)
Interest paid on finance lease liabilities		(3)	(4)
Interest paid on PFI, LIFT and other service concession obligations		(5,821)	(5,760)
PDC dividend (paid) / refunded		(5,043)	(5,441)
Net cash flows from / (used in) financing activities		**(13,359)**	(10,134)
Increase / (decrease) in cash and cash equivalents		**13,823**	3,912
Cash and cash equivalents at 1 April - brought forward		**5,611**	1,699
Cash and cash equivalents at 31 March	22	19,434	5,611

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Accounting convention

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

Note 1.2 Going concern

The Treasury's Financial Reporting Manual (FReM) provides the following interpretation of the going concern requirements set out in IAS1 "that the continuation of the provision of the service is the important determinant of the basis of preparation of the financial statements for public sector entities".

Hull University Teaching Hospitals NHS Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

In preparing the financial statements, the directors have considered the Trust's overall financial position and expectation of future financial support. Whilst the Trust has an underlying financial deficit of £9m as at 31 March 2020, this is an improvement on the estimated underlying position of £24.7m in 2018/19. This improvement was driven by changes in the financial architecture during 2019/20 relating to the national increase in tariffs for non-elective activity (£9.8m) and the reimbursement of the Marginal Rate Emergency Tariffs (£2.1m). In addition, the Trust delivered recurrent CRES at £2.6m above the 1.1% national requirement.

The Covid-19 pandemic has resulted in changes to the Trust's short term financial arrangements that will be in place for the first four months of the 2020/21 as a minimum. The Trust will receive block payments from the majority of its commissioners for at least the period April-July, assessed by NHSI/E based on Apr-Dec averages. Top-up funding has been ageed to cover excess costs based on the average of spend least year (using months 8,9 and 10). The Trust can apply for additional top-up payments in year to cover excess costs, including all reasonable costs associated with Covid-19. This process is expected to result in the ability for all Trusts to report a breakeven position for at least the first four months of 2020/21.

Whilst a draft plan was submitted at the beginning of March 2020, which delivered the control total requirement of a £1.7m surplus in 2020/21, there were a number of alignment gaps with commissioners to address and further work was required to develop the £17m Cost Saving & Productivity Programme in full. However, this planning process has now paused in light of the pandemic and further guidance will be received from NHSIE outlining the arrangements from August 20 to March 21. In the meantime, the Trust's plan for 2020/21 is based on the 2019/20 expenditure levels uplifted for inflation.

For many commercial organisations, Covid-19 is a material uncertainty that will cast doubt over their ability to continue as a going concern. For NHS bodies, however, while the outbreak is a material uncertainty, the statement in the Budget 2020 regarding the resources to cope with coronavirus provides assurance and certainty around funding and therefore even within this global pandemic, there is currently no risk to the Trust's Going Concern status.

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £35.3m are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Trust

Although there are factors that represent some uncertainty that may cast doubt about the Trust's ability to continue as a going concern, the Directors, having made appropriate enquiries, have reasonable expectations that the Trust will have adequate resources to continue in operational existence for the foreseeable future. As directed by the 2019/20 Department of Health Group Accounting Manual the Directors have prepared the financial statements on a going concern basis as they consider that the services currently provided by the Trust will continue to be provided in the foreseeable future. On this basis, the Trust has adopted the going concern basis for preparing the financial statements and has not included the adjustments that would result if it was unable to continue as a going concern".

Note 1.3 Critical judgements in applying accounting policies

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised, but only if the revision affects the current period, future periods, or both.
The main uses of accounting estimates are in respect of:

- the lives and values of assets (notes 1,7,13,14, 15, 16 and 17)
- provisions needed and the value of the provision (note 27)
- the current value of future costs under PFI and other finance lease contracts (note 30)
- the accounting treatment of service concession arrangements in terms of whether they should be reported on or off the Statement of Financial Position.
- amounts to be accrued as expenditure

Specific details are provided in the notes relating to these items. Where possible the Trust makes use of professional skills where critical judgements are required for accounting purposes. These include:

- reliance on the independent Valuer to assess the value and probable lives of buildings and land, and
- the use of assessments from the NHS Litigation Authority in making provision for liabilities
- specific estimates and judgements are detailed separately.

The key judgement about the future is that the Trust continues to be a going concern. This assumption underpins the most significant areas of estimation uncertainty at the end of the reporting period, and if changed would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and other amounts reported in these accounts.

Valuation services are provided to the Trust by Cushman & Wakefield, a property services firm whose valuers are registered with the Royal Institute of Chartered Surveyors (RICS), the regulatory body for the valuation services industry. A full valuation of land and buildings as at 31 March 2020 has been undertaken, the previous full valuation being undertaken as at 1st April 2016. These valuations reflect the current economic conditions and the location factor in and around Hull. The valuation for PFI buildings excludes VAT on the basis that the replacement of these assets would be carried out under a special purchase vehicle where VAT would be recoverable.

Note 1.4 Associated and Interests in other entities

Interests in trading companies will be carried at market value, where that value can be measured. Where there is no market value available investments will be valued at cost in line with the requirements of IAS39. Where the Trust has a holding in an associated company it will account for that holding as required by IAS28.

Note 1.5 Revenue Recognition
Income is accounted for applying the accruals convention.

The main source of income for the Trust is from commissioners in respect of healthcare services provided under local agreements. Income which is the subject of a contract or local agreement is recognised in the period in which the contractual performance obligations are met. Performance obligations can be performed over time or at a point in time.

Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay. The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

Where non contract income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Note 1.6 Other forms of income

Apprenticeship service income

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

Note 1.7 Measurement
Activities are considered to be ‘acquired’ only if they are taken on from outside the public sector. Activities are considered to be ‘discontinued’ only if they cease entirely. They are not considered to be ‘discontinued’ if they transfer from one public sector body to another.

Note 1.8 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period. The Trust policy is that annual leave cannot be carried forward unless exceptional circumstances. The impact of the Covid-19 pandemic is exceptional and has meant that an estimate for annual leave carry-forward has been included.

Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

Clinicians who are members of the NHS Pension scheme may face a tax charge in respect of the growth of their NHS pension benefits above their pensions savings annual allowance threshold. The government has committed to allowing this charge to be paid by the NHS Pension scheme. The NHS employer will make a contractually binding commitment to pay them a corresponding amount on retirement so that they are not disadvantaged by the charge. The Trust has therefore calculated a provision broadly equal to the tax charge owed by clinicians which is offset by a commitment from NHS England and the Government to fund the payment to clinicians as and when they arise. The provision has been calculated based on the consultant headcount within the NHS pension scheme multiplied by the nationally calculated ‘average discounted value per nomination’

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

Note 1.10 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:
● 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 will be supplied to the Trust;
● it is expected to be used for more than one financial year;
● the cost of the item can be measured reliably; and
● the item has cost of at least £5,000. However there are some circumstances where an individual item with a value of less than £5,000 will be capitalised:
● where collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
● Items 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, the components are treated as separate assets and depreciated over their own useful economic lives.

Measurement

Valuation

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

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 requirements of IAS 40 or IFRS 5.

Land and buildings used for the Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the 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 end of the reporting period. Valuations are determined as follows:

- Land and non-specialised buildings - market value in existing use
- Specialised buildings - depreciated replacement cost

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 Trust's land, buildings and dwellings assets have been valued on the basis of modern equivalent assets and where applicable an alternative site basis has been applied.

Operational equipment - is valued at depreciated historic cost
Equipment surplus to requirements is valued at net recoverable amount.

Assets 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 an expenses. Assets under construction are revalued as appropriate and depreciation commences the quarter after which the asset comes into use.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, and it is probable that future economic benefits or service potential will flow to the Trust, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to operating expenses in the period in which it occurs

Depreciation

Property, plant, and equipment is depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives in a manner that reflects the consumption of economic benefits or service potential of the assets. Depreciation is charged quarterly, commencing in the quarter following the period in which the asset is brought into use. Useful lives are allocated on a per asset basis, within the following parameters, are subject to annual review and reflect the period over which the NHS expects to obtain economic benefits or service potential:

Medical Equipment 5-17 years
Plant and Machinery 5-30 years
Buildings (incl. internal fixtures & fittings) 7-74 years
Transport 5-12 years
IT Equipment 5-12 years

Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated, based on their fair value, over the remaining life of the asset as advised by the independent Valuer, Cushman and Wakefield. Leaseholds are depreciated over the primary lease term. Equipment is depreciated replacement cost (as a proxy for fair value), evenly over the estimated life of the asset.

Impairments

Impairment losses resulting from changes in price are taken to the revaluation reserve in so far as a balance exists for the impaired asset, with any residual value being charged directly to the Statement of Comprehensive Income. These include impairments resulting from the revaluation of buildings from their cost to their current value when they become operational.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME) from 2011-12. This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set. AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

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’ and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

Note 1.11 Donated and grant funded assets

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

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

Note 1.12 Intangible assets

Intangible assets are non-monetary assets without physical substance which are capable of sale separately from the rest of the Trust's business or assets or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000. Assets lives vary from 5-12 years.

Note 1.13 Donated assets

Following the accounting policy change outlined in the Treasury FREM for 2011-12, a donated asset reserve is no longer maintained. Donated non-current assets are capitalised at their current value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

Note 1.14 Government granted assets

Government grant funded assets are capitalised at their current value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

Note 1.15 Non-Current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is regarded as being the case when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification.
Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.
The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to the retained earnings reserve. Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

Note 1.16 Inventories

Inventory is valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to current cost due to the high turnover. Partially completed contracts for patient services are not accounted for as work-in-progress. Where payment for inventory has been deferred, the additional cost of the inventory is recognised as an expense in the Statement of Comprehensive Income.

Note 1.17 Investment Properties

Investments are property that is held solely to earn a return, is not used in the delivery of operational services and is not occupied by staff. Assets are only recognised as Investments where it is probable that future economic benefits will flow to the Trust as a result of the investment and the cost can be easily measured. They are initially measured at cost and uplifted to fair value as appropriate to "highest and best cost" in accordance with IAS40. In determining a fair value we take account of a professional valuation or use actual values, for example where a formal offer to purchase has been made.

Note 1.18 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management.

Note 1.19 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. IFRS 16 accounting for leases which comes into effect for government bodies from April 2021 removes this distinction and is concerned with contracts and right of use.

The Trust as lessee

Where the terms of a lease for property, plant or equipment fulfil the criteria of a finance lease, under the requirements of IAS17(and IFRIC 4), the asset is recorded as an asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the Statement of Comprehensive Income over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease. The same assessment criteria used for property, plant and equipment leases, is used for land leases.

The Trust as a lessor

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1.20 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate as published in the Government Accounting Manual.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

Note 1.21 Clinical Negligence costs

The NHS Resolution (NHSR) operates a risk pooling scheme under which the NHS Trust pays an annual contribution to NHSR which in return settles all clinical negligence claims. Although the NHSR is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHSR on behalf of the Trust is disclosed at note 27.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses as and when they become due.

Note 1.22 PFI Transactions

Buildings currently provided by private finance initiative have been brought onto the Statement of Financial Position where they fulfil the criteria of a finance lease as set out in IAS 17, and IFRIC 12. These buildings have been brought on to the Statement of Financial Position at a fair value determined by the independent valuers, Cushman and Wakefield. The fair value is determined as set out in note 1.10. The buildings are subject to a depreciation charge on the same basis as non PFI funded assets. The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a) Payment for the fair value of services received;
b) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'
c) Payment for the finance lease liability, including finance costs;

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

Services received

The cost of services received in the year is recorded under the relevant expenditure headings within 'Operating Expenses'

PFI Asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value in existing use and are subject to regular revaluations as set out in 1.10.

PFI liability

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

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income. An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Contracts for "Private Finance Initiative" assets include provision for the replacement and refurbishment of these assets. These "lifecycle replacement" costs form part of the Unitary Payment. That payment is determined by the contract, and is independent of the actual cost of works to the contractor. The lifecycle maintenance costs are capitalised where they meet the Trust's criteria for capitalisation. The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively

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

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

Note 1.23 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust. A contingent asset is disclosed where an inflow of economic benefits is probable. Where the time value of money is material, contingencies are disclosed at their present value.

Note 1.24 Financial Assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are de-recognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value and that value is subsequently reviewed for impairment. An impairment occurs where there is evidence that the present value of future cashflows is less than the carrying value. Where this is the case the asset is reduced by the value of the impairment and the reduction in value charged to the Statement of Comprehensive Income

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, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Note 1.25 Financial Liabilities

Financial liabilities are recognised on the Statement of Financial Position when the trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired. Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value. After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

Note 1.26 Public dividend capital

Public dividend capital represents taxpayers' equity in the NHS trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from the Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument. An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for donated assets and assets purchased from Covid-19 PDC and cash balances with the Office of the Paymaster General. The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

Note 1.27 Value added tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.28 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 22.1 to the accounts. The Trust benefits from Charitable donations that are held separately to the Trusts own finances.

Note 1.29 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

Note 1.30 Charitable Funds

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the Trust has established that as the Trust is the corporate trustee of the linked NHS Charity Hull and East Yorkshire Hospitals NHS Trust General Charitable fund, it effectively has the power to exercise control so as to obtain economic benefits. However, the transactions are immaterial in the context of the group and transactions have not been consolidated. Details of the transactions with the charity are included in the related parties' notes.

Note 1.31 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the Operating Cost Statement on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

Note 1.32 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 17 Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

Note 1.33 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

Note 1.34 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a l* interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard p accounting model for lessees, recognising a right of use asset and obligation in the statement of financ most leases: some leases are exempt through application of practical expedients explained below. For recognised in the statement of financial position the standard also requires the remeasurement of leas specific circumstances after the commencement of the lease term. For lessors, the distinction between finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this def leases only and will grandfather its assessments made under the old standards of whether existing con lease.

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumul initially applying the standard recognised in the income and expenditure reserve at that date. For existi leases with a remaining lease term of more than 12 months and an underlying asset value of at least £ liability will be recognised equal to the value of remaining lease payments discounted on transition at th incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasu this rate is 1.27% but this may change between now and adoption of the standard. The related right of measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing leases not classified as finance leases, a right of use asset will be measured at current value in existing value. The difference between the asset value and the calculated lease liability will be recognised in the expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leas

For leases commencing in 2021/22, the trust will not recognise a right of use asset or lease liability for leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of u be subsequently measured on a basis consistent with owned assets and depreciated over the length o

Note 1.35 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that l significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities with financial year:

The valuation exercise was carried out in February 2020 with a valuation date of 31 March 2020. In app Institute of Chartered Surveyors (RICS) Valuation Global Standards 2017 ('Red Book'), the valuer has ‘material valuation uncertainty’ in the valuation report. This is on the basis of uncertainties in markets c 19. The values in the report have been used to inform the measurement of property assets at valuatio financial statements. With the valuer having declared this material valuation uncertainty, the valuer has exercise professional judgement in providing the valuation and this remains the best information availa The declaration of 'material valuation uncertainty' does not mean that the valuation cannot be relied up certainty can be attached to the valuation than would otherwise be the case.

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Note 2 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.5

Note 2.1 Income from patient care activities (by nature)	**2019/20**	2018/19
	£000	£000
Elective income	103,903	101,147
Non elective income	174,568	155,199
First outpatient income	34,179	32,865
Follow up outpatient income	38,931	34,229
A & E income	20,116	17,912
High cost drugs income from commissioners (excluding pass-through costs)	66,694	62,041
Other NHS clinical income	147,359	140,983
Private patient income	453	682
Agenda for Change pay award central funding*	-	5,017
Additional pension contribution central funding**	14,727	-
Other clinical income	5,657	5,992
Total income from activities	**606,587**	556,067

**Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.*

***The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.*

Note 2.2 Income from patient care activities (by source)

	2019/20	2018/19
Income from patient care activities received from:	**£000**	£000
NHS England	209,706	183,460
Clinical commissioning groups	388,112	358,848
Department of Health and Social Care	106	5,017
Other NHS providers	2,194	1,792
NHS other	344	277
Local authorities	537	487
Non-NHS: private patients	453	682
Non-NHS: overseas patients (chargeable to patient)	320	240
Injury cost recovery scheme	2,256	2,294
Non NHS: other	2,559	2,970
Total income from activities	**606,587**	556,067

All income related to continued activities for 2019/20 and 2018/19

Note 2.3 Overseas visitors (relating to patients charged directly by the provider)

	2019/20	2018/19
	£000	£000
Income recognised this year	320	240
Cash payments received in-year	178	211
Amounts added to provision for impairment of receivables	89	143

Note 3 Other operating income

	2019/20			2018/19		
	Contract income	**Non-contract income**	**Total**	Contract income	Non-contract income	Total
	£000	**£000**	**£000**	£000	£000	£000
Research and development	6,100	-	**6,100**	4,051	-	4,051
Education and training	25,347	776	**26,123**	25,556	441	25,997
Non-patient care services to other bodies	4,633		**4,633**	3,045		3,045
Provider sustainability fund (PSF)/Marginal Rate Emergency Tariff (MRET)	11,627		**11,627**	27,192		27,192
Income in respect of employee benefits accounted on a gross basis	1,318		**1,318**	2,256		2,256
Receipt of capital grants and donations		116	**116**		651	651
Rental Revenue from operating leases		39	**39**			
Charitable and other contributions to expenditure		-	**-**		3,900	3,900
Other income	6,133	-	**6,133**	6,033	-	6,033
Total other operating income	**55,158**	**931**	**56,089**	68,133	4,992	73,125

All operating income relates to continuing operations

* In 2018/19 the Trust received core PSF of £10,698k and as a result of the Trust exceeding it's financial targets, received Incentive PSF of £16,494k in 2018/19
* in 2019/20 the Trust received core PSF of £8,973k and an additional £577k re-allocated from 2018/19. This also includes the £2,077

Note 4 Additional information on contract revenue (IFRS 15) recognised in the period

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	1,193	727

Note 5 Income Generation activities

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

Summary	**2019/20**	2018/19
	£000	£000
Income	4,629	4,300
Full cost	(3,095)	(3,246)
Surplus / (deficit)	**1,534**	1,054
Staff & Visitor catering		
Income	2,634	2,604
Full cost	(2,496)	(2,423)
Surplus	**138**	181
Car parking		
Income	1,995	1,696
Full cost	(599)	(823)
Surplus	**1,396**	873

Note 6.1 Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	11,346	10,865
Staff and executive directors costs	384,392	348,970
Remuneration of non-executive directors	103	86
Supplies and services - clinical (excluding drugs costs)	69,711	69,606
Supplies and services - general	15,027	14,389
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	78,134	72,301
Consultancy costs	75	41
Establishment	5,582	5,215
Premises	24,512	22,240
Transport (including patient travel)	2,934	2,531
Depreciation on property, plant and equipment	13,277	11,369
Amortisation on intangible assets	1,263	1,441
Net impairments	11,720	1,570
Movement in credit loss allowance: contract receivables / contract assets	586	661
Movement in credit loss allowance: all other receivables and investments	-	(314)
Increase/(decrease) in other provisions	327	344
Audit fees payable to the external auditor		
audit services- statutory audit	85	50
other auditor remuneration (external auditor only)	6	10
Internal audit costs	106	120
Clinical negligence	17,193	19,072
Legal fees	378	183
Insurance	416	517
Research and development	4,253	2,835
Education and training	3,578	2,895
Rentals under operating leases	2,094	2,212
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	2,188	2,084
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	81	81
Car parking & security	1,300	1,158
Hospitality	31	-
Losses, ex gratia & special payments	65	63
Other services, e.g. external payroll	563	529
Other	70	54
Total	**651,396**	593,178

All expenditure relates to continued operations

Note 6.2 Other auditor remuneration

	2019/20	2018/19
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	5	4
2. Audit-related assurance services	1	6
Total	**6**	10

Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2018/19: £1m).

Note 7 Impairment of assets

	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	11,720	1,570
Other	-	-
Total net impairments charged to operating surplus / deficit	**11,720**	1,570
Impairments charged to the revaluation reserve	1,113	12,540
Total net impairments	**12,833**	14,110

Within Buildings, there has been an impairment relating to the tower block at Hull Royal Infirmary (Blocks 1 - 4) and overall this accounts for £8.8m of the impairment charged to the SOCI (75%). There has been capital investment in these blocks during 2019/20 relating to enabling costs for diagnostic equipment, increased assessment capacity that have been added at cost in year but the valuation encompasses all of this investment as part of the total Modern Equivalent Asset valuation. The remaining 25% of the impairment is across 42 buildings following the full valuation.

Note 8 Employee benefits

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	298,487	280,468
Social security costs	28,298	26,945
Apprenticeship levy	1,459	1,371
Employer's contributions to NHS pensions *	48,336	32,012
Pension cost - other	144	8
Temporary staff (including agency)	11,297	11,621
Total gross staff costs	**388,021**	352,425
Of which		
Costs capitalised as part of assets	1,321	1,305

* The increase in employer's contribution to NHS pensions reflects the additional 6.3% for which there is a corresponding entry on income.

Note 8.1 Retirements due to ill-health

During 2019/20 there were 5 early retirements from the trust agreed on the grounds of ill-health (4 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £286k (£139k in 2018/19).

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

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/p are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allow direction of the Secretary of State for Health in England and Wales. They are not designed to be run in enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, eac accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in ea taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ material would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the p formal valuations shall be four years, with approximate assessments in intervening years". An outline of

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous period in conjunction with updated membership and financial data for the current reporting period, and i providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as 2020, is based on valuation data as 31 March 2019, updated to 31 March 2020 with summary global me accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relev interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme R amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer c following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Govern a pause to that part of the valuation process pending conclusion of the continuing legal process.

c) NEST

From 1 April 2013, Hull University Teaching Hospitals NHS Trust offered an alternative pension scheme employees who are not eligible to be members of the NHS pension scheme at the Trust. This includes are members of the NHS pension scheme through another role outside of the Trust and those that are the NHS pension scheme.

Every three years all eligible employees are auto-enrolled in either the NHS or alternative pension sche enrolment exercise was last carried out in June 2019 and following this process, all employees who me the alternative pension scheme are enrolled each month on a continuous basis, unless they specifically

The alternative pension scheme is a defined contribution scheme operated by the National Employmer (NEST). Employee and employer contribution rates are a combined minimum of 8%(with a minimum 3% contributed by the Trust.

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Note 10 Operating leases

This note discloses income generated in operating lease agreements where Hull University Teaching Hospitals NHS Trust is the lessor.
The income earned from operating leases during the year was £39,000.

Operating leases are predominantly for medical equipment and vary in lease terms from 1 to 10 years. Lease payments are fixed. Any contingent rent is determined according to inflationary increases.

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	2,094	2,293

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	1,702	1,810
- later than one year and not later than five years;	3,567	3,271
- later than five years.	733	1,852
Total	**6,002**	6,933

Note 11 Finance Income

Finance income consists of bank interest earned on short term deposits of surplus funds. During the year £262,603 was earned (2018/19 £123,934)

Note 12 Finance income

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	263	124

Note 12.1 Finance expenditure

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	1,078	1,120
Finance leases	4	4
Main finance costs on PFI and LIFT schemes obligations	3,502	3,635
Contingent finance costs on PFI and LIFT scheme obligations	2,318	2,114
Total interest expense	**6,902**	6,873
Unwinding of discount on provisions	10	15
Total finance costs	**6,912**	6,888

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

£781.02 was paid to suppliers in respect of claims under this legislation (2018/19 £320.60)

Note 13 Other gains / (losses)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	18	13
Losses on disposal of assets	-	(32)
Total gains / (losses) on disposal of assets	**18**	(19)

Note 14.1 Intangible assets - 2019/20

	Software licences	Development expenditure	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**447**	**9,373**	**9,820**
Additions	-	1,645	**1,645**
Impairments	-	-	**-**
Reversals of impairments	-	-	**-**
Revaluations	-	-	**-**
Reclassifications	-	(314)	**(314)**
Transfers to / from assets held for sale	-	-	**-**
Disposals / derecognition	-	-	**-**
Valuation / gross cost at 31 March 2020	**447**	**10,704**	**11,151**
Amortisation at 1 April 2019 - brought forward	**288**	**4,562**	**4,850**
Provided during the year	-	1,263	**1,263**
Impairments	-	-	**-**
Reversals of impairments	-	-	**-**
Revaluations	-	-	**-**
Reclassifications	-	-	**-**
Transfers to / from assets held for sale	-	-	**-**
Disposals / derecognition	-	-	**-**
Amortisation at 31 March 2020	**288**	**5,825**	**6,113**
Net book value at 31 March 2020	**159**	**4,879**	**5,038**

Note 14.2 Intangible assets - 2018/19

	Software licences	Development expenditure	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	447	7,237	7,684
Additions	-	2,259	2,259
Reclassifications	-	1,957	1,957
Disposals / derecognition	-	(2,080)	(2,080)
Valuation / gross cost at 31 March 2019	447	9,373	9,820
Amortisation at 1 April 2018 - as previously stated	-	5,489	5,489
Provided during the year	288	1,153	1,441
Disposals / derecognition	-	(2,080)	(2,080)
Amortisation at 31 March 2019	288	4,562	4,850
Net book value at 31 March 2019	159	4,811	4,970

Intangible assets comprise of software licences and internally generated developments, all are treated as purchased assets. They are shown on the Statement of Financial Position at depreciated historic cost, as a proxy for fair value. The lives of intangible assets are disclosed in note 1 to these accounts. The depreciation is based on the life of the asset, and is applied on a straight line basis.

The total gross book value of intangible assets with a nil net value is £2.748m (2018/19 £2.132m)

Note 15.1 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**9,641**	**237,920**	**4,307**	**57,733**	**342**	**16,742**	**326,685**
Transfers by absorption	-	-	-	-	-	-	**-**
Additions	-	11,929	5,620	11,931	-	4,290	**33,770**
Impairments	-	(15,516)	-	-	-	-	**(15,516)**
Reversals of impairments	-	-	-	-	-	-	**-**
Revaluations	-	16,054	-	-	-	-	**16,054**
Reclassifications	-	-	-	163	-	151	**314**
Transfers to / from assets held for sale	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	(266)	-	-	**(266)**
Valuation/gross cost at 31 March 2020	**9,641**	**250,387**	**9,927**	**69,561**	**342**	**21,183**	**361,041**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**-**	**-**	**32,222**	**242**	**10,210**	**42,674**
Transfers by absorption	-	-	-	-	-	-	**-**
Provided during the year	-	6,489	-	5,095	29	1,664	**13,277**
Impairments	-	(2,683)	-	-	-	-	**(2,683)**
Reversals of impairments	-	-	-	-	-	-	**-**
Revaluations	-	(3,637)	-	-	-	-	**(3,637)**
Reclassifications	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	(260)	-	-	**(260)**
Accumulated depreciation at 31 March 2020	**-**	**169**	**-**	**37,057**	**271**	**11,874**	**49,371**
Net book value at 31 March 2020	**9,641**	**250,218**	**9,927**	**32,504**	**71**	**9,309**	**311,670**
Net book value at 1 April 2019	**9,641**	**237,920**	**4,307**	**25,511**	**100**	**6,532**	**284,011**

Note 15.2 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**11,574**	**239,345**	**3,876**	**68,677**	**330**	**15,255**	**339,057**
Transfers by absorption	-	-	-	-	-	-	**-**
Additions	-	16,116	431	2,578	58	2,073	**21,256**
Impairments	(1,933)	(19,466)	-	-	-	-	**(21,399)**
Revaluations	-	1,370	-	-	-	-	**1,370**
Reclassifications	-	586	-	(3,391)	5	843	**(1,957)**
Disposals / derecognition	-	(31)	-	(10,131)	(51)	(1,429)	**(11,642)**
Valuation/gross cost at 31 March 2019	**9,641**	**237,920**	**4,307**	**57,733**	**342**	**16,742**	**326,685**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**7,850**	**-**	**36,776**	**265**	**10,130**	**55,021**
Provided during the year	-	4,255	-	5,577	28	1,509	**11,369**
Impairments	-	(7,289)	-	-	-	-	**(7,289)**
Revaluations	-	(4,785)	-	-	-	-	**(4,785)**
Disposals / derecognition	-	(31)	-	(10,131)	(51)	(1,429)	**(11,642)**
Accumulated depreciation at 31 March 2019	**-**	**-**	**-**	**32,222**	**242**	**10,210**	**42,674**
Net book value at 31 March 2019	**9,641**	**237,920**	**4,307**	**25,511**	**100**	**6,532**	**284,011**
Net book value at 1 April 2018	**11,574**	**231,495**	**3,876**	**31,901**	**65**	**5,125**	**284,036**

Note 15.3 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020							
Owned - purchased	9,641	182,479	9,927	31,341	71	9,309	**242,768**
Finance leased	-	1,818	-	-	-	-	**1,818**
On-SoFP PFI contracts and other service concession arrangements	-	60,981	-	-	-	-	**60,981**
Off-SoFP PFI residual interests	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	**-**
Owned - donated	-	4,940	-	1,163	-	-	**6,103**
NBV total at 31 March 2020	**9,641**	**250,218**	**9,927**	**32,504**	**71**	**9,309**	**311,670**

Note 15.4 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019							
Owned - purchased	9,641	174,622	4,307	24,021	100	6,532	**219,223**
Finance leased	-	1,796	-	-	-	-	**1,796**
On-SoFP PFI contracts and other service concession arrangements	-	56,233	-	-	-	-	**56,233**
Owned - donated	-	5,269	-	1,490	-	-	**6,759**
NBV total at 31 March 2019	**9,641**	**237,920**	**4,307**	**25,511**	**100**	**6,532**	**284,011**

Note 16 Donations of property, plant and equipment

The Hull and East Yorkshire Hospitals NHS Trust General Charitable Trust provided donations of medical and general equipment, including the provision of a Helicopter landing pad, to the Trust to a value of £116k (2018/19 - £651k). There were no restrictions in respect of any of the donations.

Note 17 Revaluations of property, plant and equipment

Land and buildings were valued as at 31 March 2020 to ensure they were carried on the Statement of Financial Position at fair value. The valuation was undertaken by independent RICS qualified valuers Cushman and Wakefield and the valuation was undertaken in line with RICS standards.

The valuation of our buildings has been assessed by taking account of their current condition and agreed obsolescence, and assumes that the buildings will be maintained to their current condition over their remaining lives. The valuation has been undertaken on a modern equivalent asset basis and reflects the current service potential of the assets to the Trust.

There was an overall increase in assets of £19.7m which was offset by a £12.8m impairment of assets of which £1.1m is charged to the revaluation reserve and £11.7m is charged to the SOCI where there is no remaining revaluation reserve.

After accounting for additions, in year depreciation and the impact of the valuation, the movement in the net book value of the buildings from opening 1st April 2019 to closiing March 2020, was an increase of £12.3m.

The gross cost of property plant and equipment with a Nil net book value is £20.4m.

Note 18 Investment Property

Investment assets comprise of land adjacent to the Castle Hill Hospital site. Initial part of the land was sold in 2018/19 and a further part during 2019/20. The remaining land will be sold in 2020/21. The land is currently valued at £3.1m

Note 19 Disclosure of Interests in other entities

The Trust has an investment in ordinary shares in Vertual Ltd, a company registered in the United Kingdom. The Trust holds 15% of the company's shares, valued at £423,710. This has not been included in the accounts. The company's main activity is the sale of hardware and software used to train Radiotherapists. Mr D Haire sits on the board on behalf of the Trust.

Trust also has an investment in Medipex Ltd, a company registered in the United Kingdom. The company's main activity is to assist the NHS in exploiting intellectual and industrial property rights. It is a company limited by guarantee and the Trust's liability under that guarantee is £100.

Note 20 Inventories

	31 March 2020	31 March 2019
	£000	£000
Drugs	5,414	3,773
Consumables	9,186	8,755
Total inventories	**14,600**	12,528

Inventories recognised in expenses for the year were £144,775k (2018/19: £140,487k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

All inventories were valued in accordance with the Trusts accounting policy (note 1), none were held at fair value less costs to sale.

Despite the Covid19 outbreak the majority of Trust stocktakes were able to be completed as expected. Stock takes with a previous year value of £532k were unable to be completed but estimates were made based on latest stock takes in December 19 and January 20 and previous years figures plus discussions with ward managers. Areas included ICU, Fracture clinic, ED and Electrocardiography. The estimated value came to £429k (81% of previous value). The value of any over or under statement is expected to be small.

Note 21.1 Receivables

	31 March 2020	31 March 2019
	£000	£000
Current		
Contract receivables	33,393	43,246
Allowance for impaired contract receivables / assets	(1,440)	(954)
Prepayments (non-PFI)	4,628	4,611
PDC dividend receivable	-	201
VAT receivable	880	1,467
Other receivables	1,035	1,466
Total current receivables	**38,496**	50,037
Non-current		
Contract assets	3,719	3,404
Allowance for other impaired receivables	(899)	(799)
Other receivables	-	315
Clinician pension tax provision reimbursement funding from NHSE	1,251	
Total non-current receivables	**4,071**	2,920
	42,567	52,957
Of which receivable from NHS and DHSC group bodies:		
Current	25,576	36,463
Non-current	1,251	-

Since the adoption of IFRS 15 in April 2018, trade receivables and accrued income have been reclassified as contract assets or other types of receivable.

Note 21.2 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets	**All other receivables**	Contract receivables and contract assets	All other receivables
	£000	**£000**	£000	£000
Allowances as at 1 April - brought forward	**1,753**	**-**	-	1,657
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			1,304	(1,343)
New allowances arising	586	-	302	45
Changes in existing allowances	-	-	359	(359)
Utilisation of allowances (write offs)	-	-	(212)	-
Allowances as at 31 Mar 2020	**2,339**	**-**	1,753	-

The Trust assesses each debt on an individual basis with debts only being provided for where the debtor is untraceable and all reasonable steps have been taken to recover the debt, including the use of both UK and international debt collection agencies.

Note 22 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2019/20	2018/19
	£000	£000
At 1 April	**5,611**	1,699
Net change in year	13,823	3,912
At 31 March	**19,434**	5,611
Broken down into:		
Cash at commercial banks and in hand	25	14
Cash with the Government Banking Service	19,409	5,597
Total cash and cash equivalents as in SoFP	**19,434**	5,611

Note 22.1 Third party assets held by the trust

The Trust operates a staff lottery and the cash balance owed to the lottery is £46,657 which is included in the Trusts financial statements

Note 23 Trade and other payables

	31 March 2020	31 March 2019
	£000	£000
Current		
Trade payables	1,408	5,670
Capital payables	7,430	4,879
Accruals	43,928	33,039
Social security costs	4,394	4,104
Other taxes payable	3,670	479
PDC dividend payable	415	-
Other payables	4,859	4,518
Total current trade and other payables	**66,104**	52,689
Of which payables from NHS and DHSC group bodies (all current)	6,796	5,898

All payables are due within one year

Included in the figures above are outstanding pension contributions of £4.72m (2018/19 £4.49m). All payables are due within one year.

Note 24 Other liabilities

Other financial liabilities of £0.5m consist entirely of deferred income (2018/19 £1.193m)

Note 25 Borrowings

	31 March 2020	31 March 2019
	£000	£000
Current		
Loans from DHSC	36,647	21,137
Obligations under finance leases	56	56
Obligations under PFI, LIFT or other service concession contracts	1,929	1,894
Total current borrowings	**38,632**	23,087
Non-current		
Loans from DHSC	10,686	33,190
Obligations under finance leases	1,911	1,966
Obligations under PFI, LIFT or other service concession contracts	44,651	46,580
Total non-current borrowings	**57,248**	81,736
Total Borrowings	**95,880**	104,823

Borrowings / Loans - repayment of principal falling due in:	**31 March 2020**		31 March 2019
	£000	**£000**	£000
	DH	**Other**	Total
0-1 Years	36,647	1,985	23,087
1 - 2 Years	1,260	1,639	14,852
2 - 5 Years	3,780	6007	11,293
Over 5 Years	5,646	38,916	55,591
Total	**47,333**	**48,547**	104,823

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £35.3m are classified as current liabilities 0-1 year within these financial statements.

Note 25.1 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2019	**54,327**	**2,022**	**48,474**	**104,823**
Cash movements:				
Financing cash flows - payments and receipts of principal	(6,989)	(56)	(1,894)	**(8,939)**
Financing cash flows - payments of interest	(1,083)	(3)	(3,502)	**(4,588)**
Non-cash movements:				
Application of effective interest rate	1,078	4	3,502	**4,584**
Carrying value at 31 March 2020	**47,333**	**1,967**	**46,580**	**95,880**

Note 25.2 Reconciliation of liabilities arising from financing activities - 2018/19

	Loans from DHSC	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2018	55,280	2,078	50,251	107,609
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,049)	(56)	(1,778)	(2,883)
Financing cash flows - payments of interest	(1,132)	(4)	(3,634)	(4,770)
Non-cash movements:				
Impact of implementing IFRS 9 on 1 April 2018	108	-	-	108
Application of effective interest rate	1,120	4	3,635	4,759
Carrying value at 31 March 2019	54,327	2,022	48,474	104,823

Note 26 Finance leases

Hull University Teaching Hospitals NHS Trust as a lessee

The Trust has only one finance lease, and also accounts for its 3 PFI facilities as finance leases. Details of PFI schemes are set out in note 29 to these accounts.

The Daisy charity have constructed a PET CT facility on the Castle Hill site, the facility became operational from April 2014. The Trust is being charged a market rent by the Daisy charity until 2034 after which ownership of the building passes to the Trust. The Trust's obligations in respect of the PET facility and PFI buildings are set out below.

	31 March 2020	31 March 2019
	£000	£000
Gross lease liabilities	**2,039**	2,099
of which liabilities are due:		
- not later than one year;	60	60
- later than one year and not later than five years;	240	240
- later than five years.	1,739	1,799
Finance charges allocated to future periods	(72)	(77)
Net lease liabilities	**1,967**	2,022
of which payable:		
- not later than one year;	56	56
- later than one year and not later than five years;	224	223
- later than five years.	1,687	1,743

There was no contingent rent recognised as an expense during the year (2018/19 £nil)

Note 27 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Clinician pension tax reim - bursement	Total
	£000	£000	£000	£000	£000
At 1 April 2019	**321**	**613**	**96**	**-**	**1,030**
Transfers by absorption	**-**	**-**	**-**	**-**	**-**
Change in the discount rate	**-**	**-**	**-**	**-**	**-**
Arising during the year	**77**	**71**	**184**	**1,251**	**1,583**
Utilised during the year	(64)	(65)	(65)	-	**(194)**
Reclassified to liabilities held in disposal groups	**-**	**-**	**-**	**-**	**-**
Reversed unused	**(9)**	**-**	**4**	**-**	**(5)**
Unwinding of discount	**(2)**	**12**	**-**	**-**	**10**
At 31 March 2020	**323**	**631**	**219**	**1,251**	**2,424**
Expected timing of cash flows:					
- not later than one year;	64	63	73	-	**200**
- later than one year and not later than five years;	256	254	146	-	**656**
- later than five years.	3	314	-	1,251	**1,568**
Total	**323**	**631**	**219**	**1,251**	**2,424**

The provision for early departure costs represents amounts payable to the NHS Business Services Authority, pensions division, to meet the costs of early retirement and industrial injury benefits. The provision is based on estimate of life expectancy and therefore there is a degree of uncertainty about the value of payments in the future.

The provision for legal claims relates to claims for injury to staff or members of the Public, where the likelihood of a settlement is probable. All claims are handled by NHS Resolution on behalf of the Trust and they advise on likelihood and value of settlement. The timing and value of settlements are subject to both local negotiation and the judgement of NHS Resolution. The Trust's liability in respect of each claim is limited to the level of excess determined by NHS Resolution.

Included within Legal Claims are permanent injury benefits and Employer's Liability claims; these are linked with contingent liabilities relating to Employer's Liability as disclosed in the note below:

At 31 March 2020 the NHS Resolution held provisions in respect of the Trust's clinical negligence claims of £252m (2018/19 - £236m)

Clinician pension tax reimbursement

Clinicians who are members of the NHS Pension scheme may face a tax charge in respect of the growth of their NHS pension benefits above their pensions savings annual allowance threshold. The government has committed to allowing this charge to be paid by the NHS Pension scheme. The NHS employer will make a contractually binding commitment to pay them a corresponding amount on retirement so that they are not disadvantaged by the charge. The Trust has therefore calculated a provision broadly equal to the tax charge owed by clinicians which is offset by a commitment from NHS England and the Government to fund the payment to clinicians as and when they arise. The provision has been calculated based on the consultant headcount within the NHS pension scheme multiplied by the nationally calculated a ‘average discounted value per nomination’

Note 27.1 Clinical negligence liabilities

At 31 March 2020, £252,392k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Hull University Teaching Hospitals NHS Trust (31 March 2019: £235,782k).

Note 28 Contingent assets and liabilities

	31 March 2020	31 March 2019
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(2)	(63)
Other	(571)	(558)
Gross value of contingent liabilities	**(573)**	(621)

All contingencies relate to legal claims made against the Trust (Employer and Public liability claims) and Permanent Injury Benefits, which are accounted for as a contingent liability to the extent that they are not included in any formal provision.

There are no contingent assets

Note 29 Contractual capital commitments

The Trust has contractual capital commitments of £1.8m (2018/19 £1m) in respect of equipment & building purchases.

Note 30 On-SoFP PFI arrangements

The Trust has three on SOFP PFI schemes none of which have total commitments in excess of £500m

Under IFRIC 12, the following PFI schemes are treated as an asset of the Trust, and the substance of the contract is that the Trust has a finance lease. Payments under the contracts comprise two elements - imputed finance lease charges and service charges. Details of the imputed finance lease charges are shown in the previous table. For all of these schemes the Trust gains ownership of the buildings once the contract ends.

Urology and Outpatients - Castle Hill Hospital Site

The PFI partner provides the Trust with hospital accommodation for Urology and Outpatient Services at the Castle Hill site. The contract began in February 2001 and is due to end in February 2032.

Accommodation for Maternity Services - Hull Royal Infirmary Site

The PFI partner provides the Trust with hospital accommodation for Maternity Services at the Hull Royal Infirmary site. The contract for the provision of accommodation began in March 2003 and will end in March 2033.

Queens Centre for Oncology and Haematology - Castle Hill Hospital site

The PFI partner provides the Trust with hospital accommodation for Oncology and Haematology services at the Castle Hill site. Work commenced in April 2006, and the building became operational in August 2008, The contract began in June 2006 and will end in June 2037.

Note 30.1 Imputed finance lease obligations

Hull University Teaching Hospitals NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2020	31 March 2019
	£000	£000
Gross PFI, LIFT or other service concession liabilities	**77,932**	83,332
Of which liabilities are due		
- not later than one year;	5,302	5,399
- later than one year and not later than five years;	19,851	20,044
- later than five years.	52,779	57,889
Finance charges allocated to future periods	(31,352)	(34,858)
Net PFI, LIFT or other service concession arrangement obligation	**46,580**	48,474
- not later than one year;	1,929	1,894
- later than one year and not later than five years;	7,476	7,204
- later than five years.	37,175	39,376

Note 30.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

	31 March 2020	31 March 2019
	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**209,875**	221,189
Of which payments are due:		
- not later than one year;	11,925	11,617
- later than one year and not later than five years;	50,901	49,578
- later than five years.	147,049	159,994

Note 30.3 Analysis of amounts payable to service concession operator

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

	2019/20	2018/19
	£000	£000
Unitary payment payable to service concession operator	**11,418**	11,094
Consisting of:		
- Interest charge	3,502	3,635
- Repayment of balance sheet obligation	1,894	1,778
- Service element and other charges to operating expenditure	2,188	2,084
- Capital lifecycle maintenance	1,516	1,483
- Contingent rent	2,318	2,114
Total amount paid to service concession operator	**11,418**	11,094

Note 31 Off-SoFP PFI, LIFT and other service concession arrangements

The Trust accounts for the provision of staff residences on its Castle Hill Hospital site as an off SOFP PFI scheme and incurred the following charges

	31 March 2020	31 March 2019
	£000	£000
Charge in respect of the off SoFP PFI, LIFT or other service concession arrangement for the period	**81**	81
Commitments in respect of off-SoFP PFI, LIFT or other service concession arrangements:		
- not later than one year;	81	81
- later than one year and not later than five years;	324	324
- later than five years.	486	1,620
Total	**891**	2,025

Note 32 Financial instruments

Note 32.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCG's) and the way those CCG's are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 32.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2020	Total book value
	£000
Trade and other receivables excluding non financial assets	35,808
Cash and cash equivalents	19,434
Total at 31 March 2020	**55,242**

Carrying values of financial assets as at 31 March 2019	Total book value
	£000
Trade and other receivables excluding non financial assets	46,678
Cash and cash equivalents	5,611
Total at 31 March 2019	**52,289**

All financial assets are held at amortised cost

Note 32.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Total book value
	£000
Loans from the Department of Health and Social Care	47,333
Obligations under finance leases	1,967
Obligations under PFI, LIFT and other service concession contracts	46,580
Trade and other payables excluding non financial liabilities	57,625
Total at 31 March 2020	**153,505**

Carrying values of financial liabilities as at 31 March 2019	Total book value
	£000
Loans from the Department of Health and Social Care	54,327
Obligations under finance leases	2,022
Obligations under PFI, LIFT and other service concession contracts	48,474
Trade and other payables excluding non financial liabilities	48,104
Total at 31 March 2019	**152,927**

All financial liabilities are held at amortised cost.

Note 32.4 Maturity of financial liabilities

	31 March 2020	31 March 2019
	£000	£000
In one year or less	96,257	71,194
In more than one year but not more than two years	2,901	14,852
In more than two years but not more than five years	9,787	11,293
In more than five years	44,560	55,588
Total	**153,505**	152,927

Note 32.5 Fair values of financial assets and liabilities

The carrying value of short term trade and other payables is a reasonable approximation to fair value, all trade payables are considered to be short term. The nature of obligations relating to Finance lease, PFI agreements and other borrowings are that they are arms length transaction with values determined by contract. There is no significant difference between the carrying value and the fair value of these liabilities.

Note 33 Losses and special payments

	2019/20		2018/19	
	Total number of cases	**Total value of cases**	Total number of cases	Total value of cases
	Number	**£000**	Number	£000
Losses				
Cash losses	-	-	1	-
Total losses	**-**	**-**	1	-
Special payments				
Ex-gratia payments	13	65	28	63
Special severance payments	-	-	-	-
Total special payments	**13**	**65**	28	63
Total losses and special payments	**13**	**65**	29	63
Compensation payments received		-		-

No compensation payments were received in respect of any of the above.

Note 34 Related parties

Hull University Teaching Hospitals NHS Trust is a corporate body established by order of the Secretary of State for Health.

During the year none of the Board Members or key management staff or parties related to them has undertaken any material transactions with Hull University Teaching Hospitals NHS Trust.

The Trust has an investment in ordinary shares in Vertual Ltd, a company registered in the United Kingdom. The Trust holds 15% of the company's shares, valued at £423,710. This has not been included in the accounts. The company's main activity is the sale of hardware and software used to train Radiotherapists. Mr D Haire sits on the board on behalf of the Trust.

The Trust also has an investment in Medipex Ltd, a company registered in the United Kingdom. The company's main activity is to assist the NHS in exploiting intellectual and industrial property rights. It is a company limited by guarantee and the Trust's liability under that guarantee is £100.

The Department of Health and Social Care is also regarded as a related party. During the year Hull University Teaching Hospitals NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

NHS Litigation Authority
NHS Blood And Transplant
Leeds Teaching Hospitals NHS Trust
Northumbria Healthcare NHS FT
North Lincolnshire And Goole NHS FT
NHS Supply Chain
York Teaching Hospital NHS FT
Humber Teaching NHS Foundation Trust
Salford Royal NHS FT
NHS Business Service Authority
Calderdale And Huddersfield NHS FT
University Hospitals Birmingham NHS FT
North Tees And Hartlepool NHS FT
Sheffield Teaching Hospitals NHS FT
Torbay And South Devon NHS Foundation Trust
Oxford Health NHS FT
NHS England
NHS Hull CCG
NHS East Riding Of Yorkshire CCG
NHS North Lincolnshire CCG
NHS North East Lincolnshire CCG
NHS Vale Of York CCG
NHS Scarborough And Ryedale CCG
NHS Lincolnshire East CCG
NHS Lincolnshire West CCG
NHS Doncaster CCG
NHS Leeds CCG
NHS Sheffield CCG
NHS North Kirklees CCG
NHS Wakefield CCG
NHS Hambleton Richmondshire And Whitby CCG
NHS Bradford Districts CCG
NHS Derby And Derbyshire CCG

Note 35 Better Payment Practice code

	2019/20 Number	**2019/20 £000**	2018/19 Number	2018/19 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	111,858	250,000	110,557	232,853
Total non-NHS trade invoices paid within target	104,821	217,243	101,212	196,082
Percentage of non-NHS trade invoices paid within target	93.7%	86.9%	91.5%	84.2%
NHS Payables				
Total NHS trade invoices paid in the year	3,832	30,934	4,149	32,681
Total NHS trade invoices paid within target	3,280	27,677	3,009	15,344
Percentage of NHS trade invoices paid within target	85.6%	89.5%	72.5%	47.0%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 36 External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2019/20 £000	2018/19 £000
Cash flow financing	(15,232)	(1,709)
External financing requirement	**(15,232)**	(1,709)
External financing limit (EFL)	(12,352)	1,973
Under / (over) spend against EFL	**2,880**	3,682

Note 37 Capital Resource Limit

	2019/20 £000	2018/19 £000
Gross capital expenditure	35,415	23,515
Less: Disposals	(2,956)	(2,478)
Less: Donated and granted capital additions	(116)	(651)
Charge against Capital Resource Limit	**32,343**	20,386
Capital Resource Limit	32,349	20,402
Under / (over) spend against CRL	**6**	16

Note 38 Breakeven duty financial performance

	2019/20 £000
Adjusted financial performance surplus / (deficit) (control total basis)	10,495
Add back income for impact of 2018/19 post-accounts PSF reallocation	577
Breakeven duty financial performance surplus / (deficit)	**11,072**

Note 39 Breakeven duty rolling assessment

	to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		7,601	4,701	4,878	5,420	5,943	2,926	(8,051)	2,616	(7,134)	25,220	11,072
Breakeven duty cumulative position	3,180	10,781	15,482	20,360	25,780	31,723	34,649	26,598	29,214	22,080	47,300	58,372
Operating income		469,995	480,633	499,538	497,132	506,703	526,559	526,253	561,128	579,847	629,192	662,676
Cumulative breakeven position as a percentage of operating income		2.3%	3.2%	4.1%	5.2%	6.3%	6.6%	5.1%	5.2%	3.8%	7.5%	8.8%

Note 40 Events after the reporting period

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim loans totalling £35.3m as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

Independent auditor's report to the Directors of Hull University Teaching Hospitals NHS Trust

Report on the Audit of the Financial Statements

Qualified opinion

We have audited the financial statements of Hull University Teaching Hospitals NHS Trust (the 'Trust') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2020 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for qualified opinion

Due to the national lockdown arising from the Covid-19 pandemic we did not observe the counting of physical inventories at the end of the year. We were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities held at 31 March 2020, which have a carrying amount in the Statement of Financial Position of £14.6m, by performing other audit procedures. Related balances such as drug costs and consumables may be materially misstated for the same reason.

Consequently we were unable to determine whether any adjustment to these amounts were necessary. In addition, were any adjustment to these amounts to be required, the Annual Report would also need to be amended.

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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Trust's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Trust's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an entity associated with these particular events.

Conclusions relating to going concern

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

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

In our evaluation of the Directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2019 to 2020 that the Trust's financial statements shall be prepared on a going concern basis, we considered the risks associated with the Trust's operating activities, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the Trust's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Emphasis of Matter – effects of Covid-19 on the valuation of land and buildings

We draw attention to Note 1.35 of the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of land and buildings as at 31 March 2020. As, disclosed in Note 1.35 to the financial statements, less certainty can be attached to the valuation than would otherwise be the case. Our opinion is not modified in respect of this matter.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to obtain sufficient appropriate audit evidence regarding the inventory quantities, which have a carrying amount in the Statement of Financial Position of £14.6m at 31 March 2020, and related balances. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2015 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS Improvement or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020 and the requirements of the National Health Service Act 2006; and
- except for the possible effects of the matter described in the basis for qualified opinion section of our report, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Directors and Those Charged with Governance for the financial statements

The Directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements – Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception - Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We have nothing to report in respect of the above matter.

Responsibilities of the Accountable Officer

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

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

We are required under Section 21(1)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements – Certificate

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

Use of our report

This report is made solely to the Directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's Directors 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 Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth Kelly

Gareth Kelly, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Glasgow

1 July 2020