



Great Staff - Great Care - Great Future

ANNUAL REPORT AND ACCOUNTS

For the period April 2014 to March 2015

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هذه المعلومة لك بلغتك، فالرجاء التأشير في المربع المناسب ثم إرساله إلى
إذا كنت ترغب في توضيح
العنوان أدناه: ☐

Farsi

اگر مایل هستید این اطلاعات به زبان خودتان برای شما شرح داده شود، لطفاً در مربع مربوطه علامت زده و
به اینجا بفرستید: ☐

Kurdish

ئەگەر دەخوازیت ئەم زانیارییەت بە زمانی خۆت بۆ بۆ روونبکریتەوه، ئەوا تکایە نیشانه له خانەی گونجاو بده
و بیگەڕینەرەوه بۆ: ☐

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Chairman/Chief Executive Welcome and Introduction

We both joined Hull and East Yorkshire Hospitals NHS Trust at a challenging time for the organisation - Chris in September 2014 and Mike in February 2015. In that time we have both been impressed with the dedication shown by our staff and their commitment. We have both spent time talking to individuals and teams across the Trust and what comes across strongly is the pride our workforce have in the quality of care they provide even when the environment can be challenging and difficult. The first part of our message is therefore a big thank you to everyone, clinical and non-clinical, who is working so hard on behalf of our patients.

One of our first priorities as Chief Executive and Chairman was to address cultural issues that had been highlighted by the Care Quality Commission (CQC), National Staff Survey and a review by ACAS. It was clear to us that we needed to remind ourselves of our Trust's vision: Great Staff, Great Care, Great Future. We firmly believe that by challenging our leaders to create the right environment for our workforce, where staff feel valued and are empowered to make suggestions and lead improvements in a supportive and learning environment we will deliver Great Care. A Great Future, in terms of quality, delivery of NHS Constitutional Commitments and healthy finances will be the inevitable outcome.

Work to improve the working lives of staff has continued throughout the year with a focus on improving behaviours, role-modelling, leadership development, clearer roles and accountabilities and the development of a new set of values for the Trust, chosen by our people: CARE, HONESTY and ACCOUNTABILITY. The Trust Board is fully committed to these values and the work to improve our organisational culture as we strive to nurture and develop the Great Staff we know this organisation employs.

Where Great Care is concerned there have been some enormously positive developments over the year. The areas that we particularly wish to highlight are the completion of our new Emergency Department which provides world class facilities and increased capacity for patients. We also completed the work on the Hull Royal Infirmary tower block façade and have installed new windows which have significantly enhanced the ward environment. We relocated medical wards from Castle Hill Hospital to the Hull Royal Infirmary so that we have now accommodated the majority of medical beds on one site and reduced the need to transfer patients between sites. The first robotic assisted surgical equipment was purchased following a charitable donation and a state-of-the-art PET-CT scanner was commissioned which provides more accurate patient imaging than previously available.

It is clear that we have faced pressures on how we deliver our emergency services and it was disappointing that we were not able to meet the Emergency Department 4-hour commitment set out in the NHS Constitution. We also have not met the referral to treatment time commitment and cancer standards and we accept that this situation cannot continue. It is important to us, the patients that we serve and our regulators that this performance will improve in 2015/16. So we are working hard to ensure that patients are seen promptly when they arrive in the Emergency Department, that we allocate a bed quickly for those who need to be admitted and that we ensure timely discharges for those who no longer need to stay in hospital. We cannot achieve this alone of course and we are working with our partners in the wider health community to make all of these changes happen. Transformational work which began in year has begun to have a positive effect and we are confident that we have the right teams in place to deliver the improvement required. Like all NHS and public sector organisations we have an escalating financial challenge which is a challenge to our Great Future. We met all of our statutory financial duties at the end of March 2015 but the Trust is forecasting an operating deficit of £21m in 2015/16. The main reasons for the change are underlying overspends in our Health Groups and a shortfall against our expenditure efficiency programme and we have sought external support to bring independent rigour to the identification of opportunities for improvement. In May 2014 we received our rating following the Chief Inspector of Hospitals assessment. We were rated as 'requires improvement' overall but three of our services were rated as being 'good'. These were critical care, end of life care and maternity and family planning. A comprehensive action plan designed to ensure improvements was developed and we invested in a number of areas including increasing the number of nurses and midwives and pharmacy staff and appointing more junior doctors. We were reassessed at the end of May 2015 and at the time of writing this report we are awaiting feedback from the CQC.

Finally, there were significant changes to the Trust Board during the year including the departure of the Chief Executive, Mr Phil Morley and the Chairman, Mr Rob Deri. We would like to thank Dr Keith Hopkins for agreeing to act as interim Chairman prior to February 2015. The Chief Nurse and Chief Operating Officer also left the Trust and three new Non-Executive Director appointments were made. In addition, there were

changes at Health Group Director level. The degree of senior management changes within the Trust over the last year has been considerable and it will be important that the new leadership teams provide stability and direction in the forthcoming year.

There is much work to be done in 2015/16 however we believe the green shoots of recovery are beginning to appear. It will take us some time before we are able to confidently deliver all our targets on a consistent and sustainable basis but we are confident that we have the right leadership teams in place. You have our assurance that we are committed to delivering the changes required and providing the best possible care for our patients.



Mr Mike Ramsden
Chairman



Mr Chris Long
Chief Executive



Mike Ramsden interviewed on BBC Look North

SUMMARY OF PROGRESS AGAINST OBJECTIVES DURING 2014-2015

Chief Executive, Chris Long, led work to develop a new set of values and objectives for the organisation. Our values (Care, Honesty, Accountability) were developed following extensive consultation and engagement with over 1000 staff between December 2014 and February 2015.

Our six key objectives are reflected in the Chief Executive's objectives set by the Chairman and the NHS Trust Development Authority and were communicated to staff early in 2015.

1	2	3	4	5	6
Achieve quality and safety improvements	Strengthen accountability arrangements	Deliver our financial plan	Improve our culture	Achieve delivery of key targets	Develop a vision and plan for Five-year Forward View
Quality and safety priorities Patient satisfaction Reduce infections Never Events	Clear objectives Roles and responsibilities Performance management framework	Strategy agreed with the Board Deliver financial plan	Learning and development Staff satisfaction Anti-Bullying Volunteers Innovation and research	Emergency Department Referral to Treatment Time Cancer standard 52-week waits	Secondary care Trauma Cancer Cardiac

CARE
We are polite and courteous, welcoming and friendly. We smile and we make time to listen to our patients and staff. We consider the impact our actions have on patients and colleagues. We take pride in our appearance and our hospitals and we try to remain positive.
We do not treat anyone unfairly. We do not let our mood affect the way we treat people. We don't talk negatively about colleagues or other teams. Offensive language, shouting, bullying and spreading rumours are unacceptable.

HONESTY
We tell the truth compassionately. We involve patients in decisions about their care and we are honest when things go wrong. We always report errors and raise concerns we have about care. Our decisions and actions are based on facts not stories and opinions.
We do not withhold information from colleagues or patients. We never discourage staff from reporting concerns. We are not careless with confidential information. We do not present myths as facts.

ACCOUNTABILITY
We are all responsible for our decisions and actions and the impact these have on care. All staff are responsible for maintaining high standards of practice and we take every opportunity to continuously learn. Everyone is encouraged to speak up and contribute their ideas to improve the care we provide.
We do not unfairly blame people. We positively embrace change and we don't discourage people from having opinions. Controlling behaviours and silo working should not be exhibited in our Trust.

Quality and Safety improvements

Medicine Transformation Programme

The Medicine Transformation Programme aimed to ensure patients attending for emergency care received timely and safe care. This work, led by senior clinicians and managers in our Medicine Health Group, saw the opening of a new £7m Emergency Department, one of the largest in the country, with 24 cubicles in Majors, 10 resuscitation bays, 8 initial assessment units, and a paediatric resuscitation bay. The environment and experience for patients is vastly improved as a result of this new department.

Alongside this building we have transformed our model of assessment and treatment with the opening of the new Elderly Assessment Unit at Hull Royal Infirmary. The unit provides a more collaborative interdisciplinary approach to care including dedicated therapies support 12 hours a day 7 days a week and greater links with multi-agency, multi-disciplinary teams including community and social care teams. The Trust's therapy and pharmacy teams provide support to the unit and the patients on a daily basis. This enables rapid assessment, treatment and stabilisation for elderly patients which will see patients being able to go home the same day or the next day.

In order to make best use of our medical workforce the Trust relocated all medical wards (C19, C21, C22) at Castle Hill Hospital to Hull Royal Infirmary. This has reduced the number of medical patients in surgical

beds, transfers of medical patients between wards and hospital sites and it will reduce the average length of stay for patients.

Deteriorating patient

Research shows that some patients who are, or become acutely unwell in hospital may not receive good care. A large proportion of patients who suffer a cardio-respiratory arrest in hospital have recognisable changes in routine observations during the preceding 24 hours. In 2014/2015 we achieved 95% compliance with the completion of observations, which is an important requirement in the prevention of cardiac arrest.

Medication safety

Medication errors can occur with the prescribing, dispensing, storage, handling or administration of medicines. Medicines remain the most common therapeutic intervention in healthcare. In 2014/2015 we aimed to reduce incidents of harm caused by high risk medications and reported zero risks associated with either opioids or injectable sedatives.

Dementia

We are committed to ensuring we have an adequately trained workforce to meet the needs of patients with dementia. Last year we increased the number of patients screened for dementia on admission and we made significant improvements in terms of the number of staff who underwent dementia training - the baseline was 342 staff trained in 2013/14 and we achieved 1900 staff trained in 2014/15.

Sepsis

Sepsis is a condition that is triggered by an infection caused by the presence of a germ in a part of the body where it can cause harm. In an attempt to overcome the infection, our bodies release a combination of chemicals and hormones which cause inflammation, and sends white blood cells to fight the invading organisms. When controlled, this process helps to seal off and fight an infection; however when this response becomes uncontrolled, inflammation affects the entire body and can lead to organ failure: this is known as the sepsis syndrome. The Sepsis Six is a set of interventions delivered by healthcare professionals and by doing these six simple things in the first hour, can help to double a patient's chance of survival. In 2014/2015 these six interventions have been implemented in the Emergency Department and Acute Assessment Unit.

Learning lessons

We aimed to improve learning from Serious Incidents (SIs) and Never Events (NE) so that the organisation understands the root causes that contributed to those incidents and what improvements need to be made. In 2014/2015 we increased the number of Serious Incidents reported (which is a sign of a positive reporting culture) from 32 in the previous year to 91. We published a Learning Lessons newsletter and held debriefing sessions for staff following incidents to ensure we learned from our errors. We revised our Serious Incident Policy but we recognised that we have further work to do in this area.

Strengthen accountability arrangements

In January 2015 we published our six key objectives for the organisation, and asked our Health Groups and Directorates to ensure staff were made aware of these priorities. Work has continued at Executive and Health Group level to ensure all Directors objectives are linked to the top six organisational objectives and that staff in the Health Groups have objectives which cascade to the frontline.

Deliver our financial plan

During 2014/15 we met all of our statutory financial duties, achieving a retained surplus of £3.8m. However it is important to note that 2015/2016 will be a far greater challenge for the Trust and we will need to work

more efficiently and harder to ensure we can deliver our financial plan as agreed with the Trust Development Authority.

Improve our culture

We have undertaken a significant programme of work which was initiated with the commissioning of ACAS to assess unprofessional behaviour in the workplace. This has seen us appoint an Anti-Bullying Champion: Dr Makani Purva, launch a SALS (Staff Advice and Liaison Service) and create a new staff charter including our three values: CARE, HONESTY & ACCOUNTABILITY. Over 1000 staff attended Professionalism and Cultural Transformation training in 2014/2015 and we are anticipating improvements in the Staff Survey in 2015.

Key to the culture work has been leadership development. The Trust launched the Great Leaders programme in October 2013 to deliver the Trust's vision of Great Staff, Great Care and Great Future. A total of 120 leaders began the programme with a further 120 participating in 2014/15.

Feedback from all the waves so far has been extremely positive with each module's evaluations scoring highly on the overall impact each module is having. Work will continue into 2015 with a series of manager briefing sessions, setting out our expectations in creating a positive working culture for staff.

Achieve delivery of key targets (NHS Constitution Commitments)

Operational performance during 2014/15 has presented significant challenges for the Trust. The Trust has used the Intensive Support Team and the Trust Development Authority to support it in developing recovery plans with the aim of achieving significant improvement in 2015/16.

The Trust achieved its cancer targets with the exception of the 62 day targets for screening and GP referral.

The Trust was within its threshold for Clostridium difficile infections and 28 wards have not had a Clostridium difficile infection in over a year.

Less positive was our performance against the 18-weeks referral to treatment times targets and the Emergency Department 4-hour target, both of which we failed to meet. Work has progressed into 2015 to ensure we improve on these NHS Constitution Commitments. It has been challenging but we are beginning to see the actions we have put in place delivering improvements.

It is recognised that we need to review our Trust strategy to ensure that it remains relevant in a rapidly changing health environment. We will be using our Board development sessions organised in 2015 to begin to shape this strategy. It was important to wait until there was stability within the Board before commencing this work.



ABOUT THE TRUST

Hull and East Yorkshire Hospitals NHS Trust is one of the largest Trusts in the United Kingdom and is situated in the geographical area of Kingston upon Hull and the East Riding of Yorkshire.

The Trust was established on the 1 October 1999 through the merger of the former Royal Hull Hospitals and East Yorkshire Hospitals NHS Trusts (Establishment Order 1999 no.2675). The Trust employs 6,951 WTE staff at 31 March 2015, has an annual turnover of £520m and operates from two main sites - Hull Royal Infirmary and Castle Hill Hospital. It delivers a number of outpatient services from locations across the local health economy area.

The Trust is a:

- Secondary Care Provider
- Cancer Centre
- Cardiac Centre
- Vascular Centre
- Major Trauma Centre
- Regional Specialist Centre
- University Teaching Hospital and the major NHS partner in the Hull York Medical School.

The Trust's secondary care service portfolio is comprehensive, covering the major medical and surgical specialties, routine and specialist diagnostic services and other clinical support services. These services are provided primarily to a catchment population of approximately 600,000 in the Hull and East Riding of Yorkshire area.

The Trust 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 population we serve

We provide hospital services to 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 has a population of approximately 260,500 living within an area of 71km² and was identified as the 10th most deprived local authority in England (out of 326 local authorities) in 2010 (Index of Multiple Deprivation, Department of Communities and Local Government) with over half of the population living in

neighbourhoods which are in the most deprived 20% nationally, and a further quarter in the second most deprived 20%. The proportion of children living in poverty (approximately 16,100) is substantially higher than average and the city has a higher than average proportion of Local Authority housing which does not meet the Decent Homes Standard.

The East Riding of Yorkshire has a population of approximately 342,200 dispersed across a predominantly rural area covering 2,479km². A larger proportion of the population is over 65 years of age compared to Hull. 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 addressing health inequalities, prevention and management of long term conditions. Therefore local commissioners have developed implementation plans which aim to:

- reduce health inequalities
- increase life expectancy
- improve health outcomes
- monitor health trends and develop local responses
- ensure effective management of patients with long term conditions
- ensure patient and public involvement.

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 with Clinical Commissioning Groups (CCGs) and health and social care provider colleagues to develop integrated patient care pathways, improve the quality of its services, particularly in relation to cardiac, stroke and cancer care, and improve access through the delivery of secondary care in an increasing number of community settings across Hull and the East Riding of Yorkshire.

Care Quality Commission

The Trust is registered with the Care Quality Commission for the following activities:

- Treatment of disease, disorder or injury
- Assessment of medical treatment for person's detained under the Mental Health Act 1983
- Surgical procedures
- Diagnostic and screening procedures
- Maternity and midwifery services
- Termination of pregnancy

The Trust received a rating of 'requires improvement' following the Chief Inspectors assessment in 2014. The Trust's intensive care, maternity and family planning and end of life care received a 'good' rating.

Main trends and factors likely to effect future development

The Trust has had a number of challenges in 2014/15 in meeting all the NHS Constitution standards. In a number of specialties waiting list backlogs are significantly greater than the Trust would wish and not all standards have been met, including the delivery of the 4 hour emergency target. Discussions have taken place with commissioners and with the Trust Development Authority regarding the scale of the challenge, and the actions that will be taken to deliver improved performance and the timescales for achieving this. This is a key priority of the Trust in 2015/16.

Elective demand is also expected to increase above demographic levels in 2015/16, presenting further challenges in a number of surgical specialties. Current commissioner intentions place a clear emphasis on the delivery of high quality patient care in a variety of settings with the majority of outpatient consultation, diagnostic tests, minor treatments and minor surgery carried out closer to the patient's home. The Better Care Fund plans for Hull and the East Riding seek to deliver transformational change in both health and social care in order to maintain services in the face of growing demand. This will include a focus on prevention and self-care, ambulatory care models, rehabilitation and a shift in care from hospital to community, residential care to home care. The potential impact for the acute sector will be a reduction in

emergency admissions and the streamlining of elective care services. The Trust will need to respond to this changing environment.

The Trust has faced a very challenging year in 2014/15 in terms of its financial performance. Whilst the Trust has delivered a £2.9m surplus in line with the plan for 2014/15 this has only been achieved through the use of non-recurrent resources and the Trust's underlying financial position is a £7.4m deficit. This underlying deficit has had a significant impact on the plans for 2015/16 in terms of both the revenue and capital positions. The Trust is forecasting a deficit of £21.9m in 2015/16 and is planning to use distress funding to support its revenue position. Delivery of the financial plan for 2015/16 will be critical and the Trust has established a full Programme Management Office to drive transformation and the efficiency agenda.

The Chief Inspector of Hospitals re-inspection in May 2015 will be a key area of focus over the coming 12 months. At the time of writing the Annual Report the formal feedback has not been received, however initial verbal feedback immediately following the re-inspection identified areas where the Trust had improved as well as where further work is required.

A major programme of cultural transformation commenced in 2014. The Care Quality Commission identified that the Trust had a bullying culture during its inspection in February 2014. Independent support was commissioned to understand the nature of the problem. Following the appointment of the new Chief Executive a key focus of work has been about changing the culture of the Trust. As set out in our summary of progress during the last half of 2014/15 the Trust reviewed its values and these were approved at the Trust Board in April 2015. There will be a focus on embedding these new values in 2015/16 as well as strengthening accountability at all levels of the Trust.



QUALITY & SAFETY

The actions that the Trust has taken to continually improve the quality and safety of the services is set out in the Quality Accounts which can be accessed on the Trust internet at the following link <http://www.hey.nhs.uk/About-Us/qualityAccounts/qualityAccount20142015.pdf> The first section celebrates the successes of individual members of staff, ward teams and highlights some of the significant developments in 2014/15. These include:

- New Emergency Department at the Hull Royal Infirmary
- Opening of the Ambulatory care Unit
- Centralisation of the medical specialty beds at the Hull Royal Infirmary
- PET-CT scanner (which provides faster and more accurate patient imaging)
- First robotic assisted surgery
- Completion of the upgrade of the Hull Royal Infirmary façade

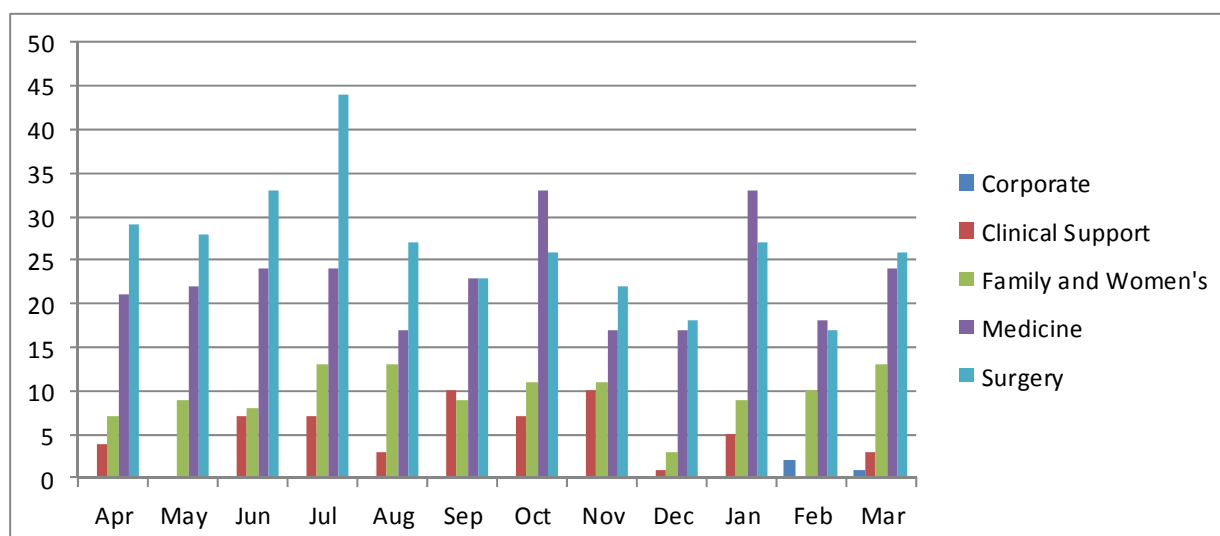
Complaints/Patient Advice and Liaison Service (PALS)

The Trust reviewed its Complaints procedure to ensure that it followed recommendations from the Francis Report and the Secretary of State for Health report which was published in October 2013. Assurance was provided to the Board.

During 2014/15 the Trust received 769 formal complaints which is a decrease from 2013/14 (785). Surgery Health Group received 320 complaints, Medicine Health Group 273 complaints, Family and Women's Health Group 116 and Clinical Support Health Group 57. Three complaints did not relate to specific Health Groups.

Under the NHS complaints regulations, the Trust is required to acknowledge receipt of complaints within three working days. Of the 769 complaints investigated, 621 were acknowledged within two working day, 119 within three working days.

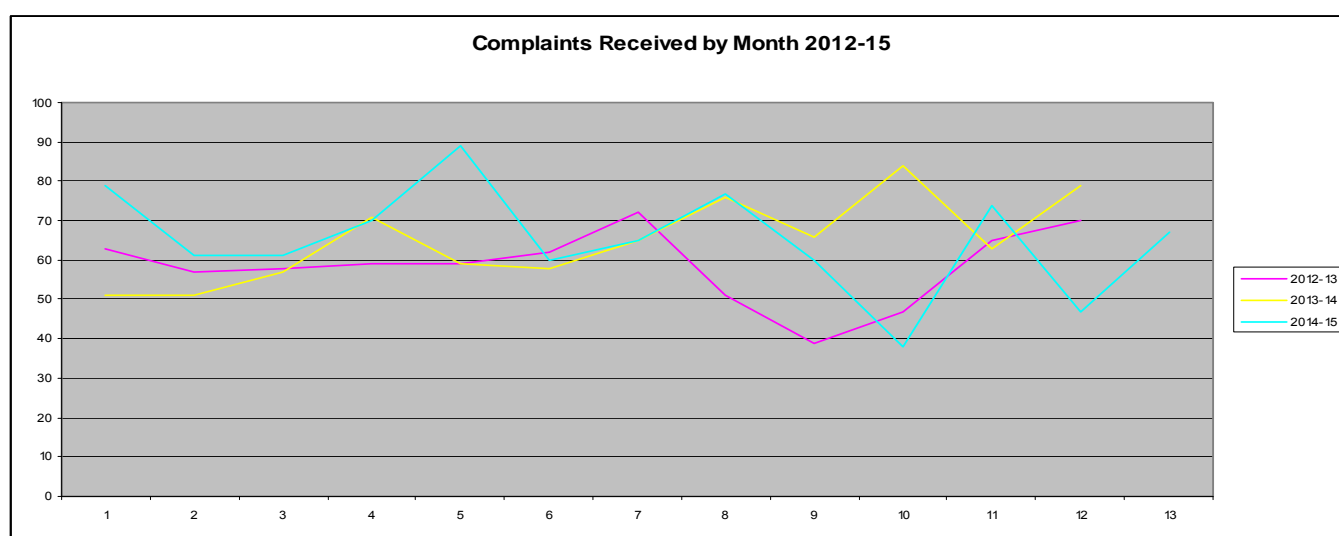
A monthly breakdown of receipt of the complaints is shown on the graph.



Of the 769 complaints received, 472 were relating to treatment. The top 5 issues relating to treatment were issues related to patients not being satisfied with their treatment plan (133), feeling that their diagnosis was not correct (77), that their outcome following surgery and treatment was not in line with expectations and that they experienced a delay in their diagnosis.

Complaints by primary subject and Health Group	Corporate	Clinical Support	Family & Women's	Medicine	Surgery	Totals
Attitude	1	2	12	24	12	51
Care and comfort including privacy and dignity	0	4	3	32	19	58
Communication/Record Keeping	2	11	9	20	23	65
Delays, waiting times and cancellations	0	2	9	25	33	69
Discharge	0	3	6	24	15	48
Environment	0	0	1	1	1	3
food, car parking, cleanliness	0	0	0	1	0	1
Special needs e.g. disability access, dietary, language etc	0	0	2	0	0	2
Treatment	0	35	74	146	217	472
						769

The following accumulative chart shows how complaints activity to date compares with activity during the two previous financial years.



Closed complaints

In 2014/15, 753 formal complaints were closed. The complaints resolution process includes identifying and implementing appropriate actions. In response to complaints this year, actions have included:

- Relocating the peritoneal dialysis room to a more suitable environment
- Provision of more timely interpreter services by utilising tablet devices in community midwifery services
- Development of a fast track pathology service which has reduced waiting times for patients attending the Emergency Department

Principles of Remedy

The Trust uses the six key areas which form part of the Principles of Remedy in its complaint handling procedures. The Trust is committed to getting it right, putting the patient first, being open and accountable for issues that arise within the organisation and for taking action when something has gone wrong. These principles are reflected in the Trust's complaints handling policies and procedures.

Parliamentary and Health Service Ombudsman (PHSO)

Under the current complaints legislation, Trusts have twelve months in which to endeavour to resolve a complaint to the complainant's satisfaction. 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 2014/15 the PHSO investigated 13 complaints received by the Trust. This is a slight increase on the 2013/14 figures when 11 cases were investigated. At the time of writing this report, the status of the 13 cases is as follows

- 3 complaints were not upheld
- 1 complaint was partially upheld and an apology was sent to the complainant
- 2 complaints were at the 'information request stage
- 7 cases were being assessed by the PHSO and the outcome is awaited.

Friends and Family

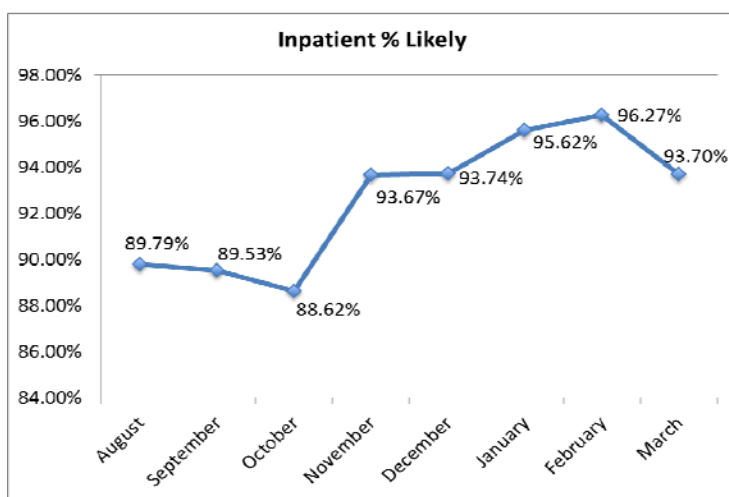
Over 157,194 patients provided feedback to the Trust about care and treatment they received. 91% of these patients were likely to come back for care or treatment and 1% were unlikely.

The Trust is still looking at ways in which we can improve the patient's experience on a daily basis. 'You Said We Did' reports are reviewed and actioned by all Health Groups along with response rates and responses. Examples of action taken include:

- More regularly updating patient information boards
- Review of visiting times
- Provision of dementia training to staff
- Introduction of two ** symbol for more vulnerable patient attending outpatients which enables nursing staff to check these patient regularly to establish whether they need any additional support

All areas within the Trust have good response rates and generally good feedback from patients. This helps to boost staff morale and shows that we are making a difference to the patient's experience. The Trust was awarded runner up in the Patient Experience Network National Awards 'strengthening the foundation', category for its Friends and Family work.

Inpatients that would likely be treated at Hull and East Yorkshire Hospitals NHS Trust:-



National In-patient Survey 2014

The survey asked the views of adults who had stayed overnight in the summer of 2014. A total of 850 patients were sent the questionnaire and 390 patients responded.

The survey covers all aspects of patients' care and treatment and the findings enable the Trust to see how we are performing against other Trusts. The survey comprises of 70 questions and is divided into 11 sections. At the end of the survey patients are asked to rate their overall experience. The Trust scored 8/10 in terms of having a very good experience.

The Trust's highest score (positive feedback) related to waiting list and planned admissions where patients were asked if the Hospital specialist had been given all the necessary information about the patient's condition from the person who had referred them.

The Trust performed least well in relation to the Emergency Department, patients feeling threatened by other patients, comments relating to the number of nurses on duty, explanations given on what would be done during their operation/procedure, explanations of risks and benefits of the operation/procedure, staff answering questions about the operation/procedure and delays in discharge.

In 52 questions the Trust was rated similar to other organisations. This included being treated with respect and dignity, feeling well looked after, being involved in decisions about discharge, being advised of what medication side effects to watch out for and being given help from staff during meal times.

The Trust recognises that it has further work to do in a number of areas. The action plan following this survey has been developed with the Patient Panel to enable full patient involvement with areas identified as needing improvement. Action has already been taken in a number of areas. The Trust has had a programme of major upgrade of its Emergency Department facilities. The new facilities opened at the beginning of 2015/16 and this has significantly improved privacy and dignity as the new majors department has individual cubicles. The Trust has also invested in more nursing posts and during the year had a major recruitment campaign including overseas appointments.

National A&E Survey 2014

The survey asked the views of adults who had attended the Accident and Emergency Department in March 2014. A total of 850 patients were sent the questionnaire and 269 completed the questionnaire. There were 43 questions divided into 8 areas. The Trust performed least well in relation to waiting times. At the time there was significant building work was in progress in the Emergency Department during the period of the survey, which was a difficult time for staff and patients.

The Trust performed less well in the section relating to doctors and nurses where patients and their families did not feel that they had enough time to discuss their medical problem, did not always understand the explanation given for their condition and treatment and did not always receive reassurance about their anxieties and fears. Since the publication of the report an additional 20 nurses have been recruited to the A&E department and there is ongoing recruitment to vacant consultant posts. In relation to the hospital environment some patients also felt threatened by other patients.

The action plan following this survey has been developed with the Patient Panel to enable full patient involvement with areas identified as needing improvement.



National Children's Inpatient and Day Case Survey 2014

The Trust performed well compared to other organisations on staff being regarded as being friendly, explanations given prior to operations/procedure, information provided after the operation/procedure on how the operation had gone, parents feeling involved in the plan of care for their child and children being told what to do or who to talk to if they were worried about anything when they got home.

There was only one question that the Trust scored in the bottom 20% and this related to parents being encouraged to be involved in decisions about the child's care and treatment.

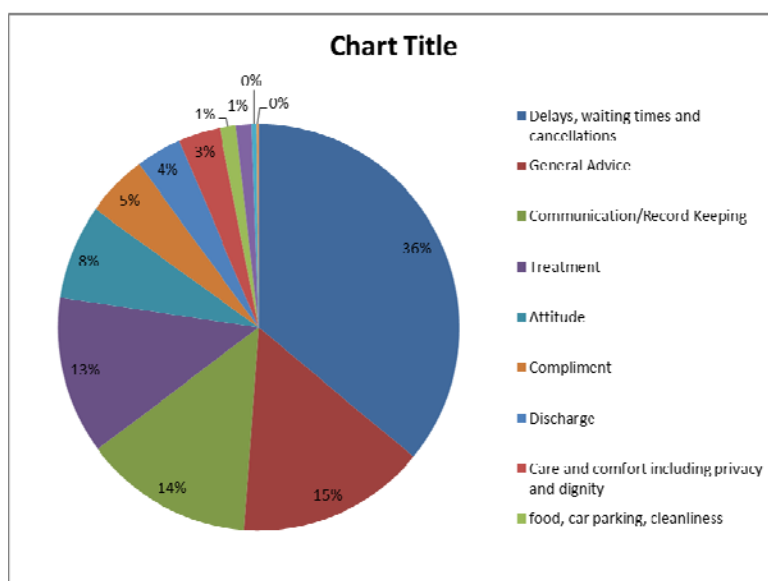
The Children and Young People's Division have received the report and have prepared an action plan to address the findings.

Patient Advice and Liaison Service (PALS)

PALS is a service which offers support, information and help to patients, their families, carers and friends. The total number of concerns, compliments, comments and general advice contacts received by the PALS team from April 2014 until March 2015 was 3156, this is an increase of 10% from the previous financial year.

The top three subject areas of concerns raised in 2014/15 were:

1. delays, waiting times and cancellations (36%)
2. communication and record keeping (14%)
3. treatment (13%)



	2013/14	2014/15	Increase/decrease
Concerns	2517	2901	13%
Compliments	150	154	3%
Comments	19	20	5%
General advice	132	55	-140%
Total	2828	3156	10%

SERIOUS INCIDENTS AND NEVER EVENTS

In organisations as large and complex as the NHS, things will sometimes go wrong. Incident reporting is one of the key methods for alerting other parts of the organisation to issues that, if left unattended, may pose a risk in future to service users or the health and safety of staff, visitors, contractors and others that may be affected by its operations.

A Serious Incident (SI) is an incident or accident involving a patient, a member of NHS staff (including those working in the community), or member of the public who face either the risk of, or experience actual, serious injury, major permanent harm or unexpected death on hospital, other health service premises or other premises where health care is provided. It may also include incidents where the actions of health service staff are likely to cause significant public concern. These are all events that the Trust believes to be worthy of investigation by an Independent Panel and/or falls into the category of an incident that must be reported to the local Commissioning agencies.

Total number of Never Events and Serious Incidents declared in each year:

	2011/12	2012/13	2013/14	2014/15
Total Never Events declared	4	3	4	5
Total Serious Incidents declared	10	8	32	91*
Total	14	11	36	96*

*3 Serious Incidents were downgraded following investigation.

Types of Serious Incident and Never Events declared during 2014/15

Serious Incident			
Type of incident	Number		
Patient fall resulting in fractured neck of femur or other injury	31	Communicable Disease/Infection issue	1
Delayed Diagnosis	11*	Decontamination Issue	1
Unexpected death of an inpatient	9	Delayed treatment	1
12 hour ED breach	9	Medical Equipment Failure	1
Drug Incident	8*	Incorrect Procedure	1
Avoidable Hospital Acquired G4 or G3 Pressure Ulcer	4	Surgical Error	1
Sub optimal care of the deteriorating patient	4*	Unnecessary Surgery	1
Unplanned maternal NICU admissions	2		
Outpatient Delay	2		
Anaesthetic incident	1		
Unexpected Maternal Death	1		
Air Embolism	1		
Cardiac Arrest following PPH	1		

*1 Serious Incident was downgraded following investigation

Never Events	
Type of incident	Number
Wrong Site Surgery (Never Event)	3
Misplaced nasogastric tube (Never Event)	1
Retained Foreign Object (Never Event)	1

The Trust declared 3 wrong site (spinal) surgery Never Events in 2014/15, and commissioned an external review of spinal surgery from the Royal College of Surgeons. The Royal College external review was undertaken on 08 and 09 June 2015. Preliminary findings did not demonstrate any lack of care and no systemic errors. At the time of the second wrong site surgery Never Events the Trust was in the process of updating its Spinal Marking Standard Operating Procedure. However the preliminary findings also indicate that a spinal marking SOP may not have made a difference and that the errors could still have occurred. The final results from the external review are yet to be received by the Trust.

The Trust declared 2 Serious Incidents in Maternity during 2014/15, and commissioned an external review which was undertaken in December 2014 by a Consultant Obstetrician from the Royal Victoria Infirmary, Newcastle upon Tyne. The external review did not identify any underlying trends which had not already been identified as part of the internal serious incident investigation. The recommendation from this external review was to ensure that all actions from Serious Incident and Never Event investigations are audited to demonstrate they are embedded and effective. A programme of audit is now in place.

The Trust has focused time and effort during 2014/15 to increase the number of Serious Incidents reported. This has been successful. The number of Serious Incidents reported has increased from 36 during 2013/14 to 91 during 2014/15. The Trust has recognised that it needs to re-balance the time spent on reporting and investigating serious incidents to improving and embedding lessons learned. Learning lessons has also been chosen as a quality and safety priority for 2015/16.



OUR WORKFORCE

The Workforce and Organisational Development Directorate has a key role to play in achieving the Trust's six objectives. Our main focus has been delivery against the objective: Improving the Culture. We have undertaken a significant programme of work which was initiated with the commissioning of ACAS to assess unprofessional behaviour in the workplace. This has seen us appoint an Anti-Bullying Champion: Dr Makani Purva, launch a SALS (Staff Advice and Liaison Service) and create a new staff charter including our three values: CARE, HONESTY & ACCOUNTABILITY. We have engaged over a thousand staff in the development of the charter and our work is progressing into 2015 with a board-approved plan to deliver a culture where teamwork, engagement and respect for one another enable us to focus on continuous improvement of our services. We are committed to putting staff at the heart of our vision: Great Staff, Great Care, Great Future by investing in their development, listening to their ideas and empowering and enabling them to provide the care that they aspire to deliver.

We will be measuring our progress against our key objective using the quarterly Friends and Family Test for staff and adopting the 'overall engagement' score in the National Staff Survey as our baseline for improvement.

OUR ACHIEVEMENTS IN 2014/15

- Appointment of Anti-Bullying Champion: Dr Makani Purva.
- Close partnership with staff side colleagues in the creation of the PaCT group (Professionalism and Cultural Transformation).
- PaCT training programme delivered to over 1000 staff by January 2015.
- Launch of Staff Advice and Liaison Service.
- Development of the Staff Charter and new organisational values.
- Achievement of our attendance target of 96.1%.
- Improvement against performance on appraisals by 14.8% compared with the previous year.
- Improvement against performance on mandatory training by 4.9% compared with the previous year.
- Achievement of retention target of 90.7%
- Overseas recruitment programme helped us to fill 110 nurse vacancies in our surgical specialties since September 2014.
- 240 leaders successfully completed the Great Leaders management development programme commenced in October 2013.
- Occupational Health Department supported the Trust's flu vaccination campaign resulting in 82.6% of staff vaccinated and was one of the 3 highest achieving acute Trusts in the country.

Staff Employed at 31st March 2013		
Age	Headcount	%
17-21	144	2
22+	8315	98

Ethnicity	Headcount	%
White	7433	88
Mixed	66	1
Asian or Asian British	573	7
Black or Black British	131	2
Other	256	2

Gender	Headcount	%
Male	1925	23
Female	6534	77

	Headcount	%
Record Disability	127	2

The Trust set an attendance target of 96.1% for 2014/15. In March 2015, attendance of 96.28% had been achieved. This showed an increase in attendance of 0.13% when compared with 2013/14.

Staff Sickness Absence	2012-13	2013-14	2014-15
	Number	Number	Number
Total Days Lost	66937	57883	57039
Total Staff Years	6839	6682	6815
Average Working Days Lost	9.8	8.7	8.4

Staff survey results

Our performance in the National Staff Survey was disappointing however, the feedback from staff has enabled us to design a wide-reaching programme of activity to deliver a sustained change in the organisational culture. This is one of the Trust's six key objectives and has the support of the Trust Board.

The Trust undertook the NHS National Staff Survey 2014 between October and December for a sample of its staff. The response rate for the Trust was 37% in 2014, which is below average when compared against other Acute Trusts. In the 2014 report there are 29 key findings (scores) and a measure of staff engagement. This year there are 27 of the key findings that can be compared with the 2013 survey.

Key findings where the Trust is in the best 20% of Trusts nationally:

1. Percentage of staff working extra hours – (67%)
2. Percentage of staff appraised in the last 12 months – (90%)

Key findings where the Trust is in the worst 20% of Trusts nationally:

1. Percentage agreeing that their role makes a difference to patients (87%)
2. Effective team working – (3.68)
3. Percentage of staff having well-structured appraisals in the last 12 months (32%)
4. Support from immediate managers – (3.53)
5. Percentage suffering work-related stress in the last 12 months – (45%)
6. Percentage witnessing potentially harmful errors, near misses or incidents in the last month – (38%)
7. Fairness and effectiveness of incident reporting procedures – (3.41)
8. Percentage agreeing they would feel secure raising concerns about unsafe clinical practice – (62%)
9. Percentage experiencing physical violence from staff in the last 12 months – (4%)
10. *Percentage experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months – (35%)**
11. *Percentage experiencing harassment, bullying or abuse from staff in the last 12 months – (35%)**
12. Percentage feeling pressure in the last 12 months to attend work when feeling unwell – (32%)
13. Percentage reporting good communication between senior management and staff – (23%)
14. Percentage able to contribute towards improvements at work – (62%)
15. Staff job satisfaction – (3.47)
16. Staff recommendation of the Trust as a place to work or receive treatment – (3.34)
17. Staff motivation at work – (3.72)
18. Percentage having equality and diversity training in the last 12 months – (45%)
19. Percentage experiencing discrimination at work in the last 12 months – (14%)
20. Percentage agreeing feedback from patients/service users is used to make informed decisions in their directorate/department – (48%)

The national NHS staff survey also contains an overall score for engagement, where five is the highest score possible. The Trust's score is in the worst 20% of organisations nationally:

- 2014 Average for acute and specialist trusts **3.74**
- 2014 Hull and East Yorkshire Hospitals NHS Trust **3.54**

The overall engagement score is made up from nine component questions in the survey:

- can make suggestions to improve the work of their teams and departments

- have frequent opportunities to show initiative in their roles
- can make improvements happen
- believe care of patients is the Trust's top priority
- would recommend the Trust as a place to work
- would recommend the Trust as a place to receive treatment
- look forward to going to work
- are enthusiastic when they are working
- feel time passes quickly when they are working

We spent much of 2014 measuring organisational culture (adopting the Barrett values approach) and undertaking focus groups with staff to enable us to understand fully where change is necessary and the scale of that change. We engaged with our staff side colleagues throughout this process and developed a four-point plan for change as follows:

1. Demonstrate to staff that they are valued
2. Create a staff charter of acceptable and unacceptable behaviours
3. Role-model desired behaviours throughout the leadership structure
4. Define roles and responsibilities and have a clear performance management framework

This is a long-term piece of work designed to evolve over time with the full support and engagement of our staff side colleagues and our workforce. We will measure our success using the National Staff Survey and the score for overall engagement and we are reporting quarterly to our Trust Board and our commissioners.

Employee consultation

Significant efforts are made to ensure that staff are kept informed and consulted with on important issues. The Trust consults with trade unions via the Local Negotiating Committee for medical staff and a Joint Negotiation and Consultation Committee for all other staff groups.

A number of other communication mechanisms are in place. A monthly briefing session is led by the Chief Executive. The Trust publishes an electronic newsletter to all staff weekly and a more comprehensive newsletter (including hard copies) monthly. In addition bulletins are issued via the corporate email for more urgent items of business.

The home page of the Intranet site has been developed to make it easier for staff to access information. The Trust has also established a Twitter and Facebook account.

The Trust has also undertaken a number of initiatives which aim to reward and recognise the contribution that staff make. Details of some of these initiatives are set out below.

Hey Great Leaders

The Trust launched the Great Leaders programme in October 2013. The programme was developed to deliver the Trust's vision of Great Staff, Great Care and Great Future. A total of 120 leaders began the programme with a further 120 participating in 2014/15. Staff on the Great Leaders programme attend 4 separate modules over 9 months. This includes a workshop with Achieve Breakthrough to consider their leadership approach and to work on an engagement or improvement project. Another module relates to people management (Great Staff), and the third to Great Care (systems thinking and service improvement), and finally Great Future (business planning and finance).

The programme is aimed at all staff that are in key management roles including sisters, matrons, therapists, general managers and lead scientists. Its aim is to ensure that there is a shared understanding of the direction the Trust is travelling in in terms of leadership, and have been supported to develop the necessary skills to take their teams along on this journey.

Feedback from all the waves so far as been extremely positive with each module's evaluations scoring highly on the overall impact each module is having.

Apprentices

In March 2014 the Trust had great success in the Health Education England Apprentice awards for the Yorkshire and Humber region; winning non-clinical Apprentice of the Year, Apprentice Supporter of the

Year; Runners up in Apprentice Champion of the Year, Clinical Apprentice of the Year and finalist in Employer of the Year and a further nomination in non-clinical Apprentice of the Year.

The Trust carried out 13 Apprentice assessment days in 2014 and the number of candidates attended was 118. The number of appointments made to apprenticeship posts was 32.

A number of Apprenticeships have now been completed and 9 Apprentices have been employed by the Trust. Two have been employed by an Agency and are working in the Trust, 1 was employed elsewhere and 1 is unknown.

Since the programme started in 2013 the Trust has appointed 52 Apprentices and is looking to employ a total of 90 by December 2016.

Equality and Diversity

The Trust's Equality and Diversity in Employment Policy aims to develop a workforce which is representative of the community served and promotes the values and behaviours of the Trust. The Trust is committed to eliminating discrimination and encouraging diversity amongst its workforce.

The Trust believes in fairness, equality and, above all, values diversity in its dealings, both as a provider of health services and an employer of people. The Trust aims to provide accessible services, delivered in a way that respects the needs of each individual and does not exclude anyone. By demonstrating these beliefs the Trust aims to ensure that it develops a healthcare workforce that is diverse, non-discriminatory and appropriate to the delivery of modern healthcare.

Under the Public Sector Equality Duty, the Trust has a responsibility to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

The Trust was concerned to note in the findings of the NHS Staff Survey, the 2014 CQC review and the subsequent ACAS report. A number of staff had reported experience of poor behaviours from colleagues and managers. A great deal of work has been undertaken as a result of this feedback. The Trust has worked with staff to develop and embed its new values of care, honesty and accountability across the organisation.

The Trust has established an Equality and Diversity Steering Group which includes representation from a number of protected characteristic communities. During 2014/15 the Group progressed a number of initiatives, including:

- The introduction of a monitoring form in conjunction with local partners to assist in the collection of equality data.
- Reviewing the Trust's Equality Impact Assessment process and documentation.
- Reviewing the Trust's equality and diversity training programme
- Promotion of equality and diversity events
- Reviewing national staff and patient surveys from an equality and diversity perspective and making recommendations to the Workforce Transformation Committee
- Development of an equality and diversity website for staff.

The Trust continues to work with local partners, including East Riding of Yorkshire Council, Humberside Police, Humberside Fire and Rescue, Humber NHS Foundation Trust and NHS East Riding of Yorkshire Clinical Commissioning Group, to share knowledge and best practice which working to promote equality and diversity across Hull and the East Riding of Yorkshire.

Occupational health

The Occupational Health Service is a specialist, confidential support and advisory service that supports the Trust to ensure its employees, volunteers and contract staff can achieve and maintain the highest degree of

physical, mental and social well-being whilst at work and are protected from risks to their health that may arise out of their work or working environment. The service employs six specialist occupational nurses, one of the largest numbers in the local area and it shares its expertise on an income generation basis with a number of small organisations in the local community including several charitable organisations and schools and colleges.

The service underwent its annual assessment as part of the national Safe Effective Quality Occupational Health Service (SEQOHS) scheme and was once again successful in maintaining accreditation for the quality of the services it provides.

The Department is one of 40 NHS Department's nationally that has been asked by the National Institute of Health Research to participate in a research trial during 2014/16 that is aimed at reducing the incidence of Work Related Dermatitis amongst healthcare workers.

The Occupational Health Service is responsible for managing the Trust's annual staff seasonal flu vaccination campaign and 76% of staff received the vaccine during 2014/15 campaign.

More teams triumph at Golden Hearts

For the fourth year running, the Golden Hearts Awards served to demonstrate just how far our staff will go to innovate, to improve, and provide the best possible care for our patients.

Hosted by Head Chaplain, Adrian Klos and Hull West and Hessle MP, Alan Johnson, almost 300 people attended the event including BBC Radio Humberside's breakfast presenters, Lizzie Rose and Carl Wheatley. The awards ceremony at Willerby Manor was a glitzy affair and our winners and runners up were as follows:

OVERALL WINNER 2014

The winner was announced as:

Annie Costello, Ward Clerk, Elderly Short Stay Unit

OUTSTANDING INDIVIDUAL – NURSING

Winner: Tabby Asghar, Staff Nurse, Cardiac Monitoring Unit, Castle Hill Hospital

Runner Up: Ryan West, Major Trauma Nurse Coordinator, Emergency Department and Nicky Day, Sister, Fracture Clinic

OUTSTANDING INDIVIDUAL – SCIENTIFIC, TECHNICAL & THERAPEUTIC

Winner: Helen Maslen, Senior Pharmacist

Runner Up: Jeremy Lyon, Consultant Lead Physiotherapist and Liam Sowersby, Technical Support and Data Manager

EVERY PERSON MATTERS - PATIENT AND STAFF ENGAGEMENT

Winner: Community Midwifery Pioneer Team

Runner Up: Ward 19 – Castle Hill Hospital and Dining Companions

STRONGER TOGETHER - PARTNERSHIP WORKING

Winner: HYA Training and Hull and East Yorkshire Hospitals NHS Trust:

Apprenticeship Recruitment and Assessment Delivery

Runner Up: Renal Transitional Team and Neurology Outreach

OUTSTANDING TEAM OF THE YEAR

Winner: Ward 31 – Castle Hill Hospital

Runner Up: Radiotherapy Team and Urology Ambulatory Care Pioneer Team

OUTSTANDING INDIVIDUAL – MEDICAL

Winner: Dr. Edward Middleton, Acute Physician, Acute Assessment Unit

Runner Up: Mr Mahmoud Loubani, Consultant Cardiac Surgeon and Mr Bankole Akomolafe, Vascular Surgeon, Ward 100

HEY WE'RE GREAT LEADERS

Winner: Patience Young - Occupational Therapy

Runner Up: Neil Kaye and Nick Harrison -
Estates Castle Hill Hospital and Hull Royal Infirmary
and Samantha Taylor - Clinical Coding

OUTSTANDING INDIVIDUAL – NON-CLINICAL

Winner: Annie Costello, Ward Clerk, Elderly Short Stay Unit

Runner Up: Lynn Jickles, Housekeeper, Ward 30
and Nick Gregory, Programme Manager, Retinal Screening

HEY WE'RE MAKING IT BETTER

Winner: Macmillan Survivorship Team

Runner Up: Inflammatory Bowel Disease Pioneer Team, and Pain Medicine

MOMENTS OF MAGIC

Winner: Sister Lisa Hartley and Staff Nurse Katie Bellis

Runner Up: Maxine Stothard and Sharon Jackson
and General High Dependency Unit Team, Hull Royal Infirmary



OUR PERFORMANCE

Delivery of operational performance standards

Operational performance during 2014/15 has presented significant challenges for the Trust. The Trust has used the Intensive Support Team and the Trust Development Authority to support it in developing recovery plans with the aim of achieving significant improvement in 2015/16.

Our achievements in 2014/15:

- The Trust achieved its cancer targets with the exception of the 62 day targets for screening and GP referral.
- The Trust was within its threshold for Clostridium difficile infections and 28 wards not have a Clostridium difficile infection in over a year.
- The Trust had no MRSA infections during the year.
- 129,819 people attended our Emergency Departments (120,489 attended Hull Royal Infirmary and 9,330 attended Beverly Minor Injuries Unit)
- There were 681,772 outpatients attendances
- 157,142 patients were admitted to our wards
- There were 183,401 inpatients (Finished Consultant Episodes)
- There were 11,959 attendances to our wards by outpatients requiring review

The table below details the Trust's performance against key indicators and national targets, comparing 2013/14 with 2014/15

Indicator		2013/14	Target		2014/15	Target
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspected cancers		93.8%	≥93%		94.1%	≥93%
Maximum waiting time of 31 days from diagnosis to treatment for all cancers		96.7%	≥96%		96.4%	≥96%
Maximum waiting time of 31 days for subsequent treatments for cancer	Surgery	95.3%	≥94%		94.9%	≥94%
	Drugs	99.3%	≥98%		99.3%	≥98%
	Radiotherapy	96.8%	≥94%		96.9%	≥94%
Cancer – Breast Symptomatic		94.0%	94.0%		95.0%	94.0%
Maximum waiting time of 62 days from referral to treatment for all cancers	All Cancers	84.1%	≥85%		79.5%	≥85%
	Screening Referral	87.2%	≥90%		84.4%	≥90%
18 weeks admitted pathways		91.8%	≥90%		82.7%	≥90%
18 weeks non-admitted pathways		95.7%	≥95%		89.6%	≥95%
18 weeks incomplete pathways		91.3%	≥92%		89.6%	≥92%
A&E Operational Standard		94.9%	≥95%		83.3%	≥95%
Methicillin-sensitive Staphylococcus Aureus (MSSA) Bacteraemia		45	Monitoring only		46	Monitoring only
Methicillin-resistant Staphylococcus Aureus (MRSA) Bacteraemia		2	0 – based on local contract		0	0 – based on local contract
Clostridium Difficile		57	54		57	57
Stroke – 90% of time on a stroke ward (acute pathway)		84.0%	≥80%		87.9%	≥80%

Indicator	2013/14	Target		2014/15	Target
Stroke – 90% of time on a stroke ward (combined pathway)	82.6%	≥80%		86.9%	≥80%
Transient Ischemic Attack (TIA) – high risk patients having a brain scan within 24 hours	100%	≥60%		99.2%	≥60%
TIA – low/moderate patients having a brain scan within 7 days	100%	≥95%		100%	≥95%
Immediate Discharge Letters (Timeliness)	92.8%	≥98%		96.0%	≥98%
Immediate Discharge Letters (Quality)	90.3%	≥95%		98.0%	≥95%
Venous Thromboembolism	94.9%	≥95%		95.4%	≥95%
Appointment Slot Issues	0.40	0.04		0.18	0.0
Diagnostic 6 week breaches	0.6%	≤1.0%		0.6%	≤1.0%

Emergency preparedness

NHS Trusts are required to plan for, and respond to, a wide range of incidents and emergencies that could affect health or patient care. These could be anything from extreme weather conditions to an outbreak of an infectious disease or a major incident. Under the Civil Contingencies Act (2004), NHS providers have a statutory obligation to ensure the highest level of service is maintained, regardless of what might happen to internal or external resources or the infrastructure of facilities.

As a registered acute provider of healthcare, the Trust is identified as a Category 1 primary responder, at the core of emergency response and is bound by the Health and Social Care Act 2012. The Trust is required to:

- have procedures in place to plan for, respond to and recover from major incidents and emergencies;
- have suitably trained, competent staff and the right facilities available round the clock to effectively manage a major incident or emergency, and
- share resources with other agencies, as required, in response to an emergency or business continuity incident.

During the year the following significant activities occurred:

- The major incident call out cascade system was tested in September 2014 and March 2015. In September 175 staff confirmed their ability to attend the Trust within 30 minutes with 146 staff responding to the March test. Both tests provided assurance that key roles would be covered in the event of a major incident.
- NHS trade unions took industrial action on 13 October, 20 October and 24 November 2014. In preparation for each strike day the Trust Emergency Industrial Action Planning Group was set up to minimise the impact on patient services.
- The Trust participated in the National Capabilities Survey in November 2014. The exercise, carried out every two years, is used by Government departments and the Cabinet Office to identify resilience gaps and assess the level of capability to respond to civil emergencies.
- A total of 51 core standards were assessed in November 2015 as part of the annual NHS Emergency Preparedness Resilience and Response self assessment exercise. NHS England confirmed the Trust was fully compliant with all statutory requirements on the understanding on call Directors attended a “Strategic Leadership in a Crisis” workshop. The first workshop took place in March 2015.
- The outbreak of Ebola Virus Disease in West Africa resulted in NHS England leading and coordinating NHS plans. Frontline staff had access to up to date public health information, web links, a clinical algorithm and guidance on the management of patients. The Infection Prevention and Control team worked closely with link Practitioners and Trainers across the Trust, cascading information and raising awareness in addition to checking and advising regarding appropriateness of personal protective equipment. Public information, ‘Ebola in West Africa,’ posters were displayed in the Emergency

Department and Acute Assessment Unit and the Trust participated in a multi agency Ebola workshop, facilitated by NHS England and Public Health England, in November.

- The Trust participated in three multi agency Tactical Coordinating Group conferences involving a fire and smoke plume at a waste recycling plant on Stockholm Road, Hull (October), an Avian Flu outbreak at a duck farm in Nafferton (November) and a major gas escape on Anlaby Road, Hull (March).
- Throughout the winter months the Trust experienced severe pressure on the acute pathway. Although a major incident was never declared, "Trust Gold Command" met on a daily basis during the height of the pressure. The Trust's Winter Plan and Procedure for Managing Patient Flow were revised as a result of lessons learned during the winter.
- Senior representatives from the Trust participated in a multi agency resilience and escalation scenario test, facilitated by Hull CCG, in January.

With the aim of embedding resilience in the routine business of Health Groups and Directorates, plans were agreed in March 2015 to provide business continuity training and support to develop sustainable critical impact assessment and business continuity planning processes.



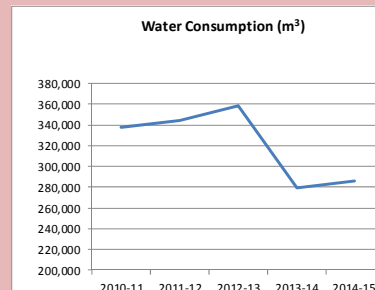
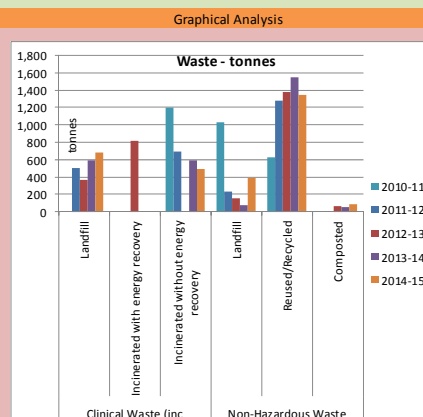
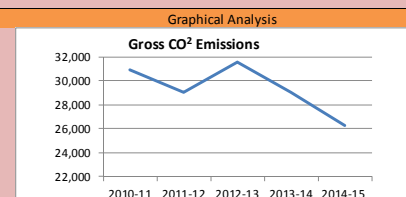
SUSTAINABILITY

Sustainability has become increasingly important in mitigating impact on the environment from the way we live and carry out our business. The Trust is committed to reducing its carbon footprint, meeting carbon emissions targets, protecting valuable resources and acting as a good neighbour within our local community. The Trust's Sustainable Healthcare Strategy sets out our vision, aims and actions in key areas such as water, energy, waste, transport and procurement. The changes we make will bring the sustainable approach necessary to secure the future of efficient healthcare services to our patients, without causing harm to the environment we live in.

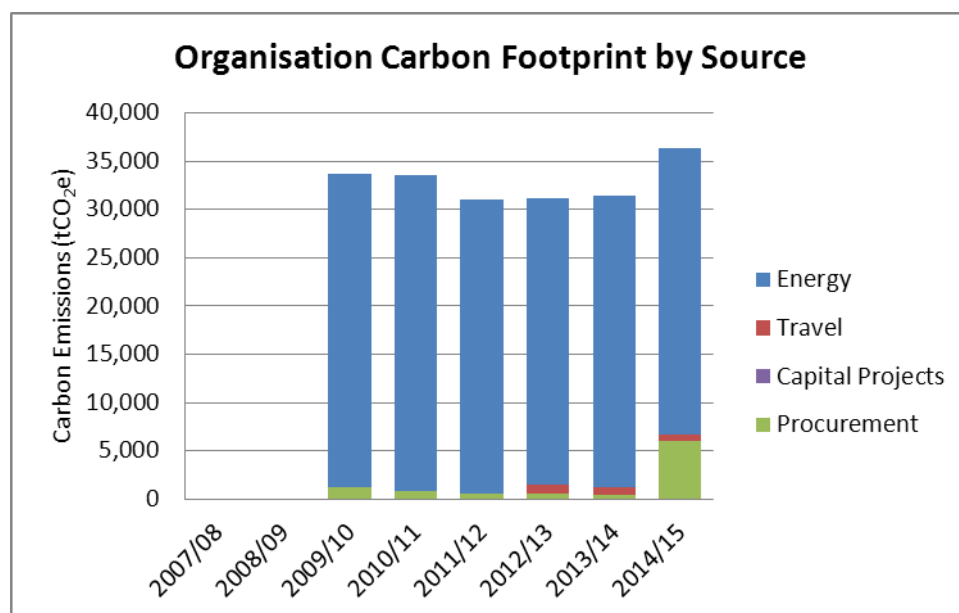
The Trust continues to comply with all current environmental legislation, the Carbon Reduction Commitment and the European Union Emissions Trading Scheme. Due to changes we are now able to opt out of the Trading Scheme meaning we no longer need to submit allowances for emissions, but must continue to evidence good management.

The Trust's performance for the year 2014/15 is summarised in the report below

HULL AND EAST YORKSHIRE HOSPITALS NHS TRUST							
SUSTAINABILITY REPORT 2014/15							
GREENHOUSE GAS EMISSIONS			2010-11	2011-12	2012-13	2013-14	2014-15
Non-Financial Indicators (tCO ²)	Total gross emissions		30,887	29,050	31,529	29,037	26,279
	Scope 1 emissions (direct) gas		16,564	14,700	16,365	14,933	13,172
	Scope 2 emissions (indirect) electricity		14,322	14,350	14,576	13,189	13,107
	Scope 3 (indirect) supplier transport emissions				589	916	0
Related Energy Consumption (kWh)	Electricity Non-Renewable		23,384,555	25,661,668	1,558,395	10,104,829	10,534,199
	Electricity Renewable		1,529,000	37,000	24,244,775	16,578,639	16,202,456
	Gas		88,463,000	78,727,000	86,258,942	80,729,427	71,368,422
Financial Indicators (£)	Expenditure on Energy		4,383,884	4,717,187	5,081,650	6,035,057	5,150,982
	Carbon Reduction Commitment Expenditure		294,108	284,856	281,196	279,408	(tbc)
Performance							
Strategy for Reducing Energy Use							
WASTE			2010-11	2011-12	2012-13	2013-14	2014-15
Non-Financial Indicators (tonnes)	Total waste		2,871	2,712	2,779	2,851	2985
	Clinical Waste (inc Hazardous)	Landfill		501	368	587	680
		Incinerated with energy recovery					
		Incinerated without energy recovery	1,204	695	818	589	493
	Non-Hazardous Waste	Landfill	1,036	233	155	73	384
		Reused/Recycled	631	1,283	1,374	1,548	1,345
Composted				64	54	83	
Non-Financial Indicators (tonnes CO ² e)	Clinical Waste (inc. Hazardous)*	Landfill			304	146	186
		Incinerated with energy recovery			87	66	68
Financial Indicators (£k)	Total disposal cost (£)		790,477	610,971	642,695	645,580	643,198
	Clinical Waste inc. Hazardous)	Landfill		174,376	135,424	226,611	259,159
		Incinerated with energy recovery					
		Incinerated without energy recovery	637,421	254,511	301,024	227,383	189,748
	Non Hazardous Waste	Landfill	118,413	34,417	30,109	21,901	30,220
		Reused/Recycled	34,643	147,667	152,074	163,434	120,881
		Composted			10,884	6,251	7,904
Performance							
Strategy for Reducing Waste							
FINITE RESOURCE CONSUMPTION : WATER			2010-11	2011-12	2012-13	2013-14	2014-15
Non-Financial Indicators	Water Consumption (m ³)		337,657	344,214	358,910	279,813	286,136
	Water tonnes CO ² e				158	96	98
Financial Indicators (£k)	Water Supply Costs		596,536	609,519	650,930	570,315	615,692
	FINITE RESOURCE CONSUMPTION : TRANSPORT			2010-11	2011-12	2012-13	2013-14
Vehicle Mileage	Own Vehicles Mileage				123,511	259,707	247,533
	Own Vehicles CO ² Tonnes				37	93	89
	Patient Transport Mileage (YAS Contract)				1,209,462	1,138,839	
	Patient Transport CO ² Tonnes				481	493	
	Non Patient transport Mileage				270,298	214,856	
	Non Patient Transport Mileage CO ² Tonnes				108	93	
	All Other Patient Transport Mileage				712,060	894,148	
	All Other Patient Transport Mileage CO ²				262	330	
	Business Miles				1,766,427	1,165,390	1,045,283
	Business Miles CO ²				516	332	295
	Total Transport Mileage				4,081,758	3,672,940	
	Total Transport Mileage CO ² Tonnes				1,403	1,341	
Performance							
The Trust is still awaiting figures from some third party providers to enable completion.							
Graphical Analysis							
Gross CO ² Emissions							
Waste - tonnes							
Water Consumption (m ³)							



Total emissions have increased due to the continued drive to increase the number of sources being reported. The large increase in procurement is specifically due to the reporting of anaesthetic gases.



Energy and Emissions

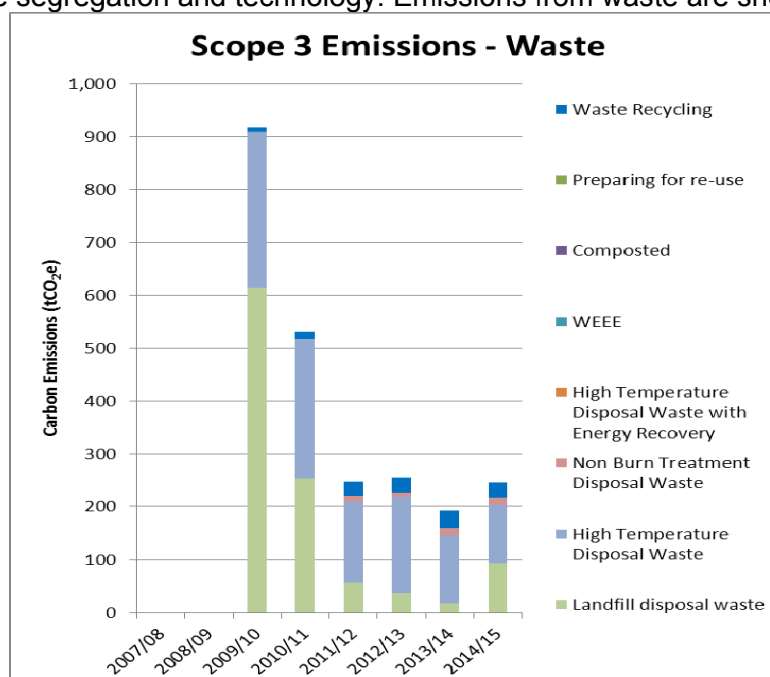
The Trust is working towards the target of a 10% reduction in carbon emissions by 2015, from a 2010 baseline. This challenging target makes no allowance for contributing factors such as patient activity trends or weather extremes, but indications are that the Trust is on track. Total emissions from energy fell again this year by 577 tCO₂e.

The cost of energy reduced in 2014/15 due to reduced consumption, lower energy unit costs and effective energy procurement strategy that reduces the risks associated with a fluctuating market. This year we spent £5,150,982.

Looking forward, we continue to look at schemes to reduce energy costs and emissions through the replacement of old and inefficient plant and equipment and the use of new technology. We will continue to promote best practice that reduces unnecessary waste.

Waste and Recycling

The total waste produced increased slightly this year to 2,993 tonnes, whilst recycling went down to 45% of total waste due to process changes beyond our control. However, we continue to work towards zero landfill through improved waste segregation and technology. Emissions from waste are shown in the graph below.



Water

Having achieved such a big reduction in water use last year due to remedial work carried out on leaking pipework at Castle Hill, there has been a slight increase in consumption in 2014/15. We are currently trying to identify the source of a leak at Hull Royal and are confident performance will improve again in 2015/16. The Trust spend on water and sewage charges in 2014/15 was £616k.

Transport and Travel

The Trust has a number of initiatives in place designed to either reduce the number of vehicles on the road, or at least mitigate the effects of carbon emissions associated with transport.

We continue to promote the use of the Park & Ride facility at Priory Park with staff being able to travel into Hull Royal Infirmary free of charge. Staff are also able to travel on some East Yorkshire Motor Service routes between hospital sites free of charge. The Cycle to Work Scheme gained 93 new members during the year. Also available is the car Liftshare scheme and access to lower emission cars via NHS Fleet Solutions.

Health & Safety

2014/15 has seen the Trust's Safety Team working towards continual improvement in the reduction of numbers and severity of incidents and accidents. The team has commenced working towards a new set of key performance indicators in 2014/15, covering reported incidents, claims made against the Trust, problems identified in regular site inspections and numbers of manual handling link trainers covering clinical areas.

The Safety Team is supported by trained 'safety focal persons' in wards and departments who carry out safety inspections and risk assessments, acting as the 'eyes and ears' at local level. The Team also works with staff side representatives towards the common goal of a safe working environment. Following a governmental review of health and safety regulation, the HSE produced new guidelines in the risk assessment process, which included a simplification of the required recorded detail. The Safety Team reacted to this change in 2014/15 and issued a new risk assessment template which will be less time-consuming or complex for staff to complete. Further, in keeping with the Team's commitment to provide a service to clinical areas, partially completed assessments are now provided to wards / departments to reduce the burden further still.

In terms of staff personal accidents in 2014/15, the highest reported cause was 'contact with needle or other medical sharps', second was 'slips, trips and falls' and third was 'manual handling'. In each of the last four years, these three categories were the top three causes of staff incidents. The most significant change was an 8% rise in the sharps incidents category. The average (mean) yearly number of reported staff incidents over the last four years is 649. 655 such incidents were reported in 2014/15: a marginal increase.

The only communication between the HSE and the Trust in 2014/15 was a request for further information following one of the RIDDOR reported incidents. This information was provided by the Safety Manager and no further action followed.

Compliance with Safety training overall as at March 31st 2015 was 86%: a slight improvement on the previous year

Although there has been a slight reduction in manual handling incidents overall, the reduction is not as significant as that seen between in previous years. That said, this is the 4th year in succession a downward trend has been seen. The category of 'Patient handling activities' remains the highest reported category for overall manual handling incidents. However, these have reduced by 34% over the last three years.

Manual handling training compliance was 76% in 2014/15. This is an improvement on the previous year which saw 66% compliance.

The team's Manual Handling lead has been involved in a number of key activity projects in 2014/15. Close working with Humberside Fire and Rescue Service and Yorkshire Ambulance service has resulted in a safer system of work being implemented for the emergency handling of larger patients. An external audit showed that our Trust has one of the best provisions of patient hoisting equipment in the north of the country.

USE OF RESOURCES

The Trust has faced a very challenging year in terms of its financial performance. Whilst the Trust has delivered a £2.9m surplus in line with the plan for 2014/15, this has only been achieved through the use of non-recurrent resources. The Trust's underlying financial position is a £7.4m deficit. This underlying deficit has a significant impact on the plans for 2015/16 for both the revenue and capital.

Statutory Financial Duties

These are set out below.

Table 1: Statutory Financial Duties	
<ul style="list-style-type: none"> Break even duty The cost of our services must be equal or less than what we are paid to provide them. 	<ul style="list-style-type: none"> Achieving a 3.5% return on capital Our surplus should be at least 3.5% of the total value of our assets.
<ul style="list-style-type: none"> Meeting our external financing limit Our overall borrowing must fall within limits agreed with the Department of Health. 	<ul style="list-style-type: none"> Meeting our capital resource limit Our capital expenditure must fall within limits agreed with the Department of Health.

Review of the Year

During 2014/15 we met all of our statutory financial duties, achieving a retained surplus of £3.8m. Our retained surplus includes some values that are outside of our control and would be misleading if we did not adjust for them, once we take these adjustments into account we have an adjusted surplus £2.9m

Table 2: Operating, Reported and Underlying surplus/(deficit)	£ million
Reported Operating Surplus	15.1
Finance and other non-operating items	(4.9)
Public Dividend Capital dividend	<u>(6.4)</u>
Reported Retained Surplus	3.8
Changes in the value of equipment	(0.3)
Adjustments for donated assets	<u>(0.6)</u>
Underlying Surplus	<u>2.9</u>

We have continued to invest in patient facilities and spent a total of £18.9m during the year, including £14.9m on buildings, £1.1m on Information Technology, and £2.9m on medical and other equipment. Our investment in our buildings included our new Emergency Department, which opened in April 2015 and our new medical assessment unit facilities. We were also able to purchase a surgical robot as the result of a generous donation.

INCOME AND EXPENDITURE

Where we get our Income from

As an NHS Trust we receive most of our income from agreements to provide clinical services to our commissioners. Our commissioners are mainly Clinical Commissioning Groups within Hull and East Yorkshire, but we also receive funding directly from NHS England.

SOURCES OF INCOME

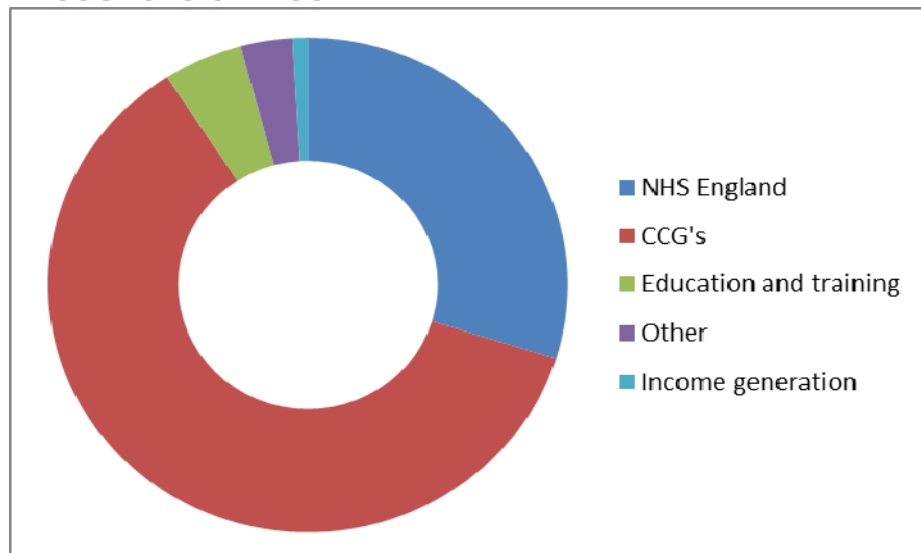


Table 3: Income	£ Million
NHS England	157
CCG's	322
Education and training	26
Other	17
Income generation	5
Total	527

What we spend our Resources on

Our biggest area of expenditure is on our staff. We paid £305m in salaries during the year. An analysis of our spending during 2014/15 is shown below

OPERATING EXPENDITURE

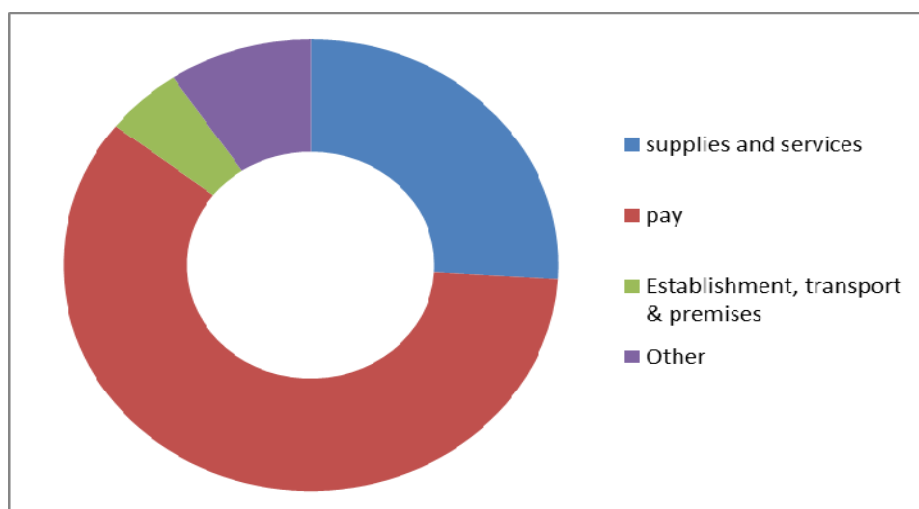


Table 4: Operating Expenditure	£ Million
Supplies and services	132
Pay	305
Establishment, transport & premises	28
Other	47
Total	512

Prompt Payment

Although not a statutory duty, the Trust is measured on its performance against the “better payments policy” target. The target requires that the Trust pays at least 95% of trade invoices within 30 days of receipt unless other payment terms have been agreed. Although our performance continues to fall short of this, we remain committed to improving. During the year we had 1 claim of £80 from a supplier under the “Late payment of commercial debts (interest) Act 1988.” In 2013/14 we had 2 claims totalling £30. We signed up to the Prompt Payment Code in 2010.

Details of compliance with the better payments policy code are detailed as follows:

Our Compliance with the Better Payment Practice Code

	2014-15 Number	2014-15 £000s	2013-14 Number	2013-14 £000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	103,508	211,383	105,323	198,920
Total Non-NHS Trade Invoices Paid Within Target	91,947	180,424	94,431	165,633
Percentage of Non- NHS Trade Invoices Paid Within Target	88.83%	85.35%	89.66%	83.27%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	3,515	35,478	3,309	30,919
Total NHS Trade Invoices Paid Within Target	1,837	19,907	1,361	18,428
Percentage of NHS Trade Invoices Paid Within Target	52.26%	56.11%	41.13%	59.60%

Efficiency

The Trust has a rolling programme to continuously review all areas of business to find ways we can be more efficient, provide better value for money and a better patient experience. This includes continued monitoring of benchmark and best practice information and Key Performance Indicators (KPI) to highlight areas of inefficiency.

Our efficiency savings programme aims to deliver £20m (3.6%) of savings each year for the next three years in line with national requirements. These are a combination of targeted improvements in productivity which will lead to more efficient use of clinical resources and a number of specific savings schemes which also aim to maximise the efficiency and effectiveness of key areas such as theatres, outpatient services, clinical support services and the general estate. All savings schemes include clinical input and where they are deemed to have impacts on clinical services undergo a rigorous quality impact assessment process.

Our efficiency target for 2014/15 was to deliver £21.3m of savings, we only achieved £13m (63% of target) however those savings did contribute to our surplus of £2.9m.

Continued improvement in efficiency and the associated savings are necessary for the Trust to remain financially viable and continue to provide high quality healthcare to our patients in a sustainable way. It also enables the Trust to continue to develop and invest in services as part of our overall Clinical Strategy and Business Plan.

For the coming year the Trust has invested in a Project Management Office to coordinate the Trust's Transformation Programme. Not only will this be instrumental in facilitating the delivery of improved patient experience, it will also support the delivery of the Trust efficiency programme.

Looking Ahead

It is predicted that the NHS will need to make savings of £30bn by 2020 unless additional real growth funding is received. There is the possibility of an additional £8bn being provided to the NHS but this will still leave £22bn of savings to be made. The Trust expects that it will need to make significant improvements to efficiency and productivity to help deliver services within the funding available. The amount of money we get for most of the services we provide (the "Tariff" price paid by commissioners) will reduce by 1.6% in 2015/16, and we will need to improve our productivity and efficiency in line with this. The Trust will also only

be paid a marginal rate of 70% for specialist services growth above a stated baseline and this will require further efficiencies if the services cannot be delivered in line with this reduced funding.

We will also need to adapt to changes in the way services are provided. Our Clinical Commissioning Groups are looking for services to be provided more locally. The Hull Better Care Plan has been developed jointly by Hull City Council and Hull Clinical Commissioning Group. One of the principal objectives of the Plan is to achieve a shift of care from hospital to community and from service-led to more personalised support for those who require it. The transformation of the Trust's medical acute pathway and the movement to ambulatory care is a key part of this strategy. Longer term Monitor (a regulator for Health Services in England) is reviewing the payment mechanism for emergency services to ensure the Tariff does not become a barrier to transformational change.

Against these challenges the Trust has submitted a plan which identifies a deficit for 2015/16 of £21.9m. The immediate priority is to establish a financial recovery plan that returns the Trust to a break-even position and then to address the continuing challenges of the efficiency savings and transformational change identified.

Our capital expenditure programme will need to invest in the maintenance of the estate to ensure it remains fit for purpose and to respond to the issues identified through the recent Care Quality Commission inspection. The capital programme will include making significant investment in replacing ageing medical and radiology equipment and in improvements to our patient record and IT systems and infrastructure to transform the way we provide services.

Audit services

KMPG is the external auditor to the Trust. The total charge for work undertaken on our accounts and our quality accounts during the year was £114,992. The Audit Committee receives the annual accounts, the annual audit letter and other reviews and reports completed by the auditors during the year. The Trust used the Mersey Internal Audit Agency to provide internal audit services.

Policies

The Trust has adopted NHS accounting policies and treatments as recommended in the NHS Manual for Accounts and the Government Financial Reporting Manual. These policies are generally in line with the requirements of International Financial Reporting Standards.



Statement of Comprehensive Income for the year ended 31 March 2015

	2014-15 £000s	2013-14 £000s
Gross employee benefits	(305,195)	(295,026)
Other operating costs	(206,629)	(194,496)
Revenue from patient care activities	490,344	472,250
Other operating revenue	36,215	34,453
Operating surplus before impairments	14,735	17,181
Impairments	0	(10,408)
Reversal of impairment	321	6,258
Total impairment/reversals	321	(4,150)
Operating Surplus	15,056	13,031
Investment revenue	62	54
Other gains	28	46
Finance costs	(4,892)	(5,097)
Surplus for the financial year	10,254	8,034
Public dividend capital dividends payable	(6,394)	(6,467)
Retained surplus for the year	3,860	1,567
Other Comprehensive Income		
Impairments and reversals taken to the revaluation reserve	0	(15,898)
Net gain on revaluation of property, plant & equipment	182	257
Total comprehensive income/expense for the year	4,042	(14,074)
Financial performance for the year	2014-15 £000s	2014-15 £000s
Retained surplus for the year	3,860	1,567
IFRIC 12 adjustment (including IFRIC 12 impairments)	0	1,093
Impairments (excluding IFRIC 12 impairments)	(321)	3,057
Adjustments in respect of donated asset reserve elimination	(613)	226
Adjusted retained surplus	2,926	5,943
	£000s	£000s
PDC dividend: balance (payable)/receivable at 31 March 2015	(2)	275
PDC dividend: balance receivable at 1 April 2014	275	130

Statement of Financial Position as at 31 March 2015

	31 March 2015	31 March 2014
	£000s	£000s
Non-current assets:		
Property, plant and equipment	287,855	281,905
Intangible assets	2,181	2,502
Trade and other receivables	2,483	2,353
Total non-current assets	292,519	286,760
Current assets:		
Inventories	10,765	11,200
Trade and other receivables	21,649	19,312
Cash and cash equivalents	4,504	6,991
Total current assets	36,918	37,503
Total assets	329,437	324,263
Current liabilities		
Trade and other payables	(42,413)	(38,038)
Provisions	(704)	(237)
Borrowings	(2,859)	(4,039)
Capital loan from Department of Health	(1,260)	(1,260)
Total current liabilities	(47,236)	(43,574)
Net current liabilities	(10,318)	(6,071)
Total assets less current liabilities	282,201	280,689
Non-current liabilities		
Provisions	(895)	(1,038)
Borrowings	(55,869)	(57,881)
Capital loan from Department of Health	(16,987)	(18,247)
Total non-current liabilities	(73,751)	(77,166)
Total assets employed:	208,450	203,523
FINANCED BY:		
Public Dividend Capital	208,378	207,493
Retained earnings	(29,429)	(33,289)
Revaluation reserve	29,501	29,319
Total Taxpayers' Equity:	208,450	203,523

Statement of Cash Flows for the Year ended 31 March 2015

	2014-15 £000s	2013-14 £000s
Cash Flows from Operating Activities		
Operating surplus	15,056	13,031
Depreciation and amortisation	14,860	14,327
Impairments and reversals	(321)	4,150
Donated Assets received credited to revenue but non-cash	(1,111)	(245)
Interest paid	(4,860)	(5,069)
PDC Dividend (paid)	(6,117)	(6,612)
Decrease/(Increase) in Inventories	435	(842)
(Increase) in Trade and Other Receivables	(2,607)	(363)
Increase in Trade and Other Payables	9,295	820
Provisions utilised	(320)	(312)
Increase in movement in non cash provisions	620	256
Net Cash Inflow from Operating Activities	24,930	19,141
Cash Flows from Investing Activities		
Interest Received	62	54
(Payments) for Property, Plant and Equipment	(24,574)	(20,870)
(Payments) for Intangible Assets	(445)	(1,280)
Proceeds of disposal of assets held for sale (PPE)	0	46
Net Cash (Outflow) from Investing Activities	(24,957)	(22,050)
Net Cash (Outflow) before Financing	(27)	(2,909)
Cash Flows from Financing Activities		
PDC Received	885	7,684
Loans repaid to DH - Capital Investment Loans Repayment of Principal	(1,260)	(1,260)
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI	(1,980)	(2,504)
Capital grants and other capital receipts	1,111	245
Net Cash (Outflow)/Inflow from Financing Activities	(1,244)	4,165
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,271)	1,256
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period	4,956	3,700
Cash and Cash Equivalents (and Bank Overdraft) at year end	3,685	4,956

Statement of Changes in Taxpayers' Equity

For the year ending 31 March 2015

	Public Dividend capital £000s	Retained earnings £000s	Revaluation reserve £000s	Total reserves £000s
Balance at 1 April 2014	207,493	(33,289)	29,319	203,523
Changes in taxpayers' equity for 2014-15				
Retained deficit for the year		3,860		3,860
Net gain on revaluation of property, plant, equipment			182	182
New temporary and permanent PDC received - cash	885			885
Net recognised revenue/(expense) for the year	885	3,860	182	4,927
Balance at 31 March 2015	208,378	(29,429)	29,501	208,450
Balance at 1 April 2013	199,809	(34,856)	44,960	209,913
Changes in taxpayers' equity for 2013-14				
Retained surplus for the year		1,567		1,567
Net gain on revaluation of property, plant, equipment			257	257
Impairments and reversals			(15,898)	(15,898)
New PDC received Cash	7,680			7,680
New PDC received/(repaid) - PCTs and SHAs legacy items paid for by DH	4			4
Net recognised revenue/(expense) for the year	7,684	1,567	(15,641)	(6,390)
Balance at 31 March 2014	207,493	(33,289)	29,319	203,523

REMUNERATION - YEAR ENDED 31 MARCH 2015

This table has been subject to audit

Name and title	Current Year - 2014 - 15				Prior Year - 2013 - 14			
	(a)	(b)	(c)	TOTAL (a to c)	(a)	(b)	(c)	TOTAL (a to c)
	Salary (bands of £5,000) £000	Expense payments (taxable) total to nearest £100 £00	All pension - related benefits (bands of £2,500) £000		Salary (bands of £5,000) £000	Expense payments (taxable) total to nearest £100 £00	All pension - related benefits (bands of £2,500) £000	
Lee Bond, Chief Financial Officer	135 - 140		17.5 - 20.0	155 - 160	135 - 140		137.5 - 140.0	275 - 280
Pauline Lewin, Chief of Infrastructure and Development	95 - 100		20.0 - 22.5	115 - 120	120 - 125		7.5 - 10	125 - 130
Ian Philp, Chief Medical Officer - from 1 September 2013.	160 - 165			160 - 165	145 - 150			145 - 150
Liz Thomas, Director of Governance and Corporate Affairs from 1 July 2013	95 - 100		37.5 - 40.0	135 - 140	80 - 85		60.0 - 62.5	140 - 145
Duncan Taylor, Acting Chief of Infrastructure and Development from 1 July 2013	95 - 100		57.5 - 60.0	155 - 160	70 - 75		72.5 - 75	145 - 150
Jacqueline Myers, Director of Strategy and Planning – from 1 July to 30 September 2014. Acting Chief Operating Officer – from 1 October 2014	115 – 120	1	92.5 – 95.0	210 – 215	75 – 80		37.5 – 40.0	115 – 120
Morag Olsen, Chief Operating Officer - to 30 September 2014	70 – 75	1	7.5 – 10.0	80 – 85	150 – 155		185.0 – 187.5	335 – 340
Jayne Adamson, Chief of Workforce and Organisational Development	135 – 140	1	37.5 – 40.0	175 – 180	135 – 140		45.0 – 47.5	185 – 190
Chris Long, Chief Executive from 1 October 2014	90 – 95	34	60.0 – 62.5	150- 155				
John Saxby, Interim Chief Executive - from 1 May to 30 September 2014	45 – 50			45 – 50				
Phil Morley, Chief Executive to 30 April 2014	60 – 65	1		60 – 65	195 – 200	27		195 – 200
Amanda Pye, Chief Nurse - to 30 September 2014	65 – 70		20 – 22.5	90 – 95	140 – 145		47.5 – 50.0	185 – 190
Joanne Ledger, Interim Chief Nurse from 1 October 2014	55 – 60	1	45 -47.5	100 – 105				
Robert Deri – Chair to 13 April 2014 Non Executive Director – from 14 April to 31 May 2014	0 – 5			0 – 5	20 – 25			20 – 25
Dr Keith Hopkins Non Executive Director- to 13 April 2014. Chair – from 14 April 2014 to 31 December 2014	15 – 20			15 – 20	5 – 10			5 – 10
Martin Gore, Non Executive Director – from 1 January 2015	0 – 5			0 – 5				
Stuart Hall, Non Executive Director – from 1 January 2015	0 – 5			0 – 5				
John Hattam, Non Executive Director – to 31 October 2014	0 – 5			0 – 5	5 – 10			5 – 10

Mike Ramsden Chair – from 1 February 2015	5 – 10			5 – 10				
Duncan Ross, Non Executive Director – to 31 December 2014	0 – 5			0 – 5	5 – 10			5 – 10
Andy Snowden, Non Executive Director	5 – 10			5 – 10	5 – 10			5 – 10
Trevor Sheldon, Non Executive Director	5 – 10			0 – 5				
John Hay, Non Executive Director – to 30 June 2014	5 – 10			0 – 5	0 – 5			0 – 5
Ursula Vickerton, Non Executive Director – to 31 December 2014	0 – 5			0 – 5	5 – 10			5 – 10

Notes:

- 1. Pauline Lewin was on paid sickness leave for the full year – her role was undertaken by Duncan Taylor on an interim basis. The 2013/14 figures for Mrs Lewin have been restated.*
- 2. John Saxby remained a substantive employee of The Pennine Acute Hospitals NHS Trust whilst Interim Chief Executive for the Trust – the Trust was charged by invoice for his services.*
- 3. The cost of Phil Morley represents the cost of his employment until July 2014. Phil Morley ceased to be Chief Executive on 30 April 2014.*
- 4. Jane Adamson has been in receipt of paid sickness leave since 31 October 2014*
- 5. Amanda Pye was on secondment from 1 October 2014.*
- 6. Banding in this table follows the convention that amounts which fall at the top of each range are reported within that range – e.g. £140,000 is reported in the range 135-140 £000s.*
- 7. The 2013/14 banding of salary and pension information for Lee Bond has been changed to make them comparable and consistent with this 2014/15 report*
- 8. The remuneration shown for the Chief Medical Officer relates to his position on the Board only and does not include remuneration for clinical duties.*



PENSION BENEFITS - YEAR ENDED 31 March 2015

This table has been subject to audit

	(a) Real increase in pension at age 60/65 (bands of £2,500)	(b) Real increase in pension lump sum at age 60/65 (bands of £2,500)	(c) Total accrued pension at age 60/65 at 31/03/2015 (bands of £5,000)	(d) Lump sum at age 60 related to accrued pension at 31/03/2015 (bands of £5,000)	(e) CETV at 01/04/14	(f) Real increase in CETV	(g) CETV at 31/03/15
	£000	£000	£000	£000	£000	£000	£000
Jayne Adamson	0 - 2.5	0 - 2.5	15 - 20	0	185	30	220
Lee Bond	0 - 2.5	0 - 2.5	35 - 40	110 - 115	529	27	571
Pauline Lewin	0 - 2.5	2.5 - 5.0	55 - 60	175 - 180	1,150	54	1,234
Chris Long	2.5 - 5.0	7.5 - 10.0	45 - 50	130 - 135	791	77	889
Jacqueline Myers	2.5 - 5.0	10.0 - 12.5	25 - 30	75 - 80	296	68	372
Amanda Pye	0 - 2.5	2.5 - 5.0	25 - 30	80 - 85	330	23	362
Duncan Taylor	2.5 - 5.0	7.5 - 10.0	35 - 40	110 - 115	617	67	701
Liz Thomas	2.5 - 5.0	5.0 - 7.5	25 - 30	80 - 85	551	54	620
Morag Olsen	0 - 2.5	0 - 2.5	30 - 35	90 - 95	536	22	573
Joanne Ledger	2.5 - 5.0	10.0 - 12.5	15 - 20	50 - 55	187	68	260

No contributions have been made by the Trust to a stakeholder pension in respect of anyone in the above table

The Trust made no pension contributions in respect of Ian Philp during the year

Highest Paid Director

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The remuneration of the highest paid director includes remuneration for clinical and Board duties.

The banded remuneration of the highest paid director in Hull and East Yorkshire Hospitals NHS Trust in the financial year 2014/15 was £255,000 - £260,000 (2013/14, £250,000 - £255,000). This was 9.4 times (2013/14 9.4 times) the median remuneration of the workforce, which was £27,622 (2012-13, £26,805).

There is no significant difference between years.

In 2014/15 no employee (2013/14 none) received remuneration in excess of the highest-paid director. Remuneration ranged from nil to £258,305 (2013/14 £nil - £252,246).

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.

Off Payroll Engagements

From time to time the Trust uses the services of individuals who are self employed or who trade through their own Ltd company. During the year the Trust received services from 15 such individuals. 11 of these individuals charged an equivalent daily rate of £220 or more and had been engaged by the Trust for a period of more than 6 months. Those engagements are set out in the table below. The Trust has sought and received assurances from 13 of the individuals that they are paying the correct amount of UK tax and have not been involved in tax avoidance schemes.

	Number
Number of existing engagements at 31 March 2015	11
Of which, the number have existed :	
For less than 1 year	7
For between 1 and 2 years at the time of reporting	1
For between 2 and 3 years at the time of reporting	1
For between 3 and 4 years at the time of reporting	0
For more than 4 years at the time of reporting	2

The table below shows the number of new engagements that started during the 2014/15 financial year.

	Number
Number of new engagements between 1 April 2014 and 31 March 2015	7
Number of engagements which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations.	2
Number for whom assurance has been requested	7
Of which assurances received	7

Related Parties

Hull and East Yorkshire Hospitals NHS Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Hull & East Yorkshire Hospitals NHS Trust.

Dr Keith Hopkins, Non-Executive Director of the Trust Board, is Pro Vice Chancellor of the University of Hull, and board member of Hull York Medical School. The Trust paid the University £3,428,107 in the year, and received £80,067. The Trust owed the University £672,020, and was owed £589,266 at 31 March 2015.

The Trust has an investment in ordinary shares in Virtual Ltd, a company registered in the United Kingdom. The Trust holds 15% of the company's shares, valued at £138,000. This has not been included in the accounts. The company's main activity is the sale of hardware and software used to train Radiotherapists. The Project Director, Mr D Haire sits on the Virtual Board. There has been no trading with this company in the year.

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 is regarded as a related party. During the year Hull & East Yorkshire Hospitals NHS Trust 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:

Calderdale and Huddersfield NHS Foundation Trust
 Care Quality Commission
 Doncaster CCG
 East Riding Of Yorkshire CCG
 Hambleton, Richmondshire and Whitby CCG
 Health Education England
 Hull CCG
 Humber NHS Foundation Trust
 Leeds West CCG
 Lincolnshire East CCG
 Lincolnshire West CCG
 NHS Blood & Transplant
 NHS Litigation Authority

NHS Property Services
North East Lincolnshire CCG
North Lincolnshire CCG
North Tees and Hartlepool NHS Foundation Trust
Northern Lincolnshire and Goole NHS Foundation Trust
Northumbria Healthcare NHS Foundation Trust
Scarborough and Ryedale CCG
Sheffield CCG
Sheffield Teaching Hospitals NHS Foundation Trust
Vale of York CCG
Wakefield CCG
York Hospitals NHS Foundation Trust

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies.

The Trust had also received revenue and capital payments during the year from a number of charitable funds. Some of the Trustees of these funds also sit on the Trust Board. The amount included within the 2014/2015 Accounts is £1,659,665 (2013/2014 £592,122) of revenue contributions, and £46,628 (2013/2014 £75,096) of capital contributions.

Fraud

There is a clear mandate for the NHS to safeguard public funds allocated to it and to ensure that they are used for the provision of efficient and safe services. The Trust's Fraud Specialist works with NHS Protect who are the national NHS anti-crime body to identify and tackle crime across the Health Service.

Mersey Internal Audit Agency provides anti-fraud services to the Trust. Anti-fraud work comprises of four main elements. These are strategic governance, inform and involve, prevent and deter and hold to account.

Systems and processes are in place to ensure that the Trust is kept up to date with current information, statistics, guidance regarding national NHS fraud issues, and changes to NHS policy. A new fraud intranet web page has been developed which allows all staff to access information on how to report incidents of suspected fraud. An e-learning training package is available together with a document store which contains copies of alerts that have been issued as well as the auditors internal audit newsletter. The Trust participates in the National Fraud Initiative. Trust policies relevant to these areas of work include Whistleblowing and Declaration of Interest.

Regular progress reports are received at the Audit Committee detailing the action taken against each of the four areas of anti-fraud work.

GOVERNANCE ARRANGEMENTS

THE TRUST BOARD

The Trust Board is collectively responsible for the exercise of the powers and performance of the Trust. The Trust Board comprises of the Chairman, 5 voting Executive Directors and 6 voting Non 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.

Trust Board Attendance 2014/15

Name / Title	Total
M Ramsden – Chairman	3/3
K Hopkins – Interim Chairman	8/9
A Snowden - Vice Chair /Non Executive Director	12/12
T Sheldon – Non Executive Director	7/9
M Gore - Non Executive Director	3/3
S Hall - Non Executive Director	3/3
J Hattam – Non Executive Director	5/7
U Vickerton - Non Executive Director	9/9
D Ross - Non Executive Director	6/9
J Hay – Associate Non Executive Director	3/6
C Long – Chief Executive Officer	6/6
J Saxby – Interim Chief Executive Officer	5/5
L Bond – Chief Financial Officer	12/12
A Pye – Chief Nurse	4/6
J Ledger – Interim Chief Nurse	5/5
I Philp – Chief Medical Officer	12/12
J Myers – Acting Chief Operating Officer / Director of Strategy & Planning	11/12
M Olsen – Chief Operating Officer	5/6
D Taylor – Interim Chief of Infrastructure & Development	10/12
P Lewin – Chief of Infrastructure & Development	0/12
J Adamson – Chief of Workforce & Organisational Development	6/12
L Thomas – Director of Governance & Corporate Affairs	12/12



BIOGRAPHIES (Board members March 2015)



Mike Ramsden – Chair

Mike was appointed in February 2015. He is currently Chair of the Living Care Group and brings a vast amount of knowledge and experience of the healthcare sector. He has previously held a number of senior executive positions, including Chief Executive of Leeds Health Authority between 1999 and 2002. He has established the Smartrisk Foundation UK which is a registered charity focusing on reducing injuries, particularly amongst young people. His more recent positions include Chair of Health and Social Care Information Centre (2005-13) and Chief Executive of the National Association of Primary Care (2006-12).



Andy Snowden – Vice Chair

Andy was appointed in January 2015 as Vice Chair. He has been an Executive Director with the Trust since April 2013 and before that was an Associate Non Executive Director (since November 2011). Prior to this he was a Non Executive Director at NHS Hull. He has been a corporate director with two local Councils (Hull City and Middlesbrough). He runs his own consultancy business which provides leadership and development expertise to health, local government and other organisations.



Trevor Sheldon – Non Executive Director

Trevor was appointed in January 2015 after spending six months working with the Trust Board as an Associate Non Executive Director. Trevor is a Professor of Health Services Research & Policy at the University of York, with over 25 years' experience in this field. He is also the current Dean of the Hull York Medical School and Board Chair of the York Health Economics Consortium.



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

Stuart was appointed in January 2015. He has 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. He has experience as a Director of Community Interest Companies specialising in vocational training and end of life care.



Chris Long – Chief Executive Officer

Chris has a wealth of NHS experience, including four years spent with the former Scarborough and North East Yorkshire Hospitals NHS Trust as Executive Director of Operations and, more recently, seven years spent 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 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 financial posts include Sherwood Forest Hospitals NHS FT and Sheffield Children's NHS FT.



Jo Ledger – Interim Chief Nurse

Jo was appointed Interim Chief Nurse in November 2014 and her substantive role is Nurse Director for the Surgery Health Group. Jo has worked in the Trust for over 20 years in a variety of nursing roles.



Ian Philp – Chief Medical Officer

Ian joined the Trust in September 2013 from South Warwickshire NHS Trust where he was Executive Medical Director. He has 25 years' experience as a Consultant in the Care of Older People. From 2000-2008 he was the Older Peoples "Tsar" in the Department of Health. He directs the EASY-Care International programme for communicating the needs of older people. He has commissioned and led courses on medical leadership for a number of health organisations. Ian was awarded a CBE for Services to Health Care in 2008 in the Queen's Birthday Honours



Jacqueline Myers – Acting Chief Operating Officer

Jacqueline was appointed in July 2013 as Director of Strategy and Planning. She became Acting Chief Operating Officer in October 2014. She was previously Director of Planning at Leeds Teaching Hospitals NHS Trust as well as Divisional General Manager and the Lead Cancer Manager and held a range of general management positions at University College Hospitals Foundation Trust and Guys and St Thomas's Foundation Trust. She has experience in strategic vision, business and service planning, project management and service redesign.



Duncan Taylor – Interim Chief of Infrastructure and Development

Duncan was appointed in July 2013. Before that he was Director of Estates Development covering the Infrastructure and Development Directorate. He has worked in the Trust since 1985, and has been closely involved in the majority of the capital projects across the Trust from small upgrades up to the major projects at Castle Hill Hospital. He has a passion for the redesign of health care facilities and the use of innovative products and design techniques to improve the facilities and experience for patients, visitors and staff.



Liz Thomas – Director of Governance and Corporate Affairs

Liz has 22 years' experience in the NHS and 8 years working in the health service in New Zealand where she was General Manager of Surgical Services at Auckland Hospital. She joined the Trust in 1992 and has held a number of posts including General Manager in Medical Services and head of the clinical governance Department. She is a Chartered Company Secretary.

Terms of office

Name	Position	Term Commenced	Term Terminated
Mr M Ramsden	Chairman	February 2015	January 2017
Dr K Hopkins	Acting Chairman	May 2014	December 2014
Mr A Snowden	Non Executive Director	April 2015	March 2017
Mr M Gore	Non Executive Director	January 2015	December 2016
Mr S Hall	Non Executive Director	January 2015	December 2016
Prof. T Sheldon	Non Executive Director	January 2015	December 2016
Dr D Ross	Non Executive Director	October 2011	December 2014
Mr J Hattam	Non Executive Director	June 2008	October 2014
Mrs U Vickerton	Non Executive Director	January 2013	December 2014
Prof. J Hay	Associate Non Executive Director	October 2013	June 2014

Board committees

The Trust Board has established a number of committees to support it in discharging its responsibilities. In addition to meeting the statutory requirements of having an Audit Committee and a Remuneration Committee, the Trust has established a Performance and Finance Committee and a Quality Committee. Minutes of the Board Committees are presented to the Trust Board and a front cover sheet highlights issues for the Board to note and items for escalation. The Chairman of each committee provides feedback to the next meeting of the Board.

Remuneration Committee Report

The Terms of Reference of the Remuneration and Terms of Service Committee requires it to meet at least 4 times a year. During 2014/15 it met on 10 occasions due to urgent business that arose outside of planned meetings. All meetings were quorate. Membership of the Committee comprised the Trust Chairman and all Non Executive Directors. The Chief Executive, Chief of Workforce and Organisational Development and Director of Governance also attended the Committee. Non Executive Director attendance is detailed below:

Member	Post	Meetings attended
M Ramsden	Trust Chairman	2/2
K Hopkins	Acting Trust Chairman	7/7
A Snowden	Non-Executive Director	4/4
M Gore	Non-Executive Director	3/3
S Hall	Non-Executive Director	3/3
T Sheldon	Non-Executive Director	1/3
D Ross	Non-Executive Director	5/7
U Vickerton	Non-Executive Director	6/7
J Hattam	Non-Executive Director	4/5

Executive Directors have no component of performance-related pay. The Committee did not consider any pay increases for Executive Directors in 2014/15.

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 month's notice. One non-voting Chief has a termination period of 12 months. The Chief Executive left the Trust in April 2014 and a caretaker Chief Executive was appointed whilst recruitment commenced for a substantive appointment. Therefore there was no formal appraisal of Executive Directors in 2014/15. Non Executive Director salaries are not covered by the Remuneration Committee. These are set nationally.

The issues discussed at the additional meetings of the Committee were recruitment of the Chief Executive (May 2014), interim arrangements relating to the Chief Operating Officer (September 2014), exit arrangements for the Chief Nurse (October 2014), salary for the in-coming Chief Nurse (December 2014), a proposed minor settlement agreement relating to an administration post (February 2015) and the establishment of a new Director post (March 2015). Approval was also given to make one non-voting Chief post redundant which will take effect in 2015/16.

At the request of the Audit Committee, the Trust's external auditors (KPMG) were requested to look into certain matters regarding the approval of remuneration and additional payments to board level employees. The initial report was produced in March 2014 and updated in September 2014. The report contained a number of recommendations in relation to the Remuneration Committee and the Board received assurance

that these had all been implemented at its meeting in February 2015. These were to review the Terms of Reference, ensure that items requiring a decision were accompanied by a supporting paper, to update the declaration of interest form, agree payment packages prior to appointment, not providing professional advice on financial matters to any employee and obtaining the Chairman's signature on approved minutes.

Details of the remuneration, including salary and pension entitlements of the Directors is set out in the Annual Report on page 38.

Audit Committee Report

The Audit Committee provides assurance on the Trust's systems of internal control, integrated governance and risk management. There were 8 meetings of the Audit Committee in 2014/15 which included 2 extra ordinary meetings, one to consider the Annual Accounts and one to consider a report which had been commissioned by the Committee from KPMG regarding Director's remuneration and expenses. There were two meetings of the Audit Committee that were not quorate. These were June and October 2014. The minutes of the June 2014 meeting were ratified at the August 2014 Audit Committee meeting and it was agreed at the October 2014 meeting that no decisions would be made, but the meeting would go ahead for discussion purposes only.

Members	Attendance
Mr M Gore (Joined the Trust January 2015)	1/1
Mr S Hall (Joined the Trust January 2015)	1/1
Mr A Snowden (Joined the Trust January 2015)	1/1
Mrs U Vickerton (Left the Trust December 2014)	5/5
Mr J Hattam (Left the Trust October 2014)	2/4
Dr D Ross (Left the Trust December 2014)	5/5

The Committee reviewed relevant disclosure statements in particular the draft Governance Statement, the Quality Accounts and Director of Internal Audit Opinion. The Director of Internal Audit gave significant assurance that there was a generally sound system of internal control and that controls were generally being applied consistently. However some weaknesses in the design or inconsistent application of controls were identified and further information is set out in the Governance Statement (page 49)

The Committee reviewed the financial statements before they were considered by the Board and received the Annual Audit letter. The Annual Audit Letter concluded that the Trust had proper arrangements in place for securing economy, efficiency and effectiveness in the Trust's use of resources and that the accounts gave a true and fair view of the financial affairs of the Trust. The Trust Board requested the Audit Committee to review the Going Concern status in year due to the liquidity position. In addition, the Audit Committee commissioned an additional piece of work related to concerns raised about credit card expenditure and Directors Remuneration and Terms of Service. As a consequence of this review, changes were made to the use of credit cards and their numbers were reduced and the Terms of Reference and functioning of the Remuneration Committee was strengthened. A financial 'MOT' was requested by the new chair of the Audit Committee, Mr M Gore, so that assurance could be provided to the Board that the areas of weakness identified has been addressed. In addition, as part of the normal cycle of work, reports were received from the External Auditors at each meeting which highlighted interim audit key finding, resources and provided a technical update.

Minutes and other updates from the work of the Quality Committee and the Performance & Finance Committee were considered by the Audit Committee which contributed to the overall view of governance and internal control.

Work to prevent or counter fraud continued and reports were received throughout the year. The Committee reviewed the Board Assurance Framework and other documents in respect of risk. These included Reference Costs, Losses and Special Payments and the Register of Gifts and Hospitality.

The Committee had a development session on the 19 February 2015 where the Internal Auditors updated the Committee regarding the new Audit Committee Handbook and the 2014/15 audit review of the year.

Information governance

Information Governance refers to the way in which organisations process or handle information in a secure and confidential manner. It covers personal information relating to our service users and employees and corporate information, for example finance and accounting records.

Information Governance provides a framework in which the Trust is able to deal consistently with, and adhere to, the regulations, codes of practice and law on how information is handled, for example the Data Protection Act 1998, the Freedom of Information Act 2000 and the Confidentiality NHS Code of Practice.

The way in which the Trust measures its performance is via the Information Governance Toolkit. The Information Governance (IG) Toolkit is a performance tool produced by the Department of Health, which draws together the legal rules and guidance referred to above, as a set of requirements.

In March each year NHS Organisations are required to submit a self-assessment return via the toolkit. The return and supporting evidence are independently audited. For 2014/15 the Trust was awarded 'limited assurance' for compliance level 2 or above by the Auditors. In May 2015 the IG Toolkit return was assessed by the Health and Social Care Information Centre and was awarded 'Satisfactory'.

The Trust is required to score all Information Governance incidents. Any incident that scores a Level 2 or above is required to be reported via the IG Toolkit Incident Reporting Tool which sends automatic notification to the Information Commissioner. There was one Information Governance Serious Incident requiring reporting to the Information Commissioner during 2014-15 details below;

SUMMARY OF SERIOUS INCIDENT REQUIRING INVESTIGATIONS INVOLVING PERSONAL DATA AS REPORTED TO THE INFORMATION COMMISSIONERS OFFICE IN 2014-15				
Date of Incident	Nature of Incident	Nature of data involved	Number of data subjects affected	Notification steps
Feb 2015	Lost or Stolen Paperwork	Staff data	Three	All staff concerned informed of breach
Further action on information risk	<p>The report was held in a secure folder on the Trust network to which only two staff members have access. The report had been emailed between a very limited number of senior staff and external Audit Company. A paper copy of the report had been distributed to eleven Board members at a meeting.</p> <p>There is considerable difficulty with identifying the individual(s) who may have leaked this report to the press, not least because a number of the Board members have subsequently left the organisation.</p> <p>Should such a situation ever develop again any paper copies circulated would be immediately collected at the end of a meeting.</p>			
SUMMARY OF OTHER PERSONAL DATA RELATED INCIDENTS in 2014-15				
Category	Nature of Incident			Total
A	Corruption or inability to recover electronic data			0
B	Disclosed in Error			32
C	Lost in transit			5
D	Lost or stolen hardware			0
E	Lost or stolen paperwork			2
F	Non-secure Disposal – hardware			0
G	Non-secure Disposal – paperwork			5
H	Uploaded to website in error			1
I	Technical security failing (including hacking)			0
J	Unauthorised access/disclosure			6
K	Other			5

Scope of Responsibility

As Chief Executive and the Accountable Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives whilst safeguarding quality standards and public funds. I ensure that the Trust meets its three principal functions as set out in the Accountable Officer Memorandum. These are to:

- enter into and fulfil agreements with commissioning bodies
- meet statutory duties
- maintain and develop relationships with patients, local partner organisations and the wider local community, their commissioning agencies and their suppliers

In carrying out these functions I am responsible for the proper stewardship of public funds and assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

The governance framework of the organisation

The Trust Board is accountable for all aspects of the performance of the Trust. The Trust Board met in public on 12 occasions during 2014/15. A review of the Board was commissioned by the Trust Development Authority and undertaken in February 2014. Its purpose was to ensure that the Trust had the capacity and capability to respond to the challenges it faces. The outcome was subsequently reported to the Board and a series of actions agreed which have been incorporated into the Operating Plan for 2015/16. Action has already been taken in relation to new appointments to the Board, including a Chief Executive and Chairman. A programme of cultural change is in place and partnership working with key stakeholders is being strengthened. Further work is being undertaken in relation to strategy development, Board development and accountability throughout the Trust. There is a new Board in place with 3 Board vacancies still to be filled (Chief Operating Officer and two Non-Executive Directors). Lines of accountability are being strengthened and roles and responsibilities clarified. The Board is now well placed to discharge its statutory functions.

The Board has five 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. A Charitable Funds Committee is in place for the management of funds held on trust.

An attendance record is kept for the Board and each of its committees. The Audit Committee met six times during 2014/15. The Remuneration Committee met on ten occasions and the Performance and Finance Committee met on twelve occasions. The Quality Committee met on six occasions. All meetings were quorate with the exception of the Audit Committee. Two meetings of the Audit Committee were not quorate (June and October 2014) which was due to changes in Non- Executive Directors. An internal audit was conducted on the Board Committee structures which reported significant assurance in February 2015. All committees have an annual work plan.

The Audit Committee's work plan set out the business to be conducted during the year.

The external auditors, KPMG, reported on the review of the Annual Accounts and Quality Accounts as well as two special reports commissioned by the Audit Committee relating to credit cards and directors remuneration and expenses. The Audit Committee escalated the findings of these two reports to the Trust Board. The Board considered these reports in full. In relation to credit cards the Trust has strengthened its systems by reducing the number of cards in use and reviewing its approval process. The report on the remuneration and expenses of directors has been considered by the Board and has been made public on the Trust web page. Actions to address the weaknesses identified have been taken which included reviewing the Terms of Reference of the Remuneration Committee, ensuring papers are presented for each agenda item requiring a decision, and updating the declaration of interest form. The Trust Board recognised that following receipt of the KPMG report on remuneration and expenses of directors that there had been failings in governance and there was evidence that decisions had been made which did not represent value for money for the Trust. The Board is satisfied that these have now been addressed and would not re-occur.

New internal auditors, Mersey Internal Audit Agency commenced with the Trust on 1 April 2014. Reports from the internal auditors are presented at each meeting identifying key messages for the Audit Committee's attention and tracking progress against the Internal Audit Plan for 2014/15. Scheduled reports are received

covering counter fraud, losses and special payments, the register of gifts and hospitality, updates on clinical audit and the work of other Board Committees.

The Audit Committee chair fed back to the Board key issues following each meeting.

In addition to the four scheduled meetings of the Remuneration Committee, the Committee met on a further 6 occasions to consider matters that had arisen during the year. Four of the additional meetings were to consider recruitment issues which included Chief Executive Officer, Chief Operating Officer and Chief Nurse and two meetings related to exit arrangements (Chief Nurse and a settlement agreement for a member of the administration staff). During the year the Committee reviewed its Terms of Reference, considered the KPMG report on remuneration and expenses of directors, set salaries/payments in accordance with its Terms of Reference, considered the salaries of management in the tier below Board level and the top 20 earners in the Trust. Briefing notes were presented to the Board identifying issues discussed.

The Board reviewed its arrangements for the oversight of clinical quality at the end of 2013/14 and amalgamated two Board committees both of which had responsibilities for elements of quality. The Trust Board now has one Board Quality Committee. Key issues discussed during the year included Quality Account priorities, progress against the actions agreed following the Chief Inspector of Hospitals assessment, doctors' revalidation, serious incidents (including Never Events), Safeguarding Children Annual Report, patient experience, clinical audit and reports from operational committees and Health Group governance meetings. Trends, analysis and learning from Serious Incidents and Never Events are also received by the Trust Board. Internal audit reports provided significant assurance on clinical audit, medicines management and Care Quality Commission processes.

The Performance and Finance Committee considered the Trust's performance in relation to national access targets and delivery against the Trust's financial plan. Information was received from the four Trust Health Groups (Medicine, Surgery, Clinical Support and Family and Women's) on their performance during the year and the Committee extended its remit to also consider investment decisions. The Committee chair highlighted to the Board on a number of occasions concern that financial plans were not being delivered and that the Trust was failing to meet NHS Constitution standards from a performance perspective.

Risk assessment

All 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 system (Datix) and designated members of staff have delegated authority to identify and enter risks on the risk register. The governance framework requires that these risks are reviewed at the appropriate level of the organisation including the ongoing assessment of the adequacy of controls and action plans. There were 201 risks on the Trust's risk register at the end of March 2015. All staff are encouraged to report incidents on the Datix system.

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 and also by the Audit Committee. 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 12 risks on the Board Assurance Framework at the start of the 2014/15 year and at the year-end one risk had been removed relating to the People Strategy. At the end of the year (March 2015) 7 risks were rated as high. The three highest rated risks related to the Trust's liquidity position, achievement of cash releasing efficiency savings and achievement of the Referral to Treatment Time 18 week target. Other significant risks faced by the Trust related to making the required improvements following the Chief Inspector of Hospitals assessment and the deployment of the new IT system, Lorenzo, in relation to ensuring that patient safety, service users and user functionality is not compromised. A further risk related to Board stability and turnover but this risk is reducing as new appointments to the Board are made.

The Trust has a number of controls in place to address the risks identified in the Board Assurance Framework. There are Board approved action plans for improving performance against the major national access targets including Emergency Department 4 hour wait and Referral to Treatment times. External support has been provided to assist in validation of the underpinning work as well as to challenge the

robustness of the recovery trajectories. An internal audit report gave limited assurance for the cost improvement and efficiency review and a number of actions have been agreed. A Programme Board is in place to address risks relating to the Lorenzo project to ensure that Trust wide training is delivered, capacity is made available in Health Groups to deliver the project and risks associated with the project are managed. Monitoring arrangements are in place which track the number and occupational group of staff who have completed their Lorenzo training and those that are outstanding. The Chief Inspector of Hospitals actions are progressing and generally good progress has been made with investment in staffing which includes junior doctors, nurses, midwives and pharmacy together with a major programme of transformation in medicine.

The Trust Board self certifies on a monthly basis against the 14 Board Statements which are part of the Trust Development Authority Accountability Framework for NHS Boards. The areas of risk identified correlate with those on the Board Assurance Framework and relate to the achievement of financial and performance targets, meeting the annual operating plan and Board capacity.

During the year a new clinical risk emerged in relation to Never Events and Serious Incidents. The Trust had two Never Events relating to wrong site (spinal) surgery and a further incident in radiology. The Trust requested the Royal College of Surgeons to undertake a review of the two incidents as part of their Invited Review Mechanism. In addition, nine Serious Incidents were declared in relation to 12 hour trolley breaches in the Emergency Department.

There was one data security breach reported to the Information Commissioner which related to the leak of a draft confidential report commissioned by the Audit Committee relating to Directors remuneration and terms of service. This report was subsequently made public by the Trust.

The risk and control framework

The system of internal control is designed to manage risk to a reasonable level. All risks entered on the Trust risk management system (Datix) are assigned 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. The Board Assurance Framework also contains assurance stratification categories which assign a rating to sources of assurance and the risk owner's view of the robustness of the assurance arrangements. The Board receives a regular update on the management of those risks that could threaten achievement of the strategic objectives. This includes a rationale for the current rating. Any change to ratings on the Board Assurance Framework require full Board discussion.

Risks are identified and assessed on an ongoing basis across Health Groups. Risks are identified from a number of different sources, including day to day operational working practices and trends arising from incidents. Line managers are responsible for on-going investigation and assessment of risks. The identification of hazards and incidents is an integral component of staff duties.

There is a mechanism for Health Groups and Directorates to escalate risks. High level risks are notified to the Health Group triumvirate to be dealt with immediately whilst lower level risks are discussed at the Health Group governance meetings. The Executive Management Committee provides a forum where significant operational issues are discussed and actions agreed. Work has commenced to align risks on the risk register to those in the annual Operating Plan. At the end of the year there were 201 risks on the risk register of which 60 were classified as high risk. The high level risks included Health Group inability to achieve the cash releasing efficiency targets, nurse staffing within the Medicine Health Group, vacant Consultant posts in the Emergency Department and concerns about ageing radiology equipment.

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. The learning from Serious Incidents is shared at Health Group Governance meetings. Training is provided to staff who use the Datix system. Root Cause Analysis training is provided to senior managers involved in investigating Serious Incidents. The Trust's intranet site contains information to support staff in managing risks.

A comprehensive programme is in place called the 'three Gs' which audits practice on the 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. Risks are also identified from patient complaints, the fraud work undertaken, through the internal audit programme and the clinical audit programme.

A review of the Trust's risk management maturity was undertaken in 2014/15 as part of the Internal Audit Plan. The outcome is that the Trust is Risk Defined. This means that the Trust has considered risk management and put in place strategies led from the risk management team. These strategies and policies have been communicated to staff and the Trust has also defined its risk appetite.

A framework is in place for managing and controlling risks to data security. There is a Senior 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.

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 Director of Audit provides an Opinion on the overall arrangements for gaining assurance through the Board Assurance Framework and on the controls reviewed as part of Internal Audit work. This gave significant assurance that there was generally a sound system of internal control designed to meet the organisation's objectives, and that controls were generally being applied consistently. However some weaknesses in the design or inconsistent application of controls put the achievement of a particular objective at risk.

The Director of Audit's Opinion and Annual Report gave assurance across the 6 Trust critical business systems. These were financial systems, IM&T, performance, clinical quality, workforce and lastly governance, risk and legality. Limited assurance was given for cash releasing efficiency savings, procurement, tenders/waivers, locality reviews and patient experience. At the time of writing the report two reviews were outstanding which related to performance management/reporting and for medical staff absence management. The IG toolkit received limited assurance based on the status at the time of the audit. The Opinion is limited to the scope and objective of each of the individual reviews.

Significant assurance was provided for core financial systems, mobile computing, critical IM&T applications, management of core contracts with commissioners, CQC outcomes, clinical audit, medicines management, payroll/HR processes and mandatory training and the Board committee structure. A risk management and maturity review concluded that the Trust was risk defined.

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. 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. The Director of Audit's Opinion and Annual Report noted that good progress had been made in the implementation of agreed actions.

The Trust has robust arrangement in place for research governance. There is an R&D Operational Policy supported by Standard Operating Procedures as well as other tools to support researchers adhere to the Research Governance Framework (RGF) and clinical trials regulations. A risk based audit programme is in place to monitor RGF requirements. The next Good Clinical Practice inspection is due in 2016.

The Trust faced a number of challenges in 2014/15. There was significant organisational change particularly at Board level with both Executive and Non-Executive posts. The Chief Executive left the Trust in April 2014 and there was an interim appointment for 4 months prior to the current Chief Executive taking up appointment on 29 September 2014. Dr Keith Hopkins acted as Chairman until the end of December 2014. The new Chairman, Mr Mike Ramsden took up post in February 2015. In addition the Chief Nurse, Chief Operating Officer and all but one Non-Executive Director left the Trust. The Chief of Infrastructure and Development was absent from work throughout the year and the Chief of Workforce and Organisational Development was also absent in the last quarter of 2014/15. At Health Group level three of the four Medical Directors resigned and new appointments have been made. These were Family & Women's, Surgery and Medicine.

The Trust's financial performance and ability to achieve the major national access targets deteriorated in the year. The delivery of the cash releasing financial programme was more than 30% off target and liquidity remained a key risk. Whilst the Trust met its in-year targets, it did so using non-recurrent resources which left an underlying financial problem for the organisation going in to 2015/16. The Trust has struggled to meet the recovery plans developed for improving performance against the 18 week waiting times targets and also

the 4 hour Emergency Department target. The Trust has not consistently met the cancer targets, has a high level of cancellation of procedures not re-booked within 28 days and also had patients waiting over 52 weeks for treatment. In addition there were nine reported 12 hour trolley breaches in the Emergency Department which were investigated as Serious Incidents. As a consequence, the Trust's relationships with its commissioners and also with the Trust Development Authority have been put under pressure. In the forthcoming year the Trust will need to build confidence with its stakeholders that plans agreed to address underperformance, will deliver the required results.

The Trust received a responsive visit from the Care Quality Commission in January 2015. At the time of writing this Statement the Trust has received a draft report to comment on factual accuracy. The draft report did not make any changes to the Trust's ratings. A comprehensive re-inspection following the Chief Inspector of Hospitals assessment in February 2014, took place on the 19-21 May 2015.

The Trust had 5 Never Events in 2014/15. Two of these related to wrong site (spinal) surgery. As a consequence the Trust has requested the Royal College of Surgeons to review practice at the Trust.

The effectiveness of risk management and external control is also gauged from visits by third party agencies. Significant visits in 2014/15 were from the General Medical Council (junior doctors), Trauma Centre Peer review, Cancer Peer review assessments and the Joint Advisory Group (JAG). Some concerns were identified from these visits and actions are in place to address the areas that required strengthening.

In addition, the Trust uses benchmarking information from a variety of sources to gauge the effectiveness of its risk management and internal control processes. These include the national Learning and Reporting System for incident reporting/levels of harm, the national staff survey and national patient survey results. These demonstrate that the Trust has further work to do on improving staff morale, improving the patient experience and ensuring that there is a learning culture.

The Audit Committee requested the external auditors to undertake a review of credit card expenditure and of issues relating to the remuneration and terms of service of Directors. This is detailed in the second section of this Statement, (the governance framework of the organisation). As a consequence of the issues identified the Trust suffered reputational damage and attracted negative publicity which also impacted on staff morale within the organisation.

Significant issues

Having reviewed the areas of risk I consider that the following are significant issues:

The Trust's failure to meet NHS Constitution performance standards have impacted negatively on the care that we are able to provide to our patients and has undermined the Trust's reputation with its commissioners and the Trust Development Authority. Board approved actions plans are in place to return the Trust to compliance. A major programme of transformation of the acute medical pathway has been delivered and work to optimise the positive benefits of this change will continue in 2015/16. In relation to the Referral To Treatment target the Trust is predicting that it will be fully compliant with the three targets in 2015.

Whilst the Trust declared a planned surplus in 2014/15, the level of achievement of the cash releasing efficiency programme was the lowest it had been for a number of years and the liquidity position will continue to be challenging. The Trust has a significant underlying deficit going in to 2015/16 and plans are being developed to improve the underlying financial performance in the forthcoming year together with maximising the opportunity for sale of assets.

The failures in governance in 2014/15 had implications for the proper stewardship of resources and fell below expected standards. The issues highlighted in the reports of the external auditors, KPMG, have been addressed through strengthening internal systems and processes. The Audit Committee chair commissioned a general 'MOT' of financial systems and received assurance at the April 2015 meeting that proper arrangements are in place.

The Trust received an overall rating of 'requires improvement' following the Chief Inspector of Hospitals assessment in February 2014. Arising from this visit was an acknowledgement by the Trust that it had a bullying culture. A cultural transformation programme is in place and the Trust Board agreeing new values at the April 2015 Board meeting. These have been developed following an extensive consultation with staff.

The actions in the Chief Inspector action plan have generally progressed well but the failure to achieve the significant operational targets could impact on the Trust's current rating in terms of the 'responsive' domain.

Accountable Officer: Mr C Long

Organisation: Hull and East Yorkshire Hospitals NHS Trust



Date

**2014-15 Annual Accounts of Hull and East Yorkshire Hospitals
NHS Trust**

**STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE
ACCOUNTABLE OFFICER OF THE TRUST**

The Chief Executive of the NHS Trust Development Authority has designated that the Chief Executive should be the Accountable Officer to the trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of the NHS Trust Development Authority. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Signed



Chief Executive

Date

28/11/15



INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF HULL and EAST YORKSHIRE HOSPITALS NHS TRUST

We have audited the financial statements of Hull and East Yorkshire Hospitals NHS Trust for the year ended 31 March 2015 on pages 1 to 41. These financial statements have been prepared under applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England. We have also audited the information in the Remuneration Report that is subject to audit.

This report is made solely to the Board of Directors of Hull and East Yorkshire Hospitals NHS Trust, as a body, in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, 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 Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2015 and of the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England.

Opinion on other matters prescribed by the Code of Audit Practice 2010 for local NHS bodies

In our opinion:

- the part of the Remuneration Report subject to audit has been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England; and

- the information given in the Strategic Report and Directors' 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

We have nothing to report in respect of the following matters where the Code of Audit Practice 2010 for local NHS bodies requires us to report to you if:

- in our opinion, the Governance Statement does not reflect compliance with the NHS Trust Development Authority guidance;
- any matters have been reported in the public interest under the Audit Commission Act 1998 in the course of, or at the end of, the audit.

We have made a referral to the Secretary of State under section 19 of the Audit Commission Act 1998 on the grounds that the Trust is likely to breach its statutory break-even duty in 2015/16 given the expected deficit in 2015/16.

Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Trust and auditor

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our work in accordance with the Code of Audit Practice 2010 for local NHS bodies, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2014, as to whether the Trust has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice 2010 for local NHS bodies 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 2015.

We planned and performed our work in accordance with the Code of Audit Practice 2010 for local NHS bodies. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all material respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Basis for qualified conclusion

In considering the Trust's arrangements for securing financial resilience, we identified that the Trust is forecasting to make a deficit of £21.9m in 2015/16. The projected deficit means that the Trust's expenditure is likely to exceed income for the three year period ending 31 March 2016. The forecast cumulative three year deficit position as at 31 March 2016 (based on actual results from 2013/14 and 2014/15 and the projected outturn for 2015/16) is £13.0 million.

Qualified Conclusion

On the basis of our work, having regards to the guidance on the specified criteria published by the Audit Commission in October 2014, except for the matter reported in the Basis for qualified conclusion paragraph above, we are satisfied that in all significant respects Hull and East Yorkshire Hospitals NHS Trust has put in proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.

Certificate

We certify that we have completed the audit of the accounts of Hull and East Yorkshire Hospitals NHS Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission.


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4 June 2015

John Graham Prentice
For, and on behalf of, KPMG LLP Statutory Auditor

KPMG Chartered Accountants
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Leeds
LS1 4DW