



Humber Teaching
NHS Foundation Trust

Humber Teaching NHS Foundation Trust Annual Report and Accounts 2018/19

Caring, Learning and Growing





Humber Teaching NHS Foundation Trust Annual Report and Accounts 2018/19
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Chairman and Chief Executive's foreword

This report looks back over the year and provides information on our achievements, challenges and successes.

The pace of change continues to be challenging, both as an individual organisation and as part of the wider NHS but careful planning and sustained hard work have again underpinned what has proved to be a successful 12 months for the Trust.

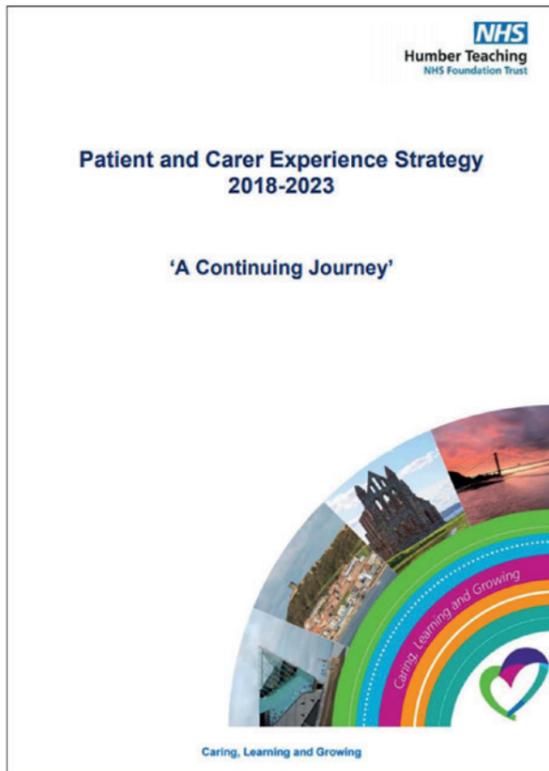
Our achievements this year, acknowledged by the Care Quality Commission (CQC) when they again rated our Trust 'Good' following a well led inspection in February 2019 is testament to the hard work and collective efforts of all our staff. These achievements will be built on in the coming year as we know there is more work to do and we will do so in partnership with our staff, services users, carers, governors and our stakeholders.

One area the CQC inspection identified as 'requires improvement' was the domain of 'Safe', and we are working hard to address the issues raised to ensure our performance in this area improves.

Further detail is included within the report but here in our welcome to you, we summarise some of the key highlights and challenges of 2018/19.

Our Highlights

- Our new Trust name went live on the 1 April with us becoming Humber Teaching NHS Foundation Trust- a change that demonstrates the importance of our research and development, learning and teaching.
- We opened a lecture theatre at our headquarter site to provide a dedicated conference facility and an educational space following feedback from the staff survey and has meant we can host bigger events and highlight our teaching status inviting academics from across the country to such events.
- Our staff survey results this year have shown much improvement and these are detailed later in the staff section of this report.
- We launched our Quality Improvement Approach 2018-2020 to continuously try to improve our services and the quality of care and outcomes for our patients.
- Our commitment to research continued this year when in May we hosted our second research conference which saw national and international experts deliver presentations on various research topics to a sold out audience.
- We launched our Service User and Carer Experience Strategy.
- We launched our Friends and Family Test (FFT) live dashboard that provides data on the number of people who would recommend our services to friends and family if they needed similar care or treatment and the results to date are fantastic.
- In February, the CQC undertook a well led inspection of our Trust and we were delighted to have retained our rating of Good overall with areas of outstanding practice identified by inspectors.
- The building of the Trust's new children and adolescent mental health service (CAMHS) unit is well underway and due to complete at the end of the calendar year.
- In May, our £80 million contract to provide adult community services in Scarborough and Ryedale for the next 7 years began with over 5,000 patients and 200 staff members transferred to our Trust. The new contract saw us take responsibility for providing adult community services in Scarborough and Ryedale.



- As we end this year, we are about to take on further Scarborough and Ryedale community services from 1 April 2019.
- Maister Lodge, a unit for older people experiencing mental health problems reopened over the summer following a £500,000 refurbishment and now provides updated spaces to promote health, wellbeing and independence. With the help of volunteers and Health Stars, our charity, a dementia friendly garden was also created providing a therapeutic outside environment with sensory details to enhance patient experience.
- We invested in additional beds at inpatient units and funded the continuation of the 'Crisis Pad' sanctuary in Hull to improve our adult mental health urgent care services.
- We acquired our seventh GP practice and now deliver primary care services to approximately 36,000 patients in Hull and East Riding. All seven of the Trust's GP practices are rated 'good' by the Care Quality Commission with Hallgate Surgery and Chestnuts Surgery, both in Cottingham, making the Top 10 of the region in the latest NHS England patient survey.
- We were delighted to secure part of a £23 million NHS England grant to work with the Humber Coast and Vale Sustainability and Transformation Partnership (STP) to deliver perinatal mental health services across Hull, East Riding, North Lincolnshire, North East Lincolnshire, Scarborough and Ryedale and York. The service extended to ensure women who experience complex mental health needs, as well as their families, receive the support they need and have access to treatments at the earliest possible stage.
- The Trust's Healthtrainer Service and the Yorkshire Wildlife Trust teamed up to launch a dedicated Healthtrainer service that aims to improve the health and quality of life of the region's fishermen. The service, developed as part of the SeaFit Programme, works with fishermen to improve their overall health and wellbeing and connect them with local relevant services.
- We became one of the first 13 trusts in the UK to receive a share of £78 million to support electronic prescribing and medicines administration (ePMA). The Trust secured £300,000 of funding for ePMA following a successful bid and interview process with NHS England and NHS Improvement which will help improve patient safety.
- We are working towards becoming one of the country's first Community and Mental Health Veterans Aware Trust. The accreditation, by the Veterans Covenant Hospital Alliance (VCHA), sees organisations accredited as exemplars of the best care for veterans, helping to drive improvements in NHS care for people who serve or have served in the UK armed forces and their families.
- Children's Trailblazing site - Humber, Coast and Vale (HCV) Health and Care Partnership have been selected to develop a pilot for new models of care for children's and young people's pathway. Building on our work with the Tier 4 Child and Adolescent Mental Health Service (CAMHS) inpatient unit, we will be developing a proposal to look at providing crisis and home based treatment services to children and their families across the HCV area.
- Unicef UK - Gold Service accreditation - our Integrated Specialist Public Health Nursing Service (ISPHNS) working in partnership with East Riding of Yorkshire Council were accredited as a Gold Baby Friendly Service. The East Riding service is the first in the country to be awarded Gold for its integrated application with Humber's ISPHN service.
- Local Health Care Records Exemplar (LHCRE) - we are delighted to be hosting LHCRE on behalf of our Health and Social Care partners in the region. This provides the capability for patients to be able to make more informed decisions and improve self-care and management. The wider system will benefit with better planning of services, prevention or improved management of ill health - we are also joining up information to provide seamless and improved quality of care.



WELCOME

from Chairman and Chief Executive



- Our staff achievements were recognised throughout the year with a series of local and national awards - more later in this report.
- We continue to be a key partner in the Humber Coast and Vale STP and continue to work closely with all the partner organisations to deliver a more integrated health and social care system of provision. As Chief Executive of the Trust I am also the Senior Responsible Officer for the Mental Health Partnership.
- We welcomed a new Director of Human Resources and Diversity, Steve McGowan and a couple of months later Lynn Parkinson joined the organisation permanently as the Chief Operating Officer after holding the Interim Chief Operating Officer role since February 2018.
- In line with the Trust's health and wellbeing agenda we are pleased to have launched #PROUD, our organisational development programme this year. As part of the programme we will look at how we can help staff to be happier at work, which is something that we are passionate about.
- Health Stars, our charity, continued to 'add sparkle' to our services throughout the year and together we really developed the Chief Executive Staff Engagement Fund. The purpose of the fund is to support staff, encourage team working and to help to create a feel-good environment across the Trust.
- This year saw the NHS turn 70 with everyone in the Trust coming together to celebrate this incredible milestone - the accomplishments of our staff contributing to the success of the organisation and the NHS are highlighted throughout this report.

We are delighted with our achievements this year, our ongoing improvement journey continues.

As we move forwards, we continue to deliver on our pledge to put patients and their families at the centre of their care and to make as much of a positive difference to their lives as we can. We will continue to care, learn and grow together.



Sharon Mays

Sharon Mays
Chairman



Michele Moran

Michele Moran
Chief Executive

PERFORMANCE REPORT

Overview of Performance

The purpose of this Performance Report is to provide information on Trust services and our vision, values and strategic aims. It also provides information on our development, performance and the principal risks to our objectives during 2018/19.



A statement from the Chief Executive

I am delighted to be able to report that the Trust's performance has improved during the period covered by this report.

In the latest inspection, undertaken by our regulator, the Care Quality Commission (CQC) almost a year since they rated us Good, we retained our rating following an announced scheduled 'well-led' inspection carried out by the CQC from 12 to 14 February 2019. This was preceded by a number of unannounced inspections across eight core services and substance misuse services.



Overall, the Trust was rated as Good. The CQC rated the effective, caring and well-led domains as good. The safe domain was rated as requires improvement, which is unchanged from the previous inspection. However, our mental health inpatient units and the Mental Health Response Service both improved their ratings in the safe domain from requires improvement to good, which is testament to the hard work of our staff since our last inspection.

Areas of outstanding practice were identified within in acute wards for adults of working age and psychiatric intensive care services, child and adolescent mental health services and Trust-wide.

Embedding these improvements and improving our performance further will require careful planning and sustained effort to achieve our goals.

Our Trust Strategy which set out how we intend to deliver our six strategic goals over the five year period 2017-2022 has been progressed further this year and work continues.

PERFORMANCE REPORT

Despite our success, there have been challenges too. The increased demand for our Mental Health Response Service meant that sometimes, response times are longer than we would want them to be. We increased the number of staff available to answer incoming calls and we continually review and make changes to try and reduce waiting times.

There is also the continued need to provide more and better services to an ageing population, many with very complex health problems, with limited financial resources.

We have, however, maintained a sustainable business capable of meeting all of these challenges and more besides. We have delivered cost savings of approximately £5.934m and are one of the few trusts to have met our NHS Improvement Targets. Our NHS Improvement (NHSI) Use of Resources Assessment is 1.

As a provider of mental health, community, GP and specialist services, we are accountable to our service users and commissioners. These include NHS England, NHS Hull CCG, NHS East Riding CCG, NHS Hambleton, Richmondshire and Whitby CCG, and NHS Scarborough and Ryedale CCG. It is their responsibility to design, develop and buy health services for the people who live in their areas.

The Trust regularly provides information about our performance to our commissioners and engages with them by taking part in monthly contract management, service mobilisation and sub-group meetings. These sessions focus on quality, service development and delivery, and finance.

This year we published and introduced 'Our Quality Improvement (QI) Approach 2018-2020'. This is based on the principle of our staff continuously trying to improve how they work and the quality of care and outcomes for our patients. It sets out what we are trying to achieve and how we might achieve that and aims to capture the fantastic work that our teams are doing to improve the quality of their services and to help them to celebrate their involvement in that work.

A range of projects were committed to by our staff in our first year of this approach and it is proving really successful. Projects include for example, Enhanced Training Project (We're valued), Improving Sexual Safety of Staff and Patients within Mental Health Inpatient Services, Quality Circle Meetings, Humber Centre Clinical Model Redesign and many more. Project teams have been established and projects are progressing - most have a long duration period and so although results are not available for this year's report, we look forward to sharing our successes with you next time.

We continue to be a key partner in the Humber Coast and Vale Sustainability and Transformation Partnership (STP) and continue to work closely with all the partner organisations to deliver a more integrated health and social care system of provision. We continue to maintain a crucial role in this partnership, with my role as executive lead - in addition to leading the mental health work stream - ensuring that the STP priorities are reflected in our strategic and operational plans.

The Trust has welcomed a new Director of Human Resources and Diversity, a substantive Chief Operating Officer and elected Governors this year. We also re-appointed a number of our non-executive directors to ensure continuity and succession plans were in place.

We embedded further our approach to quality and workforce and organisational development.



Last year we emphasised our commitment to patient and carers by introducing a post dedicated to learning from their experiences - a Head of Patient and Carer Experience and Engagement - and this was further cemented this year by the introduction of the Patient and Carer Experience Strategy coproduced with our service users, carers and stakeholders. The aim of this strategy is to further develop a culture throughout our organisation that places the quality of patient and carer experience at the heart of everything we do.

Research remains a key step in achieving our mission and our second annual conference held in May saw national and international experts deliver presentations on various research topics demonstrating the importance we place on our community having the chance to contribute to high quality research that will shape future innovation and delivery of services.

Research is central to ensuring services are effective and that new treatments and ways of delivering care continue to be identified that enable recovery and prevention, reduce disease burden, improve quality and increase productivity. There is good evidence that trusts who participate in research have improved health outcomes and healthcare processes. As a Trust we have a solid and thriving research and development department. Trust staff authored and co-authored a number of publications in year. A full summary of these is available on our website.



PERFORMANCE REPORT

Our Strategic goals are:

- innovating in quality and patient safety;
- enhancing prevention, wellbeing and recovery;
- fostering integration, partnership and alliances;
- developing an effective and empowered workforce;
- maximising an efficient and sustainable organisation;
- promoting people, communities and social values.

Throughout the year, the quality of our staff and services has been supported by letters of praise and real patient experience feedback and a selection of these comments are included below.

Fantastic Chestnut Doctor Surgery. Friendly, helpful reception staff. GP understanding, listens, goes above and beyond the role of a GP to help and support you. Caring and passionate about their jobs. Highly recommended.

Chestnuts GP Surgery

She was great and gave me lots of advice and was really helpful and supportive. She took the time to listen to me.
East Riding Health Trainer Service

The welcome was very friendly, advice was clear, written information was very helpful. I am so pleased I asked my GP to see the specialist nurse.

Specialist Bladder and Bowel Service

Received a call from service user who wanted to say well done to the team for all the support and help he had received from us recently. He was extremely grateful and informed us that as a result of our input he was now coping and feeling mentally well.

Following our signposting he had also just been told that he could move into a new flat that would meet his needs.

Mental Health Response Service

Cannot thank you enough for all the help and support you have given, not only to (patient's name) but to the rest of the family too. It has been very hard for us all but knowing how each and every one of you has cared for him has made it a bit easier. You are all amazing and should be very proud of what you do. A card doesn't seem to be enough but we really do appreciate all you have done.

Maistor Lodge

I came to stay with you recently and I can't express what a wonderful job you all do. Your support, commitment and dedication turned me around. You're funny, ward and have a great sense of humour and are non-judgemental. So to everyone and I mean everyone, thank you for putting me back together. You are an awesome bunch and don't get enough praise. Thank you

Avondale Assessment Unit

A member of my family been treated with such respect, dignity and love throughout her stay. It felt as though she was always surrounded by her family, whether they were there or not and the whole team truly went above and beyond to help make a horrible situation a little bit less horrible. How lucky we are in Malton to have such an outstanding facility to care for our loved ones.

Malton District Hospital

I am so grateful for what the service has done for us over the last six months. Alcohol addiction is the elephant in the room, a socially acceptable drug for so many, yet for a few it becomes an illness which wreaks havoc on people's lives. This service's responsive, no blame, integrated response, no blame, integrated response has worked for us - thank you.

Addiction Services

"Brill, I love it here. I want to stay.

"(The Doctor)is awesome"

" I feel better talking to people"

Child and Adolescent Mental Health Services at Rivendell House in Driffield

Our Friends and Family Test results show that more than 99% of respondents find our staff friendly and helpful, over 98% believe they receive sufficient information, and almost 98% feel they are involved as much as they want to be in their care. The targets for all three categories is 90% and we have significantly overachieved in these areas.

There are many outstanding successes I could mention, but I will restrict myself to a handful, including:

New CAMHS build

The building of the Trust's new £8m children and adolescent mental health service (CAMHS) unit is well underway and due to complete at the end of autumn. A full programme of preparatory works to ensure the unit is staffed and has operational policies and procedures ready for the opening is currently being delivered in conjunction with the young people with experience of mental health issues. In addition, the Trust's charity Health Stars successfully launched the Impact Appeal in October with the aim of raising £600,000 to add enhanced features to the new children's unit. The charity appeal is set to transform the new unit from feeling like a hospital to feeling more like a home with money raised going towards innovative features like a sensory rich garden, a state of the art kitchen and modern comfortable furniture.

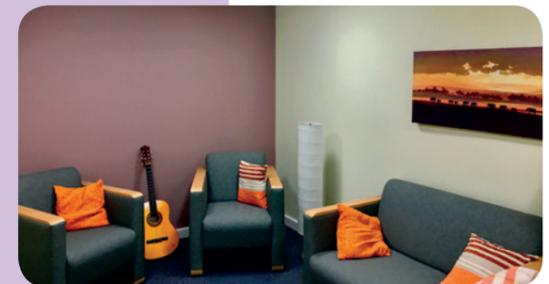


New contract to provide adult community services in Scarborough and Ryedale

We took responsibility for providing adult community services in Scarborough and Ryedale. This involved the care of more than 5,000 patients and more than 200 staff who transferred to us on 1 May 2018.

Improving adult mental health urgent care services in Hull and East Riding

Improvements have been made to adult mental health urgent care services in Hull and East Riding after care commissioners provided additional funds to help reduce the pressure on hospital services and prevent patients from having to leave the area for care.



The investment has provided:

- Five new beds at Mill View Court, a ten-bed inpatient unit in Cottingham for men and women under 65;
- The continuation of the 'Crisis Pad', a sanctuary staffed by Humbercare, - an enabling organisation dedicated to providing quality and innovative services to adults and young people in Hull for people suffering severe emotional distress;
- An additional bed at a 'step-down' service in Hull for patients who lack suitable accommodation or support to be discharged from inpatient units;
- An extended Mental Health Liaison Service for people with mental health problems at Hull Royal Infirmary, including those who attend the accident and emergency department and patients on general medical wards. Funding from NHS England has paid for extra staff including support workers, care co-ordinators, a psychologist, a consultant psychiatrist and a specialist practitioner.

Reopening of Maister Lodge mental health inpatient unit following half a million pound refurbishment

The unit for older people experiencing mental health problems, reopened in the summer following a £500,000 refurbishment. The refurbishment saw 14 bedrooms fully refitted as well as updated spaces for patients and relatives to promote health, wellbeing and independence. In addition, with the help of volunteers and the Trust's charity Health Stars, a dementia friendly garden has also been created providing a therapeutic outside environment with sensory details to enhance patient experience.

Improvements to specialist community mental health services for new and expectant mums

From 1 October 2019, the services we provide will be extended using part of a grant secured by the STP to ensure women who experience complex mental health needs, as well as their families, receive the support they need and have access to treatments at the earliest possible stage.

Health Trainers launch dedicated service to help East Coast fishermen

Yorkshire Wildlife Trust and Humber Teaching NHS Foundation Trust launched a dedicated Health trainer service that aims to improve the health and quality of life of the region's fishermen who have been identified as an 'at risk' group. Developed as part of the SeaFit Programme, the service aims to work with fishermen to improve their overall health and wellbeing and connect them with local relevant services.

Willerby Hill Lecture Theatre

The Trust opened the newly refurbished lecture theatre in November 2018. Previously home to the Information Technology (IT) centre the building was renovated to provide a modern conference facility with a high quality multimedia system at the Trust's headquarters site. Staff highlighted the need for a conference space with an educational focus for large meetings to take place and the space has offered more opportunities to host events with local education partners and further demonstrated further the Trust's dedication to its teaching status.



Humber named as one of the first to receive a share of funding to support electronic prescribing and medicines administration (ePMA)

The trust was one of the first 13 trusts in the UK to receive a £300,000 share of the Department of Health and Social Care's funding for ePMA following a successful bid and interview process with NHS England and NHS Improvement. Seeking to improve patient safety, the new electronic systems will help trusts move away from handwritten prescriptions, reducing potentially deadly medication errors by up to 50 per cent when compared with the old paper systems and helping to build up a complete electronic record.

Humber acquired seventh GP practice and now delivers primary care services to 36,000 patients

The Trust acquired its seventh GP practice and now delivers primary care services to approximately 36,000 patients in Hull and East Riding. We took over responsibility for Princes Medical Centre, in Hull, a practice serving people in Cottingham, Orchard Park, Pearson Park, West Park, Anlaby and Willerby. All seven of the Trust's GP practices are rated 'good' by the Care Quality Commission, the national regulator for health and social care services.

GPs and Surgery accolades

The Trust celebrated over the summer after two of its GPs were listed in the Top 10 for Hull and East Yorkshire. In addition, two GP surgeries, Hallgate Surgery and Chestnuts Surgery, both in Cottingham, were hailed amongst the best of the best after receiving positive feedback. The annual poll compiled by NHS England questions over one million people covering more than 7,000 practices across the country.

Trust shortlisted for prestigious HSJ accolades

The Trust was 'highly commended' in two categories at the most prestigious awards in healthcare safety - 'Changing Culture' and 'Patient Safety Team of the Year' sections at the Health Service Journal's (HSJ) Patient Safety Awards 2018.

In addition, the Social Mediation and Self-Help (SMASH) service was also nominated for an HSJ award later in the year for its innovative and creative approach to helping young people learn about social, emotional and behavioural self-management skills.

Humber became one of the first NHS trusts in the North East to provide free Wi-Fi for patients and the public across all of its sites

We become one of the first NHS trusts in the North East to provide free Wi-Fi for patients and the public spending £200,000 installing the service at more than 60 sites.

Our staff really have excelled this year, striving for and achieving many results and accolades. Our staff are the backbone of the Trust and without their continued support we would not be able to continually evolve and improve.

Last year I acknowledged that just as staff have a duty to do their best for our patients, we have a duty to them to look after their welfare at work and to provide them with the best possible tools to do their job. Our staff have responded magnificently, as they always do, by helping us achieve an overall training compliance rate of more than 88.4%, well above the target of 85%.

This year we have invested in an organisational development programme, supported externally, to provide a framework and infrastructure to all elements of staff engagement.

Our staff survey results this year have shown much improvement and these are detailed later in this report. We have further work to do with staff and the PROUD programme will provide a central hub for ensuring we are doing everything we can to listen to, support, nurture, advise and lead our staff - Investing in staff, valuing staff.

Our challenge in the year ahead is to continue to deliver our strategy and strive for excellence.

Signed: 
Michele Moran, Chief Executive

Date: 22 May 2019



PERFORMANCE REPORT

About our Trust

Humber Teaching NHS Foundation Trust provides a wide range of health and social care services including acute and forensic inpatient mental health services, community mental health services, Child and Adolescent Mental Health Services (CAMHS), community services, substance misuse and learning disability services, health lifestyle support and addictions.

The Trust serves patients across a large geographical area that includes Hull, the East Riding of Yorkshire and North Yorkshire and provides specialist mental health services to people from across the UK.

Our specialist services, such as forensic support and offender health, support patients from the wider Yorkshire and Humber area and from further afield.

We employ approximately 2,500 substantive staff who work from 79 of our properties and across 120 sites at locations throughout the East Riding, Hull, Scarborough and Whitby.

We became a foundation trust nine years ago.

Our income in 2018/19 was £130.316m with the majority of this money coming from our two main commissioners, NHS Hull and NHS East Riding of Yorkshire Clinical Commissioning Groups (CCGs).



Our services

Our services were delivered in year via three care groups:

- Mental Health
- Primary Care, Community, Learning Disability and Children's Services
- Specialist Services

Mental Health Care Group services include:

- Mental Health Response Service (including Home-Based Treatment, Crisis/Urgent Assessment, Non-urgent Assessment and Mental Health Triage service)
- Adult and Older Adult Inpatient Units
- Chronic Fatigue
- Community Mental Health Services
- Complex Interventions Services, including specialist trauma and services for people with a personality disorder
- Perinatal Services
- Crisis Intervention Team for Older People
- Veterans Outreach
- Psychosis Service for Young People in Hull and East Riding (PSYPHER)
- Memory Clinic

Primary Care, Community, Learning Disability and Children's Services include:

- Community Services – Pocklington, Whitby, Scarborough and specialist therapies to Dove House Hospice
- Health Trainers
- Child and Adolescent Mental Health Services
- Integrated Specialist Public Health Nursing Services (formerly Health Visiting and School Nursing Services)
- Children's Therapies
- Learning Disabilities Services (inpatient and community services), including Granville Court
- Primary Care (GP Practices)

Specialist Services include:

- Forensic Services - Humber Centre and Greentrees
- Addictions Services
- Humber Recovery College

An operational management re-structure, to be implemented as we start the new year, will see the three care groups transform into four service areas to provide a simplified operational management structure.

Further information about our services and referral pathways can be found on our website at www.humber.nhs.uk/services/services.htm

In addition to health and care services, we have service level agreements to provide medical teaching to undergraduates of the Hull York Medical School. Becoming a teaching Trust on 1st April emphasised our commitment to delivering excellent services to our patients and carers and reinforced our close working relationships with Hull York Medical School, the University of Hull and other educational establishments.

People who use our community and mental health services receive a wide range of care and therapeutic treatments in a variety of settings including their own homes, GP practices and health centres, outpatient clinics, hospitals, local authority premises and our inpatient units. More specialised care is provided by the psychiatric intensive care unit and forensic services.

An element of our strategy is to provide services as close to a patient's home or usual place of residence as possible and to ensure when inpatient care is necessary, it is provided in safe, high-quality environments.

PERFORMANCE REPORT

Vision, values and strategic aims 2017 – 2020

Our Vision

We aim to be a leading provider of integrated health services, recognised for the care, compassion and commitment of our staff and known as a great employer and valued partner.

Our Values and what they mean

CARING

for people while ensuring they are always at the heart of everything we do.

LEARNING

and using proven research as a basis for delivering safe, effective, integrated care.

GROWING

our reputation for being a provider of high-quality services and a great place to work.

Our Strategic Goals

- Innovating in quality and patient safety
- Enhancing prevention, wellbeing and recovery
- Fostering integration, partnership and alliances
- Developing an effective and empowered workforce
- Maximising an efficient and sustainable organisation
- Promoting people, communities and social values

Our six strategic goals and key objectives all have equal importance and our outlined below:

Innovating Quality and Patient Safety

We will:

- Deliver high-quality, responsive care by strengthening our patient safety culture.
- Demonstrate that we listen, respond and learn.
- Achieve excellent clinical practice and services.
- Capitalise on our research and development.
- Exceed CQC and other regulatory requirements.

Enhancing Prevention, Wellbeing and Recovery

We will:

- Ensure patients, carers and families play a key role in the planning and delivery of our services.
- Empower people to work with us so they can manage their own health and social care needs.
- Deliver responsive care that improves health and reduces health inequalities.
- Develop an ambitious prevention and recovery strategy.

Fostering Integration, Partnership and Alliances

We will:

- Be a leader in delivering Sustainability and Transformation Partnership plans.
- Foster innovation to develop new health and social care service delivery models.
- Strive to maximise our research-based approach through education and teaching initiatives.
- Build trusted alliances with voluntary, statutory/non-statutory agencies and the private sector.

Developing an Effective and Empowered Workforce

We will:

- Develop a healthy organisational culture.
- Invest in teams to deliver clinically excellent and responsive services.
- Enable transformation and organisational development through shared leadership.

Maximising an Efficient and Sustainable Organisation

We will:

- Be a flexible organisation that responds positively to business opportunities.
- Be a leading provider of integrated services.
- Exceed requirements set by NHS Improvement regarding financial sustainability.
- Build state-of-the-art care facilities.

Promoting People, Communities and Social Values

We will:

- Apply the principles outlined in the Social Value Act (2013).
- Ensure our human resource priorities and services have a measurable social impact.
- Improve recruitment and apprenticeship schemes and promote career opportunities.
- 'Make every contact count' via an integrated approach designed to make communities healthier.

PERFORMANCE REPORT

Development and Performance

Our performance management framework tracks progress against key performance indicators. This is based on our strategic goals and is reviewed by with our Board of Directors on a monthly basis. Added to this is a risk register which reports key risks identified on an ongoing basis and which therefore ensures any major concerns are dealt with. A larger set of indicators is reviewed by our Board of Directors each quarter. To support this, our service areas account to the executive team via quarterly performance accountability reviews and likewise the senior operational managers review their teams on a structured basis.

Any issues identified with performance are formally reported up through these channels. The purpose of this is to ensure involvement of staff at all levels in understanding and influencing performance in their areas of responsibility.

A Workforce and Organisational Development Committee was established in March 2019 to provide strategic overview and provide assurance to the Trust Board that there is an effective system of governance and internal control

Celebrating success

The inspiring and innovative work our staff do across the Trust every day to improve the lives of our patients and service users was celebrated at our annual Staff Awards on 6 December 2018 at Willerby Manor Hotel.

This year, we had 14 categories in which staff could nominate themselves or a colleague. Our staff awards winners were:

Outstanding Team of the Year

INTEGRATED SPECIALIST PUBLIC HEALTH NURSING SERVICE



The ISPHN Service has responded responsively and flexibly to meet changing population health needs.

The 0-5 service was congratulated by the Local Authority commissioners for becoming one of the top performing Public Health Nursing services in Yorkshire and Humber for delivery of the service.

Some of their achievements include:

- Being asked to lead a national pilot on the Baby Friendly Initiative (BFI) Gold Award on the integration of services with Children's Centres.
- Creating a Facebook page which has over 1,200 followers.
- Being one of the best performers in the country of the National Childhood Measurement Programme.

Team of the Year - Mental Health Services

The Maister Lodge team have developed a person centred approach to people in their care with behavioural and psychological symptoms of dementia.

Whilst Maister Lodge underwent refurbishment the team planned a safe and efficient move of patients and ward fixtures to temporary accommodation. The team are also fundraisers and giving up their free time over a weekend to create a safe and pleasant garden for patients and their families.

Team of the Year - Primary Care, Community, Children's and Learning Disabilities Services

Building on the success and innovations already evidenced by the service, the Health Trainers were awarded a competitive tender to deliver social prescribing across all general practices in East Riding.

They were also awarded two new contracts to deliver weight management services in North Yorkshire. In the first six months the Service supported 300 clients to achieve a 5% weight loss over 12 weeks, which exceeded their target.

The team also reduced the smoking prevalence in East Riding by 5%, to 10.8%. It is the highest reduction in smoking prevalence across any area in Yorkshire.

Team of the Year - Specialist Services

The Health Hub is a relatively new service within the Humber Centre, looking after the physical health care needs of patients with severe and enduring mental health problems.

Although there are challenges at times and are sometimes met with resistance, they are making headway in supporting patients with their physical health needs. They are hardworking, dedicated and an inspiration.

Team of the Year - Corporate Services - sponsored by Yorkshire and Humber Academic Health Science Network

The R&D team are amazing ambassadors for our Trust - they take part in National and International high profile research trials and raise the profile of our Trust and our region. They have an outstanding reputation for delivering high quality research and researchers across the country recognise the value of having our Trust as a research site. This was showcased in the 'Developing a City of Research' conference they delivered in May 2018 which was a huge success.

As well as contributing to the research evidence base for future healthcare, the team is constantly learning from other colleagues locally and across the region, but also by listening to those who participate in research studies.

MAISTER LODGE



HEALTH TRAINERS



HEALTH HUB



RESEARCH AND DEVELOPMENT TEAM



PERFORMANCE REPORT

DR MARK HANCOCK



Mentor of the Year
- sponsored by *Alessandro Caruso Architects*

Dr Hancock was nominated by Ivan Daleo, who said: "Dr Hancock has been my mentor since joining Humber 12 months ago as an FCP physiotherapist in primary care. The level of mentorship and supervision I have received has been great, equal to what a GP registrar would expect during training. I have had regular peer reviews and supervision and Dr Hancock has been willing to share knowledge and give me opportunities take part in videoed consultations."

ELLIE GODFREY



Outstanding Care Award

Ellie is an exceptionally compassionate and caring individual who supports patients who are presenting with a deterioration in their mental health or challenging behaviour.

Ellie took on the role of named nurse for a complex individual who has a diagnosis severe learning disability and autism. She trialled several different approaches to reduce and manage the patients anxiety and aggression and has used creative solutions to promote diversionary activities to meet their sensory needs to reduce the frequency and intensity of this behaviour.

DAVE RAINFORTH AND LISA ELVIDGE



Health Stars Sparkle Award

Dave and Lisa work in completely different areas of the Trust but by signing up to the Health Stars sky dive earlier this year they have become firm friends and fundraising champions.

They have already raised over £1000 for the charity and are now lifelong supporters. Lisa and Dave are already planning their next fundraising challenges to raise even more funds for Health Stars.

DR STELLA MORRIS



Inspiration Award
- sponsored by *S.Voase Builders Ltd*

Dr Stella Morris was at the forefront of developing a liaison psychiatry service which has gone from humble origins to providing a bespoke 24 hour service in Hull Royal Infirmary. In addition the service has received many accolades at individual and team level, with the Perinatal Service recently receiving national recognition for its work.

Chief Executive's Rising Star Award

Laura manages Hallgate GP Surgery and Chestnuts GP Surgery

Due to a 17% population rise in Hallgate Surgery's practice population, the decision was made to move to a new location. Throughout the relocation, Laura led by example and moved a significant amount of equipment and stock between bases, often on her way home, in her own car and in her own time. In order to maintain services, the main move was undertaken on a Saturday, and throughout the day most of the admin and nursing staff came in to support the relocation. This above all else reflects the regard that Laura is held in by her colleagues and is representative of her leading by example.

Patient and Carer Experience Award
- sponsored by *Hempsons Solicitors*

When Ian first met Mandy Dawley, Patient and Carer Experience Manager at Trust workshop, it became apparent that Ian really wanted to give back to the NHS for supporting him through his personal journey back to recovery.

Since the workshop Ian has participated in a number of patient and carer experience activities. Ian's dedication to patient and carer experience is endless. He puts himself forward for all activities the Patient Experience Team create. His charisma, selfless attitude and desire to support our Trust is simply phenomenal.

Volunteer Award
- sponsored by *Biffa Waste Services*

Jayne and Terri-Ann work as a team to run both the Arts and Crafts and Ladies Lunch community groups for older people who suffer from mental health conditions and dementia. They have a wonderful, caring approach with the group members. Even when faced with challenging circumstances they just keep calm and carry on.

Apprentice of the Year
- sponsored by *Capsticks*

The Healthcare team at Granville Court is a small dedicated and vital part in sustaining and maintaining health and wellbeing for a complex, and predictably unpredictable client group. They support people through their entire life journey, including at the end of their life.

Kirsty is Granville Court's privacy and dignity champion and this is never more apparent in the dignified care and support shown to a person, their families and her colleagues at this very poignant time when time is precariously precious.

Her compassion and respectful dignity to families and others is a reflection on her desire to learn, develop and promote the rights of person with a profound and multiple learning disability to enable a life well lived and loved.

LAURA HARRISON



IAN GRAVES



JAYNE MACHRAY AND TERRI-ANN WHITNEY



KIRSTY HAMM



PERFORMANCE REPORT

MANDY DAWLEY

Chairman's Award

Mandy Dawley has transformed the way the Trust thinks about patient and carer user experience from a strategic perspective, with the development of ground breaking Patient and Carer User Strategy which has been adopted by the trust. It was co-designed with patients and carers and we are already seeing this work starting to embed itself within Trust services.



This year our event was sponsored by Yorkshire and Humber Academic Health Science Network, Alessandro Caruso Architects, S.Voase Builders Ltd, Hempsons Solicitors, Biffa Waste Services, Capsticks and NHS Shared Business Services.

National and regional success

Trust service nominated for prestigious HSJ accolade

The Social Mediation and Self-Help (SMASH) service was nominated for a Health Service Journal (HSJ) award for its innovative and creative approach to helping young people learn about social, emotional and behavioural self-management skills.

The programme brings together health, social care, education, communities and families together in a unique partnership which delivers outstanding outcomes through evidence based group work, one to ones and family outreach sessions.

The HSJ Awards are one of the largest celebrations of healthcare excellence in the world, recognising and promoting the finest achievements in the NHS, and showcasing them to the service's most influential leaders. We are delighted with our nominations and successes this year.

Specialist Team shortlisted for the HSJ Value Awards

In March our Psychological Medicine Department were shortlisted for a specialist service award for the Frequent Attenders Service in Hull. The service works with primary care and community teams to help prevent A&E attendances by frequent attenders and people with medically unexplained symptoms.

Humber celebrated having two surgeries in the region's Top 10 after results of patient survey were revealed

The Trust was celebrating over the summer after two of our GPs were listed in the Top 10 for Hull and East Yorkshire. Hallgate Surgery and Chestnuts Surgery, both in Cottingham, were hailed amongst the best of the best after receiving positive feedback.

The annual poll compiled by NHS England questions over one million people covering more than 7,000 practices across the country. Patients were asked various questions ranging from how easy it is to get an appointment, if opening times are convenient, to whether they trust their GP.

It was fantastic news to receive such positive feedback from our patients and rewards all of our Trust staff who have worked incredibly hard since our first acquisition to make Primary Care a success.



Trust Nurse recognised for marvellous quality of care by UK charity

One of our specialist nurses, Alison Walker, Community Cardiac Specialist Nurse was nominated by a patient to receive a 'You're Simply Marvellous' award and was honoured with a national award for her outstanding work.

The work was recognised by The Pumping Marvellous Foundation, with the award acknowledging the value that healthcare professionals bring to the treatment of heart failure patients throughout the UK. The Foundation recognises the importance patients and their families can work with and operate as a team with their healthcare professional.

Giving Voice Awards ceremony

Every year the Royal College of Speech and Language Therapists recognise members of the profession and others who have been outstanding in their contribution to helping those with communication difficulties. Towards the end of last year, Trust Speech and Language Therapists Ruth Edwards and Siobhan Ward were recipients of the Giving Voice award in recognition of their City of Culture project 'Hear in Hull' which produced an animation called 'My Stammering Tap'.



The judges were particularly impressed by the response the animation received from children, parents and other therapists, who now use it as a therapy tool.

The success continued with news that the film was also selected for the Leeds International Film Festival having been nominated for the Yorkshire short film award.

Specialist Nurse celebrates acceptance onto prestigious national research programme

Claire Marshall, Specialist Nurse and Clinical Lead with the Perinatal Mental Health Liaison Team at the Trust will contribute to high-calibre research at the University of Hull as part of the Health Education England and National Institute for Health Research (NIHR) Integrated Clinical Academic Programme. Research shows that between 10-20% of women are affected by perinatal mental health conditions – mental health problems that arise during pregnancy and up to one year after childbirth and it was fantastic to have a member of our staff contributing to such important work.

Trust clinical psychologist wins top research award

Dr Emma Wolverson, Clinical Psychologist, won the Alzheimer's Society's Dementia Research Leader Award for 'outstanding contribution to early career dementia research'.

Dr Wolverson was granted the award by a judging panel of scientific researchers and volunteers who considered her research achievements and originality, commitment to supporting others and hopes for improving the lives of people with dementia.



Trust nurse shortlisted for national award

Maggie Bean, Primary Care Matron for the Trust, was shortlisted as a finalist in the Community Nurse of the Year Award category of the 2018 General Practice Awards.

The prestigious national award celebrates the vital contribution practice community nurses make to primary care.



Principal Risks and Uncertainties

The risks outlined below have been identified as the principal risks to the delivery of the Trust's key objectives.

More detail regarding the risks to which the Trust has been exposed in 2018/19 is included in full within the table in the Annual Governance Statement on page 90.

Innovating Quality and Patient Safety

- Inability to meet Regulation 18 HSCA (RA) Regulations 2014 regarding Safer Staffing.
- Inability to achieve a future rating of 'good' in the safe domain at CQC inspection.
- Inability to develop robust processes that demonstrate organisational learning from significant event analyses (SEAs).
- Inability to corporately collate clinical supervision compliance across clinical teams to support assurance that teams are delivering high quality care.

Enhancing Prevention, Wellbeing and Recovery

- Inability to equip patients and carers with skills and knowledge needed via social prescribing
- Inability to meet early intervention targets (national – IAPT, EIP, Dementia)
- Inability to meet early intervention targets (local – CAHMS, ASD, CYP)
- Patients don't have the right level of physical healthcare support and there is not a cohesive alignment of mental health and physical health services to get parity of esteem.
- As a result of increased referrals to the East Riding of Yorkshire CAMHS and commissioner decisions in relation to the service, there may be reduced capacity and increased waiting times which could lead to deteriorating patient condition.

Fostering Integration, Partnerships and Alliances

- Lack of involvement in Sustainability and Transformation Plans or Patient-Led Assessment of the Care Environment (PLACE) plans.
- There is a risk to future sustainability and reputation arising from a failure to compete effectively and build excellent relationships with partners and stakeholders via partnership working and all communications and marketing activities.
- Inability to utilise research to inform and influence service delivery and business development.

Developing an Effective and Empowered Workforce

- Inability to implement the Trust's Workforce Plan and Strategy may result in an inability to achieve the changes to culture and reputation which are aspired to by the organisation.
- Inability to retain appropriately qualified, skilled and experienced clinical workforce.
- Inability to meet Regulation 12 HSCA (RA) Regulations 2014 regarding mandatory training.
- Significant nursing and consultant staff vacancies may impact on the Trust's ability to deliver safe services resulting in increased use of costly temporary staffing solutions and potential impact the credibility/reputation of the organisation.

Maximising an Efficient and Sustainable Organisation

- There is a risk to future sustainability and reputation, arising from a failure to compete effectively because we have not maintained and develop strategic alliances and partnerships and not increased our commercial/market understanding.
- Adverse impact of inadequate IT systems, failing to effectively support management decisions, performance management or contract compliance.
- Trust IT systems are compromised due to a Cyber Security attack/incident - this could be a malicious attack from an external third party or an accidental attack from inside the trust network due to inappropriate actions taken by staff, patients or visitors that compromise the IT systems security.
- Risk to longer-term financial sustainability if we are unable to deliver Trust savings targets and income declines through implementation of tariff or commissioner targets.
- The Trust's cash position deteriorates adversely where day to day functioning and financial independence is impacted.
- If the Trust cannot achieve its Budget Reduction Strategy for 2018-19, it may affect the Trust's ability to achieve its control total which could lead to a significant impact on finances resulting in loss of funding and reputational harm.
- Inability to achieve the NHS Improvement Use of Resources Score for 2018/19 which may result in reputational harm for the Trust and significant reduction in financial independence.
- Inability to address all risks identified as part of the capital application process due to lack of capital resource.
- Inability to improve the overall condition and efficiency of our estate.

Promoting People, Communities and Social Values

- Inability to equip patients and carers with skills and knowledge needed via social prescribing.
- Inability to implement the Trust's Equality and Diversity strategy may impact on the Trust's ability to have a workforce trained and engaged with the equality and diversity agenda, limit accessibility to services and prevent achievement of the Trust's E&D aims.
- Reduction in patients likely to recommend Trust services to friends and family may impact on Trust's reputation and stakeholder confidence in services provided.
- Inability to implement the Trust's Workforce Plan and Strategy may result in an inability to achieve the changes to culture and reputation which are aspired to by the organisation.

The principal risks to the achievement of strategic goals are managed through the Board Assurance Framework which is reviewed on a monthly basis by the Executive Management Team and as a standing agenda item on the relevant assurance committee. The framework is presented to the Trust Board on a quarterly basis for assurance and oversight.

Going Concern

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

PERFORMANCE ANALYSIS

Summary of the Financial Year

We are reporting an operating surplus of £0.642m for the year on a turnover of £130.403m. The surplus includes an Impairment adjustment of £3.957m which has been made to reflect the revaluation of Buildings and Land owned by the Trust. Before the impairment loss, we have recorded a surplus of £4.599m.

We reported an Operational surplus of £0.642m. This was after the receipt of £2.012m of Performance and Sustainability Funding (PSF) and £1.852m of PSF bonus.

Operationally, we have continued to work very hard to achieve this result. We have developed a Budget Reduction Strategy which had an initial target of £6.100m and with pressures of £2.864m an overall savings target of £8.964m was required. Savings of £5.934m were achieved against this target with the remaining savings being funded from in year non recurrent actions.

Operating Income received to deliver services increased by £12.017m compared to 2017/18. The majority of the increase in income is from a new contract in Scarborough and Ryedale worth £8.9m annually.

The closing cash balance increased to £14.935m which included capital grants in respect of the CAMHS and LHCRE projects totaling £3.682m giving underlying cash position of £11.224m. The balance is due to remain at an underlying position of £11m throughout 2019/20.

Our total capital spend in the year was £11.551m. This level of expenditure is as expected. Schemes in 2018/19 comprised of expenditure for the CAMHS project the LHCRE project, as well as rolling equipment replacement in IT and a number of estate maintenance projects.

We have an expected year-end risk rating of 1. The scale is from 1 to 4, with 1 being the lowest risk. We are expecting our governance risk rating to remain at green at the end of the year. At the time of publication this has not been confirmed by our regulator, NHS Improvement.



Financial results 2018/19 – Headlines

- Income of £130.403m, an increase of £12.017m
- Operational Surplus of £2.170m Deficit of £1.787m after Impairment
- The cash balance was £14.935m compared to £8.613m at March 2018
- Net current assets of £10.930m compared to £5.692m at March 2018
- Total net assets of £89.385m compared to £85.064m at March 2018

Income and expenditure

Income in the period was £130.403m compared to £118.386m in the previous year. This increase relates primarily to a new contract that started in May 2018 in Scarborough and Ryedale. Expenditure has increased due to costs associated with the new services.

Section 43 (2a) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the Health Service in England must be greater than its income from the provision of goods and services for any other purposes. The Trust met this requirement during 2018/19.

Capital Expenditure

Capital expenditure totaled £11.551m during the year which was below the capital plan, mainly in relation to the Child and Adolescent Mental Health Services (CAMHS) Tier Four build and the LHCRE IT project. The schemes we supported included IT infrastructure projects, including the ongoing replacement of IT equipment, and estate projects including ligature reduction works in all mental health units.

Our total assets employed increased to £83.390m compared to £79.173m a year ago.

The other most notable expenditure covered a range of projects and facilities including addressing backlog maintenance issues.

Better payment practice code

In accordance with the Confederation of British Industry's (CBI) Better Payment Practice Code, our policy is to pay non-NHS trade creditors within 30 days of receipt of goods or services, or of a valid invoice (whichever is later), unless other payment terms have been agreed with the supplier. The figures for non NHS creditors by value paid within 30 days dropped from 85% to 82%, while the number of invoices paid has reduced from 86% to 76%. NHS Trade Creditors by value reduced from 71% to 52% and the number of invoices fell from 80% to 57%. We will continue to focus on this important performance measure although this is often dependent on our customers paying invoices raised by ourselves. In 2018/19, the Trust had no liability to pay interest on invoices paid outside the 30 day payment period relating to NHS healthcare contracts or any other invoices.

	2018/2019		2017/18	
	Number	£000	Number	£000
Total non-NHS trade invoices paid in the year	30,871	48,094	26,450	44,913
Total non-NHS trade invoices paid within target	23,541	39,384	22,685	38,073
Percentage of non-NHS trade invoices paid within target	76.3%	81.8%	85.8%	84.8%
Total NHS trade invoices paid in the year	2,543	8,012	551	2,323
Total NHS trade invoices paid within target	1,460	4,178	441	1,641
Percentage of NHS trade invoices paid within target	57.4%	52.1%	80.0%	70.6%

Financial Outlook

We have responded well to the financial challenges we and the wider NHS have faced over the last two years in particular. £8.958m of cost-efficiency savings have been generated over the course of the past two years. The Trust successfully bid for community services in Scarborough and Ryedale. This is a seven-year contract with a total income of £80.5m.

Further income opportunities exist for the Trust which includes:

- **Further acquisition of GP practices**
- **CAMHS Tier 4 services**

The Trust operates in an environment of rising costs, increased expectations and increasing demand, all of which present financial challenges.

Medium-term plans demonstrate the need to continue to deliver efficiency improvements over the next three years. Given the amount already saved it is naturally more difficult to identify further savings. We continue to operate a very robust process for identifying and implementing cost savings projects. All projects must be approved by the Medical Director and Director of Nursing to ensure there is no negative impact on patient safety or quality of care. The programme of work for identifying savings initiatives for 2019/20 is largely complete and will continue to be reviewed on an ongoing basis.

We remain committed to delivering the best possible care and service within the financial resources we have at our disposal. The focus of the cost-saving projects has therefore been very much on maintaining service provision and re-structuring the organisation to meet that service provision.

We have maintained a solid financial base but we will need to continue to improve financial management to remain in a healthy financial position. All staff are encouraged to identify where any savings can be made and to highlight these savings through management teams to allow for formal budget savings to be made.

Conclusion

We delivered our expected financial performance last year. This was a positive achievement given that it is becoming increasingly difficult to identify cost efficiency improvements. As ever, it was very much a team effort across the whole organisation to deliver this financial performance. Even more importantly, the delivery of the financial results did not compromise patient care. We achieved the majority of our performance targets for the year.

We will continue to face financial challenges both this coming year and beyond. We remain positive that these challenges will be met, although we should not be under any illusions that it will not require a great deal of effort and involve making difficult decisions.

Our directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess our Trust's performance, business model and strategy.

Signed: 
Michele Moran, Chief Executive

Date: 22 May 2019

How performance is measured

How we measure performance - Meeting Framework targets

Humber Teaching NHS Foundation Trust reports to NHS Improvement (NHSI) and NHS Digital. Key Performance Indicators (KPIs) are mapped via the Integrated Board Report (IBR) and Integrated Quality and Performance Report (IQPT) to the NHSI Single Oversight Framework (SOF).

Our Trust uses a 'traffic light' or 'RAG Rating' system to report on performance and quality against our selected priorities and Key Performance Indicators (KPIs), e.g. Red = Weak, Amber = Fair and Green = Good. This is translated to reflect the organisation's performance on the selected priorities and initiatives.

Our internal reporting is split into three levels:

Level 1:

Monthly Statistical Process Control charts via the IBR to the Trust Board and monthly dashboards to the Operational Delivery Group (ODG) via the IQPT. Examples of which can be found further on in this report.

Level 2:

Monthly Care Group and Service line reports via a dashboard to the Operational Care Groups and their directors

Level 3:

Monthly performance reports at team level to directors, service managers and team leaders

We also report externally to our Commissioners via:

Contract Activity Report (CAR)

This is completed on a monthly basis by the Business Intelligence Department (BI Hub). The BI Hub was formed during 2017/18 to provide a more joined-up working approach which improves fluidity and enhances cohesiveness.

This system ensures that we can:

- Monitor critical clinical processes and activities using measures of clinical and corporate performance that trigger alerts when potential problems arise.
- Analyse the root cause of problems by exploring relevant and timely information from different sources and at various levels of detail.
- Manage people and processes to improve decisions, be more effective, enhance performance, and steer the organisation in the right direction.

Meetings are held regularly with Commissioners, Board Members, Care Group directors, service managers and with team leaders and their teams.

Internal and external audits are undertaken to ensure our methods of calculation and delivery meet the national and local guidelines.

Performance Indicator returns (PIs)

SOF and Care Quality Commission (CQC) indicators are reported in the IBR and in Care Group Dashboards. KPIs that are failing to either meet a target or are showing a continued downward trajectory require an update by the relevant Executive Director. Actions are agreed that would support the development of services and make improvements that will enable the Trust to meet its contractual obligations.

PERFORMANCE ANALYSIS

Benchmarking

Each year the Trust participates in the national benchmarking data collections projects, this consists of Adult & Older Adult Mental Health Service, Community Services (Physical Health), CAMHS (Children and Adolescent Mental Health Services), Corporate Services and Perinatal to name a few.

The benchmarking projects allow for comprehensive benchmarking of activity, finance, workforce and quality metrics. Service quality, safety and outcomes against the rest of the NHS can be explored within the toolkit. This is the largest set of physical and mental health intelligence available in the NHS, including a dataset of over 5,000 indicators provided by each statutory provider in England and Wales and a number of large independent sector providers.

The Trust utilises a number of outputs from the data collection, such as:

- Access to the benchmarking toolkit, allowing you to compare your service nationally across several thousand metrics.
- A high level bespoke report tailored to our organisation, outlining key messages and metrics.
- The opportunity to attend the various conference to hear from national speakers and member good practice sites.

The findings are shared with the respective Care Groups for their consideration and action. Any identical indicators in the Trusts IBR and IQPT will also include national benchmarking results for a direct comparison where possible.

Finance

The use of resources score reported earlier in this report is split by the five components, with an overall score, and is reported at a granular level.

Financial information is linked and presented to the Board of Directors who are provided with a breakdown of the Use of Resources score in the monthly finance report. This information is also linked to the Integrated Quality and Performance Tracker (IQPT) report that is also provided to the Board every month and includes a number of the performance measurements that are covered to some extent in the Use of Resources rating and also includes reporting on bank, agency and overtime whereas the Use of Resources specifies agency.

Performance Dashboards

Humber Teaching NHS Foundation Trust reports to NHS Improvement (NHSI) and NHS Digital. Key indicators are mapped via the Integrated Board Report and Integrated Quality and Performance Report (IQPT) to the NHSI Single Oversight Framework (SOF), formerly the Risk Assessment Framework.

The links between our key performance indicators (KPIs), risk and uncertainty run through our corporate risk register and Board Assurance Framework (BAF). Where performance is not where it is expected, this is logged as a risk for the Trust which if sufficiently scored appears on the risk register and the BAF. In addition, Finance and Use of Resources is one of the five themes feeding into the Single Oversight Framework.

Performance during the year

Finance

Monthly KPI Assurance Levels : Finance			
Within Target	Within Tolerance	Outside Target	Under Review/ Not Rated
1	3	1	1
Period Ending:		Mar-19	
Quarter Ending:		Q4	

Financial Indicators and CQUiNS

Strategic Goal	Indicator Definition	Threshold / Target	Current month RAG Definition	Frequency	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
					Q1	Q2	Q3	Q4	YTD
5	Bank, Agency and Overtime - Trustwide (£'000s)	Low Spend	Fair	Mthly	£2,087	£2,002	£1,961	£2,702	£8,752
5	Cash in the Bank (£'000K)	None set	Not Rated	Mthly	£8,406	£8,794	£12,125	£14,896	As at quarter end
5	Use of Resources Score	≥3	Good	Mthly	3	3	3	2	2
5	Income/Expenditure against Plan (£'000K) - Cumulative	Surplus	Weak	Mthly	539	1398	1334	-259	As at quarter end
5	PbR Clustering (Patients Clustered)	95.0%	Fair	Mthly	93.8%	94.3%	93.8%	93.5%	94.4%
5	PbR Clustering (Patients Clustered with a Review)	95.0%	Fair	Mthly	89.2%	87.2%	90.3%	91.9%	92.0%

The I&E performance against plan is influenced by the impairment charges in March 2019

Operational Performance

Monthly KPI Assurance Levels			
Within Target	Within Tolerance	Outside Target	Under Review/ Not Rated
7	1	10	2
Period Ending:		Mar-19	
Quarter Ending:		Q4	

PERFORMANCE ANALYSIS

Operational Performance

Strategic Goal	Indicator Definition	Threshold / Target	Current month RAG Definition	Frequency	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD/QTD Month End
					Q1	Q2	Q3	Q4	Month End
1	Occupied Bed Days - Specialist Including Leave ONLY	90.0%	Weak	Mthly	90.0%	90.3%	84.2%	76.4%	74.6%
1	Occupied Bed Days - Mental Health Excluding Leave	85.0%	Weak	Mthly	77.7%	80.9%	72.6%	75.8%	75.3%
1	Occupied Bed Days - Mental Health Including Leave	85.0%	Weak	Mthly	84.5%	85.9%	78.7%	79.1%	79.6%
1	Occupied Bed Days - Children's and LD Excluding Leave	85.0%	Weak	Mthly	64.8%	61.7%	46.7%	29.0%	18.4%
1	Occupied Bed Days - Children's and LD Including Leave	85.0%	Weak	Mthly	68.8%	64.5%	50.2%	34.0%	21.4%
1	Occupied Bed Days - Community Hospitals Excluding Leave	90.0%	Fair	Mthly	83.2%	83.7%	73.8%	85.4%	83.4%
2	Care Programme Approach (CPA) Formal Review within 12 months	95.0%	Good	Mthly	92.8%	96.3%	94.8%	95.7%	95.4%
2	Early Intervention in Psychosis (EIP) - First episode treated within 2 weeks	53.0%	Good	Mthly	85.7%	92.3%	86.1%	86.0%	86.0%
2	IAPT - Treated in 6 weeks of referral	75.0%	Good	Mthly	98.6%	98.5%	99.2%	97.9%	98.5%
2	IAPT - Treated in 18 weeks of referral	95.0%	Good	Mthly	100.0%	100.0%	100.0%	100.0%	100.0%
2	ER IAPT - Moving to Recovery	50.0%	Good	Mthly	61.8%	53.4%	60.2%	62.2%	59.1%
2	Care Programme Approach (CPA) Follow Up within 7 days of discharge	100.0%	Weak	Mthly	98.3%	98.4%	100.0%	98.4%	98.7%
1	Total Time in A&E (Whitby) - spent waiting less than 4 hours	95.0%	Good	Mthly	99.9%	99.9%	100.0%	100.1%	100.0%
3	Minimising Mental Health Delayed Transfers of Care - As at Month End	7.5%	Good	Mthly	5.0%	6.5%	9.5%	7.3%	7.0%
3	Mental Health SDS Completeness - Employment (as at month end)	No target	Not Rated	Mthly	78.8%	79.4%	81.4%	81.0%	81.9%
3	Mental Health SDS Completeness - Accommodation (as at month end)	No target	Not Rated	Mthly	13.6%	13.2%	14.0%	14.4%	14.4%

Operational Performance

2	Breastfeeding Attrition Rates	9.0%	Not Rated	Yrly	Year End Position Only				9.8%	
					12 month rolling figure	Rolling 3 months	Rolling 3 months	Rolling 3 months	Rolling 3 months	YTD average/ Mth End
2	RTT - within 18 weeks of Referral - Seen / Experienced Waits	95.0%	Weak	Mthly	95.1%	92.4%	93.8%	89.5%	92.6%	
2	RTT - within 18 weeks of Referral - Unseen / Waiting List	92.0%	Weak	Mthly	78.3%	76.5%	76.1%	73.5%	73.5%	
2	RTT > 52 weeks of Referral - Unseen / Waiting List (inc ASD)	0	Weak	Mthly	338	399	481	644	0	
3	RTT > 52 weeks of Referral - Unseen / Waiting List (exc ASD)	0	Weak	Mthly	134	25	44	77	77	

Strategy

All KPI Assurance Levels : Safe			
Within Target	Within Tolerance	Outside Target	Under Review/ Note Rated
4	0	1	0
Period Ending:		Mar-19	
Quarter Ending:		Q4	

Entry	Indicator Definition	Threshold / Target	Current month RAG Definition	Frequency	Quarter 1	Quarter 2	Quarter 3	Quarter 4	As At Month End
					Q1	Q2	Q3	Q4	Month End
ST 1a	Admission of patients under 18 to adult wards	0	Weak	Mthly	1	2	3	4	3
ST 1b	Admission of patients under 16 to adult wards	1	Good	Mthly	1	0	0	0	0
ST 2	Best practice in Mental Health for people with Learning Disability	n/a	Good	Mthly	Green	Green	Green	Green	Green
ST 3	Access to Healthcare for People with a Learning Disability	n/a	Good	Qtrly	met	met	met	met	met
ST 4b	Out of Area Placements (days)	220	Good	Mthly	94	90	132	169	169

PERFORMANCE ANALYSIS

Leadership

All KPI Assurance Levels : Well Led			
Within Target	Within Tolerance	Outside Target	Under Review/ Not Rated
17	8	3	3
Period Ending:		Mar-19	
Quarter Ending:		Q4	

Entry	Indicator Definition	Threshold / Target	Current month RAG Definition	Frequency	Quarter 1	Quarter 2	Quarter 3	Quarter 4	As at Month/ Qtr End
					Q1	Q2	Q3	Q4	
WL 1	Percentage of Sickness Absence (RAG based on previous month)	4.5%	Fair	Mthly	5.1%	5.0%	5.5%	5.0%	5.0%
WL 1 rollir	Sickness Absence Rolling 12 months	4.5%	Fair	Mthly	5.4%	5.2%	5.1%	5.2%	5.2%
WL 3 TOA	Staff Turnover as at month end	0.8%	Weak	Mthly	1.0%	1.8%	1.1%	2.1%	2.1%
WL 4 (i)	Percentage of Appraisals Completed	85.0%	Good	Mthly	82.9%	79.0%	80.5%	86.3%	86.3%
WL 4 (ii)	Percentage of Appraisals Completed for staff whose employment exceeds 12 months	85.0%	Good	Mthly	84.6%	84.1%	83.6%	88.3%	88.3%
WL 9a	Percentage of staff with appropriate Clinical Supervision	80.0%	Fair	Mthly	77.2%	80.5%	76.8%	83.6%	83.6%
WL 9b	Percentage of teams with Clinical Supervision Structure in place	80.0%	Good	Mthly	100.0%	100.0%	100.0%	100.0%	100.0%
WL 5	Trust Overall Training Compliance	85.0%	Good	Mthly	88.9%	86.5%	88.2%	88.4%	88.4%
WL 5a	Control of Substances Hazardous to Health (COSHH)	85.0%	Good	Mthly	92.4%	88.5%	91.8%	90.4%	90.4%
WL 5b	Managing Conflict	85.0%	Good	Mthly	88.9%	90.9%	90.0%	91.0%	91.0%
WL 5c	Patient and Team Safety (PATs)	85.0%	Weak	Mthly	65.4%	69.6%	69.3%	70.2%	70.2%
WL 5d	MAPA (Inpatient)	85.0%	Fair	Mthly	86.0%	87.3%	86.5%	83.1%	83.1%
WL 5e	Display Screen Equipment (DSE)	85.0%	Good	Mthly	89.4%	87.1%	91.2%	93.2%	93.2%
WL 5f	Equality & Diversity	85.0%	Good	Mthly	90.5%	87.4%	89.9%	86.0%	86.0%
WL 5h (i)	Fire	85.0%	Good	Mthly	85.0%	83.0%	86.4%	87.9%	87.9%
WL 5i	Health & Safety	85.0%	Good	Mthly	92.4%	90.7%	90.6%	88.4%	88.4%

Entry	Indicator Definition	Threshold / Target	Current month RAG Definition	Frequency	Quarter 1	Quarter 2	Quarter 3	Quarter 4	As at Month/ Qtr End
					Q1	Q2	Q3	Q4	
WL 5k (i)	Infection Control	85.0%	Good	Mthly	92.2%	92.2%	92.4%	92.7%	92.7%
WL 5l	Information Governance (IG)	95.0%	Fair	Mthly	94.4%	91.1%	88.2%	94.6%	94.6%
WL 5m (i)	Mental Capacity Act (MCA)	85.0%	Good	Mthly	90.5%	86.7%	92.1%	89.8%	89.8%
WL 5p (i)	Moving & Handling	85.0%	Fair	Mthly	87.8%	87.9%	86.8%	85.0%	85.0%
WL 5r (i)	Prevent	85.0%	Good	Mthly	93.9%	90.6%	91.0%	91.3%	91.3%
WL 5t (i)	Basic Life Support (BLS)	85.0%	Fair	Mthly	70.4%	61.0%	72.1%	75.8%	75.8%
WL 5u	Immediate Life Support (ILS)	85.0%	Fair	Mthly	80.4%	75.9%	75.5%	82.2%	82.2%
WL 5x (i)	Adult Safeguarding	85.0%	Good	Mthly	93.2%	90.4%	91.1%	91.5%	91.5%
WL 5aa (i)	Children Safeguarding	85.0%	Good	Mthly	87.1%	85.6%	87.9%	86.6%	86.6%
WL 5ab	Mental Health Act (MHA)	85.0%	Good	Mthly	82.5%	85.4%	82.9%	85.3%	85.3%
WL 7	Staff Flu Vaccination Uptake (Trustwide)	n/a	##	Not Rated	Data provided October to February				ended
	Research and Development		Target		165	330	495	660	660
WL 8	Research and Development - Recruitment of Patients on Studies	100.0%	Good	Mthly	227%	225%	260%	224%	224%
WL 8b	Research and Development - Total Recruitment (within MTH/QTR)	660 / yr	Not Rated	Mthly	140	150	61	45	45
WL 8a	Research and Development - Recruitment (YTD cumulative)	n/a	Achievement month to date		375	742	1286	1481	1481

Information is now presented using Statistical Process Charts for smaller number of key indicators, mapped against each of the Trusts Strategic Goals. The use of Statistical Process Charts allows key performance data to be analysed over a period of time to establish trends in performance, upper and lower statistical thresholds are utilised to analyse performance and identify where movements in performance are within normal ranges (common cause variation) or require further investigation/understanding (special cause variation).

PERFORMANCE ANALYSIS



Environmental Issues



Sustainable Development

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term even in the context of rising cost of natural resources.

In order to fulfil our responsibilities for the role we play, we have created a Sustainable Development Management Plan (SDMP). The SDMP looks at five key areas which include travel, transport, procurement, waste and social value using this guide the Trust will be looking at ways it can reduce its impact on the environment.

Our sustainability mission statement is: This Sustainable Development Management Plan (SDMP) has been devised in line with the agreed NHS England carbon reduction strategy. The plan seeks to ensure the Trust provides high quality healthcare today and into the future in a way that minimises negative effects on the environment. Implementing the objectives within this plan will not only further reduce our carbon footprint, but will also facilitate working together with stakeholders to initiate health improvement initiatives and reductions in inequalities. It will also move the Trust closer to achieving the overall 2020 carbon reduction target. Our commitment is to ensure that we encourage and enable our staff to provide healthcare services in the most sustainable way possible and involve patients, visitors and the wider public in helping us to meet the challenge.

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

PERFORMANCE ANALYSIS

The approved SDMP is to be evaluated annually and aims to set out clear actions for each department which affect the five key areas mentioned above, these include Energy (including water), Travel, Procurement and Commissioning (including waste) and social value. The Trust will also be using an internal group of key staff and tools from the Sustainable Development Unit (SDU) which will assist in the monitoring of the environmental agenda across the Trust, these include:

- Sustainable Development Steering Group (SDSG)
- Good Corporate Citizen – GCC Assessment (current score 67%)
- Sustainable Development Assessment Tool – SDAT Tool (N/A)
- Sustainable Development Action Plan (SDAP)

This strategy will give the organisation the ability to measure its current level of sustainable development, act and monitor its progress through the group to the board.

Energy

Humber Teaching NHS Foundation Trust has spent £816,147 on energy in 2018-19, which is a 12.3% increase on energy spend from last year. There are many factors involved with the increase in energy cost; one of the main issues NHS organisations are facing is the increase in non-commodity charges. While the commodity cost (PPU) is reasonably stable the non-commodity cost are increasing at around 12-15% annually. Non commodity charges already make up around 50% of the Trusts energy costs and are set to increase going into 2020. Non-commodity costs (also known as third party costs) include the other charges that make up the network bill that are not for electricity and gas itself. These compulsory charges cover the cost of delivering energy, balancing the grid and all networks costs also included are taxes and levies, primarily from the government in order to support the development of renewable energy and reduce carbon emissions.

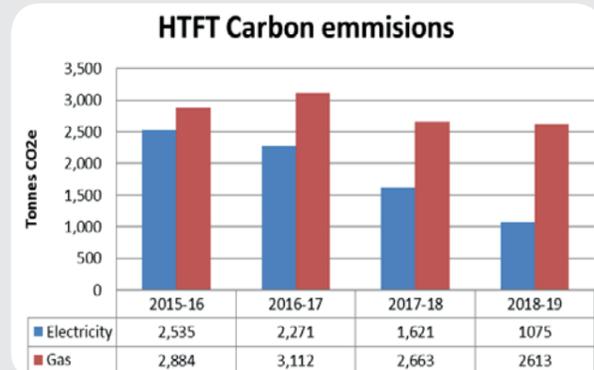
ENERGY USED

(Energy consumption in kWh)	2015-16	2016-17	2017-18	2018-19
Electricity Consumed	4,408,633	4,394,177	3,636,701	3,712,674
Gas Consumed	13,781,713	14,888,836	12,560,103	13,988,774
Total	18,190,346	19,283,013	16,196,804	17,701,448

CARBON EMISSIONS RESULTING

CO2 Emissions (tCO2e)	2015-16	2016-17	2017-18	2018-19
Electricity	2,535	2,271	1,278	1,310
Gas	2,884	3,112	2,663	2,971

CO2 EMISSIONS (TCO2E)



The Trust has a growing sustainability programme which is set to minimise the organisations effect on the environment. This year the Trust has been exploring the potential of solar PV installations and large scale LED lighting installation projects. Whilst the work has been completed for the detail of these projects a funding route is yet to be decided. SALIX finance is one of the options going forward. While projects are essential to meeting the trust reduction plans outlined in its SDMP the Trust is also focused on pushing the green agenda to staff.

Travel

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

Every action counts and we are a lean organisation trying to realise efficiencies across the board for cost and carbon (CO2e) reductions. We support a culture for active travel to improve staff wellbeing and reduce sickness. Air pollution, accidents and noise all cause health problems for our local population, patients, staff and visitors and are caused by cars, as well as other forms of transport.

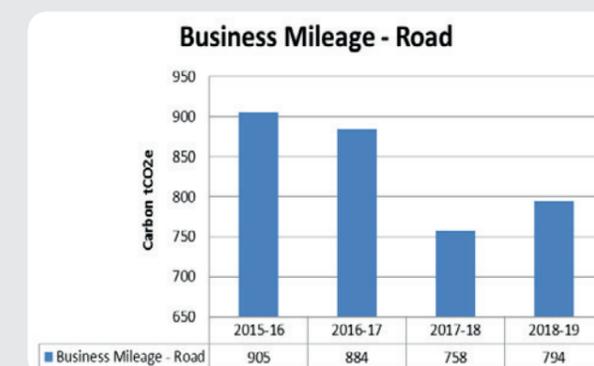
TRAVEL UNDERTAKEN - All travel is shown in miles.

Travel undertaken	2015-16	2016-17	2017-18	2018-19
Business travel and fleet	2,501,850	2,445,848	2,126,827	2,154,554
Total	2,501,850	2,445,848	2,126,827	2,154,554

CARBON EMISSIONS RESULTING

CO2 Emissions (tCO2e)	2015-16	2016-17	2017-18	2018-19
Business Mileage - Road	905	884	758	794
Total	905	884	758	794

CO2 EMISSIONS (TCO2E)



Waste produced

There have been a number of challenges this year in terms of waste management following the enforced withdrawal from the clinical waste contract in October 2018 and the introduction of a new emergency contract for a 12 month period. The Trust operated under business continuity arrangements from the October 2018 to February 2019. Whilst we are able to maintain "business as usual" operations at site level the back of house management arrangements were significantly impacted resulting in accurate disposal tonnage and disposal method information being unavailable.

The domestic waste and recycling contract has continued to be unaffected and as such we continue in a "zero waste to landfill" contract with BIFFA. Any such waste collected from our premises is either recycled or incinerated at a "waste to energy" incineration plant.

PERFORMANCE ANALYSIS

FINITE RESOURCE USE - WATER

Carbon emissions resulting

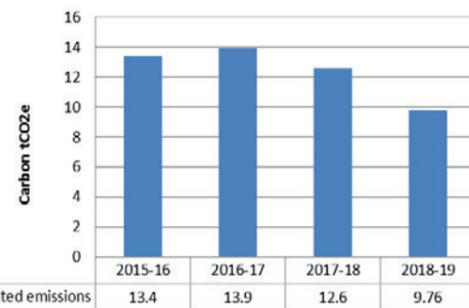
Finite resource use - Water	2015-16	2016-17	2017-18	2018-19
Water volume (m ³)	38,797	40,433	36,494	28,359
Waste water volume (m ³)	31,038	32,346	29,195	26,752
Water and sewage cost (£)	112,727	112,742	101,865	90,961

CO2 EMISSIONS (TCO2E)

CO2 Emissions (tCO2e)	2015-16	2016-17	2017-18	2018-19
Water related emissions	13.4	13.9	12.6	9.76

PROCUREMENT EMISSIONS PROGRESS

Water related emissions



Social Values Report

We are delivering on our commitment to embed social accounting within the Trust to enable us to demonstrate and measure the impact we make socially on the communities we serve. This year, we have produced a Social Values Annual Report that is available on our website and provides a range of information against this agenda.

The principles of social value allows the Trust to take into account the wider aspects of increasing equality, improving wellbeing and increased environmental sustainability to be considered when making decisions. Accounts of social value estimate the value of changes experienced by people. Calculations include qualitative, quantitative and comparative information in relation to how services/changes affect people's lives.



Social Community and Human Rights

The Trust serves a richly diverse population and works hard to ensure all our services are fair and equally accessible to everyone.

We aim to employ a workforce which is as representative as possible of this population; so we are open to the value of differences in age, disability, gender, marital status, pregnancy and maternity, race, gender reassignment sexual orientation, and religion or belief.

Our vision, which applies to staff, patients, and patients' families, is to be 'effortlessly inclusive'. To achieve that vision, we aim to:

- treat everyone with respect and dignity at all times;
- challenge discriminatory behaviour and practice;
- recognise and embrace diversity;
- ensure equal and easy access to services;
- ensure equal access to employment and development opportunities; and
- consult and engage with staff, patients and their families to ensure the services and facilities of the Trust meet their needs.

We have refreshed our Patient and Carer Experience Strategy and published our Strategy and continuing journey which runs from 2018 to 2023 and equality and diversity is the golden thread woven throughout it. The strategy meets with our duties and requirements of the Equality Act 2010 and the national NHS Equality Delivery System 2 (EDS2).

An Equality and Diversity Strategy for staff is being developed for the year ahead to further outline and progress our commitment to equality and diversity in the workplace. The aim of the strategy will be to demonstrate our commitment to employing and retaining a diverse workforce and developing robust employment practices that are free from discrimination and create equality of opportunity for everyone.

The Trust has an Equality, Diversity & Inclusion Policy in respect of our employment which is kept under review. The effectiveness of all of these policies is routinely monitored through incidents and other events to ensure that none of our services adversely affect any one section of the communities we serve, or any one of the protected characteristics. In addition, all our policies, transformations and associated documents are equality impact-assessed.

Anti-fraud, bribery and corruption

The Trust has a local counter-fraud specialist and there are policies in place to support counter-fraud and corruption. It is the Trust's policy that all allegations of fraud must be referred to the Trust's Director of Finance.

The Trust has a publicly available Anti-Bribery statement and leaflet on the Trust's public website. In addition, the Trust has an intranet fraud page for staff which refers to bribery. The Audit Committee receives regular updates from the Local Counter Fraud Specialist.

Bribery is also referenced in various policies including the Bribery Prevention Policy, Standing Orders, Scheme of Delegation and Standing Financial Instructions, Local Anti-Fraud, Bribery and Corruption Policy, and Standards of Business Conduct and Managing Conflict of Interest Policy, which includes the requirements around gifts and hospitality that was updated in-year to take account of revised NHS England guidance. In addition, the Bribery Act will continue to be incorporated into all staff fraud awareness literature and presentations.

Emergency Preparedness, Resilience and Response (EPRR) Assurance

All Trusts have a duty to plan for and respond to major, critical and business continuity incidents whilst maintaining services to patients.

In order to provide assurance that it has addressed this duty, the Trust has reviewed itself against NHS England's core standards for Emergency Preparedness, Resilience and Response and rated itself as 'substantially' compliant in 2018.

PERFORMANCE ANALYSIS

The Trust undertook an annual desktop exercise with a number of key staff from the Trust including the Non Executive Director for EPRR focusing on command and control, Service Business Continuity Plans and Communications.

The Trusts' overall assurance rating has been signed off by the Executive Management Team, the Trust Board and shared with the Local Health Resilience Partnership.

Conclusion

We delivered our expected financial performance last year despite national efficiency requirements being applied. This was a positive achievement given the difficulties in identifying further cost improvements. As ever, it was very much a team effort across the whole organisation to deliver this financial performance without compromising patient care. We achieved the majority of our performance targets for the year.

In conclusion, we will continue to face significant financial challenges in 2019/20 and beyond; however, we remain positive that these challenges will be met despite the effort required to do so and the likelihood of having to face some difficult decisions in future.

The Financial Statements included in this report (and also available on our website) are a summary of the information in the full accounts which are available on our website and on demand by emailing our Communications Team at hnf-tr.communications@nhs.net

Our directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess our Trust's performance, business model and strategy.

Signed: 

Date: 22 May 2019

Michele Moran, Chief Executive

ACCOUNTABILITY REPORT

Accountability Report



Directors' Report

The Board of Directors sets the strategic goals and objectives of the Trust and monitors the Trust's performance against these objectives; ensuring appropriate action is taken when necessary. It is responsible for managing the business of the Trust and is legally responsible for delivering high-quality, effective services and for the financial control and performance of the Trust.

The Board is made up of Executive and Non-Executive Directors who develop and monitor the Trust's Strategy and performance against key objectives and other indicators.

The table below provides details of the composition of the Board of Directors throughout the year. During the year there were some changes at Board level that are also summarised below.

- Mrs Elizabeth Thomas, Director of Human Resources & Diversity left the Trust at the end of April 2018.
- Dr David Crick, Non Executive Director left the Trust at the end of May 2018.
- Mr Steve McGowan was appointed as Director of Human Resources & Diversity in June 2018.
- Ms Lynn Parkinson was appointed as Chief Operating Officer in October 2018.

The Chairman of the Board of Directors is Sharon Mays and the Board of Directors comprised six non-executive directors (including the chairman) and six executive directors (including the chief executive). Peter Baren, Non-Executive Director, is the Senior Independent Director. Steve McGowan, Director of Human Resources and Diversity, is a non-voting member of the Board of Directors.

Arrangements are in place to ensure that services are well-led and further details are contained in our Annual Governance Statement later in this report.

The Board of Directors reviews and evaluates its performance on an ongoing basis. This review covers areas such as constructive challenge, appropriateness of the agenda, quality of papers, quality and inclusiveness of debate, and effectiveness of the Chairman. A review of the strategic priorities is reported on a quarterly basis.

ACCOUNTABILITY REPORT

The governance structure of the organisation was fully reviewed in preparation for 2018/19 and was embedded during the year. Further improvements were made to the committee structure during the year to provide a clear focus on key governance areas and details of all committees are described in this report.

The Care Quality Commission undertook a well led inspection in February 2019 and their findings are detailed within the Annual Governance Statement on page 90. An action plan to address areas identified in this report will be developed and progressed throughout the year.

Each Board of Directors sub-committee produces an annual effectiveness review report on its activities, achievements and plans for the year ahead which is presented to the Board of Directors by the committee chair.

The arrangements for evaluation of the Chairman and Non-Executive Directors were agreed by the Council of Governors' Appointments, Terms and Conditions Committee. The Senior Independent Director led the appraisal of the Chairman, with appropriate consultation with Non-Executive Directors, Governors and other relevant parties. The Chairman led the evaluation of the Non-Executive Directors supported by the Council of Governors' Appointments, Terms and Conditions Committee.

The Chief Executive and Executive Directors are subject to formal appraisal by the Chairman and Chief Executive respectively. This is based on the agreement of objectives linked to the key components of the Trust's annual plan and progress is monitored throughout the year. The Chairman is consulted concerning the corporate, as opposed to professional, performance of the Executive Directors. Regular meetings with the Non-Executive Directors and the Chairman are held without the Executive Directors being present. The Board of Directors' composition is in accordance with the Trust's constitution and details of attendance at meetings are provided in the attendance table.

COMPOSITION OF THE BOARD OF DIRECTORS

Non-Executive Directors:

Name	Position	Appointed to Humber Teaching NHS Foundation Trust	Term of office ends
Sharon Mays	Trust Chairman • Chairman of Council of Governors • Chairman of Remuneration and Nomination Committee	16 September 2014	15 September 2020
David Crick	Independent Non-Executive Director • Chair of Mental Health Legislation Committee up to January 2018	1 June 2012	31 May 2018
Peter Baren	Independent Non-Executive Director • Chair of Audit Committee • Senior Independent Director	1 December 2013	31 January 2020
Paula Bee	Independent Non-Executive Director • Chair of Charitable Funds Committee	1 March 2016	30 September 2021
Mike Cooke	Independent Non-Executive Director • Chair of Quality Committee	1 September 2016	31 August 2022
Mike Smith	Independent Non-Executive Director • Chair of Mental Health Legislation Committee	1 October 2016	30 September 2021
Francis Patton	Independent Non-Executive Director, • Chair of Finance & Investment Committee (previously Finance Committee) • Chair of Workforce & Organisational Development Committee from March 2019	1 January 2018	31 December 2020

Executive Directors:

Name	Position	Appointed to Humber Teaching NHS Foundation Trust	Term of office ends
Michele Moran	Chief Executive	29 January 2017	N/A
Hilary Gledhill	Director of Nursing	1 June 2015	N/A
Peter Beckwith	Director of Finance	10 March 2017	N/A
Lynn Parkinson	Chief Operating Officer (COO) Interim COO 1 February- 30 September 2018	1 October 2018	N/A
John Byrne	Medical Director	1 October 2017	N/A
Steve McGowan (non-voting)	Director of Human Resources & Diversity	18 June 2018	N/A
Elizabeth Thomas (non-voting)	Director of Human Resources & Diversity	1 February 2014	To 30 April 2018

The composition of the Board of Directors allows it to fulfil its statutory and constitutional functions and to comply with its provider licence. The balance of the Board of Directors meets the provisions of the NHS Foundation Trust Code of Governance requirements for at least half of the directors (excluding the Chairman) being independent Non-Executive Directors. The Non-Executive Board members possess a wide range of skills and experience essential for an effective Board of Directors. These skills enable them to provide independent judgement and advice on issues of strategy, vision, performance, resources and standards of conduct, and constructively challenge, influence and help the executive team develop proposals on such strategies.

The Council of Governors' is chaired by the Chairman who is responsible for providing leadership to both the Board of Directors and the Council of Governors. The Chairman ensures there is effective communication between the Board of Directors and the Council of Governors, gaining the views of the Governors as necessary for consideration by the Board of Directors.

Executive and Non-Executive Directors have an open invitation to attend the Council of Governors' meetings, the Governor groups and Governor development days that are held. They also receive copies of the Council of Governors' meeting papers, including the minutes. The Chairman, supported by the Senior Independent Director, promotes an engaging relationship between the Board of Directors and Council of Governors. Sessions with Board members and Governors take place within the development day meetings which give an opportunity for Governors to engage with Executive and Non-Executive Directors. There has also been regular attendance by Governors at the Board of Directors' public meetings. A Governor, Non-Executive and Executive Knowledge and Engagement visit programme to inpatient units, services and teams is also in place.

The Board of Directors delegates the day-to-day management of the Trust's operational services to the Executive Directors, with the Non-Executive Directors sharing corporate responsibility for ensuring the Trust is run in an economical, effective and efficient way.

ACCOUNTABILITY REPORT

The Chairman and Chief Executive continually review the balance, appropriateness and effectiveness of the Board of Directors, ensuring there is continuity when new directors are appointed.

Trust performance was closely monitored during the year by the Board of Directors through the presentation of reports and discussion of key performance information at each of its meetings. The Board of Directors acknowledges its responsibility for preparing the Annual Report and Accounts and considers that, taken as a whole, they are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

The Trust Board has in place a three-year Risk Management Strategy (2016 – 2019) which sets out the Trust's commitment to embedding an integrated approach to managing risk. The Trust's risk management strategy was reviewed and updated in November 2018 to future-proof it in line with the proposed care group structure changes and the inclusion of the Board agreed risk appetite statement. The development of the Risk Management Strategy 2020 – 2023 will commence in mid-2019. It is recognised that a proactive approach the risk management can enable a reduction in harm to patients and staff, assist in creating safer care environments and is essential for the achievement of the organisation's strategic goals as well as the Trust's corporate and clinical objectives.

The Trust has undertaken a self-assessment to identify further areas for improvement within risk management and have developed a risk management action plan as part of its annual risk management report for 2018-2019, in an effort to further develop the risk management culture of the organisation.

A review was undertaken in 2018/19 as part of the Trust Board strategy sessions to review the definition of the Trust's risk appetite or the level of risk that it is prepared to accept, tolerate, or be exposed to. A revised risk appetite statement was developed following agreement by the Trust Board which defines the level of risk that can be accepted against key domain areas as well as the Trust's strategic goals. This updated appetite statement has been included in the Trust Risk Management Strategy as part of the review undertaken in 2018 and will be refreshed during 2019 as part of the development of the 2020 – 2023 Risk Management Strategy.

Trust Board has the overall responsibility for risk management throughout the Trust and reviews the Board Assurance Framework and Trust-wide risk register on a quarterly basis. Risks identified by Board committees and sub-groups are recorded on relevant directorate/ care group risk registers and the managed through the necessary forum. Risks are identified across the organisation and there is an escalation process in place to use when required.

Regular updates from the Executive Management Team and the Trust's Audit, Quality and Finance and Investment Committees are received by the Trust Board to provide further assurance around the application of risk management within the Trust.

Audit Committee is the Board committee with overarching responsibility for the management of risk within the Trust. The role for the committee is to scrutinise and review the Trust's systems of governance, risks management and internal control. Regular assurance is sought in terms of the Trust's risk management arrangements to enable oversight of the approach to risk, as well as the Trust-wide risk register and Board Assurance Framework, to focus on individual risks and suitability of identified controls.

Quality Committee and the Finance and Investment Committee are also responsible for risk management within the organisation and have assigned sections of the Board Assurance Framework that are reviewed on a cyclical basis for oversight of risks to achievement of the Trust's strategic objectives. The Quality Committee also receives a register of all of the Trust risks in relation to quality for regular review, and to strengthen the confirm and challenge arrangements around risk management within the organisation. A Workforce

and Organisational Development Committee has been established commencing March 2019 which will undertake a similar function as the Quality Committee, but with regards to workforce related risks facing the Trust.

Leadership for risk management across the Trust is provided by the Executive Management Team and is chaired by the Chief Executive. The Executive Management Team gives consideration to the development of systems and processes, with individual directors championing risk management within their own areas of responsibility. The group fulfils the lead function for managing the Trust-wide risk register, reviewing all proposed new risks for inclusion, monitoring existing risk entries on a regular basis and considering requests for risk de-escalations. Further responsibility extends to the regular review of project risks that pose potential to significantly impact on the delivery of key Trust projects or affect delivery of Trust strategic objectives.

Operational Delivery Group is chaired by the Chief Operating Officer and considers the risks register at a care group and directorate level. The group is responsible for ensuring that risk assessments are consistent, timely and that appropriate actions have been taken to manage and mitigate the level of risk. Care Group and Directorate risk registers are cross-referenced to identify any emerging themes or trends in terms of risk, and items can be escalated for the consideration of the Executive Management Team where required.

These arrangements are in place to ensure that the Trust has effective processes for managing all types of risk and that it is making appropriate risk management decisions to enable the organisation to deliver on its objectives.

Enhanced quality reporting

Humber Teaching NHS Foundation Trust uses a 'traffic light' or 'RAG-rating' system to report on performance and quality against selected priorities and key performance indicators (KPIs). This is translated to reflect the organisation's performance on the selected priorities and initiatives and is reported internally at three levels:

- Level 1:** Monthly and quarterly performance and quality reports to the Board of Directors via the Integrated Performance Tracker (IPT)/Quality Dashboard.
- Level 2:** Monthly care group reports via a dashboard to the operational care groups and their directors.
- Level 3:** Monthly performance reports at team level to service managers and team leaders.

The Trust reports externally to our commissioners via contract activity reporting on a monthly basis which highlights service performance and quality within the organisation.

Reporting processes within the Trust ensure that it can effectively monitor its clinical processes and activity through performance and quality reporting that trigger alerts when issues are identified. It is also allows for the analysis of root causes of problems by considering timely information gathered from different sources at various levels of the Trust. As such, the Trust is able to effectively manage people and processes to improve decisions, be more effective in service delivery and deliver better quality services.

The Trust has reviewed its performance reporting to ensure that a more focused report is provided to Board on key strategic performance indicators. Information is now presented using Statistical Process Charts for smaller number of key indicators, mapped against each of the Trusts Strategic Goals. The use of Statistical Process Charts allows key performance data to be analysed over a period of time to establish trends in performance, Upper and Lower statistical thresholds are utilised to analyse performance and identify where movements in performance are within normal ranges (common cause variation) or require further investigation/understanding (special cause variation).

ACCOUNTABILITY REPORT

Meetings are held regularly with commissioners, board members, care group directors, service managers and with team leaders and their teams. Internal and external audits are undertaken to ensure our methods of calculation and delivery meet national and local guidelines.

All NHS Improvement and CQC indicators are reported in the Trust's Integrated Quality Performance Tracker and in care group dashboards. KPIs that are failing to either meet a target or are showing a continued downward trajectory (subsequently at risk of breaching a target) are reported by exception on performance indicator returns (PIs). PIs are discussed with operational staff to understand the issues and problems and current action plans are agreed that support the development of services and make improvements that will enable the Trust to meet its contractual obligations.

More information on the governance arrangements within the organisation can be found in the Annual Governance Statement and the Annual Quality Accounts.

The improvement journey of the Trust was progressed further this year. Our Quality Account, which is provided as part of this report, provides a detailed summary of quality priorities we said we would achieve this year and evidences our delivery against each. In addition, our Quality Account includes statements received direct from our service users.

Quality remains at the heart of everything we do and we will continue on our improvement journey.

The Care Quality Commission

The Care Quality Commission (CQC) carried out its announced scheduled Well Led inspection of the Trust from 12–14 February 2019.

Following the inspection, the Trust received a full report into the quality of care provided. The overall rating of the Trust was 'Good', the same as our previous rating. The CQC rated the domains of effective, caring, responsive and well led as 'good'. The safe domain was rated as 'requires improvement' and work will continue to drive improvement in this area.

The CQC identified a number of actions that the Trust must take in order to comply with legal obligations. Further information regarding the CQC inspection can be found in the Annual Governance Statement and the Annual Quality Accounts later in this report.

Financial Requirements

The Trust remains compliant with cost allocations and charging requirements laid down by HM Treasury and did not receive any income from fees and charges in 2018/19 and 2017/18.

In accordance with Section 43(2A) of the NHS Act 2006 the Trust confirms that the income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes. The Trust has therefore met this requirement.

Also, in accordance with section 43(3A) of the NHS Act 2006, the Trust can confirm that the other income it has received has had no impact on its provision of goods and services for the purposes of the health service in England.

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

Remuneration Report

Annual Statement on Remuneration

The Remuneration and Nomination Committee determines the salaries of the Chief Executive and the other Executive Directors by considering market rates. All directors are on permanent contracts with the Chief Executive and other directors having a six-month notice period. There is no performance-related pay and no compensation for early termination for directors. The Chief Executive has the potential to earn a discretionary annual non-consolidated performance-related bonus.

The Council of Governors determines the pay for the Chairman and Non-Executive Directors and in so doing takes into account comparative remuneration of other foundation trusts. They are on fixed term, renewable contracts. There is no performance-related pay and no compensation for early termination. The Chairman and Non-Executive Directors received a 2.07% pay uplift with effect from 1 April 2018.

The Remuneration and Nomination Committee agreed a cost of living award for the Chief Executive and those Executive Directors that were employed at 1 April 2018, in line with the pay award of Band 9 of Agenda for Change. This was paid with effect from 1 April 2018.

Signed: 
Sharon Mays, Chairman

Date: 22 May 2019

Signed: 
Michele Moran, Chief Executive

Date: 22 May 2019

Policy on Board of Directors Remuneration

Non-Executive Director Remuneration Policy

The Chairman and Non-Executive Directors of the Trust are appointed by the Council of Governors and are remunerated in accordance with terms and conditions approved by the Council of Governors.

Details of salaries and allowances paid to the Chairman and Non-Executive Directors during 2017/18 and 2018/19 are provided in Table 3. The information included in this table is subject to audit. These allowances are not pensionable remuneration.

TABLE 1 Non-Executive Director Remuneration Policy

Element	Policy
Fee payable	A 'spot fee' which is reviewed annually. The setting of that fee and the subsequent review are undertaken with reference to national benchmarking data and national pay awards (Agenda for Change).
Percentage uplift (cost of living increase)	Reviewed annually by the Remuneration and Nominations Committee taking into consideration national pay awards and financial implications.
Travel	Travel and subsistence expenses are reimbursed and paid with remuneration via payroll.
Pension contributions scheme	Non-Executive Directors do not have access to the NHS Pension.
Other remuneration	None.

ACCOUNTABILITY REPORT

Executive Director Remuneration Policy

The Chief Executive and Executive Directors hold permanent Trust contracts with six-month notice periods and standard NHS terms and conditions. The Remuneration and Nomination Committee aims to ensure the executive Board members are fairly rewarded having proper regard to the Trust's circumstances and linked to national advice such as uplift for directors.

When setting the remuneration policy for senior managers the pay and conditions of employees were taken into by comparing relevant director salaries of all equivalent trusts and we set ours at the lower median. After consultation with the successful applicant the relevant salary award was agreed and in line with comparative benchmark.

We did not require NHSI approval as we did not meet the threshold to seek an opinion. All posts with the relevant benchmarks were presented to the Remuneration and Nominations Committee for ratification. The Trust pay and conditions are in keeping with comparative Trusts.

Directors do not receive any bonus-related payments. The Chief Executive has the potential to earn a discretionary annual non-consolidated performance-related bonus. Details of the salaries and allowances of the Chief Executive and other Executive Directors during 2017/18 and 2018/19 are shown in Table 3. Details of the pension benefits of the Chief Executive and other Executive Directors are also shown in Table 5. The information in these tables is subject to audit.

The Remuneration and Nomination Committee is not involved in setting the remuneration and terms of service of other managers currently employed within the Trust, with the exception of two senior managers who are on Very Senior Manager contracts. All current senior managers are on permanent contracts with three-month notice periods and standard NHS terms and conditions. The remuneration of these senior managers is based on the NHS-wide job evaluation scheme (known as Agenda for Change) which is uplifted annually by the Executive Management Group in line with the national uplift advised by the Department of Health.

The Trust has no outstanding equal pay claims to date and generic job descriptions have been developed, ensuring current and future compliance with equal pay requirements. Past and present employees are covered by the provisions of the NHS Pension Scheme. A description of the scheme and its accountancy treatment is described in Note 9 to the Annual Accounts.

TABLE 2 Executive Director Remuneration Policy

Element	Policy
Salary	A 'spot' salary which is reviewed annually. The setting of the salary and the subsequent review are undertaken with reference to national benchmarking data and national pay awards (Agenda for Change).
Taxable benefits	Travel and subsistence expenses are reimbursed and paid with salary via payroll.
Annual performance related bonuses	No performance related bonuses are paid for directors. The Chief Executive has the potential to earn a discretionary annual non-consolidated performance related bonus.
Long-term performance related bonuses	No long-term performance related bonuses are paid.
Pension-related benefits	Executive directors and service directors can access the NHS Pension scheme.
Percentage uplift (cost-of-living increase)	Reviewed annually by the Remuneration and Nomination Committee taking into consideration national pay awards and financial implications.

TABLE 3 - SALARIES AND ALLOWANCES OF TRUST BOARD AND OTHER SENIOR MANAGERS (1 April 2018 – 31 March 2019)

CHAIR AND NON-EXECUTIVE DIRECTORS

Name & Title	2018/19						2017/18					
	Salary (Bands of £5000)	Taxable Benefits (Nearest £100)	Annual Performance Related Bonus (Bands of £5000)	Long Term Performance Related Bonus (Bands of £5000)	Pension Related Benefits (Bands of £2,500)	Total (Bands of £5000)	Salary (Bands of £5000)	Taxable Benefits (Nearest £100)	Annual Performance Related Bonus (Bands of £5000)	Long Term Performance Related Bonus (Bands of £5000)	Pension Related Benefits (Bands of £2,500)	Total (Bands of £5000)
S Mays <i>Chairman</i>	45-50						40-45					40-45
F Patton <i>Non Executive Director (from January 2018)</i>	10-15						0-5					0-5
P Baren <i>Non Executive Director</i>	10-15						15-20					15-20
P Bee <i>Non Executive Director</i>	10-15						10-15					10-15
M Cooke <i>Non Executive Director</i>	10-15						10-15					10-15
M Smith <i>Non Executive Director</i>	10-15						10-15					10-15
D Crick <i>Non Executive Director</i>	0-5						10-15					10-15

EXECUTIVE DIRECTORS

Name & Title	2018/19						2017/18					
	Salary (Bands of £5000)	Taxable Benefits (Nearest £100)	Annual Performance Related Bonus (Bands of £5000)	Long Term Performance Related Bonus (Bands of £5000)	Pension Related Benefits (Bands of £2,500)	Total (Bands of £5000)	Salary (Bands of £5000)	Taxable Benefits (Nearest £100)	Annual Performance Related Bonus (Bands of £5000)	Long Term Performance Related Bonus (Bands of £5000)	Pension Related Benefits (Bands of £2,500)	Total (Bands of £5000)
M Moran <i>Chief Executive</i>	145-150		30.35		30-32.5	205-210	140-145		15-20		22.5-25	155-160
J Byrne <i>Medical Director</i>	140-145	5,000				145-160	65-70	2,500				95-100
E Thomas <i>Director of Human Resources & Diversity (to 30th April 2018)</i>	5-10					5-10	90-95	3,900				120-125
S McGowan <i>Director of Human Resources & Diversity (from 18th June 2018)</i>	75-80	3,800				75-80						20 - 25
L Parkinson <i>Chief Operating Officer</i>	110-115	5,400			7.5-10	115-120	20 - 25					130 - 135
H Gledhill <i>Director of Nursing, Quality & Patient Experience</i>	100-105				15-17.5	110-115	100 - 105					230 - 235
P Beckwith <i>Director of Finance</i>	95-100	5,400				115-120	95 - 100	3,600				

ACCOUNTABILITY REPORT

The Benefits in Kind covers the monetary value of the provision of a car and travel costs. The 2018-19 pension related benefits figures have been adjusted for employee pension contributions.

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

The banded remuneration of the highest-paid director in Humber Teaching NHS Foundation Trust in the financial year 2018/19 was £175,000 – £180,000. This was 8.5 times the median remuneration of the workforce, which was £20,795.

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

Table 2 below illustrates this calculation.

TABLE 4

	2018/19	2017/18
Band of Highest Paid Director's Total Remuneration (£'000)	175 – 180	165-170
Median Total Remuneration	20,795	19,852
Remuneration Ratio	8.5	8.4

TABLE 5 PENSION BENEFITS OF TRUST BOARD AND OTHER SENIOR MANAGERS (1 April 2018 – 31 March 2019)

EXECUTIVE DIRECTORS

Name & Title	2018/19							
	Real increase in pension at age (bands of £2500) £000	Real increase in pension lump sum at pension age (bands of £2500) £000	Total Accrued pension at pension age at 31 March 2019 (bands of £5000) £000	Lump sum at pension age related to accrued pension at 31 March 2019 (bands of £5000) £000	Cash Equivalent Transfer Value at 1 April 2018 £000	Real Increase in Cash equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2019 £000	Employers Contribution to Stakeholder Pension £000
M Moran Chief Executive	0-2.5	2.5 – 5	60 – 65	190 - 195	1239	140	1437	21
J Byrne Medical Director	0	0	10 – 15	15 – 20	165	-2	207	20
E Thomas Director of Human Resources & Diversity (to 30th April 2018)	0	0	0	0	0	-1	0	1
S McGowan Director of Human Resources & Diversity (from 18th June 2018)	0	0	0 - 5	0	0	16	53	11
L Parkinson Chief Operating Officer	67.5-70	0	70-75	0	0	754	1535	6
H Gledhill Director of Nursing, Quality & Patient Experience	0 – 2.5	2.5 – 5.0	25 – 30	75 - 80	512	63	604	15
P Beckwith Director of Finance	0 – 2.5	0	50-55	0	536	94	659	14

NHS Pensions are still assessing the impact of the McCloud judgment in relation to changes to benefits in 2015. The benefits and related cash equivalent transfer values disclosed do not allow for any potential future adjustments that may arise from this judgment.

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

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

Current CPI applied to Pensions is 3.0%

Signature:  Date: 22 May 2019

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is a sub-committee of the Board of Directors. This committee makes recommendations to the Board of Directors about appointments, remuneration and terms of service of the Chief Executive and the Executive Directors and gives consideration to succession planning for directors and reviews the structure, size and composition of the Board of Directors. The committee is chaired by the Trust Chairman and membership includes all the Non-Executive Directors and, where appropriate, the Chief Executive.

The role of the committee is to keep under review the size, structure and composition of the Board of Directors and to make recommendations for any changes. It is responsible for the recruitment and selection process of the Chief Executive and Executive Directors and for determining salary, terms and conditions and appraisal arrangements. Any proposed suspension or termination of an Executive Director would also come under its remit, in conjunction with the Trust's disciplinary procedures. The committee also works with the Council of Governors Appointment, Terms and Conditions Committee in terms of the equivalent processes in relation to the Chairman and Non-Executive Directors.

The Committee considers the approval of any new or replacement Board-level appointments, taking into account job descriptions/person specifications and proposed remuneration packages using NHS benchmarks and relevant Very Senior Managers guidance. Appointments are made using robust recruitment and selection processes which include stakeholder sessions and a formal panel interview. Appointments are then ratified by the committee.

The Director of Human Resources and Diversity attends the committee but is not a voting member.

Policy on Board Remuneration

The Chairman and Non-Executive Directors of the Trust are appointed by the Council of Governors and are remunerated in accordance with terms and conditions approved by the Council of Governors.

Three meetings of the committee were held during the period of this report and details of attendance are presented in the Board of Directors' attendance table on page 71. The terms of reference for the committee are available on the Trust's website or from the Trust Secretary.

ACCOUNTABILITY REPORT

Staff Report

Staff costs			2018/19	2017/18
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	72,670	6,179	78,849	74,409
Social security costs	7,347	-	7,347	6,840
Apprenticeship levy	367	-	367	343
Employer's contributions to NHS pensions	9,550	-	9,550	8,588
Pension cost - other	238	-	238	579
Other post employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	-
Temporary staff	-	2,190	2,190	2,887
Total gross staff costs	90,172	8,369	98,541	93,646
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	90,172	8,369	98,541	93,646
Of which				
Costs capitalised as part of assets	451	-	451	122

Average number of employees (WTE basis)

			2018/19	2017/18
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	50	-	50	67
Ambulance staff	-	-	-	-
Administration and estates	477	11	488	495
Healthcare assistants and other support staff	612	7	619	643
Nursing, midwifery and health visiting staff	724	157	881	785
Nursing, midwifery and health visiting learners	1	-	1	4
Scientific, therapeutic and technical staff	247	1	248	234
Healthcare science staff	-	-	-	-
Social care staff	81	0	82	79
Other	-	-	-	-
Total average numbers	2,192	176	2,369	2,307
Of which:				
Number of employees (WTE) engaged on capital projects	3	-	3	3

Breakdown of Staff	Male	Female
Directors	3	3
Senior managers	6	16
Employees	524	1765

Information on the remuneration of the directors and on the expenses of the governors and the directors

	2018/19			2017/18		
	Governors	Directors	Total	Governors	Directors	Total
• the total number of [governors/directors] in office	25	13	38	10	14	24
• the number of [governors/directors] receiving expenses in the reporting period and	12	12	24	14	13	27
• the aggregate sum of expenses paid to [governors/directors] in the reporting period.	£2,196	£17,991	£20,187	£2,171	£14,268	£16,439

Staff Sickness Absence

	2018/19	2017/18
Total FTE Days Lost	26,077	28,393
Total FTE Days Available (Years)	2,265	2,291
Average Sick Days per FTE	12	12

Staff Sickness Absence figures are calculated on a calendar year basis

Workforce



The principles of the NHS Constitution recognise that the NHS is dependent upon its staff and that only when staff are valued and supported that patients receive excellent care. It is recognised that this is more than education training and development needs and there are other requirements which play a key role in delivering excellent patient care such as staff being listened to and treated with respect and understanding.

Our Values of Caring, Learning and Growing help to ensure delivery of these principles and focus on staff behaviours and expectations and this is supported by the Trust Staff Charter.

Our PROUD Organisational Development Programme will further support the Trust in embedding our values and delivering its vision.

Staff Policies and actions applied during the Financial Year

- **Policies applied during the financial year for giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.**

The Trust's Recruitment & Selection policy gives full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities and recognising the Confident Employer accreditation and NHS Employment Standards. Along with a policy for Recruitment and Selection, the Trust provides regular training and guidance to all recruiting managers.

The Trust's Recruitment and Retention plan has three key objectives.

- To become an employer of choice to attract and retain talented staff.
 - To have robust values-based recruitment that ensures the right skills at the right time.
 - To have excellent staff engagement and retention.
- **Policies applied during the financial year for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period.**

The Trust has a Sickness Absence Policy and Toolkits and this reinforces support available to staff. Manager and supervisor training has been delivered to embed the Sickness Absence Policy to enable managers to support staff with long-term conditions, giving consideration to reasonable adjustments and redeployment when required. The Trust has an internal Occupational Health Service providing support and advice to employees and Managers and policies in place to support the service.

The Trust has a Flexible Working Policy and Special Leave policies to support employees in continuing in employment.

Staff have access to learning and development and are able to book on a wide range of training courses or utilise e-learning packages.

- **Policies applied during the financial year for training, career development and promotion of disabled employees.**

The Trust has an Equality, Diversity & Inclusion policy with a requirement for all Managers and employees to adhere to.

All policies are subject to an Equality Impact Assessment and trade unions are involved in the agreement and ratification of both new and revised policies through the Trust Consultation & Negotiating Committee.

The Trust has an Appraisal Policy which sets out clear expectations to support Talent Management and succession planning for the Trust.

- **Actions taken in the financial year to provide employees on a systematic basis with information on matters of concern to them as employees.**

The Trust communicates with staff on a regular basis through Midday Mail, an email bulletin. There is also the monthly 'Board Talk' newsletter and regular face-to-face meetings. The Trust also publishes a Blue Light Alerts and Practice Notices to raise awareness on clinical matters.

The Trust holds monthly trade union meetings through the Trust Consultation and Negotiation Committee (TCNC).

The Trust encourages supervision and clinical supervision and has policies in place giving opportunities to share information.

The Trust has appointed a 'Freedom to Speak Up Guardian', Alison Flack and Deputy Freedom to Speak Up Guardian, Helen Young. Their roles and the procedures for raising concerns are promoted across the organisation.

- **Actions taken in the financial year to consult employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests.**

The Trust participates in the quarterly Staff Friends and Family Survey and produces local surveys to establish the views of employees and formulates action plans based upon the findings from the National Survey.

The Trust has monthly Trade Union meetings to encourage contribution on policy development, consult on changes and to share information.

The Trust holds learning the lesson events for staff to attend.

The Trust has five Staff Governors on the Council of Governors who meet with the Chair every six weeks and have the opportunity to discuss staff engagement and health and wellbeing. Staff governors also meet with a number of executive directors and are involved in organisational development work.

Trust staff have the opportunity to contribute ideas and suggestions and an initiative for 2018 was the Money Saving Idea scheme giving opportunity for staff to put forward and contribute to savings.

- **Actions taken in the financial year to encourage the involvement of employees in the NHS Foundation Trust's performance.**

The Trust has a Workforce and Organisational Strategy with the following areas:

- Healthy Organisational Culture
- Capable and Sustainable Workforce
- Effective Leadership and Management
- Enabling Transformation and Organisational Development

To support the priorities the trust has an established Staff Engagement and Health and Wellbeing Group made up of staff representatives and staff governors across the Trust to inform and identify opportunities to support the health and wellbeing of staff to aid improvement in performance.

We also established a Workforce and Organisational Development Committee in March 2019 to provide strategic overview and provide assurance to the Trust Board that there is an effective system of governance and internal control across workforce and organisational development that supports the Trust to deliver its strategic objectives and provide high quality care.

As part of the Leadership Development Programme, the initiative 'Humber's Got Talent' enabled new ideas and initiatives to be presented to the Board and Executive Management Team and a number of the ideas have been taken forward to assist in improving performance.

Through the recruitment process and Induction, new starters are encouraged to be active members of the Trust and an annual event is held for all members of the Trust to attend.

Information on the findings and feedback of the Staff Friends and Family Survey and the National Survey is shared with staff.

Information relating to the Trust's performance and Board information is shared with staff on the Trust's intranet site.

The Trust has introduced Employee Self Service and has piloted the Supervisor Self Service System, receiving feedback on staff on the pilot scheme in advance of its roll out in April 2019.



ACCOUNTABILITY REPORT

- **Actions taken in the financial year to encourage health and wellbeing for employees.**

The Trust has an internal Occupational Health Service providing accessible support and advice on wellbeing matters for all Trust staff. The Service provides opportunities for staff to attend appointments across key geographical areas. Employees have the opportunity to make a direct self-referral to the Service for further support and signposting.

- Through the Trust's Staff Engagement and Health and Wellbeing Group there was a campaign of back to basics to encourage staff to take their regular breaks.
- Over this financial year there have been two step challenges, encouraging teams of staff to improve their physical health by becoming more active and record their steps.
- The Trust has a well-established Leadership Forum and this has been refreshed to make sessions more interactive and focused on key priorities and challenges.
- The Trust is in its second year of a Reward Scheme designed to give staff an additional day of annual leave (pro rata) if they undertake all of their statutory and mandatory training, completion of their appraisal and have received their flu vaccination if they are working within a clinical area.
- The Trust has a well-developed Staff Employee of the Month scheme and Annual Staff Awards Ceremony in addition to quarterly awards for long service and retirement.



- **Actions taken to provide information on policies and procedures with respect to counter fraud and corruption**

The Trust's counter fraud activity plays a key part in deterring risks to the organisation's financial viability and probity. An annual counter fraud plan is agreed by the audit committee which focuses on the deterrence, prevention, detection and investigation of fraud. Staff are trained in fraud awareness and we actively promote the mechanism for staff to report any concerns about potential fraud, bribery or corruption. All concerns of fraud, bribery and corruption are investigated by the counter fraud team and the outcome of all investigations are reported to the audit committee.



- The Counter Fraud Plan was reviewed and approved by the audit committee and the local counter fraud specialist (LCFS) presented regular reports throughout the year detailing progress towards achievement of the plan, as well as summaries of investigations undertaken.
- Local anti-fraud and corruption policy reviewed and refreshed during the year and relaunched to staff for information and to encourage reporting.
- Presentations have been given to staff groups to raise awareness and a suite of fraud awareness videos and other material distributed to all staff via global email.
- The Trust intranet and website have been updated throughout the year with fraud awareness information, posters and newsletters.
- Counter fraud alerts have been distributed to relevant staff for information and action.
- Five proactive exercises have been undertaken in targeted areas where there is a high risk of fraud.
- The NHS Counter Fraud Authority self-review toolkit (SRT) was completed and submitted to demonstrate the counter fraud work conducted over the previous financial year against the NHS Counter Fraud Authority Standards for NHS Providers 2018-19.

- **Actions taken to Develop New Roles and Develop our Staff into hard to Recruit roles**

The Trust recognises the challenges facing the workforce and is developing a recruitment plan to address the challenges which addresses how we recruit to our most difficult to recruit to roles and how we develop new roles. Accessing funding through Health Education England the Trust is supporting the development of four of our staff through the Advanced Clinical Practitioner Programme and once qualified will undertake this role across the Trust. The first cohort of the Nursing Associate Programme is now complete and opportunities have been made available to those staff on the programme to progress into the role of Nursing Associate. The Trust continues to support the programme with existing staff taking up opportunities to train to become Nursing Associates.

The Trust has over 70 Apprentices supported through the Apprenticeship Levy and for the first year we are supporting the Occupational Therapist Apprenticeship Programme to address one of our hard to recruit to roles.

The Trust in conjunction with Hull University supports a Trainee Clinical Psychologist Programme and currently offers employment opportunities to 44 students as part of their training and qualification requirements.

Occupational Health

The Trust has an Occupational Health Department and provides a service internally and externally to private sector organisations.

The service offers confidential and independent support on pre-employment health screening, health referrals, vaccinations, back care support and counselling.

The Occupational Health Service drives forward the national flu campaign for the Trust and in 2018/19 was successful in improving the take up of the flu vaccines and at the end of the campaign, 71.6% of the Trusts front line Health Care workers had opted to have the flu vaccination compared to 61.2% in 2017/18.



ACCOUNTABILITY REPORT

Health and Safety

The Trust's Health and Safety department supports the Health and Wellbeing agenda with regular stress audits across the Trust.

Staff Survey

The Trust's Workforce and Organisational Development Strategy, along with the Communication Strategy, supports continued improvement to staff engagement, which is measured in the national annual Staff Survey and the Staff Friends and Family Test (FFT).

The Trust's four strategic Workforce and Organisational Development priorities are set out below, along with actions and programmes undertaken to support the delivery of the priorities including staff engagement.

Healthy Organisational Culture	Capable/Sustainable Workforce	Effective Leadership/ Management	Transformation & Organisational Development
<p><i>Developing a culture that encourages innovation, engagement and team working, that provides a good place to work where staff feel empowered to achieve and contribute.</i></p> <ul style="list-style-type: none"> A continued review of HR Policies with a revision to the Special Leave Policy for 2018/19 refresh of the Staff Engagement & Health & Wellbeing Programme. Launch of the Trust's PROUD Programme – focusing on Leadership and Management Development and Trust behaviours and expectations. Continued improvements to the take of the Annual Flu Campaign. Opportunities for staff to have their say on key issues i.e. 'Money Saving Initiatives' 	<p><i>Plan, recruit, train and sustain a highly skilled and effective workforce. Utilising new ways of working, new roles and effectively managing talent and succession planning.</i></p> <ul style="list-style-type: none"> Plan in place to support recruitment to hard to recruit to positions within the Trust. The Trust are working to a Retention Plan to address turnover. The Trust has supported new roles of Advanced Clinical Practitioners and Nursing Associates. The Trust participates in local job and careers fairs. The Trust continues to implement the Apprenticeship levy and has expanded the types of apprenticeship opportunities available. New appraisal policy reflecting the changes of the Agenda for Change Pay progression. 	<p><i>Invest in our leaders and managers to ensure we have the highest caliber possible to steer the organization. They will be expected to 'live' the values and challenge where this is not happening.</i></p> <ul style="list-style-type: none"> Continued delivery of the Trust's Leadership Forum. A programme of organizational Development supported by the Institute of Organisational Development Board Development Programme in place. Senior Management Programme of 'Shadow Board' completed. Executive Management Team Development Programme in place Compliance with Equality Delivery Scheme 2. 	<p><i>Actively contribute to the ongoing transformation and OD agendas, ensuring the organization is fit for purpose and financially viable.</i></p> <ul style="list-style-type: none"> Continued Implementation of the Workforce & OD Strategy plan. Implementation of Electronic Staff record Supervisor Self. Expansion of E-Forms. Centralisation of Training Budget linked to Learning & Development Plan with the establishment of a Training Panel. Statutory/Mandatory Training Group reviewed e-learning requirements and changes made to e-learning packages. Changes made to the Corporate Induction Programme. Delivery of an in-house Management of Actual or Potential Aggression Programme in house.

The Trust Board has agreed to a new Organisational Development Programme, known as PROUD. Working with the Institute of Organisational Development the programme is to be deliver over the next twelve months will include programmes in the following areas:

- Staff Engagement
- Staff health and Wellbeing
- Leadership & Management Development
- Coaching & Mentoring
- Equality & Diversity

Summary of the Performance of the NHS Staff Survey

The 2018 National Survey, conducted in October and November 2018, had a trust response rate of 45% based upon 2529 staff who were invited to participate in the survey. The response rate is above the national average rate of 43% and an improvement on last year's response rate which was 37.6%.

Staff engagement

One of the six Trust goals is to have a developed, effective and empowered workforce and staff engagement is key to achieving this. There is a Workforce and Organisational Development Strategy which supports the delivery of this goal, along with a Workforce & Organisational Development Committee reporting into the Trust Board, which provides governance across workforce and organisational development.

Top Five Most Positive Scores:

Most Positive Scores 2018

1	In the last 12 months personally I have never experienced physical violence at work from managers	* 99%
2	In the last 12 months personally I have never experienced physical violence at work from other colleagues	* 99%
3	In the last 12 months personally I have never experienced discrimination at work from any of the following patients / service users, their relatives or other members of the public	* 96%
4	In the last 12 months personally I have never experienced discrimination at work from any of the following manager / team leader or other colleagues	* 94%
5	Are you aware of the organisation's statement of values?	92%

*Negative questions/statements have been reversed. Percentages displayed are of positive responses.

Top Five most improved Scores since 2017

	2018	2017	Diff	
1	I would feel secure raising concerns about unsafe clinical practice	72%	58%	14
2	There are frequent opportunities for me to show initiative in my role	72%	60%	11
3	I am satisfied with the support I get from my immediate manager	72%	61%	11
4	I am satisfied with my level of pay	42%	31%	11
5	I am satisfied with the recognition I get for good work	58%	48%	10

From 2018 the National Survey results are grouped into ten themes with a score out of 10, the table below benchmarks the Trust against other organisations.

Theme	Humber Teaching NHS Trust	Benchmarking Group (Average)
Equality, Diversity & Inclusion	9.3	9.2
Health & Wellbeing	5.9	6.1
Immediate Managers	7.0	7.2
Morale	6.0	6.2
Quality of Appraisals	4.8	5.5
Quality of Care	7.2	7.4
Safe Environment – Bullying & Harassment	8.1	8.2
Safe Environment - Violence	9.4	9.5
Safety Culture	6.5	6.8
Staff Engagement	6.7	7.0

ACCOUNTABILITY REPORT

There are areas for improvement on the results from the 2018 staff survey and the priorities arising from the national survey results are as follows:

- Staff Engagement
- Health & Wellbeing
- Quality of Appraisals

The Leadership team is committed to ensuring there are improvements against the priority areas and to monitor this there will be regular updates from senior managers and professional leads and the priorities will be aligned to individual appraisal objectives to support improvement.

There is an improvement target proposed for staff engagement to achieve a score of 7.0 from 6.7 over the next three years with an expected improvement of 0.1 each year.

To support the improvements, the Trust has a dedicated Staff Engagement & Health & Wellbeing Group and revisions to the terms of reference and membership will be made to focus on the priorities and the improvement targets. Utilising the internal resources available through Occupational Health, a Staff Health & Wellbeing Programme will be launched over 2019/20.

The Trust will be launching a revised Appraisal Policy in 2019, supported by development sessions on delivering quality appraisals and the Trust's PROUD Programme will support the improvements to the appraisal process.

The Trust will work with senior leaders, its employees, trade unions, governors and feedback from our patients to make improvements on our future survey scoring.

Learning and Development

The Trust has a Learning and Development Service, providing opportunities for training and development for all our staff. There is access to a wide range of mandatory and statutory training through both face to face and e-learning packages.



Within the service there is a Clinical Skills Team, who continues to work across the Trust delivering and developing clinical skills training to support the diverse range of services.

In 2017, the Trust commenced internal delivery of the Management of Actual or Potential Aggression training. The team delivering the training are the Positive Engagement Team and they have been successful in their delivery and recognised outside of their organisation for their success. The team successfully improved the compliance in training in this area and throughout this year the work of the team has been further embedded.

There is an established Training Panel to determine Trust wide spend on training and development to identify Trust wide training requirements and to support continuing professional development.

Exit packages

Reporting of compensation schemes - exit packages 2018/19

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

Reporting of compensation schemes - exit packages 2017/18

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

Exit packages: other (non-compulsory) departure payments

	2018/19		2017/18	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	-	-
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	-	-	-	-
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

ACCOUNTABILITY REPORT

Off-payroll arrangements

As part of its commitment to tackling tax avoidance and ensuring everyone pays their fair share, HM Treasury reviewed the tax arrangements of senior public sector employees and published its report in May 2012. The review recommended that, in central government departments and their arm's length bodies, for all new engagements and contract renewals that board members and senior officials with significant financial responsibility should be on the organisation's payroll unless there are exceptional circumstances – in which case the Accounting Officer should approve the arrangements – and such exceptions should exist for no longer than six months. The Trust's current position is presented below:

To ensure adherence to HM Treasury requirements in respect of tax and national insurance for public sector appointees, we have arrangements in place for the appropriate use of external contractors where engagements last for six months or more and the daily rate exceeds £245. These arrangements apply when we contract with an individual through an intermediary company, and also where the contract is direct with an individual, and provides the appropriate assurances that the independent contractor is complying with their income tax and national insurance obligations.

For all off-payroll engagements as of 31 Mar 2018, for more than £245 per day and that last for longer than six months

	2018/19 Number of engagements
Number of existing engagements as of 31 Mar 2019	4
Of which:	
Number that have existed for less than one year at the time of reporting	2
Number that have existed for between one and two years at the time of reporting	-
Number that have existed for between two and three years at the time of reporting	-
Number that have existed for between three and four years at the time of reporting	-
Number that have existed for four or more years at the time of reporting	-

For all new off-payroll engagements, or those that reached six months in duration, between 01 Apr 2018 and 31 Mar 2019, for more than £245 per day and that last for longer than six months

	2018/19 Number of engagements
Number of new engagements, or those that reached six months in duration between 01 Apr 2016 and 31 Mar 2017	4
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	4
Number for whom assurance has been requested	4
Of which:	
Number for whom assurance has been received	3
Number for whom assurance has not been received	1
Number that have been terminated as a result of assurance not being received	-

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 Apr 2018 and 31 Mar 2019

	2018/19 Number of engagement
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	1
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	1

Disclosures on trade union facility time is reported on the tables below

Table 1: Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
23 Trade Union Representatives	0.80 FTE

Table 2: Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1-50%	21
51%-99%	0
100%	0

Table 3: Percentage of pay bill spent on facility time

First Column	Figures
Provide the total cost of facility time	£31,556.50
Provide the total pay bill	£98,541,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.03%

Table 4: Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	4.92%
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ACCOUNTABILITY REPORT

Code of Governance

Humber Teaching NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code revised in 2018. Schedule A to the Code of Governance sets out the requirements in six categories and the Trust's response and declarations for each area are below. All statutory requirements as per category 1 of Schedule A of the Code of Governance have been complied with, if appropriate in the year.

The Board of Directors will reserve certain matters to itself and will delegate others to specific committees and Executive Directors. Details of this are set out in a document called Standing Orders, Scheme of Delegation and Standing Financial Instructions. The document includes the roles and responsibilities of the Council of Governors. Copies of this document are available from the Trust Secretary or available on the Trust's website.

During the financial year 2018/19 the principles of the code were applied and requirements met. Schedule A of the Code of Governance sets out the requirements in six areas and the response and declaration from the Trust for each area is included in the table below.

As per section 1 of Schedule A of the Code of Governance, all statutory requirements have been complied with, if appropriate.

Schedule A, section 2 of the Code of Governance requires a declaration and supporting explanation for the provisions set out below and an explanation is included or a reference is made to the relevant section in the Annual Report.

Code of Governance Reference	Requirement
A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors. <i>Comply – SFIs - Board of Directors – page 66, page 83</i>
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors. <i>Comply – Board of Directors – page 77, page 84</i>
A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor. <i>Comply – Council of Governors – page 84</i>
B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary. <i>Comply – Board of Directors – page 72-76</i>
B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust. <i>Comply – Board of Directors – pages 72-76</i>
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments. <i>Comply – Board of Directors – page 53</i>
B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report. <i>Comply – register of interest is publicly available for the chairman and all those on the Board of Directors. It is presented at each meeting of the Board of Directors. Page 76</i>
B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied. <i>Comply – Council of Governors – page 81</i>

B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted. <i>Comply – Board of Directors – page no 80</i>
B.6.2	Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust. <i>Comply as required – Board of Directors – None undertaken</i>
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). <i>Comply – Board of Directors – page 77</i> <i>External Auditors responsibilities – page 72</i> <i>Annual Governance Statement – page 90</i>
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls. <i>Comply – Annual Governance Statement – page 90</i>
C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. <i>Comply – Audit Committee – page 72</i>
C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position. <i>Comply – not applicable</i>
C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded. <i>Comply – Audit Committee – page 72</i>
D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings. <i>Comply – not applicable</i>
E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations. <i>Comply – Board of Directors – page 76</i>
E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report. <i>Comply – foundation trust membership – page no 84</i>

The information listed in Schedule A, section three is publicly available via the Annual Report, the Trust's website or the Trust Secretary.

To comply with section four, re-appointment of the non-executive directors, the Chairman will confirm to governors that following formal performance evaluation, the performance of the individual proposed for re-appointment continues to be effective and demonstrates commitment to the role. This action was required during the year when three Non-Executive Directors Paula Bee, Professor Mike Cooke and Mike Smith were reappointed to the Board of Directors.

ACCOUNTABILITY REPORT

In respect of section five, the names of governors submitted for election or re-election are accompanied by sufficient biographical details and any other relevant information to enable members to take an informed decision on their election. This includes prior performance information. This requirement is met through the individual's election statement.

The Trust complies with all provisions of section six.

External Reviews

No external reviews were undertaken in year. However, as reported earlier, a full inspection review of the Trust was undertaken by the CQC. No costs were attached to this review. In addition, during the course of the year a review was undertaken by Internal Audit on the Board and Committee Effectiveness by AuditOne, the Trust's Internal Auditors as part of their planned audit programme.

Board of Directors Sub-Committees

The Board of Directors has six sub-committees. At the start of the year it had seven until the Strategic Investment Committee was merged with the Finance Committee into the Finance and Investment Committee and the Workforce and Organisational Development Committee was introduced, details of each are provided below. Assurance reports from each committee are presented to the Board.

Remuneration and Nomination Committee - details can be found on page x of this report.

Audit Committee

The Audit Committee provides a means of independent and objective review and seeks assurance about the adequate and effective operation of the Trust's internal control systems.

The committee comprises three non-executives directors and is chaired by Non-Executive Director Peter Baren. The Chief Executive has a standing invitation to attend. In accordance with NHS Improvement guidance, Mr Baren has relevant and recent financial experience. The committee met five times last year and included attendance from the Director of Finance, the external and internal auditors and the Local Counter Specialist.

The committee reviewed the Annual Report and Accounts, including the opinion of our External Auditors prior to their submission to Trust Board. The committee approved the annual audit and counter-fraud plans and reviewed all internal and external audit reports.

The chair of the committee reports on its proceedings to the Board of Directors as soon as practicable after the meeting, raising any significant issues of concern.

The Audit Committee approved the Annual Audit Plan which includes significant risks to be tested.

Charitable Funds Committee

The Charitable Funds Committee oversees the administration of the charitable funds on behalf of the Trust (charity number 1052727). The committee meets bi-monthly and provides advice to the Board of Directors. The committee is chaired by Paula Bee, Non-Executive Director. The committee comprises another Non-Executive Director, the Chief Executive the Director of Finance, acting as financial trustee, the Charitable Funds Manager and the Financial Services Manager. The method of appointment of trustees is governed by the Trust's standing orders, with the Charitable Funds Committee structure established within its terms of reference.

Attendance of directors at the committee meetings is presented in the Board of Directors' attendance table.

Finance and Investment Committee (previously Finance Committee)

The Finance Committee merged with the Strategic Investment Committee from January 2019. The primary role of the Finance and Investment Committee is to provide strategic overview and provide assurance to the Trust Board that there is an effective system of governance and internal control across all financial areas and any potential investment decisions. The primary role of the Committee is to monitor, review and support the Finance Directorate of the Trust, making recommendations to the Board as appropriate and taking actions as required. The Committee is chaired by Francis Patton, Non-Executive Director. Other core members of the Committee are another Non-Executive Director, Chief Executive, Chief Operating Officer, Director of Finance, the Deputy Director of Finance/Financial Controller and a Clinical Director.

Attendance of directors at the Finance and Investment Committee (and Finance Committee) meetings is presented in the Board of Directors' attendance table.

Mental Health Legislation Committee

The Mental Health Legislation Committee is established as a sub-committee of the Board of Directors accountable to the Board of Directors. The principal aims of the committee are to:

- provide strategic leadership pertaining to the Mental Health Act, the Mental Capacity Act and their respective codes of practice and other related mental health legislation;
- monitor, provide challenge and seek assurance of compliance with external standards relating to mental health legislation; and
- approve and review mental health legislation policies and protocols.

The Committee is chaired by Mike Smith, Non Executive Director and another Non-Executive Director (who are also designated Associate Hospital Managers), Medical Director, Chief Operating Officer, Deputy Director of Nursing and Quality, Mental Health Act Clinical Manager, Mental Health Legislation Manager, one Consultant Psychiatrist who has recognised particular experience in Mental Health and related legislation, a Local Authority representation.

Attendance of directors at the Mental Health Legislation Committee meetings is presented in the Board of Directors' attendance table.

Quality Committee

The Quality Committee provides assurance to the Board of Directors that appropriate processes are in place to give confidence that quality, patient safety performance and associated risks are monitored effectively and that appropriate actions are taken to address any deviation from accepted standards and to manage identified risks. It also reviews performance in relation to information governance and research and development requirements are monitored effectively with appropriate actions being taken to address any performance issues and risks.

The Committee also provides the strategic overview of and assurance against clinical and quality governance, clinical risk and patient and carer experience and engagement issues in the Trust as well as providing:

- a strategic overview of Clinical Governance, Risk and Patient Experience to the Board of Directors;
- oversight and assurance to the Board of Directors in relation to all activities relating to Quality, Patient Safety and Patient Experience on behalf of the Board; and
- an assurance to the Trust Board that risks and governance issues of all types are identified, monitored and controlled to an acceptable level.

For assurance, reports were received from the Quality and Patient Safety Group (QPAS) demonstrating the work that is being done to improve patient care, patient safety and patient experience.

ACCOUNTABILITY REPORT

The Committee is chaired by a Non-Executive Director, Mike Cooke, and has a core membership of two other Non-Executive Directors, the Chief Executive (ex-officio), Director of Nursing – Management support to the Committee, the Medical Director and Chief Operating Officer.

Attendance of directors at Quality Committee meetings is presented in the Board of Directors' attendance table.

Strategic Investment Committee

The Strategic Investment Committee was merged with the Finance Committee from January 2019. Previously it was the role of the Committee to ensure that processes governing strategic investments were being followed and made recommendations to the Board of Directors on major capital or revenue expenditure, joint ventures, acquisitions and mergers, purchase, sale or alteration of property (above an agreed threshold) and service expansion or major service change.

The committee Chair was Francis Patton, Non-Executive Director. The committee had a core membership of two other Non-Executive Directors, the Director of Finance and Deputy Director of Business and Contracting.

Attendance of directors at the Strategic Investment Committee meetings is presented in the Board of Directors' attendance table.

Workforce and Organisational Development Committee

This committee was established in March 2019 to provide strategic overview and provide assurance to the Trust Board that there is an effective system of governance and internal control across workforce and organisational development that supports the Trust to deliver its strategic objectives and provide high quality care.

It also provides assurance to the Trust Board in relation to the health and wellbeing of staff and assurance on the delivery of the relevant strategic objective assigned to the Workforce and Organisational Development Committee - Goal 4 – Developing an effective and empowered workforce.

The chair of the committee is Francis Patton, Non Executive Director. The committee has a core membership of another Non Executive Director, Director of Human Resources & Diversity, Chief Operating Officer, Medical Director, Deputy Director of Nursing and Chief Executive.

Attendance of directors at the Workforce and Organisational Development Committee meeting is presented in the Board of Directors' attendance table.

Board of Directors, Sub-Committee and Council of Governors Meeting Attendance

There were a number of Board of Directors and sub-committee meetings held during the period of this report. The table below shows the attendance by members of the Board of Directors. Some members of the Board of Directors are not members of some of the committees but will attend by request if there is a specific item to be discussed.

On some occasions, non-executive directors have attended a committee meeting that they do not normally attend and these are indicated in italics* on the table below. The Chairman attends each committee during the year to observe.

Name & Position	Board	Remuneration and Nomination Committee	Mental Health Legislation Committee	Charitable Funds Committee	Audit Committee	Strategic Investment Committee (merged with Finance Committee Jan 2019)	Finance Committee (merged with Strategic Investment Committee from Jan 2019)	Quality Committee	Finance and Investment Committee (from Jan 2019)	Workforce & Organisational Development Committee	Council of Governors
Sharon Mays, Chairman	10/10	4/4	1*	1/5*	1*	1*	6*	2*	3*	N/A	4/4
Michele Moran, Chief Executive	10/10	4/4	1*	3/5	5/5	5/6	6/9	3/4	3/3	1/1	4/4
David Crick, Non-Executive Director (up to May 2018)	2/2	2/2	1/1	N/A	N/A	N/A	N/A	1/1	N/A	N/A	1/1
Peter Baren, Non-Executive Director (Senior Independent Director)	10/10	4/4	N/A	5/5	5/5	5/6	8/9	3*	3/3	1/1	3/4
Paula Bee, Non-Executive Director	8/10	3/4	3/4	5/5	N/A	N/A	N/A	3/4	N/A		1/4
Mike Cooke, Non-Executive Director	9/10	4/4	N/A	N/A	2*	2/6	N/A	3/4	N/A	1/1	3/4
Mike Smith, Non-Executive Director	10/10	4/4	4/4	N/A	4/5	N/A	1/1	3/3	N/A		4/4
Francis Patton, Non-Executive Director	10/10	4/4	N/A	N/A	4/5	6/6	9/9	1*	3/3	1/1	2/4
Peter Beckwith, Director of Finance	10/10	N/A	N/A	3/5	4/5	5/6	8/9	N/A	3/3	N/A	3/4
Hilary Gledhill, Director of Nursing	8/10	N/A	N/A	N/A	N/A	N/A	N/A	4/4	N/A	N/A	3/4
John Byrne, Medical Director	10/10	N/A	4/4	N/A	N/A	N/A	N/A	4/4	N/A	N/A	2/4
Lynn Parkinson, Interim Chief Operating Officer until 30.9.19 & substantive from 1 Oct 2018	9/10	N/A	2/4	N/A	N/A	4/6	5/9	4/4	3/3	1/1	3/4
Steve McGowan, Director of Human Resources & Diversity (from June 2018)	8/9	2/2	N/A	N/A	N/A	N/A	N/A	2/3	N/A	1/1	3/4
Elizabeth Thomas, Director of Human Resources & Diversity (non-voting) up to 30 April 2018	0/1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1/1

*denotes optional attendance at committee

External Audit

For 2018/19, the Trust's external auditor was Deloitte. No non-audit work was undertaken by Deloitte in year.

As part of its external audit plan, Deloitte tested risks relating to revenue recognition in respect of NHS income and management override of controls as part of its review of the 2018/19 financial statements. All controls around these risks were found to be appropriate and in line with Deloitte's expectations. Recommendations following the audit have been made in relation to the fixed asset register. These have been accepted by management and actions will be put in place to address each of them.

Internal Audit

In public sector organisations internal audit work is regulated by the Public Sector Internal Audit Standards, which became effective on 1 April 2013 and govern the way in which all internal audit services operating within the public sector (including the NHS) should undertake their functions with regard to assurance audits and consultancy activity. The standards also support the professional practice of internal audit across the NHS.

AuditOne provides the internal audit service for the Trust. The Director of AuditOne takes a strategic role for overseeing the effective delivery of the audit service at the Trust and the operational element of the service is undertaken by a team led by an audit manager who maintains regular contact with Trust staff. Executive responsibility for the internal audit function lies with the Director of Finance.

The role of internal audit, as defined by the Institute of Internal Auditors, is to provide an independent assurance function that the Trust's risk management, governance and internal control processes are operating effectively. Internal audit oversight forms part of the core remit of the Audit Committee within the Trust – the committee's terms of reference require it to regularly review the effectiveness of internal audit and to oversee the overall delivery of the internal audit service to the Trust.

Audit work is planned in advance as part of a strategic approach which ensures that fundamentally important and high-risk areas are audited more frequently and less critical (but nonetheless significant) systems are reviewed cyclically (perhaps only once every three years).

Attendance of directors at all committee meetings is presented in the Board of Directors' attendance table. The Terms of Reference of the Audit Committee are published on the Trust website.

Board of Directors: Expertise and Experience



Sharon Mays, Chair

(Term of office expires 15 September 2020)

Prior to taking up the position of Chair, Sharon served as a governor, non-executive director, deputy chairman and senior independent director of the Trust. She joined the Board of the Trust in July 2011 and was appointed as Chairman of the Trust with effect from September 2014.

Before joining the Board of the Trust, Sharon was a non-executive director of East Riding of Yorkshire Primary Care Trust. Sharon was a member of the Joint Independent Audit Committee of the Police and Crime Commissioner for Humberside and Humberside Police force. She was also the Principal Independent Person for standards investigations undertaken by the East Riding of Yorkshire Council in connection with alleged breaches of the Council's Code of Conduct. Sharon is a qualified lawyer and prior to her involvement with the NHS was a partner at a locally based commercial law firm where she specialised in property regeneration and other commercial property transactions.

Peter Baren, Non-Executive Director

(Term of office expires 31 January 2020)

A chartered accountant with a degree in Business Finance, Peter has many years' experience working in organisational finance at the most senior level.

Peter has held group finance controller positions in engineering and manufacturing companies for almost 30 years, with his most recent post being Group Finance Director of Cheshire-based national housebuilder and commercial property developer the Emerson Group from 2001 to 2012. He serves as a non-executive director with social landlord Beyond Housing Limited and British Wool Marketing Board and has been a member of the Finance and Capital Development Committee at York St John University.



Paula Bee, Non-Executive Director

(Term of office expires 30 September 2021)

Having originally trained as a physiotherapist, Paula has been involved in the wellbeing of older people throughout her career, which went on to encompass various community roles both in a voluntary and professional capacity. Throughout this time, she developed a passion for enabling people to fulfil their potential. As Chief Executive of Age UK Wakefield District and Vice -Chair of the Age England Association, Paula has been fortunate to be at the forefront of local and national changes that have the potential to alter the experience of ageing for us all.

Paula is also currently active in the development of locally led Voluntary Sector responses within the Health and Social Care economy, working with Commissioner and Provider Boards to effect change.



Mike Cooke, Non-Executive Director

(Term of office expires 31 August 2022)

Mike Cooke joined Humber Teaching NHS Foundation Trust on 1 September 2016 and is delighted to bring his NHS and wider leadership experience and to help in any way he can to benefit patients, service users and staff. He Chairs the Trust Quality Committee, is Non Executive Director lead for safety and mortality and Board Champion for Research, and has joined the Workforce and Organisational Development Committee.

Mike had a 32-year career in NHS provider leadership roles - half of this time spent as Chief Executive, most recently at Nottinghamshire Healthcare.

Mike was founder and first Chair of the Mental Health Foundation Trust Network and helped set up and then chaired the East Midlands Leadership Academy. He has a long-held interest in health services research and was Special Professor in Healthcare Innovation and Leadership at the University of Nottingham, chaired several research collaborations and networks in the East Midlands and served two terms on The National Advisory Board of the National Institute of Health Research. He was heavily involved in the success of The Institute of Mental Health and is affiliated with the University of York since his move to the East Riding. Mike is a long-term service user and was lead chief executive for ImROC, an important recovery movement across sectors in mental health. He was in 2010 awarded a Commander of The Order of the British Empire for services to mental health. Mike is Chair of Yorkshire Wildlife Trust, Chairs several Advisory Groups to key Applied Research Programmes, works with The University of York, Executive mentor and coach and lives in Storwood on Pocklington Canal.



Mike Smith, Non-Executive Director

(Term of office expires 30 September 2021)

Mike was appointed in October 2016 having previously served as a non-executive director for Rotherham Doncaster and South Humber Teaching NHS Foundation Trust.



ACCOUNTABILITY REPORT

He has an honours degree in law, a Master's in business administration and in 2016 received his third degree - a Master's in mental health law for which he was given a commendation.

Mike has extensive experience in the public and private sectors, has been the president of his local chamber of commerce, serves as a director of the Magna Science Adventure Centre and as an enterprise adviser to a special school in Rotherham where he lives. He is an Associate Hospital Manager for another NHS Foundation Trust and for a private hospital. When not working in the NHS, Mike enjoys travel and horse riding.



Francis Patton, Non-Executive Director

(Term of office expires 31 December 2021)

Francis has worked in the hospitality sector for over 30 years. He started as a graduate trainee with Joshua Tetley, part of Allied Breweries, in 1985 and worked his way up through the various incarnations of the company as an area manager, general manager and finally commercial director for Vanguard Pubs and Restaurants, part of Allied Domecq Inns. In 1999 the pub business of Allied Domecq was bought by Punch Taverns and Francis became the Commercial Director of Punch Taverns as a Board member. He held that role until 2004 when the role was split into Commercial Director and Customer Services Director (both Board roles) and Francis took the Customer Services role.

Francis retired from Punch at the end of 2007 but moved into a series of non-executive roles as well as starting his own PR business with some colleagues and becoming a part-time lecturer at Leeds Beckett University. At present Francis teaches part-time at Leeds Beckett University, is Non-Executive Chair of the commercial arm of SIBA, is Chair of Cask Marque, an accreditation company for quality beer, is a trade advisor for the BII, is Vice Chair and SID for Barnsley Hospital NHSFT, is Chair of Barnsley Facility Services, a wholly-owned subsidiary company of Barnsley Hospital FT, and is part-owner in and director of Fleet Street Communications, one of the top PR agencies in the hospitality and leisure sector.

Francis has extensive experience in corporate strategy, finance, customer services, public relations and corporate lobbying.



David Crick, Non-Executive Director

(Term of office expired 31 May 2018)

David was a family doctor in Hull for more than 30 years, retiring in February 2011; he had training in psychiatry and counselling. During his many years as a GP, David took on various roles with the local health authority and with the Primary Care Trust until October 2007, serving as executive committee vice-chair and lead for mental health and musculoskeletal services.

He teaches Whole Person Medicine (with an emphasis on Mental Health) in Eastern Europe with PRIME International.



Michele Moran, Chief Executive appointed January 2017

Michele is a nurse, midwife and health visitor by background and has more than 30 years' experience of front-line roles in NHS management and care.

Michele was appointed to the role of Chief Executive at Humber on a permanent basis in February 2017. Prior to her four years as Chief Executive at Manchester Mental Health and Social Care NHS Trust, Michele served as Deputy Chief Executive/Chief Operating Officer/Chief Nurse at Leeds and York Partnership NHS Foundation Trust for seven years.

An ex-chair of the Foundation Trust Network Clinical Leads Network and a member and current Non-Executive Director of the National Skills Academy for Health. Michele has extensive experience in the primary care and acute sectors.

A qualified nurse, mental health nurse and midwife, Michele also has a Master's degree in health services management from the University of Manchester.

Dr John Byrne, Medical Director, appointed 1 October 2017

Born in Dublin, Dr Byrne graduated in medicine from University College Dublin in 1994 before serving for six years as a doctor in the Royal Army Medical Corps, where he completed his training in general practice.

In 2002 he became a partner at a GP surgery in Hampshire and in 2008 was appointed locality medical director for Hampshire Community Healthcare. Three years later Dr Byrne became Clinical Director for Integrated Care at Southern Health NHS Foundation Trust and then Clinical Director and Accountable Officer for the Southampton and West Hampshire Division in 2012.

In 2014, he became General Practice Regional Adviser for the Care Quality Commission's (CQC) Birmingham-based Primary Medical Services team, also working part-time with NHS Elect advising NHS trusts on clinical strategy.

Dr Byrne completed a Master's degree in Quality Improvement at Ashridge Business School in 2014 and is a Health Foundation GenQ leadership fellow.



Hilary Gledhill, Director of Nursing, Quality and Patient Experience, appointed 1 June 2015

Hilary joined the Trust in June 2015 and has over 30 years' experience in the NHS. She qualified as a registered nurse in 1983 and worked as a nurse in acute hospital services and the community before moving into senior quality improvement and nurse leadership roles, gaining experience in community care and commissioning organisations.

Hilary has a working experience of many healthcare sectors and services including prison health, mental health services, ambulance services, hospital and community services.

Prior to joining the Trust, she spent two years as the Director of Quality and Integrated Governance and the Executive Nurse for East Riding of Yorkshire Clinical Commissioning Group, which included commissioning mental health and community services for residents of the East Riding of Yorkshire.



Peter Beckwith, Director of Finance appointed 10 March 2017

Peter joined the Trust in December 2015 as Deputy Director of Finance and Contracting and was promoted to the role of Director of Finance in April 2017. Peter has accumulated 10 years senior NHS Finance experience holding senior roles with local NHS organisations including NHS England and NHS Hull. Prior to joining the NHS, Peter accumulated 19 years' finance experience in local government across several different local authorities. Peter is a Fellow of the Association of Chartered Certified Accountants (ACCA).



Lynn Parkinson, Chief Operating Officer appointed 1 October 2018

(interim 5 February - 30 September 2018)

Lynn has spent her whole career working in mental health in Leeds and York. Lynn started as a student nurse and worked her way up management positions working as Deputy and then Interim Chief Operating Officer in Leeds and York NHS Foundation Trust before joining our Trust in February 2018. Since qualifying as a registered mental health nurse in 1989 Lynn has a wealth of experience in a wide variety of clinical services including acute inpatients, community and for a number of years with the Eating Disorder Service. Lynn has a background in Service Improvement and expertise in applying improvement methodology such as lean six sigma in clinical settings.



ACCOUNTABILITY REPORT



Steve McGowan, Director of Human Resources and Diversity appointed 18 June 2018

Born in Bedford, Mr McGowan began his career in 1992 at Lincolnshire County Council, working in an HR administrative support role while studying to become a member of the Chartered Institute of Personnel and Development and gain a Master's degree in HR Management. He then worked as an HR Officer and HR Manager at Cannock Chase District Council before becoming Head of HR at Bromsgrove District Council and then Head of HR Operations and later Head of HR for Regional Collaboration at Lincolnshire Police.

Mr McGowan returned to the West Midlands in 2013 to become Head of HR at Walsall Metropolitan Borough Council, where he remained until moving to United Lincolnshire Hospitals NHS Trust as Deputy Director of Human Resources and Organisational Development in 2016.



Elizabeth Thomas, Director of Human Resources and Diversity, appointed 1 February 2014 left 30 April 2018 (non-voting)

Elizabeth had been a deputy director since 2010. A Fellow of the Institute of Personnel and Development, Elizabeth has a Master's degree in human resource management and has many years' experience in NHS workforce planning and management.

Elizabeth held senior roles in the local NHS since 1994 including Associate Director of Human Resources at NHS East Riding of Yorkshire Primary Care Trust from 2004 to 2010, and Head of Human Resources at the former East Riding of Yorkshire and Yorkshire Wolds and Coast Primary Care Trusts from 2001 to 2004.

Register of Directors' Interests

The Register of Directors' Interests is held by the Trust Secretary. It is a public document which can be accessed by contacting the Trust Secretary on 01482 389194 or through the website in the Board papers section. Directors' interests have been fully considered and it has been concluded that there are no such interests which may conflict with their management responsibilities as per the requirements of Monitor's code of governance.

It is reported that the chairman had no other significant commitments that affected her ability to carry out her duties to the full and was able to allow sufficient time to undertake those duties.

The Board of Directors works as a unitary board and members have been selected to ensure the success of the organisation as a foundation trust, with an appropriate balance of clinical, financial, business and management backgrounds and skills. Should it be necessary to remove either the chairman or any non-executive director, this shall be undertaken by the Council of Governors in accordance with the Trust's constitution.

The chairman and non-executive directors of the Trust are appointed by the Council of Governors and are remunerated in accordance with terms and conditions approved by the Council of Governors.

Council of Governors

Message from the Lead Governor, Julie Hastings

As I write this, I realise that this will be my final message to you as one of your Governors, elected by you, listening to our community, working with the Trust to enhance the quality of care for patients, carers, family and staff. However, I am equally aware that my role will shift and as a member of Humber Teaching NHS Foundation Trust community I still have a responsibility!

Over the years we have encountered many changes some challenging, more and more I have been heartened by the positive impact your Council of Governors have been able to achieve on behalf of our membership. Excellent communication continues to be an integral part of the governor role to enable us to do what we need to do to support our membership and our community.

Having achieved and refined our communication and assurance internally governors have begun to 'refresh' the membership and engagement strategy. Without the engagement of members the governor input is diminished. This new refresh is to enable you to have the opportunity to engage with governors more fully within the forthcoming months and going forward.

Any person over the age of 16 years may sign up to become a member of our Trust.

Why do people become members?

- To signal their support for a health service owned by the public and accountable to the public.
- To influence the way that services are provided.
- To keep in touch with a service they may have directly or indirectly used.
- To be able to elect governors to represent and advocate their views.
- To deepen relationships they already have with the Trust through engagement and/or partnerships.

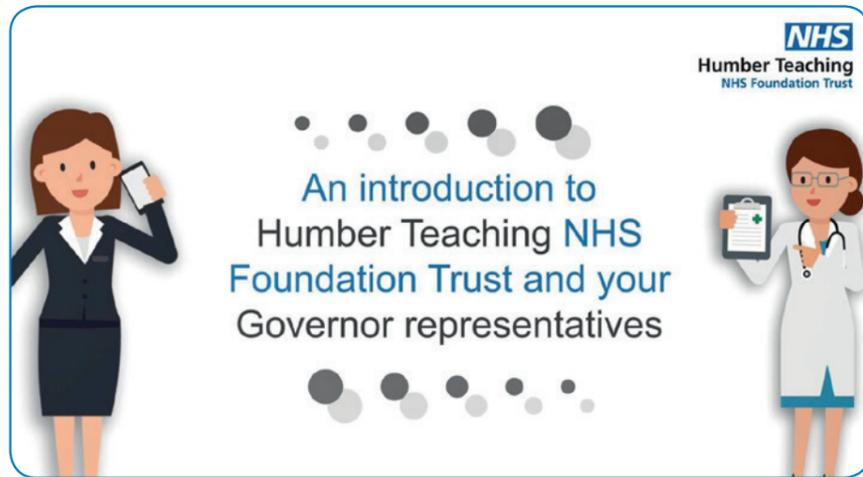
Your continued communication with us enables the Governors to act on your behalf, to challenge, question and to work towards continued improvement in all areas of Humber's services.

The Annual Members' Meeting is one of the high points in our calendar. It is our opportunity to engage directly with our community whilst Humber's staff join us in our 'market place' to showcase the services they deliver. A time for you to have that face to face conversations with us all, ask questions, challenge, be honest, creatively problem solve together and for us to entice new Governors to refresh membership of the Council of Governors.

We were privileged to welcome Leon Pryce, the Head Coach of Workington Town in League 1 and an English former professional rugby league footballer who most recently played for the Bradford Bulls, represented Great Britain and England at international level. We were inspired by his honesty as he shared his story around his own struggles with his emotional ill health. We listened intently as he explained that catalyst for this was due to a debilitating physical injury, the ensuing road was hard, but his insight was profound, inspiring and full of hope.

His belief and his passion to give something back to the NHS were the catalyst in enabling him to turn his life around and to be able to share the truth and positivity for the future. His words stand as a true testament to the quality of care Humber and the NHS strive to achieve daily.





This day saw the Governors launch their own video, explaining who we are, what we do. The project was funded by Smile Foundation via the Trusts own charity Health Stars. The remit of the video was to deliver the facts in an informative innovative way. The first 'showing' was at the Annual Members' Meeting and has since been used in Governor and staff induction.

Following on from last year when the Trust's constitution our Service User and Carer representatives have come into their own especially informing the Patient and Carer Strategy.

Each year the Governors are asked to choose one of the priorities to be audited within the Trust's Annual Quality Accounts, the decision for this report was around medicine's management which the Trust reported has been a hugely, reassuring, useful and informative exercise.

The new balance within the Staff constituency having both clinical and non-clinical governors has enhanced the discussions and widened the knowledge of the Council of Governors. Governors have proactively been involved in the various stages at senior level recruitment panels alongside patients and carers working together to recruit new colleagues to the Trust.

Alongside statutory obligations, Governors have continued to enhance the quality and efficacy of visits within inpatient units, nurturing stronger relationships with patients, carers, families and staff. Governor representatives have felt privileged to attend the Apprenticeship Awards, Humber's Got Talent Achievement Awards, Christmas Celebrations with Health Stars, our patients, our fabulous NHS Choir and especially our Staff and Volunteer Awards.

Governors continue to utilise their skills their individual experiences to enhance the role they provide on our communities' behalf we rely on our membership and their engagement with us to ensure that we fulfil our roles to achieve the best possible effect.

Council of Governors

The Council of Governors is made up of individuals who have been elected by local people and staff who represent our constituencies. The Council includes representatives who are nominated from a range of partner organisations. The Council of Governors meeting is chaired by the Trust chairman who ensures that there is effective communication between the Board of Directors and the Council of Governors, and that, where necessary, the views of the governors are obtained and considered by the Board of Directors. Executive and Non-Executive Directors attend the Council of Governors' meetings and the Governor Development meetings throughout the year. The Chairman, supported by the Senior Independent Director, also seeks to foster a strong, engaging relationship between the Board of Directors and the Council of Governors. There is regular attendance at the Board of Directors' meetings by governors and further details of governors' involvement at the Trust are provided at page 84.

NHS Improvement (NHSI), the organisation that incorporates Monitor, the sector regulator for health services in England, requires foundation trusts to appoint a Lead Governor. Julie Hastings was elected by the Council of Governors to fulfil this role up to 31 January 2019. Huw Jones was elected from 1 February 2019

The specific statutory powers and duties of the Council of Governors are to:

- Appoint and, if appropriate, remove the chairman.
- Appoint and, if appropriate, remove the other non-executive directors.
- Decide the remuneration and allowances and the other terms and conditions of office of the chairman and the other non-executive directors.
- Approve (or not) any new appointment of a chief executive.
- Appoint and, if appropriate, remove the Trust's auditor.
- Receive the Trust's annual accounts, any report of the auditor on them and the annual report.
- Hold the non-executive directors, individually and collectively, to account for the performance of the Board of Directors.
- Represent the interests of the members of the Trust as a whole and the interests of the public.
- Approve "significant transactions".
- Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution.
- Decide whether the Trust's non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services for the health service in England, or performing its other functions.
- Approve amendments to the Trust's constitution.

Non-executive directors are appointed for a term of three years up to the maximum specified in the Trust's constitution. Non-executive director appointments may be terminated in line with the requirements of the constitution.

The Council of Governors holds the non-executive directors on the Board of Directors to account for the performance of the Trust, including ensuring the Board of Directors acts so that the Trust does not breach the terms of its licence.

The Council of Governors comprises 25 Governors who are members of the public and staff constituencies and representatives from partner organisations.

The table below sets out the composition of the Council of Governors.

Composition of the Council of Governors

Public - 14 Governors	6 East Riding of Yorkshire 4 Hull 1 Wider Yorkshire and Humber 2 Service User and Carer 1 Whitby
Staff - 5 Governors	3 non clinical 2 clinical
Partner Organisations - 6 Governors	University of Hull Humberside Police Voluntary Partner Hull Local Authority East Riding Of Yorkshire Local Authority Humberside Fire and Rescue

Council of Governors' Meetings

The Council of Governors met on a quarterly basis, of which the April, July, October and January meetings fell within the 2018/19 reporting period, and also held an Annual Members' Meeting in September. Council of Governors' public meetings are open for members of the public to attend and the meeting dates and papers are published on our website. Governor attendance at these meetings is provided in the table later in this section. Governors are involved in setting the agenda for the Council's meetings. Each meeting, when possible, begins with a patient story which is a presentation by a patient/service area team which allows them to give their views on services and the challenges they may have had to face during their journey.

The Council of Governors did not use its powers to require one of more of the directors to attend a Council of Governors meeting for the purpose of obtaining information about the Trust's performance of its functions or the directors' performance of their duties. Directors chose to attend the Council of Governors meetings, often to present their reports. A summary of their attendance is included in the table detailing attendance at Board and sub committee meetings. Further information about the work of the Board of Directors can be found in the Directors' Report.

Council of Governors' Sub Committee/Groups

The Council of Governors may not delegate its responsibilities but can choose to carry out its duties through groups, committees or individuals. A sub committee (statutory requirement) and three governor groups hold meetings which are detailed below:

- Appointments, Terms and Conditions Committee
- Finance, Audit, Strategy and Quality Governor Group (previously Finance and Audit Governor Group)
- Engaging with Members Governor Group (previously Communications and Membership Governor Group)
- Strategy and Business Development Governor Group (group has now been merged with the Finance, Audit, Strategy and Quality Governor Group)

Appointments, Terms and Conditions Committee

The Appointments, Terms and Conditions Committee met twice during 2018/2019. This committee was chaired by Julie Hastings, elected governor for East Riding until the end of her term of office. Sam Muzaffar, vice chair took up the chairing responsibilities from February 2019 and was elected as chair in March 2019. The group consists of a team of governors and valued support and guidance from Senior Independent Director Peter Baren. The Director of Human Resources and Diversity attends, and, when required, invited guests who share their expertise and specialist knowledge. Any decisions made by this group are presented to the full Council of Governors for its approval.

During this year the committee has been involved in the process for re-appointing three non-executive directors which included re-appointing two non-executive directors earlier as part of the Trust's forward planning. In considering these appointments the committee took into account the views of the Board of Directors regarding the skills, experience and qualifications required for these roles. A recommendation for re-appointment was made to the Council of Governors for approval to re-appoint all three non-executive directors on varying terms of office. Further work is being undertaken by the committee around succession planning for the non-executive directors.

Governors have given consideration to future approaches to recruitment to ensure that the talent pool for future Non-Executive Directors is as wide as possible with a particular emphasis on reaching underrepresented groups.

Engaging with Members Governor Group (previously Communications and Membership Governor Group)

Regular meetings of the group have taken place during the year. The group is involved in a task and finish piece of work around 'making membership matter'. This includes:

- Making membership meaningful
- Enabling membership to support and promote Trust goals
- Building and enhancing relationships with our partners
- Enabling participation of members
- Respecting the value and contribution of members
- Supporting Trust activities
- Helping to communicate Trust messages
- Influencing the focus of Trust activities / partnership working

Finance, Audit, Strategy and Quality Governor Group (previously Finance and Audit Governor Group)

A decision was taken by the Council of Governors to support a recommendation to merge the Finance and Audit Governor Group and the Strategy and Business Development Group from January 2019. The group meets twice a year as a minimum to discuss the finances of Trust, paying particular attention to its financial performance against its own targets and those of the Government and its new role now incorporates discussions regarding quality and strategy. These meetings are chaired by a Governor and attended by the Chair of the Audit Committee, a non executive director of the Finance and Investment Committee, a non executive director of the Quality Committee and the Executive Director of Finance.

Strategy and Business Development Governor Group

In January 2019 this group merged with the Finance, Audit, Strategy and Quality Governor Group. During the year Governors were involved in developing the Trust's Strategy and Operational Plan and had the opportunity to discuss the content at a specially arranged session with Board members. Regular updates on implementation and specific aspects of the plan are provided through the Strategy and Business Development Governor Group, the outcomes of which were reported to the Council of Governors. Regular meetings of the group were held chaired by a Governor and attended by a non-executive director, representatives of the Business Development Department and other Governors. Views of the group are reported to the Board of Directors via the non-executive director who attends and via the chairman, who meets on a regular basis with the group Chair.

Governors other activities

During the year governors were involved with the Patient-Led Assessment of the Care Environment (PLACE) inspections and were part of the inspection panels. The visits involved talking to patients about the environment they are in and asking what they think of the food and service they receive. Visits for 2019 will take place later in the year and governors will be again involved.

Some Governors have taken part in the Recovery College Board. Governor champions have been identified to be part of the Patient Experience Group which will take forward the Patient and Carer Experience pledges outlined in the Patient and Carer Experience Strategy.

Governors have taken part in the recruitment processes for the Chief Operating Officer and Director of Human Resources during the year either as part of the panel or on the stakeholder groups. Governors have also been involved in the non-executive directors' appraisal process both via the review panels and by submitting their views on their performances.

Governors have been involved in the development of the Quality Report and representatives attended an event to decide what the priorities would be for the coming year. Governors were asked to make comments on the report and those received were published in the Quality Report.

In contributing to the development of the Operational Plan Governors draw on their personal experiences, expertise and liaison with the members that they represent. Governors have continued to participate in a programme of development opportunities over the last 12 months. They have also engaged with members of their constituencies and attended events such as:

- Annual Members' Meeting
- NHS 70 Celebrations
- Patient-Led Assessments of the Care Environment (PLACE) assessment visits
- Visits to services
- Public Board of Directors' meetings
- Executive and Non-Executive Director recruitment/reappointment
- Corporate Events at the Trust – Apprenticeship Award ceremony, Staff Awards event
- Involved in the Patient and Carer Experience forums.

Staff governors have attended or been involved with the following.

- Staff Governor meetings with the Chairman.
- Governor Development Session meetings.
- Governor Knowledge and Engagement Opportunities - includes visits to units and observing team meetings in corporate services and community teams.
- Involvement in patient and carer experience forums.
- Attendance at Well Led review session with the Care Quality Committee (CQC).
- Judging panel for staff awards and monthly staff awards.
- Involvement in organisational development work to discuss priorities for the organisational development plans.
- Improving / extending relationships with other governors – understanding the strategic priorities / activities for the Trust better, opportunities for networking in role.
- Meeting prospective / new Governor to explain role purpose.
- Informally at meetings / training etc. representing role as Staff Governor - explain role and Trust strategies, e.g. Health and Wellbeing.
- Attendance at staff awards.

Bi-monthly governor development days were held with various topics being discussed including membership and engagement, overview of Governor Groups, presentation on Humber Coast and Vale Health and Care Partnership and on the mental health workstream, voluntary services, Freedom to Speak Up, statistical process control charts, Care Quality Commission Well Led, Quality Improvement and quality indicators. Public, staff and partner governor meetings also take place with the chairman.

The Board of Directors recognises the importance of ensuring that the Governors have sufficient knowledge and understanding in order to fulfil their roles and therefore supported several Governors to attend a number of external events including Governwell training and regional events. This engagement ensures that all parties maintain an understanding of the views and aspirations of the Trust and its members, and contribute to the future development of the Trust.

To help improve communication between the Board of Directors and Council of Governors, Directors attend the Development sessions as required, attend the Council of Governors meeting and additional sessions with the Board of Directors are built into the governor development day as required. Governors set the agenda for the development days by identifying areas they wish to receive more information on including presentations from specific teams/services.

Members of the Board of Directors engage with governors in various ways including:

- attendance and membership of Governor groups/committee
- attendance at development days
- involvement in visits by governors to patient areas

The Board of Directors is responsible for the day-to-day running of the Trust although the Board of Directors takes account of the views of governors when developing its strategy and forward plans.

Governors are invited to attend the Trust's public Board of Directors meetings. The Board of Directors meets on a monthly basis (with the exception of August and December), with every meeting held in public. The agenda and supporting papers for the public meetings are published on our website. Details of attendance at these meetings for the period of this report are detailed in another section of this report.

Confidential and commercially sensitive matters are discussed in part II (private) meetings and matters which are not confidential or commercially sensitive are discussed at meetings held in public. Governors are sent a link to the website for the public papers, the agenda for the part II meeting and also have access to the part II minutes.

The detailed breakdown of current governors is as above. Public and staff governors were publicly elected.

There is a procedure for dealing with disputes between the Council of Governors and the Board of Directors and this is set out in Annex 9 of the Trust's constitution, but it was not necessary to use this during the year.

Expenses

Governors receive no remuneration for their role. However, the Trust provides appropriate reimbursement, for example to cover travel expenses for governors who participate in events or activities arranged by the Trust. During the period 1 April 2018 to 31 March 2019, a total of 11 governors claimed reimbursement for expenses. This included those governors who are no longer in post or who have left during the year. The total cost reimbursed to governors for this period was £2,182.34 compared to £2,171.05 paid to 14 governors in 2017/18.

Register of Interests

Governors are required to declare any interests as per the constitution. The register of interests for the Council of Governors is available from the Membership Office on 01482 389132 or by emailing HNF-TR.governors@nhs.net.

Governor Elections

Elections were held in October/December 2018 for eight governor seats covering four constituencies. The details are below:

- Public – East Riding: Three seats were available and all seats were filled through an election process
- Public – Hull: Three seats were available with two people elected in an uncontested election
- Public – Wider Yorkshire and Humber: one seat was available which was not filled
- Staff: Two seats were available for non clinical seats both of which were filled through an election process

ACCOUNTABILITY REPORT

Membership

Council of Governors Members and their Attendance in 2018/19

Name	Constituency	No of Council Meetings attended / possible total	Term of Office ended/s
Current Governors			
Rodney Evans (elected)	Hull Public	4/4	Jan 2019
Robert Hunt (elected)	Hull Public	1/4	Jan 2020
Martin Clayton (elected)	Hull Public	4/4	Jan 2019
Eric Bennett (elected uncontested)	Hull Public	1/1	Jan 2022
Suzanne Milan (elected uncontested)	Hull Public	0/1	Jan 2022
Neel Kamal (elected)	East Riding Public	2/4	Jan 2019
Sam Muzaffar (elected)	East Riding Public	4/4	Jan 2022
Julie Hastings (elected) – Lead Governor	East Riding Public	4/4	Jan 2019
Ros Jump (elected)	East Riding Public	3/4	Jan 2021
John Cunnington	East Riding Public	4/4	Jan 2021
Huw Jones (Lead Governor from 1 February 2019)	East Riding Public	3/4	Jan 2021
Christopher Duggleby (elected)	East Riding Public	1/1	Jan 2022
Fiona Sanders (elected)	East Riding Public	1/1	Jan 2022
Mike Oxtoby (elected)	Service User and Carer	4/4	Jan 2021
Stephen Christian (elected)	Service User and Carer	1/4	Jan 2021
Doff Pollard (elected uncontested)	Whitby Public	3/4	Jan 2021
Peter Lacey (elected)	Wider Yorkshire and Humber Public	3/4	Jan 2019
Anne Gorman (elected)	Staff non clinical	3/4	Jan 2022
Mandy Dawley (elected)	Staff non clinical	4/4	Jan 2022
Craig Enderby	Staff clinical	3/4	June 2018
Sam Grey (elected uncontested)	Staff non clinical	3/4	Jan 2021
Jack Hudson (elected uncontested)	Staff clinical	3/4	Jan 2021
Elaine Aird (appointed)	East Riding of Yorkshire Council	2/4	Mar 2019
Gwen Lunn (appointed)	Kingston upon Hull City Council	3/4	May 2019
Andy Barber (appointed)	HEY Smile Foundation	1/4	Feb 2021

Governors who left during 2018/19

Rodney Evans (elected)	Hull Public	Term of office ended
Martin Clayton (elected)	Hull Public	Term of office ended
Neel Kamal (elected)	East Riding Public	Term of office ended
Julie Hastings (elected) – Lead Governor	East Riding Public	Term of office ended
John Thirkettle (appointed)	Humber Police	Resigned

A total of 376 new public members joined our Trust during 2018/19, taking our membership total (excluding staff members) to 13,366. The Trust aims to develop its membership to reflect the diversity of services provided and to ensure it is representative of the people it serves. One of the greatest benefits of being a foundation trust is having a vibrant membership that is passionate about the people we care for and the services we provide.

As of 31 March 2019, the Trust had 6,320 members in the East Riding, 5,676 in Hull, 768 in the wider Yorkshire and Humber area, Whitby 35, patient and service user 69, 2,547 staff members and 498 members living outside our catchment area. Our Trust membership is fairly static; however, there are plans to hold more recruitment events within the constituencies to ensure our membership is as representative as possible of the communities we serve. Our staff are broadly representative of the Trust's public membership in numerical terms.

During 2018/19 membership recruitment opportunities were included as part of other events that took place throughout the year including when the Board of Directors meetings were held in different locations and attending patient and carer groups.

The charts below show how membership is made up and the ethnicity profile up to 31 March 2019. While wanting to maintain membership levels in the year, a greater focus has been given to engagement and better understanding the composition of the membership. Every effort will be made during 2019/20 to increase our membership.

Membership Size and Movement

Public Constituency (at 31.3.19)	2018/19	2019/20 (est)
At year start 1 April	13,427	13,297
New Members	355	750
Members Leaving	485	500
At year end 31 March 2019	13,297	13,547

Staff Constituency (at 31.3.19)	2018/19	2019/20 (est)
At year start 1 April	2,508	2,547
New Members	266	500
Members Leaving	227	300
At year end 31 March 2019	2,547	2,747

Patient/Carer Constituency (at 31.3.19)	2018/19	2019/20 (est)
At year start 1 April	50	69
New Members	21	150
Members Leaving	2	20
At year end 31 March 2019	69	199

Analysis of Current Membership*

Public Constituency	Number of Members	Eligible Membership
Age (years)		
0 – 16	1	1,053,919
17 – 21	117	332,541
22+	12,235	3,812,884

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Ethnicity		
White	12,188	4,428,220
Mixed	57	82,541
Asian or Asian British	196	379,633
Black or Black British	131	79,498
Other	33	40,101

Gender Analysis		
Male	4,477	2,564,801
Female	8,795	2,625,135

Patient/Carer Constituency	Number of Members	Eligible Membership
Age (years)		
0 – 16	0	0
17 – 21	1	0
22+	28	0



Trust members must be over 14 years old. Our membership constituencies are Hull, East Riding of Yorkshire, Service User and Carer, Whitby and the wider Yorkshire and Humber area and staff. We also have a few public out-of-area catchment members, but these members only receive information on the services we provide and are not eligible to vote in governor elections.

The Trust's members play an important part in our future development and can become involved in services by working with our governors if they wish. Membership is about community engagement and developing our organisation in partnership with the community.

Through our membership we want our members to be truly interested in making a difference and getting involved.

One of the greatest benefits of being a foundation trust (FT) is having a membership that can influence the services we provide. We produce a membership magazine, Humber People, which gives information on what is happening within the Trust, patient activities, puzzles and competitions.

Our Membership Plan identifies what members can do including:-

- Support the Trust – by taking part in meetings, giving their feedback on services, suggesting ways the Trust can improve or save money;
- Be informed and kept up to date – by taking part in meetings, via the Trust's members' magazine, Humber People;
- Inform the Trust and help shape service development – by sending their views to the Membership Officer, non-executive and executive directors, and governors;
- Get involved in voluntary activities – by supporting the Trust's charity, Health Stars, and volunteering to assist the work of services, for example the Recovery College;
- Recruit other members – by talking to people in their own communities, taking part in Trust member recruitment drives in the community;

At its strongest and most powerful the real benefits of membership will come from the links they make with key Trust objectives. We want the membership to have a loud voice in our community

Contact details

The Membership Office is the initial contact point for new and existing members. Details of how to contact the Membership Office and our Governors are as follows:

Membership Office
Freepost RLZB-RKZB-AJSJ
Trust Headquarters
Willerby Hill
Beverley Road
Willerby
HU10 6ED

Tel. 01482 389132
Email. HNF-TR.governors@nhs.net

To contact members of the Board of Directors, please telephone our Trust Headquarters reception on 01482 301700 or write to us using the freepost address provided.

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Single Oversight Framework

The Trust has an Integrated Quality Performance Tracker which reports performance against identified key performance indicators to the Board of Directors on a monthly basis. Indicators reported are based around both the NHS Improvement and the Care Quality Commission's Intelligent Monitoring Framework (Caring, Effective, Safe, Responsive and Well Led).

Segmentation

Humber Teaching NHS Foundation Trust is recorded as being in Segment 1 by NHS Improvement at the time of preparing this annual report.

Finance and Use of Resources

The Finance and Use of Resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that Finance and Use of Resources is but one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2018/19 Q1 score	2018/19 Q2 Score	2018/19 Q3 Score	2018/19 Q4 Score forecast
Financial sustainability	Capital service capacity	4	4	3	1
	Liquidity	1	1	1	1
Financial efficiency	I&E margin	4	4	4	1
Financial controls	Distance from financial plan	1	1	1	1
	Agency spend	1	1	1	1
Overall scoring		3	3	3	1

Statement of the Chief Executive's responsibilities as the Accounting Officer of Humber Teaching NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Humber Teaching NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Humber Teaching NHS foundation trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance

- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy and
- prepare the financial statements on a going concern basis.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed: 
Chief Executive

Date: 22 May 2019

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Annual Governance Statement

Scope of responsibility

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

The Board of Directors through its Audit Committee agreed the Trust's 2018/19 Internal Audit Plan with its internal auditors which consisted of 26 audits that have all been undertaken. The results of these audits culminated in the Head of Internal Audit's opinion on the system of internal control which has been incorporated as part of this statement.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Humber Teaching NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Humber Teaching NHS Foundation Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and account.

Capacity to Handle Risk

The Trust has a comprehensive, integrated framework in place to ensure that a structured control environment is in place where risks are identified, assessed and properly managed, where high standards are safeguarded and excellence can flourish. To support this, we have a Corporate Risk Manager responsible for the development and implementation of the Trust Risk Management Strategy and framework across the organisation. This role provides dedicated leadership and coordination to development and delivery of the Risk Management Strategy Implementation Plan and leads in the development of information technology solutions to support the intelligent risk management environment. Full transition of the Trust's risk registers onto the DATIX Risk Management system has been completed in-year allowing for electronic management of risk through a more effective real-time solution.

Ultimate responsibility for the management of the risks facing the organisation sits with the Board of Directors. The Board considers the strategic and high level Trust-wide operational risks facing the organisation as part of its routine business in order to satisfy itself collectively that risks are being effectively managed. The Trust Board continuously strives to strengthen the culture of risk management throughout the organisation. Each Board Committee and its sub-groups has a collective responsibility to ensure effective risk management and good governance as they discharge their duties, and this is reflected in their respective Terms of Reference. Through their work plans they will contribute towards reducing the organisation's exposure to risk. Risks identified by Committees and reporting groups will be communicated and recorded on the appropriate directorate risk registers and subject to overview, monitoring and intervention by the Corporate Risk Manager, internal governance arrangements, as well as providing assurance to the Audit Committee, Trust Board and relevant board committees.

As the Chief Executive, I am accountable for having effective risk management systems and internal controls in place and for achieving statutory requirements. I have delegated overall duty to ensure risk management is discharged appropriately, to the Director of Nursing, who is responsible for the implementation of the Risk Management Strategy. Financial risk management has been delegated to the Director of Finance.

All Executive Directors, Care Group Directors, Clinical Care Directors, Associate Medical Directors and Managers are responsible for identifying, communicating and managing the risks associated with their portfolios in accordance with the Trust's risk management framework. They are responsible for understanding the approach towards risk management of all key clients, contractors, suppliers and partners and mitigate where necessary, where gaps are found. They are responsible for identifying risks that should be escalated to and from the Trust-wide Risk Register.

Guidance on populating risk registers and managing risk is available to all staff electronically via the Trust intranet. Roles and responsibilities in terms of risk management are incorporated into the Trust Risk Management Policy and Strategy and are also displayed via the intranet on the dedicated Risk Management pages. All staff employed by the Trust are required to attend the mandatory and statutory training that is relevant to their role and to ensure they meet their own continuous professional development requirements. Training covers mandatory requirements and elements that are dependent on the job role.

The Trust publishes its Register of Interests on the Trust website in accordance with our policy Standards of Business Conduct and Managing Conflicts of Interest Policy.

The Risk and Control Framework

Humber Teaching NHS Foundation Trust is committed to embedding an integrated approach to managing risk, and recognises that the proactive and continuous management of risk is essential to the efficient and effective delivery of services. The Trust Board has in place a three-year Risk Management Strategy (2016 – 2019) which sets out the Trust's commitment to embedding an integrated approach to managing risk. The Trust's risk management strategy was reviewed and updated in November 2018. The development of the Risk Management Strategy 2020 – 2023 will commence in mid-2019. It is recognised that a proactive approach to risk management can enable a reduction in harm to patients and staff, assist in creating safer care environments and is essential for the achievement of the organisation's strategic goals as well as the Trust's corporate and clinical objectives.

The Trust has undertaken a self-assessment to identify further areas for improvement within risk management and have developed a risk management action plan as part of its annual risk management report for 2018-2019, in an effort to further develop the risk management culture of the organisation.

A review was undertaken in 2018/19 as part of the Trust Board strategy sessions to review the definition of the Trust's risk appetite or the level of risk that it is prepared to accept, tolerate, or be exposed to. A revised risk appetite statement was developed following agreement by the Trust Board which defines the level of risk that can be accepted against key domain areas as well as the Trust's strategic goals. This updated appetite statement has been included in the Trust Risk Management Strategy as part of the review undertaken in 2018.

The management of risks is a key factor in achieving the provision of the highest quality care, requiring the identification, management and minimising of activities or events which could result in unnecessary risks to service users, staff and visitors/members of the public. All of our staff are expected to identify, manage and reduce risk as one of their fundamental duties in an environment of honesty and openness, where mistakes and untoward incidents are identified quickly and dealt with in a positive and responsive way.

Current risks confronting the organisation are identified as part of a 'top down' assessment process and a 'bottom up' risk identification process involving analysis of incidents, claims and complaints and other tools such as unit risk assessments. Any risks identified by stakeholders either on an individual basis or as a group are taken account of in the risk assessment process.

To ensure risk management is robust, we have used the 'Alarm National Model for Risk Management' to undertake a self-assessment of our 'risk maturity'. We will continue to use this resource as a development tool, identifying areas for improvement, as well as setting and implementing clear plans. A review will be undertaken during 2019 as part of the development of the 2020 – 2023 Risk Management Strategy to re-assess the Trust level of 'risk maturity' and to inform any additional actions required to further develop risk managements arrangements within the Trust.

Trust-wide Risks

The Trust-wide risk register is compiled of identified risks that should they be realised, would have implications at Trust-level and would have a significant impact upon the organisation. The current risks captured on the Trust-wide risk register are referenced below. The current controls in place as well as the further areas for action have also been detailed to indicate the level of mitigation currently in place and additional actions planned to reduce the impact of the risk or likelihood of its occurrence.

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CQC Compliance

An announced scheduled 'well-led' inspection was carried out by the CQC in 2019, from 12 to 14 February 2019. This was preceded by a number of unannounced inspections across eight core services and substance misuse services. We retained our rating of 'Good' overall, however, despite improvements across a number of services we remained rated 'requires improvement' for the Safe domain. Further quality improvements are underway to build on the progress we have made and address the areas which continue to impact on our rating within the Safe domain.

Risk Description	Mitigating Controls	Further Mitigating Actions
Risk to longer-term financial sustainability if we are unable to deliver Trust savings targets and income declines through implementation of tariff or commissioner targets.	<ul style="list-style-type: none"> Budgets agreed. Monthly reporting & monitoring and discussion with budget holders. Small contingency / risk cover provided in plan. Project management approach to delivery of BRS MTFP developed to inform plans. Service plans. Finance Committee. Budget Reduction Strategy 2018-19 to 2020-21 established which will produce a MTFP, incorporating the BRS process. Non-recurrent savings. BRS reporting to Board on a quarterly basis. Dialogue with NHSI for renegotiation of Trust Control Total. 	<ul style="list-style-type: none"> Budget Reduction Strategy to be implemented with agreement from CCGs.
Nursing and consultant staff vacancies may impact on the Trust's ability to deliver safe services resulting in increased use of costly temporary staffing solutions and potential impact the credibility/reputation of the organisation.	<ul style="list-style-type: none"> Consultant roles advertised at NHS jobs. Attendance at recruitment fairs. Conversations with a recruitment head-hunter partner to identify consultant resource. Work commenced on recruitment strategy for nursing staff. Issues discussed at STP level around place-based recruitment strategies for hard-to-fill roles across the health sector. Vacancy levels reported monthly to Care Group management and Finance Committee. Vacancy levels regularly reported to Trust Board through IQPT. 	<ul style="list-style-type: none"> Development of nursing recruitment strategy and roll-out plan. Trust-wide workforce plan under development. Agreement of recruitment benefits that the Trust can offer.
Inability to retain appropriately qualified, skilled and experienced clinical workforce.	<ul style="list-style-type: none"> Organisational Development (OD) and Workforce Strategy Implementation Plan. PADR (Performance and Development Review) process. Leadership and management development programmes. Staff engagement through TCNC (Trust Consultation and Negotiation Committee), Staff Health & Wellbeing Group and action plan. Trust retention plan as agreed with NHSI. 	<ul style="list-style-type: none"> Development and implementation of OD programme. Delivery of Trust retention plan.

Overall, the Trust was rated as Good. The CQC rated the effective, caring and well-led domains as good. The safe domain was rated as requires improvement, which is unchanged from the previous 2017 inspection. However, our mental health inpatient units and the Mental Health Response Service both improved their ratings in the safe domain from requires improvement to good, which is testament to the hard work of our staff since our last inspection.

Areas of outstanding practice were identified within in acute wards for adults of working age and psychiatric intensive care services, child and adolescent mental health services and Trust-wide. Examples of these are as follows:

The CQC identified 13 actions at the Trust must take in order to comply with legal obligations. The actions included the following themes:

- Ensuring good standards of record keeping are maintained, i.e. records are accurate, risk assessments completed, care plans are personalised, holistic, reflect all the identified needs of patients and are regularly reviewed.
- Ensuring that the waiting lists for treatment for children and young people to meet national guidance.
- Ensuring that staff act in line with the Mental Capacity Act and code and practice in assessing capacity, making best interest decisions and allowing patients to make unwise decisions.
- Ensuring that staff complete consent to treatment records for all detained patients.
- Ensuring that nursing and medical reviews for patients in seclusion take place and are documented within required timescales.
- Ensuring that patients in seclusion must have individualised personal emergency evacuation plans in place.
- Ensuring that systems to report record and resolve maintenance issues in the service are in place that repairs to essential services are completed in a timely manner.
- Ensuring staff on the wards feel supported, valued and that they are consulted appropriately on service developments.
- Ensuring that systems and processes designed to monitor and improve services are implemented consistently and that staff are clear in relation to what is expected of them.
- Ensuring regular audits are conducted to assess, monitor and improve the quality and safety of services.
- Ensuring there are appropriate systems in place to monitor actions from incident investigations and share learning from incidents amongst the staff team.
- Ensuring all staff receive supervision and appraisals.
- Ensuring there are sufficient skilled and competent staff to safely meet the needs of patients.

In addition to the areas the Trust must improve the CQC identified a number of areas that the trust should take action to address. A comprehensive improvement plan is in development to be delivered to address the concerns raised via 'must' and 'should' do actions that were detailed in the final inspection reports. The Quality and Regulations Governance (QRG) Group will monitor and drive the delivery of the must and should do actions. The QRG group report through the Executive Management Team (EMT), the Quality and Patient Safety (QPAS) group and the Quality Committee receives quarterly assurance in relation to action plan delivery which is presented to the Board through the Quality Committee assurance report to the Board.

Humber Teaching NHS Foundation Trust has in place a robust process for 'Fit and Proper Persons' testing in line with current guidance to ensure compliance with NHS provider license, general condition 4 : Fit and proper persons. Self-declaration forms are used for both Board members and Council of Governors members and testing arrangements are in place to review the disqualified director, insolvency and removed charities trustee registers to ensure fit and proper eligibility. Self-declarations are completed on an annual basis for both governors and directors to ensure continuity of up-to-date information and assurance that testing requirements are met.

Humber Teaching NHS Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC) as at the 31 March 2019.

Governance Structure

Each of the Trust's Board Committees and aligned sub-groups have a collective responsibility to ensure that effective risk management is embedded within the organisation and to ensure that governance arrangements are in place to monitor its application as they discharge their duties, and this is reflected in their respective Terms of Reference. Through their work plans they will contribute towards reducing the organisation's exposure to risk. Risks identified by Committees and reporting groups will be communicated and recorded on the appropriate risk register and will be

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subject to overview, monitoring and intervention by the Corporate Risk Manager, providing assurance to the relevant Committee and the Board of Directors.

Audit Committee - is the Board Committee with overarching responsibility for risk management. The role of the Committee is to scrutinise and review the Trust's systems of governance, risk management, and internal control. It seeks regular assurance on the Trust's risk management arrangements to enable it to review the organisation's approach to risk, as well as reviewing the Trust-wide risk register and Board Assurance Framework regularly.

The Committee reviews the adequacy of all risk and control related disclosure statements together with any accompanying Head of Internal Audit statement, External Auditor opinion or other appropriate independent assurances. On occasion it will commission internal or external auditors to review and report on aspects of risk management or on the management of significant risks. The committee has also commissioned a rolling review of Care Group and Directorate risk register undertaken through deep-dives to review the quality and appropriateness of risk register entries across the organisation on a recurring basis.

Finance and Investment Committee - is the Board Committee with overarching responsibility for oversight of the Trust's Finances and investments. The role of the Committee is to scrutinise and review the Trust's financial position and activity. It seeks regular assurance on the Trust's risk management arrangements specifically related to finance risks and is responsible for one section of the Board Assurance Framework, which it also reviews as a standing agenda item at each meeting. The committee also has the remit to conduct independent and objective review and oversight of the Trust's trading and commercial investment activities on behalf of the Board of Directors, and to ensure compliance with Investment Policy and Strategic Objectives. Prior to 2019, Finance and Investment were two separate committees - Finance Committee and Strategic Investment Committee - but these merged into one, the Finance and Investment Committee in 2019.

Quality Committee - is the Board Committee with overarching responsibility for oversight of the Trust's quality and patient experience agenda. The role of the Committee is to scrutinise and review the Trust's quality and patient safety position. The committee seeks regular assurance on the Trust's risk management arrangements specifically related to quality and is responsible for the relevant sections of the Board Assurance Framework related to these areas. The Quality Committee also receives a register of all of the Trust risks in relation to quality for regular review, and to strengthen to the confirm and challenge arrangements around risk management within the organisation.

Mental Health Legislation Committee - is a Board Committee whose remit it is to provide strategic leadership pertaining to the Mental Health Act, the Mental Capacity Act and their respective Codes of Practice and other mental health related legislation, as well as to monitor, provide challenge and seek assurance of compliance with external standards relating to Mental Health Legislation and approve and review Mental Health Legislation policies and protocols.

Workforce and Organisational Development Committee - is a new Committee, established in March 2019 to provide strategic overview and provide assurance to the Trust Board that there is an effective system of governance and internal control across workforce and organisational development that supports the Trust to deliver its strategic objectives and provide high quality care.

Executive Management Team (EMT) - involves all Executive Directors and is chaired by the Chief Executive. The Executive Management Team provides the leadership for risk management across the Trust, considering and approving the development of systems and processes, as well as championing risk management within their areas of responsibility. This group is the lead for managing the Trust-wide Risk Register, monitoring the management of risk. They consider and accept new items on to the Trust-wide Risk Register and reviewing and revising risk entries on a regular basis, as well as the approval/removal of any risks from the Register at the request of the Corporate Risk Manager. The Trust-wide risk register and Board Assurance Framework are reviewed by the Executive Management Team on a monthly basis.

Operational Delivery Group - is chaired by the Chief Operating Officer and considers the Care Group and Directorate risk registers. This group is responsible for ensuring that risk assessments are consistent, timely and that appropriate actions to mitigate risks are being taken. Similar risks identified across the Trust are also highlighted, cross-referenced and considered as a whole. The group is also responsible for reviewing escalated or newly identified significant risks for inclusion on the Trust-wide risk register and referring them to the Executive Management Team for review and ongoing monitoring. This group is responsible for the effective implementation of plans and actions arising from EMT

and to escalate any significant matters arising when an EMT decision is required. Operational Delivery Group also supports the delivery of the Workforce and Organisational Development Strategy and the effective implementation of the Health and Wellbeing Strategy, the development and implementation of the Trust's Estate Strategy and gives support to the delivery of the Trust Communication Plan.

Care Group Operational Delivery Groups - are held within each Care Group, and are responsible for ensuring that appropriate risk registers are in place, risks are being effectively captured and appropriate mitigating actions are being taken. They are also responsible for highlighting risks for escalation/ de-escalation, based on the current risk score and perceived business impact for the Trust, to/from the Trust-wide risk register via the Executive Management Team.

Quality & Patient Safety Group (QPAS) - is accountable to the Executive Management Team (EMT). It oversees and coordinates all aspects of quality improvement (patient experience/patient safety & clinical effectiveness), assurance and clinical governance activity and delivery. The Committee has responsibility to escalate any issues which may have a potential impact on the delivery of the organisational objectives to the Executive Management Team.

Clinical Risk Management Group (CRMG) - reports to QPAS and has responsibility for ensuring clinical risk management systems, processes and related clinical risk management strategies and policies are regularly reviewed and implemented Trust-wide. The group ensures that systems and processes are developed and maintained to enable Trust-wide monitoring and review of all clinical risks to ensure appropriate investigation, and maximisation of learning from incidents.

Capital Programme Board - reports to EMT following the assessment and prioritising of capital applications based on underlying risk. Regular reviews are undertaken on capital bids to ensure that any residual risk is monitored and managed by the relevant Trust area should a bid be declined.

The key to effective governance within the Trust is a robust integrated committee structure and management process, which gives the Board of Directors confidence that all risks are being effectively controlled and managed and that attention is focused on the core business of the organization, which is to care for and treat patients. The governance structure in place within the Trust and referenced in this section of this statement is subject to ongoing review to ensure that it is effective and provides appropriate scrutiny and oversight.

Annual Governance Statement/ Board Assurance

The requirement to produce an Annual Governance Statement as part of the Annual report and accounts, enable the Board of Directors to demonstrate that risks with the potential to impact upon the delivery of the Trust's principal strategic objectives are being appropriately managed. The validity of the information detailed within the statement can be evidenced in practice through the use of the Board Assurance Framework within the Trust. The framework is used to monitor the principal risks to the corporate objectives which underpin the Trust strategic goals, as well as monitoring mitigating controls and actions, sources of assurance and positive /negative assurances contributing to the overall rating assigned to the strategic objective. Through the established assurance processes implemented within the Trust, the Board of Directors maintain oversight of systems and standards regarded as appropriate for a supplier of healthcare services in the NHS.

Development of the Board Assurance Framework has continued throughout 2018-19, and the format of the framework has been further developed with input from the Board of Directors and its committees. Information is presented with a focus on actual assurances received, as well as the risks to the key objectives that sit under each of the strategic goals. The Board Assurance Framework (BAF) aims to allow the Board of Directors to monitor progress against the Trust's six strategic goals, as well as progress against individual identified risks, with the framework highlighting the movement of current risk ratings from the previous quarter's position. This format allows for clear consideration to be given to the risks, controls and assurances, which will enable a focused review and discussion of the challenges to delivery of the organisational objectives.

The Trust has a number of processes in place to ensure that workforce strategies and staffing systems are in place to assure the Board that staffing processes are safe, sustainable and effective. These include a governance structure that provides assurance to the Board. In March 2019 we established a Workforce and Organisational Development Committee to provide strategic overview and provide assurance to the Trust Board that there is an effective system of

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governance and internal control across workforce and organisational development that supports the Trust to deliver its strategic objectives and provide high quality care. Prior to this, the strategic overview and assurance was provided through the Quality Committee and Executive Management Team meetings. In addition, the Quality Committee receives regular reports on safer staffing performance and data which in turn is reported to Board.

In addition, each year the Trust participates in the national benchmarking data collections projects that allow for comprehensive benchmarking of activity, finance, workforce and quality metrics.

The framework also provides a comprehensive evidence base for compliance against internal and external standards, as well as targets and requirements including CQC registration. The Framework is monitored closely by the Executive Management Team on a monthly basis. Individual meetings also take place with each of the Trust Executives on a monthly basis to undertake a review of their allocated strategic goal(s) and their aligned risks. This process ensures that there is robust confirm and challenge prior to submission to the Board of Directors and assigned committees.

Risk management activities undertaken within the Trust operate at a number of levels: for example, a health or social care professional creating a risk management plan for a service user; health and safety assessments of local facilities, incident reporting and organisational learning, corporate planning around the organisational response to a major incident; or risk assessment and mitigation for business expansion and development. The Trust risk management strategy and its related procedures serve to set these various risk management activities within a broader corporate framework and to identify a consistent approach to risk management across the Trust. Risk management is also embedded throughout the committee and organisational structure of the Trust with clear escalation routes of risks between units and the Board of Directors ranging from operational sub-groups up to the Board of Directors.

Public stake-holders involvement is sought where appropriate by the Trust and is managed through the Patient and Carer Experience Strategy. Governors are actively involved with service areas and their activity with patients and carers. There is clear focus on improving information, involvement in training, culture issues related to service delivery and involvement in development and review of services. Skills support packages are offered to members of the groups as required. Active development of working relationships with HealthWatch and Overview and Scrutiny Committees is being pursued. The Patient Advice and Liaison Service (PALS) is well established within the Trust and there is effective reporting quarterly to the Trust's Quality Committee and Board of Directors meetings. The Board of Directors hold a meeting in public on a monthly basis and stakeholder attendance is encouraged.

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

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

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

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

The Board of Directors and its sub-committee structure have a clear role in providing assurance and governance leadership within the Trust, particularly around the achievement of efficiency and effectiveness, which is a key area of focus under the Trust's governance arrangements supported by internal and external audit reviews.

The Audit Committee is the senior sub-committee with a remit including independently scrutinising other Board committees. It also reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the Trust's activities. This committee also gains assurance that confirms effective systems of internal control are in place. The Strategic Investment Committee ensures that processes governing strategic investments are being followed and makes recommendations to the Board of Directors on major capital expenditure, joint ventures, acquisitions and mergers, purchase, sale or alteration of property (above and agreed threshold) and service expansion or major service change. In 2019 this committee was merged with Finance Committee to make a new Finance and Investment Committee.

Findings and recommendations from audits are monitored and reported through the Audit Committee. The Trust's external auditors are required as part of their annual audit to satisfy themselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if in their opinion the Trust has not.

The Remuneration and Nomination Committee make recommendations regarding the remuneration allowances and terms of service for Executive Board members. The Charitable Funds Committee oversees the use of charitable funds on behalf of the Trust.

Trust performance is monitored by the Board of Directors on a monthly basis. Finance reporting is undertaken, which informs the Board of the Trust's current financial position and provides a comparison with the planned position for the reporting period. Regular reports are also provided in relation to the Trust's Budget Reduction Strategy (BRS) and its level of achievement. Finance and Investment Committee is responsible for oversight of the Trust's financial position and meets on a monthly basis to consider the financial reports and seeks assurance regarding the management of finance related risks.

Performance against key indicators is reported via the Integrated Quality Performance Report which provides data in regards to finance, clinical and workforce indicators alongside national or local targets and objectives. Any areas of concern or poor performing area are highlighted and mitigating actions are determined as appropriate by the Board of Directors. Specific reporting of service waiting times and regular updates for the Trust's Care Groups are also considered through the Trust Board to ensure that resources are being used effectively within the Trust and that any areas of concerns can be addressed quickly.

Information Governance

The Trust maintains a strict management and accountability framework for information governance and data security. Information Governance is assured by the annual information governance self-assessment using the NHS Information Governance (IG) toolkit. The self-assessed scores have been independently audited and an action plan developed to ensure further improvement. The Trust's Data Security and Protection (DSP) Toolkit assessment status for 2018/19 is Standards Met.

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In order to provide assurance that information governance practices are compliant with Trust policy, legal and regulatory requirements and are embedded in the Trust culture, a programme of random 'spot check' audits is conducted throughout the Trust. This ensures that information governance policies, process and operational activities are effective on the ground and compliant with Information Governance Toolkit requirements and CQC outcomes 2 and 21. If this is not the case, corrective action is recommended by the Information Governance Department. The results of these audits confirm that Information Governance practices are well established and are compliant with Trust policy, legal and regulatory requirements.

The Trust has encrypted laptops, encrypted data devices and desktop computers and has reviewed the security of all bulk data in transit and personal identifiable data flows identified and mitigated against any risks. The Trust has undertaken a refresh and review of its critical information assets. Its key information assets have been identified and approved by the IG Committee this year and each has an Information Asset Owner assigned. Each asset has been updated in the Information Asset Register which has been approved by the Information Governance Committee. All data classified incidents were reviewed and none was deemed to be significant. The Trust has a qualified Chief Information Officer who is up to date with the training required by the Information Authority. The Trust has also previously migrated to NHS Mail for additional security for data transfers.

Ten serious incidents were declared during 2018/19 by the Trust in relation to confidentiality breaches. Nine incidents have been closed by the Information Commissioner's Office with no further action, one incident investigation is ongoing.

ACCOUNTABILITY REPORT



Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

Annual Quality Accounts are published as part of the Trust Annual Report and in their development for 2018/19, the Trust has worked with key stakeholders such as: Governors; HealthWatch; local authority members; representatives from local community groups; patients/ carers and their representatives as well as commissioners, to ensure that the priorities selected for review were appropriate and that the publication fairly represented the quality of our service delivery.

Stakeholders are sent a draft version of the accounts for comment prior to publication, and where these partners have commented on the quality accounts, feedback in printed verbatim within the final version.

In order to develop the quality priorities for 2019/20 an event with patients, carers, staff and representatives from local community groups was held and feedback from the event resulted in the following priorities being put forward for consideration by the Board of Directors prior to incorporation as Quality Priorities in the Quality Account.

The final agreed key qualities priorities described in the table below:

<p>Priority 1</p> <p>Ensure we have meaningful conversations with patients/carers to develop therapeutic relationships and engagement in service delivery</p>	 <p>Strategic Goal 1 Innovating quality and patient safety</p>  <p>Strategic Goal 2 Enhancing prevention, wellbeing and recovery</p>  <p>Strategic Goal 5 Fostering integration, partnerships and alliances</p>
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<p>Priority 2</p> <p>Ensure that quality improvement is a part of every staff member's role to maximise patient safety across all of our services</p>	 <p>Strategic Goal 1 Innovating quality and patient safety</p>  <p>Strategic Goal 3 Developing an effective and empowered workforce</p>
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<p>Priority 3</p> <p>Embed best available evidence in practice utilising patient reported and clinical reported outcome measures (PROMS, CROMS)</p>	 <p>Strategic Goal 1 Innovating quality and patient safety</p>  <p>Strategic Goal 6 Maximising an efficient and sustainable organisation</p>  <p>Strategic Goal 2 Enhancing prevention, wellbeing and recovery</p>
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<p>Priority 4</p> <p>To ensure physical health screening is routinely undertaken across all secondary mental health services</p>	 <p>Strategic Goal 1 Innovating quality and patient safety</p>  <p>Strategic Goal 3 Developing an effective and empowered workforce</p>  <p>Strategic Goal 6 Maximising an efficient and sustainable organisation</p>
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Humber Teaching NHS Foundation Trust Quality Priorities 2019/20:

The Trust is committed to continuous quality improvement and uses a range of initiatives to drive improvement in all of the services it provides. Throughout 2018-19 we worked to address the priorities identified in the 2017-18 Quality Account, and have made significant progress. Full details of our priorities and progress made against them are detailed within our Quality Account.

How we identified our priorities for 2018-19:

In January 2019, we held a 'Building our Priorities' workshop with patients, service users, carers, third sector organisations, commissioners and staff. During this workshop we presented our progress in relation to the 2018-19 priorities; asked attendees to consider what further actions they would like to see during 2019-20 in order to build on the successes and enquired whether there were any additional priorities they wished to suggest. Facilitated table discussions were held throughout the day and the themes of the discussions were captured. There was an overwhelming consensus that while we had delivered the majority of the actions that we aimed to deliver during 2018-19, the priorities remained relevant and further actions could be taken in 2019-20 to build on the progress made to date. Therefore, all three priorities remained the same with a set of new actions aimed to build on the progress already made. The quality priorities were presented to the Board in February 2019 and they agreed the proposed actions, and requested an additional priority be added in relation to physical health care.

ACCOUNTABILITY REPORT

Data Quality

The Trust has continued to take necessary steps to assure itself of the robustness of its data quality. Processes are in place within the Trust for the monitoring of performance information, both centrally through the Trust's Performance team and at operational level within the Care Groups, such as regular meetings to review waiting time data. During 2018/19, the Trust has further developed the Integrated Performance Tracker which serves as useful tool for bringing together all aspects of Trust performance and allows for effective identification of trends, as well as the escalation of key issues to the Trust Executive Management Team and Board of Directors as required. The report format has undergone further review during 2018/19, and additional indicators for future reporting have been discussed by the Executive Management Team to further enhance the reporting arrangements and quality of data used.

A monthly Quality Report is presented to the Board of Directors outlining the Trust's performance against key quality objectives including comparative data, and a safer staffing dashboard is presented highlighting key staffing indicators. New weekly return forms have been introduced to allow for consistent entry submissions limiting the choices to the nationally set criteria. This process also allows for more accurate data quality in terms of clinical effectiveness at Care Group level.

Review of Effectiveness

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

Our internal auditors provide me with an opinion on the overall arrangements for gaining assurance through the assurance framework and on the controls reviewed as part of the internal audit work.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The assurance framework itself provides me with evidence on the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

My review is also informed by assurances from other sources which include the Care Quality Commission, patient and staff surveys, Patient Led Assessment of the Care Environment (PLACE) inspections, NHS Resolution, a number of Foundation Trust driven external reviews and the registration requirements of the Care Quality Commission and Information Governance Toolkit self-assessments.

The Audit Committee (AC) has provided the Board of Directors with an independent and objective review of controls in place within the organisation based on assurance it has received from Internal Audit and External Audit, and from management. Internal and external audit have reviewed and reported on control, governance and risk management processes, based on audit plans approved by the committee. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management. The Trust has a mechanism in place to track progress in implementing agreed recommendations and the results of re-audit are fed back to the Audit. Finance and Quality Committees provide the board with assurance that effective control is in place with regards to the Trust's financial position and in relation to the quality of services the organisation delivers to its users.

The Trust continues to be committed to delivering safe, quality and compassionate care.

Conclusion

The Head of Internal Audit opinion statement has been received on the effectiveness of the system of internal control. The overall opinion is that there is 'good' assurance that the system of internal control has been effectively designed to meet the organisation's objectives, and that controls are being consistently applied.

Of the planned audits for 2018/19 that have been completed, three provided substantial assurance, eleven provided good assurance, three provided reasonable assurance and two provided limited assurance. Work is ongoing within the organisation to address the recommendations made by internal audit and to strengthen the systems and processes in place, but no significant internal control issues have been identified.

Signed 
Chief Executive

Date: 22 May 2019

Equality and Diversity

The Trust as an employer is committed to recruit, develop and retain a workforce that reflects the local population and promote equality of opportunity for all employees.

Recognising the importance to further develop our performance on Equality & Diversity, the Trust appointed a dedicated Equality and Diversity Lead who commenced in the role in March 2019. The role will work closely with the Trusts Patient and Carers Experience Lead to drive forward improvements for the workforce and to support our patient and carers.

In support of our Public Sector Equality Duty (PSED), the Trust has produced its Equality, Diversity and Inclusion report, (due for renewal in May 2019) and set objectives for 2018/19.

In working towards the objectives set for 2018/19, the Trust has successfully recruited a dedicated Equality & Diversity Lead, refreshed the Equality and Diversity e-learning training package to incorporate unconscious bias awareness and continues to ensure Equality and Diversity training is mandatory with a completion rate of 88% above the Trust target rate.

Working with the Patient and Carer Experience Lead, links have been made with local groups who represent people with Protected Characteristics within our communities including the Disability Action Group and Hull and East Riding Lesbian, Gay, Bisexual and Trans (LGBT).

A regional Equality, Diversity and Inclusion Partnership has been established with local care providers and the Trust is part of this partnership.



The Trust published its Gender Pay Gap report in 2018 and in summary the data is:

- The Trust's mean gender pay gap is 11.06%
- The Trust's median gender pay gap is 0.35%
- The Trust's mean bonus gender pay gap is -49.32%
- The Trust's median bonus gender pay gap is -80.14%
- The proportion of males receiving a bonus payment is 1.26%
- The proportion of females receiving a bonus payment is 0.18%
- The proportion of males and females in each quartile pay band is:
 - o Quartile 1: 82.57% Female and 17.43% Male
 - o Quartile 2: 78.06% Female and 21.94% Male
 - o Quartile 3: 81.71% Female and 18.29% Male
 - o Quartile 4: 76.62% Female and 23.38% Male

The Trust has completed the Equality Delivery System 2, Workforce Race Equality Standards reporting requirements which are both accessible on the Trust's website and is preparing the Workforce Disability Equality Standard report to be published in 2019.

Workforce Race Equality Standard (WRES)

In the Workforce Race Equality Standard (WRES) for 2018 key areas of improvement are as follows:

- Ethnicity of the Trust is reported as 87.18% White British/white other, with 3.9% declaring to be BME. This is an increase of 0.5% from the 2017 WRES.
- The number of BME candidates making applications for positions with the Trust and successfully securing a role has increased from 7.14% in 2017 to 9.79% in 2018.
- 100% of our BME staff in the National Survey believe that the Trust provides equal opportunities for career progression or promotion, an increase from 91% in 2016/17.

The Trust will continue to review the experiences of our BME employees and establish objectives and action plans to support our staff.

Equality Impact Assessments

The Trust undertakes Equality Impact Assessments (EIA's) when reviewing and establishing new services, policies, and strategies

Modern Slavery Act 2015

Humber Teaching NHS Foundation Trust continues to take a number of steps to ensure slavery and human trafficking is not taking place in any of its supply chains or in any part of its own business. We do this by:

- working towards full compliance with the relevant legislation and regulatory requirements;
- working to promote the requirements of the legislation, making our approach known to our suppliers and service providers;
- building on our existing workforce awareness of human trafficking and modern slavery, through our safeguarding policies/protocols and commercial learning;
- considering human trafficking and modern slavery issues when making procurement decisions.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF HUMBER TEACHING NHS FOUNDATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF HUMBER TEACHING NHS FOUNDATION TRUST

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Humber Teaching NHS Foundation Trust (the 'Foundation Trust'):

- **give a true and fair view of the state of the Foundation Trust's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 40.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	<p>The key audit matter that we identified in the current year was:</p> <ul style="list-style-type: none"> • Recognition of NHS Revenue <p>Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with .</p>
Materiality	The materiality that we used for the current year was £2.6m which was determined on the basis of 2% of total operating income.
Scoping	All testing of the Trust was performed by the main audit engagement team at the Trust's head offices in Hull, led by the audit director.
Significant changes in our approach	There has been no significant changes to our audit approach in the current year.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF HUMBER TEACHING NHS FOUNDATION TRUST

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the accounting officer's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the accounting officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Foundation Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

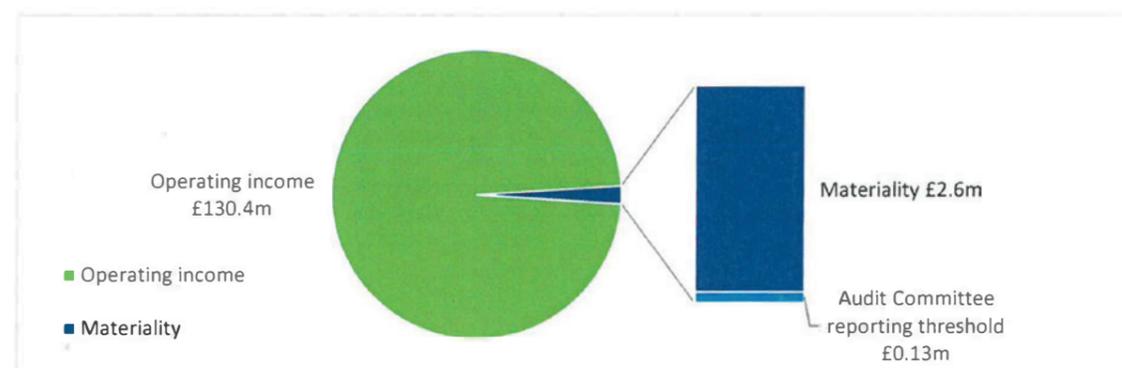
Recognition of NHS Revenue	
Key audit matter description 	<p>As described in note 1.4.1, Accounting Policies, there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:</p> <ul style="list-style-type: none"> the judgements taken in evaluating volume-related and Commissioning for Quality and Innovation ("CQUIN") income; and the judgmental nature of provisions for disputes, including in respect of outstanding income for quarter 4. <p>Details of the Foundation Trust's income, including £125.5m (2017/18: £113.4m) of Commissioner Requested Services, are shown in note 5.3 to the financial statements. NHS debtors are shown in note 21.1 to the financial statements.</p>
How the scope of our audit responded to the key audit matter 	<p>In order to address this key audit matter, we have performed the following procedures:</p> <ul style="list-style-type: none"> We have assessed the design and implementation of controls over management's estimation of CQUIN target measures; We have obtained evidence that CQUIN income for Q1 – 3 was agreed between the Trust and the commissioners and assessed whether the income recognised by the Trust was in line with that which had been agreed; We have reviewed the Q4 estimate of CQUIN income and have agreed this to supporting information from the Trust on activity performance; and We have tested a sample of differences identified through the agreement of balances process with commissioners.
Key observations 	<p>We consider the income recognised from NHS Revenue to be appropriate based on the Trust's patient activity and reported performance against the operational targets agreed with the Commissioner.</p>

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£2.6m (2017/18: £2.4m)
Basis for determining materiality	2% of operating income (2017/18: 2% of operating income)
Rationale for the benchmark applied	Operating income was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £130k (2017/18: £118k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

The scope of the audit is in line with the Code of Practice issued by the NAO.

Our audit was scoped by obtaining an understanding of the Trust and its environment, including internal controls, and assessing the risks of material misstatement.

The focus of our audit work was on the Trust, with work performed at the Trust's head offices in Hull directly by the audit engagement team, led by the audit director.

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS AND BOARD OF DIRECTORS OF HUMBER TEACHING NHS FOUNDATION TRUST

in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of accounting officer

As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the Foundation Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the Foundation Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability 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

Annual Governance Statement, use of resources, and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Foundation Trust, or a director or officer of the Foundation Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Humber Teaching NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Foundation Trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Hewitson FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Newcastle Upon Tyne, United Kingdom

24 May 2019

Foreword to the accounts

Humber Teaching NHS Foundation Trust

These accounts, for the year ended 31 March 2019, have been prepared by Humber Teaching NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed 

Name **Michele Moran**
 Job title **Chief Executive**
 Date **22 May 2019**

Statement of Comprehensive Income

	2018/19	2017/18
Note	£000	£000
Operating income from patient care activities	3 117,907	104,652
Other operating income	4 12,496	13,734
Operating expenses	6, 8 (129,761)	(112,727)
Operating surplus/(deficit) from continuing operations	642	5,659
Finance income	11 91	36
Finance expenses	12 (165)	(222)
PDC dividends payable	(2,355)	(2,234)
Net finance costs	(2,429)	(2,420)
Other gains / (losses)	13 -	456
Surplus / (deficit) for the year from continuing operations	(1,787)	3,695
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	-	-
Surplus / (deficit) for the year	(1,787)	3,695
Other comprehensive income		
Will not be reclassified to income and expenditure:		
Impairment gain/ (Impairment Loss)	7 (3,425)	1,325
Revaluations	16 15	3,268
Remeasurements of the net defined benefit pension scheme liability / asset	33 (170)	39
Total comprehensive income / (expense) for the period	(5,367)	8,327

Statement of Financial Position

	Note	31 March 2019 £000	31 March 2018 £000
Non-current assets			
Intangible assets	14	4,239	879
Property, plant and equipment	15	74,216	78,493
Total non-current assets		78,455	79,372
Current assets			
Inventories	20	138	127
Receivables	21	11,651	12,232
Non-current assets held for sale / assets in disposal groups	22	2,145	-
Cash and cash equivalents	23	14,935	8,613
Total current assets		28,869	20,972
Current liabilities			
Trade and other payables	24	(16,793)	(14,487)
Borrowings	27	(282)	(273)
Provisions	29	(147)	(164)
Other liabilities	26	(717)	(356)
Total current liabilities		(17,939)	(15,280)
Total assets less current liabilities		89,385	85,064
Non-current liabilities			
Borrowings	27	(4,110)	(4,383)
Provisions	29	(710)	(801)
Other liabilities	26	(1,175)	(707)
Total non-current liabilities		(5,995)	(5,891)
Total assets employed		83,390	79,173
Financed by			
Public dividend capital		54,045	44,320
Revaluation reserve		13,294	17,164
Other reserves		(300)	(130)
Income and expenditure reserve		16,351	17,819
Total taxpayers' equity		83,390	79,173

The notes on pages 8 to 52 form part of these accounts.



Name Michele Moran
Position Chief Executive
Date 22nd May 2019

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

	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2018 - brought forward	44,320	17,164	(130)	17,819	79,173
Impact of implementing IFRS 15 on 1 April 2018	-	-	-	(141)	(141)
Impact of implementing IFRS 9 on 1 April 2018	-	-	-	-	-
At start of period for new FTs	-	-	-	(1,787)	(1,787)
Surplus/(deficit) for the year	-	(460)	-	460	-
Other transfers between reserves	-	(3,425)	-	-	(3,425)
Impairments	-	-	-	-	-
Revaluations	-	15	-	-	15
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	(170)	-	(170)
Public dividend capital received	9,725	-	-	-	9,725
Taxpayers' equity at 31 March 2019	54,045	13,294	(300)	16,351	83,390

Statement of Changes in Equity for the year ended 31 March 2018

	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2017 - brought forward	43,943	12,959	(169)	13,736	70,469
Prior period adjustment	-	-	-	-	-
Taxpayers' equity at 1 April 2017 - restated	43,943	12,959	(169)	13,736	70,469
At start of period for new FTs	-	-	-	-	-
Surplus/(deficit) for the year	-	(388)	-	388	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	1,325	-	-	1,325
Impairments	-	3,268	-	-	3,268
Revaluations	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	39	-	39
Public dividend capital received	377	-	-	-	377
Taxpayers' equity at 31 March 2018	44,320	17,164	(130)	17,819	79,173

Information on reserves

Public dividend capital

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

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Financial assets reserve / Available-for-sale investment reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevivable election at recognition.

Other reserves

The balance on this reserve is the movement in the East Riding of Yorkshire Council Pension scheme relating to the membership of Humber Teaching NHS Foundation Trust.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	2018/19	2017/18
Note	£000	£000
Cash flows from operating activities		
	642	5,659
Non-cash income and expense:		
Depreciation and amortisation	6.1 2,956	2,946
Net impairments	7 3,957	(2,813)
Non-cash movements in on-SoFP pension liability	298	341
(Increase) / decrease in receivables and other assets	440	(2,303)
(Increase) / decrease in inventories	(11)	(2)
Increase / (decrease) in payables and other liabilities	(1,289)	1,546
Increase / (decrease) in provisions	(110)	(296)
Net cash generated from / (used in) operating activities	6,883	5,078
Cash flows from investing activities		
Interest received	66	36
Purchase of intangible assets	(3,648)	(52)
Purchase of property, plant, equipment and investment property	(3,775)	(4,237)
Net cash generated from / (used in) investing activities	(7,357)	(4,253)
Cash flows from financing activities		
Public dividend capital received	9,725	377
Movement on loans from the Department of Health and Social Care	(273)	187
Interest on loans	(116)	(188)
PDC dividend (paid) / refunded	(2,540)	(2,014)
Net cash generated from / (used in) financing activities	6,796	(1,638)
Increase / (decrease) in cash and cash equivalents	6,322	(813)
Cash and cash equivalents at 1 April - brought forward	8,613	9,426
Cash and cash equivalents at 31 March	14,935	8,613

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts

Note 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. After making enquiries, the directors have a reasonable expectation that Humber Teaching NHS Foundation Trust has adequate resources to continue in operational existence in the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Note 1.3 Interests in other entities

Humber Teaching NHS Foundation Trust holds an interest in Humber Primary Care Limited. Humber Primary Care is a limited company, set up in November 2017 to hold the GMS contract for Peeler House and Princes Medical Centre.

Note 1.4.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset. The percentage probability of not receiving NHS injury cost recovery scheme income is 21.89% for 2018/19.

Note 1.4.2 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.4.3 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

Local Government Pension Scheme

Since December 2016, some employees are members of the East Riding of Yorkshire Local Government Pension Scheme, which is a defined benefit pension scheme. The scheme assets and liabilities attributable to these employees can be identified and are recognised in the Trust's accounts. The assets are measured at fair value, and the liabilities at the present value of future obligations.

The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The net interest cost during the year arising from the unwinding of the discount on the net scheme liabilities is recognised within finance costs. Remeasurements of the defined benefit plan are recognised in the income and expenditure reserve and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Note 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, Humber Teaching NHS Foundation Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably;
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

Note 1.7.2 Measurement

Valuation

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

All assets are measured subsequently at valuation. The valuation of buildings has been undertaken with reference to the buildings' current condition and agreed obsolescence and assumed that over its life it will be maintained to its current condition. The valuation has been undertaken on a modern equivalent asset basis and reflects the current service potential of the Trust. The last full revaluation of the Trust's estate was 31st March 2017, undertaken by the District Valuer, which including inspecting all of the Trust buildings. An interim valuation was undertaken at the 31st March 2019.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. The depreciation method used is a straight line method. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Note 1.7.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
 - management are committed to a plan to sell the asset
 - an active programme has begun to find a buyer and complete the sale
 - the asset is being actively marketed at a reasonable price
 - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

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

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

Note 1.7.4 Donated and grant funded assets

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

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

Note 1.7.5 Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	5	89
Plant & machinery	-	10
Transport equipment	-	7
Information technology	-	5
Furniture & fittings	-	10

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.8 Intangible assets

Note 1.8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the Trust intends to complete the asset and sell or use it
- the Trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset. Licences and trademarks are capitalised as an intangible asset.

Note 1.8.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Any amortisation is calculated on a straight line method. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.8.3 Useful economic life of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Software licences	-	5
Other (purchased)	-	-

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.11 Financial assets and financial liabilities

Note 1.11.1 Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by Office of National Statistics.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Note 1.11.2 Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Note 1.11.3 Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.12 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.12.1 The Trust as lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Note 1.12.2 The Trust as lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

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

Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 30.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 31 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 31, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.15 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- donated assets (including lottery funded assets),
- average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.16 Value added tax

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

Note 1.17 Corporation tax

Under current regulations Humber Teaching NHS Foundation Trust is not liable to corporation tax, as the Trust's activities are purely healthcare related and therefore exempt.

Note 1.18 Foreign exchange

The functional and presentational currency of the Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.19 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

Note 1.20 Losses and special payments

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

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.21 Transfers of functions to or from other NHS bodies or local government bodies

For functions that have been transferred to the Trust from another NHS or local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain or loss corresponding to the net assets or liabilities transferred is recognised within income & expenses, but not within operating activities.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS or local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss or gain corresponding to the net assets or liabilities transferred is recognised within expenses and income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

Note 1.22 Critical judgements in applying accounting policies

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

Note 1.22.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year: Humber Teaching NHS Foundation Trust applies estimates for the property plant and equipment valuation.

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

The DH GAM does not require the following standards and interpretations to be applied in 2018/19. These standards are still subject to HM Treasury FReM adoption.

IFRS 14 - Regulatory Deferral Accounts - Application is not endorsed by the EU and therefore not applicable.

IFRS 16 - Leases - Application is required for accounting periods beginning on or after 1 January 2020, but not yet adopted by the FReM: early adoption is therefore not permitted. Initial work to assess the impact of IFRS 16 is ongoing and the IFRS is expected to have a material impact on the accounts once adopted.

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

IFRIC 23 Uncertainty over Income Tax Treatments - Application is required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM

Note 2 Operating Segments

Humber Teaching NHS Foundation Trust activities are purely healthcare related. In line with IFRS 8 Operating Segments, the Board of Directors, as chief decision maker, has assessed that the Trust continues to report its annual accounts on the basis that it operates in the healthcare segment only. The accompanying financial statements have consequently been prepared under one single operating segment.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.1

Note 3.1 Income from patient care activities (by nature)	2018/19	2017/18
	£000	£000
Mental health services		
Cost and volume contract income	-	1,811
Block contract income	71,475	71,875
Clinical partnerships providing mandatory services (including S75 agreements)	1,332	1,184
Other clinical income from mandatory services*	10,176	6,912
Community services		
Community services income from CCGs and NHS England	23,182	13,960
Income from other sources (e.g. local authorities)	4,817	4,060
All services		
Private patient income	26	36
Agenda for Change pay award central funding	1,498	-
Other clinical income	5,401	4,814
Total income from activities	117,907	104,652

* Mental Health other clinical income from mandatory services for 2018/19 includes income that was classified as Menatl Health block contract income in the prior year.

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2018/19	2017/18
	£000	£000
NHS England	14,051	14,701
Clinical commissioning groups	93,224	74,834
Department of Health and Social Care	1,498	-
Other NHS providers	768	2,063
NHS other	2	125
Local authorities	7,792	7,881
Injury cost recovery scheme	26	36
Non NHS: other	546	5,012
Total income from activities	117,907	104,652
Of which:		
Related to continuing operations	117,907	104,652
Related to discontinued operations	-	-

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

Humber Teaching NHS Foundation Trust received no income from overseas visitors in 2018/19 (£NIL 2017/18)

Note 4 Other operating income

	2018/19	2017/18
	£000	£000
Other operating income from contracts with customers:		
Research and development (contract)	386	416
Education and training (excluding notional apprenticeship levy income)	3,408	3,473
Non-patient care services to other bodies	2,218	3,854
Provider sustainability / sustainability and transformation fund income (PSF / STF)	3,864	2,597
Income in respect of employee benefits accounted on a gross basis	592	371
Education and training - notional income from apprenticeship fund	87	-
Rental revenue from operating leases	1,941	3,023
Total other operating income	12,496	13,734
Of which:		
Related to continuing operations	12,496	13,734
Related to discontinued operations	-	-

Note 5.1 Additional information on revenue from contracts with customers recognised in the period

	2018/19
	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	356
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-

Note 5.2 Transaction price allocated to remaining performance obligations

	31 March
	2019
	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	
within one year	496
after one year, not later than five years	-
after five years	-
Total revenue allocated to remaining performance obligations	496

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 5.3 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2018/19	2017/18
	£000	£000
Income from services designated as commissioner requested services	125,545	113,410
Income from services not designated as commissioner requested services	2,919	3,810
Total	128,464	117,220

Note 5.4 Profits and losses on disposal of property, plant and equipment

Humber Teaching NHS Foundation Trust has no disposal of assets in 2018/19 (2017/18 £456k relating to Westwood Hospital).

Note 6.1 Operating expenses

	2018/19	2017/18
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	1,433	160
Purchase of healthcare from non-NHS and non-DHSC bodies	4,382	2,276
Staff and executive directors costs	96,945	92,230
Remuneration of non-executive directors	121	125
Supplies and services - clinical (excluding drugs costs)	1,622	2,872
Supplies and services - general	1,080	1,099
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	1,154	832
Consultancy costs	101	173
Establishment	3,370	2,784
Premises	4,332	2,808
Transport (including patient travel)	1,544	1,408
Depreciation on property, plant and equipment	2,668	2,656
Amortisation on intangible assets	288	290
Net impairments	3,957	(2,813)
Movement in credit loss allowance	754	26
Increase/(decrease) in other provisions	(9)	-
audit services- statutory audit	66	59
other auditor remuneration (external auditor only)	-	29
Internal audit costs	111	185
Clinical negligence	589	672
Legal fees	218	188
Insurance	49	179
Research and development	481	510
Education and training	1,226	1,226
Rentals under operating leases	3,259	2,749
Losses, ex gratia & special payments	20	4
Other	-	-
Total	129,761	112,727
Of which:		
Related to continuing operations	129,761	112,727
Related to discontinued operations	-	-

Note 6.2 Other auditor remuneration

	2018/19	2017/18
	£000	£000
Other auditor remuneration paid to the external auditor:		
8. Other non-audit services not falling within items 2 to 7 above	-	29
Total	-	29

Note 6.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2017/18: £1m).

Note 7 Impairment of assets

	2018/19	2017/18
	£000	£000
Net impairments charged to operating surplus / (deficit) resulting from:		
Changes in market price	3,583	(2,813)
Other	374	-
Total net impairments charged to operating surplus / deficit	3,957	(2,813)
Impairments charged to the revaluation reserve	3,425	(1,325)
Total net impairments	7,382	(4,138)

Humber Teaching NHS Foundation Trust revalued its Land and Buildings during the period, resulting in an impairment loss credited to revaluation reserve of £3,425k (2017/18: gain £1,325k), £3,855k as an operating expense (2017/18 £1,008k) and £318k reversal of impairments (2017/18 £3,821k). Historic costs relating to the CAMHS project were also revalued resulting in a £374k loss. The net impairment charged to the I & E in 2018/19 was £3,957k. The total net impairment to the trust was £7,382k (2017/18 impairment reversal £4,138k)

Note 8 Employee benefits

	2018/19	2017/18
	Total	Total
	£000	£000
Salaries and wages	78,849	74,409
Social security costs	7,347	6,840
Apprenticeship levy	367	343
Employer's contributions to NHS pensions	9,550	8,588
Pension cost - other	238	579
Temporary staff (including agency)	2,190	2,887
Total gross staff costs	98,541	93,646
Recoveries in respect of seconded staff	-	-
Total staff costs	98,541	93,646
Of which		
Costs capitalised as part of assets	451	122

Note 8.1 Retirements due to ill-health

During 2018/19 there was 1 early retirement from the trust agreed on the grounds of ill-health (6 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £175k (£489k in 2017/18).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 9 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

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

Note 10.1 Local government superannuation scheme

East Riding of Yorkshire Council Pension Scheme

Further disclosure of the East Riding of Yorkshire Council Pension scheme relating to the Trust is shown in note 9.1 and note 34.

Note 10.2 NEST Pension Scheme

Some employees are members of the NEST Pension Scheme. NEST was set up by the Government especially for auto enrolment. The intention of the scheme is to ensure that all employees have access to a scheme that meets the requirements of the pension rules. Further disclosure can be found in Note 9.2. Employer contributions to the Scheme in 2018/2019 were £20k. (2017/18 £10k).

Note 10 Operating leases

Note 10.1 Humber Teaching NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Humber Teaching NHS Foundation Trust is the lessor.

Humber Teaching NHS Foundation Trust receives operating income from buildings leased to private tenants and local authorities.

	2018/19 £000	2017/18 £000
Operating lease revenue		
Minimum lease receipts	1,941	3,023
Total	1,941	3,023
	31 March 2019 £000	31 March 2018 £000
Future minimum lease receipts due:		
- not later than one year;	1,941	3,023
- later than one year and not later than five years;	1,423	2,224
- later than five years.	-	-
Total	3,364	5,247

Note 10.2 Humber Teaching NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Humber Teaching NHS Foundation Trust is the lessee.

Following NHS reforms under the Health and Social Care Act 2012 (Commencement No.4, Transitional, Savings and Transitory Provisions Order 2013), the costs of properties leased through NHS Property Services are disclosed in the accounts, as substance of form dictates, as operating leases, though there are no formal lease agreements in place. Minimum lease payments represent the recharge by NHS Property Services in year.

	2018/19 £000	2017/18 £000
Operating lease expense		
Minimum lease payments	3,259	2,749
Total	3,259	2,749
	31 March 2019 £000	31 March 2018 £000
Future minimum lease payments due:		
- not later than one year;	3,152	2,333
- later than one year and not later than five years;	4,244	1,828
- later than five years.	12,110	4,130
Total	19,506	8,291
Future minimum sublease payments to be received	-	-

Note 11 Finance income

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

	2018/19 £000	2017/18 £000
Interest on bank accounts	66	36
Other finance income	25	-
Total finance income	91	36

Note 12.1 Finance expenditure

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

	2018/19 £000	2017/18 £000
Interest expense:		
Loans from the Department of Health and Social Care	116	172
Total interest expense	116	172
Unwinding of discount on provisions	2	20
Other finance costs	47	30
Total finance costs	165	222

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

Humber Teaching NHS Foundation Trust had no liability as a result of late payments legislation in 2018/19 (2017/18 £Nil) and paid no compensation under this legislation (2017/18 £Nil)

Note 13 Other gains / (losses)

	2018/19 £000	2017/18 £000
Gains on disposal of assets	-	456
Total gains / (losses) on disposal of assets	-	456
Total other gains / (losses)	-	456

The gain on disposal of assets of £456k in 2017/18, relates to an overage receipt from the sale of Westwood Hospital in 2014/15.

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Note 14.1 Intangible assets - 2018/19

	Software licences £000	Licences & trademarks £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2018 - brought forward	1,983	52	-	114	2,149
Transfers by absorption	-	-	-	-	-
Additions	-	-	3,648	-	3,648
Reclassifications	26	-	(26)	-	-
Valuation / gross cost at 31 March 2019	2,009	52	3,622	114	5,797
Amortisation at 1 April 2018 - brought forward	1,270	-	-	-	1,270
Provided during the year	288	-	-	-	288
Amortisation at 31 March 2019	1,558	-	-	-	1,558
Net book value at 31 March 2019	451	52	3,622	114	4,239
Net book value at 1 April 2018	713	52	-	114	879

Intangible assets under construction includes £2.988m relating to the Local Health Care Records Exemplar project

Note 14.2 Intangible assets - 2017/18

	Software licences £000	Licences & trademarks £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2017 - as previously stated	1,983	-	-	114	2,097
Prior period adjustments	-	-	-	-	-
Valuation / gross cost at 1 April 2017 - restated	1,983	-	-	114	2,097
Additions	-	-	52	-	52
Reclassifications	-	52	(52)	-	-
Valuation / gross cost at 31 March 2018	1,983	52	-	114	2,149
Amortisation at 1 April 2017 - as previously stated	980	-	-	-	980
Prior period adjustments	-	-	-	-	-
Amortisation at 1 April 2017 - restated	980	-	-	-	980
Provided during the year	290	-	-	-	290
Amortisation at 31 March 2018	1,270	-	-	-	1,270
Net book value at 31 March 2018	713	52	-	114	879
Net book value at 1 April 2017	1,003	-	-	114	1,117

Note 15.1 Property, plant and equipment - 2018/19

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2018 - brought forward	8,169	65,077	3,120	2,966	121	10,934	1,198	91,585
Additions	-	-	7,758	139	-	-	6	7,903
Impairments	-	(3,450)	(374)	-	-	-	-	(3,824)
Reversals of impairments	-	25	-	-	-	-	-	25
Revaluations	242	(5,377)	-	-	-	-	-	(5,135)
Reclassifications	-	2,200	(3,446)	198	-	1,048	-	-
Transfers to / from assets held for sale	(870)	(1,285)	-	-	-	-	-	(2,155)
Valuation/gross cost at 31 March 2019	7,541	57,190	7,058	3,303	121	11,982	1,204	88,399
Accumulated depreciation at 1 April 2018 - brought forward	916	691	-	1,565	121	9,000	799	13,092
Provided during the year	-	1,617	-	374	-	571	106	2,668
Impairments	-	3,901	-	-	-	-	-	3,901
Reversals of impairments	(235)	(83)	-	-	-	-	-	(318)
Revaluations	235	(5,385)	-	-	-	-	-	(5,150)
Transfers to / from assets held for sale	-	(10)	-	-	-	-	-	(10)
Accumulated depreciation at 31 March 2019	916	731	-	1,939	121	9,571	905	14,183
Net book value at 31 March 2019	6,625	56,459	7,058	1,364	-	2,411	299	74,216
Net book value at 1 April 2018	7,253	64,386	3,120	1,401	-	1,934	399	78,493

Note 15.2 Property, plant and equipment - 2017/18

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2017 - as previously stated	8,164	58,885	321	1,973	121	10,651	1,198	81,313
Prior period adjustments	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2017 - restated	8,164	58,885	321	1,973	121	10,651	1,198	81,313
Additions	-	-	4,055	993	-	283	-	5,331
Impairments	-	(348)	-	-	-	-	-	(348)
Reversals of impairments	-	1,673	-	-	-	-	-	1,673
Revaluations	5	3,611	-	-	-	-	-	3,616
Reclassifications	-	1,256	(1,256)	-	-	-	-	-
Valuation/gross cost at 31 March 2018	8,169	65,077	3,120	2,966	121	10,934	1,198	91,585
Accumulated depreciation at 1 April 2017 - as previously stated	1,786	650	-	1,391	117	8,270	687	12,901
Prior period adjustments	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2017 - restated	1,786	650	-	1,391	117	8,270	687	12,901
Provided during the year	-	1,636	-	174	4	730	112	2,656
Impairments	-	1,008	-	-	-	-	-	1,008
Reversals of impairments	(870)	(2,951)	-	-	-	-	-	(3,821)
Revaluations	-	348	-	-	-	-	-	348
Accumulated depreciation at 31 March 2018	916	691	-	1,565	121	9,000	799	13,092
Net book value at 31 March 2018	7,253	64,386	3,120	1,401	-	1,934	399	78,493
Net book value at 1 April 2017	6,378	58,235	321	582	4	2,381	511	68,412

Note 15.3 Property, plant and equipment financing - 2018/19

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2019	6,527	56,061	7,058	1,164	-	2,411	299	73,520
Owned - purchased	-	-	-	-	-	-	-	-
Finance leased	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-
Owned - donated	98	398	-	200	-	-	-	696
NBV total at 31 March 2019	6,625	56,459	7,058	1,364	-	2,411	299	74,216

Note 15.4 Property, plant and equipment financing - 2017/18

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018	7,155	63,962	3,120	1,347	-	1,934	399	77,917
Owned - purchased	-	-	-	-	-	-	-	-
Finance leased	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-
Owned - donated	98	424	-	54	-	-	-	576
NBV total at 31 March 2018	7,253	64,386	3,120	1,401	-	1,934	399	78,493

Note 16 Revaluations of property, plant and equipment

Humber Teaching NHS Foundation Trust's Land and Buildings revalued at 31 March 2019 by independent valuers The District Valuers Office, as part of an interim valuation. The last full valuation of the Trust's property, by the district valuer, took place as at 31st March 2017.

The valuation of buildings has been undertaken with reference to the buildings' current condition and agreed obsolescence and assumed that over its life it will be maintained to its current condition. The valuation has been undertaken on a modern equivalent asset basis and reflects the current service potential of the Trust. A desktop revaluation of the Trusts estate was undertaken by the District Valuer, which included inspecting some of the Trust buildings.

Note 17.1 Investment Property

Humber Teaching NHS Foundation Trust held no investment property in 2018/19 (2017/18: £ Nil)

Note 18 Investments in associates and joint ventures

Humber Teaching NHS Foundation Trust held no investments in associates or joint ventures in 2018/19 (2017/18: £ Nil)

Note 19 Disclosure of interests in other entities

Humber Teaching NHS Foundation Trust owns by control, Humber Primary Care Limited.

Humber Primary Care Limited is a limited company, set up in November 2017 to hold the GMS contract for Peeler House. During 2018/19, Humber Primary Care Limited also acquired Princes Medical Centre. It has not been consolidated in the accounts of Humber Teaching NHS Foundation Trust on the basis of materiality.

Humber Teaching NHS Foundation Trust is the Corporate Trustee of the Humber Teaching NHS Foundation Trust Charitable Funds - Registered charity number 1052727. The Charitable Funds have not been consolidated into the accounts of Humber Teaching NHS Foundation Trust on the basis of materiality. The balance of the funds at 31 March 2019 is £566k.

Note 20 Inventories

	31 March 2019 £000	31 March 2018 £000
Consumables	138	127
Total inventories	138	127
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £647k (2017/18: £922k). Write-down of inventories recognised as expenses for the year were £0k (2017/18: £0k).

Note 21.1 Trade receivables and other receivables

	31 March 2019 £000	31 March 2018 £000
Current		
Contract receivables*	11,432	
Contract assets*	-	
Trade receivables*		8,582
Accrued income*		2,390
Allowance for impaired contract receivables / assets*	(969)	
Allowance for other impaired receivables	-	(74)
Deposits and advances	-	-
Prepayments (non-PFI)	743	344
Interest receivable	-	-
PDC dividend receivable	-	-
VAT receivable	445	293
Other receivables	-	697
Total current trade and other receivables	11,651	12,232
Non-current		
Total non-current trade and other receivables	-	-
Of which receivables from NHS and DHSC group bodies:		
Current	7,173	6,697
Non-current	-	-

*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

Note 21.2 Allowances for credit losses - 2018/19

	Contract receivables and contract assets £000
Allowances as at 1 Apr 2018 - brought forward	74
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	141
Allowances at start of period for new FTs	215
Transfers by absorption	-
New allowances arising	613
Changes in existing allowances	141
Reversals of allowances	-
Utilisation of allowances (write offs)	-
Allowances as at 31 Mar 2019	969

Note 21.3 Allowances for credit losses - 2017/18

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	All receivables £000
Allowances as at 1 Apr 2017 - as previously stated	48
Transfers by absorption	-
Increase in provision	26
Amounts utilised	-
Unused amounts reversed	-
Allowances as at 31 Mar 2018	74

Note 21.4 Exposure to credit risk

	31 March 2019 £000	31 March 2018 £000
Non NHS Invoices	4,124	3,552
NHS Invoices	4,181	5,030
	8,305	8,582
Credit Risk	22.14%	28%
Loss Provision	(969)	(74)
Net Carrying Amount	7,336	8,508

Note 22 Non-current assets held for sale and assets in disposal groups

	2018/19 £000	2017/18 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	-	-
Prior period adjustment	-	-
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	-	-
At start of period for new FTs	-	-
Transfers by absorption	-	-
Assets classified as available for sale in the year	2,145	-
Assets sold in year	-	-
Impairment of assets held for sale	-	-
Reversal of impairment of assets held for sale	-	-
Assets no longer classified as held for sale, for reasons other than sale	-	-
Transfer to FT upon authorisation	-	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	2,145	-

Humber Teaching NHS Foundation Trust, currently has 2 assets held for sale, Victoria House and Westend. A contract for the sale of Victoria House has been agreed and disposal is expected to be completed in 2019/20. Westend is currently being marketed for sale and is also expected to be disposed of in 2019/20.

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Note 22.1 Liabilities in disposal groups

Humber Teaching NHS Foundation Trust has no liabilities in disposal groups in 2018/19 (2017/18 £Nil)

Note 23.1 Cash and cash equivalents movements

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

	2018/19	2017/18
	£000	£000
At 1 April	8,613	9,426
Prior period adjustments	-	-
At 1 April (restated)	8,613	9,426
At start of period for new FTs	-	-
Transfers by absorption	-	-
Net change in year	6,322	(813)
At 31 March	14,935	8,613
Broken down into:		
Cash at commercial banks and in hand	212	179
Cash with the Government Banking Service	14,723	8,434
Total cash and cash equivalents as in SoFP	14,935	8,613
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	14,935	8,613

Note 23.2 Third party assets held by the trust

The trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March	31 March
	2019	2018
	£000	£000
Bank balances	412	429
Monies on deposit	-	-
Total third party assets	412	429

Note 24.1 Trade and other payables

	31 March	31 March
	2019	2018
	£000	£000
Current		
Trade payables	6,491	5,948
Capital payables	6,028	1,900
Accruals	2,152	1,468
Receipts in advance (including payments on account)	-	54
Social security costs	1,101	1,128
VAT payables	-	-
Other taxes payable	729	1,721
PDC dividend payable	48	233
Accrued interest on loans*	-	10
Other payables**	244	2,025
Total current trade and other payables	16,793	14,487
Non-current		

Humber Teaching NHS Foundation Trust held no non-current payables in the year 2018/19 (2017/18:£Nil)

Of which payables from NHS and DHSC group bodies:

Current	3,110	4,222
Non-current	-	-

Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 28. IFRS 9 is applied without restatement therefore comparatives have not been restated.

**Other payables for the prior year include items that have been reclassified to Trade Payables in 2018/19.

Note 24.2 Early retirements in NHS payables above

Humber Teaching NHS Foundation Trust made no payments for early retirements in the year 2018/19 (2017/18:£Nil)

Note 25 Other financial liabilities

Humber Teaching NHS Foundation Trust had no other financial liabilities in the year 2018/19 (2017/18:£Nil)

Note 26 Other liabilities

	31 March 2019 £000	31 March 2018 £000
Current		
Deferred income: contract liabilities	717	356
Total other current liabilities	<u>717</u>	<u>356</u>
Non-current		
Net pension scheme liability	1,175	707
Total other non-current liabilities	<u>1,175</u>	<u>707</u>

Note 27 Borrowings

	31 March 2019 £000	31 March 2018 £000
Current		
Loans from the Department of Health and Social Care	282	273
Total current borrowings	<u>282</u>	<u>273</u>
Non-current		
Loans from the Department of Health and Social Care	4,110	4,383
Total non-current borrowings	<u>4,110</u>	<u>4,383</u>

Note 27.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC £000	Total £000
Carrying value at 1 April 2018	4,656	4,656
At start of period for new FTs	-	-
Cash movements:		
Financing cash flows - payments and receipts of principal	(273)	(273)
Financing cash flows - payments of interest	(116)	(116)
Non-cash movements:		
Impact of implementing IFRS 9 on 1 April 2018	10	10
Transfers by absorption	-	-
Additions	-	-
Application of effective interest rate	116	116
Change in effective interest rate	-	-
Changes in fair value	-	-
Other changes	(1)	(1)
Transfer to FT upon authorisation	-	-
Carrying value at 31 March 2019	<u>4,392</u>	<u>4,392</u>

Note 28 Finance leases

Humber Teaching NHS Foundation Trust had no finance leases in the year 2018/19 (2017/18:£Nil)

Note 29.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits* £000	Legal claims £000	Total £000
At 1 April 2018	398	524	43	965
At start of period for new FTs	-	-	-	-
Transfers by absorption	-	-	-	-
Change in the discount rate	-	-	-	-
Arising during the year	-	-	-	-
Utilised during the year	(73)	(28)	-	(101)
Reclassified to liabilities held in disposal groups	-	-	-	-
Reversed unused	-	-	(9)	(9)
Unwinding of discount	2	-	-	2
Transfer to FT upon authorisation	-	-	-	-
At 31 March 2019	<u>327</u>	<u>496</u>	<u>34</u>	<u>857</u>
Expected timing of cash flows:				
- not later than one year;	76	37	34	147
- later than one year and not later than five years;	251	124	-	375
- later than five years.	-	335	-	335
Total	<u>327</u>	<u>496</u>	<u>34</u>	<u>857</u>

Pensions early departure costs – these provisions relate to the expected pension payments to former employees. The total value is based upon a standard life expectancy of the former employee. Should this life expectancy be different the value and timings of the payments will be affected. The value of the pension payment is also affected by annual pension increases determined by the NHS Pensions Agency.

Legal claims – this provision relates to public and employer's liability claims. The value and timing of these claims is uncertain until the claims have been fully investigated and any settlements agreed.

In 2018/19 the analysis of provisions has been revised to separately identify provisions for injury benefit liabilities, due to a change in requirements in the 2018/19 Group Accounting Manual.

Injury benefits are payable by the NHS Pensions Agency. The total value of the provision is based upon standard life expectancy of the former employees. Should this life expectancy not be achieved, the value and the timing of payments will be affected. The value of the pension payment is also affected by annual pension increases, determined by the NHS Pensions Agency.

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Note 29.2 Clinical negligence liabilities

At 31 March 2019, £53k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Humber Teaching NHS Foundation Trust (31 March 2018: £1,534k).

Note 30 Contingent assets and liabilities

	31 March 2019 £000	31 March 2018 £000
Value of contingent liabilities		
NHS Resolution legal claims	(17)	(20)
Gross value of contingent liabilities	(17)	(20)
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	(17)	(20)
Net value of contingent assets	-	-

Contingent liabilities relate to NHS Resolution legal claims that have been identified as a contingent liability by NHS Resolution

Note 31 Contractual capital commitments

	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	4,412	106
Total	4,412	106

Contractual capital commitments relate to capital schemes which are not completed in the year but which Humber Teaching NHS Foundation Trust have contracts to complete.

Note 32 Other financial commitments

Humber Teaching NHS Foundation Trust is not committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement) in 2018/19 (2017/18 : £Nil)

Note 33 Defined benefit pension schemes

East Riding of Yorkshire Council Pension Scheme

In 2015/16 49 members of staff transferred employment from Kingston upon Hull Council and in 2017/18 39 members of staff transferred employment from East Riding of Yorkshire Council. Both sets of transferring staff transferred with active membership of the Pension Fund, which is a defined benefits scheme.

Humber Teaching NHS Foundation Trust's obligations in respect of pension liabilities for the transferring staff is with effect from the respective dates of transfer and no obligation is included for the period of employment before the transfer.

The Trust commissioned Hymans Robinson to prepare an actuarial report to provide full pension details in accordance with IAS19.

In the financial year 2018/19 Humber Teaching NHS Foundation Trust contributed £561k to the fund (2017/18: £536k). A pension deficit of £1,175k is included in the Statement of Financial Position as at 31 March 2019 (2017/18: £707k)

Note 34.1 The main actuarial assumptions used at the date of the Statement of Financial Position in measuring the present Financial Assumptions

	31 March 2019	31 March 2018
Pension Increase Rate	2.50%	2.40%
Salary Increase Rate	2.70%	2.60%
Discount Rate	2.40%	2.70%

Note 34.2 The estimated Fund asset allocation is as follows:

	31 March 2019 £000	31 March 2018 £000
Equities Securities	95	255
Debt Securities	169	99
Private Equity	59	34
Real Estate	136	85
Investment Funds & Unit Trusts	648	258
Cash & Cash Equivalents	46	21
	1,153	752

Note 34.3 Sensitivity Analysis

Change in assumptions at 31 March 2019	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount £000
0.5% decrease in Real Discount Rate	13%	313
0.5% increase in the Salary Increase Rate	0%	-
0.5% increase in the Pension Increase Rate	13%	311

Note 34.4 Projected defined benefit cost for the period to 31 March 2019

Period Ended 31 March 2019	Assets £000	Obligations £000	Net (liability)/asset £000	% of pay
Projected Current Service cost		579	(579)	(44.7%)
Total Service Cost	0	579	(579)	(44.7%)
Interest income on plan assets	31	0	31	2.40%
Interest cost on defined benefit obligation		64	(64)	(4.9%)
Total Net Interest Cost	31	64	(33)	(2.5%)
Total included in SoCI	31	643	(612)	(47.2%)

Note 33.5 Changes in the defined benefit obligation and fair value of plan assets during the year

	2018/19 £000	2017/18 £000
Present value of the defined benefit obligation at 1 April	(1,459)	(813)
Prior period adjustment	-	-
Present value of the defined benefit obligation at 1 April - restated	(1,459)	(813)
Current service cost	(514)	(564)
Interest cost	(47)	(30)
Contribution by plan participants	(83)	(89)
Remeasurement of the net defined benefit (liability) / asset:		
- Actuarial (gains) / losses	(224)	37
Present value of the defined benefit obligation at 31 March	(2,327)	(1,459)
Plan assets at fair value at 1 April	752	408
Prior period adjustment	-	-
Plan assets at fair value at 1 April -restated	752	408
Interest income	25	15
Remeasurement of the net defined benefit (liability) / asset		
- Return on plan assets	54	2
Contributions by the employer	238	238
Contributions by the plan participants	83	89
Plan assets at fair value at 31 March	1,152	752
Plan surplus/(deficit) at 31 March	(1,175)	(707)

Note 33.6 Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised in the balance sheet

	31 March 2019 £000	31 March 2018 £000
Present value of the defined benefit obligation	(2,327)	(1,459)
Plan assets at fair value	1,152	752
Net defined benefit (obligation) / asset recognised in the SoFP	(1,175)	(707)
Fair value of any reimbursement right	-	-
Net (liability) / asset recognised in the SoFP	(1,175)	(707)

Note 33.7 Amounts recognised in the SoCI

	2018/19 £000	2017/18 £000
Current service cost	(514)	(564)
Interest expense / income	(22)	(15)
Past service cost	-	-
Losses on curtailment and settlement	-	-
Total net (charge) / gain recognised in SOCI	(536)	(579)

Note 34 On-SoFP PFI, LIFT or other service concession arrangements

Humber Teaching NHS Foundation Trust does not have any PFI or LIFT schemes.

Note 35 Financial instruments

Note 35.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that Humber Teaching NHS Foundation Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, Humber Teaching NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. Humber Teaching NHS Foundation Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing it in undertaking its activities.

Humber Teaching NHS Foundation Trust's treasury management operations are carried out by the Finance Department, within parameters defined formally within standing financial instructions and policies agreed by the board of directors. Treasury activity is subject to review by Humber Teaching NHS Foundation Trust's internal auditors.

Currency risk

Humber Teaching NHS Foundation Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based, has no overseas operations and therefore has low exposure to currency rate fluctuations.

Interest rate risk

Humber Teaching NHS Foundation Trust borrows from government for capital expenditure. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. Humber Teaching NHS Foundation Trust therefore has low exposure to interest rate fluctuations.

Credit risk

The majority of income derives from contracts with other public sector bodies, and therefore there is low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the Trade and other receivables note. (See Note 21.1)

Liquidity risk

Humber Teaching NHS Foundation Trust's operating costs were incurred under contracts with Clinical Commissioning Groups in 2018/19. These entities are financed from resources voted annually by Parliament. Humber Teaching NHS Foundation Trust funds its capital expenditure from internally raised funds or by borrowing and therefore is not exposed to significant liquidity risks.

Note 35.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analysis.

	Held at fair			Total book value
	Held at amortised cost	value through I&E	Held at fair value through OCI	
	£000	£000	£000	£000
Carrying values of financial assets as at 31 March 2019 under IFRS 9				
Trade and other receivables excluding non financial assets	10,185	-	-	10,185
Cash and cash equivalents at bank and in hand	14,935	-	-	14,935
Total at 31 March 2019	25,120	-	-	25,120

	Assets at fair value				Total book value
	Loans and receivables	through the I&E	Held to maturity	Available-for-sale	
	£000	£000	£000	£000	£000
Carrying values of financial assets as at 31 March 2018 under IAS 39					
Trade and other receivables excluding non financial assets	9,205	-	-	-	9,205
Cash and cash equivalents at bank and in hand	8,613	-	-	-	8,613
Total at 31 March 2018	17,818	-	-	-	17,818

Note 35.3 Carrying value of financial liabilities

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at fair		
	Held at amortised cost	value through the I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9			
Loans from the Department of Health and Social Care	4,392	-	4,392
Trade and other payables excluding non financial liabilities	14,915	-	14,915
Total at 31 March 2019	19,307	-	19,307

	Held at fair		
	Other financial liabilities	value through the I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39			
Loans from the Department of Health and Social Care	4,656	-	4,656
Trade and other payables excluding non financial liabilities	14,487	-	14,487
Total at 31 March 2018	19,143	-	19,143

Note 35.4 Fair values of financial assets and liabilities

The fair value of Humber Teaching NHS Foundation Trust's financial assets and financial liabilities at 31 March 2018 equates to book value.

Note 35.5 Maturity of financial liabilities

	31 March 2019	31 March 2018
	£000	£000
In one year or less	15,197	14,760
In more than one year but not more than two years	4,110	4,383
In more than two years but not more than five years	-	-
In more than five years	-	-
Total	19,307	19,143

Note 36 Losses and special payments

	2018/19		2017/18	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Total losses	-	-	-	-
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	1	20	3	4
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	1	20	3	4
Total losses and special payments	1	20	3	4
Compensation payments received	-	-	-	-

Note 37.1 Initial application of IFRS 9

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £10k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £141k decrease in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £0k.

Note 37.2 Initial application of IFRS 15

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

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Note 38 Related parties

During the year one Non Executive board member of Humber Teaching NHS Foundation Trust Board had a related party interest in an entity which has undertaken transactions with Humber Teaching NHS Foundation Trust. Mike Smith provided services to Rotherham, Doncaster and South Humber Foundation Trust as an Associate Hospital Manager.

The Department of Health and Social Care is regarded as a related party. During the period Humber Teaching NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below.

	2018/19				2017/18			
	Income £'000	Expenditure £'000	Receivables £'000	Payables £'000	Income £'000	Expenditure £'000	Receivables £'000	Payables £'000
City Health Care Partnership	2,292	28	0	145	4,875	89	0	0
Health Education England	3,496	0	569	145	3,527	1	219	0
Hull & East Yorkshire University Teaching Hospitals NHS Trust	980	1,383	95	621	919	1,073	126	685
NHS East Riding Of Yorkshire CCG	35,213	154	884	161	28,668	12	948	12
NHS England	16,373	4	1,038	32	19,702	51	2,200	46
NHS Hull CCG	38,629	51	247	232	36,479	27	1,092	52
NHS Pensions Agency	0	9,550	0	1,071	0	8,588	0	1,128
NHS Property Services	10	1,871	26	1,094	246	1,429	16	1,773
NHS Scarborough and Ryedale CCG	9,689	0	161	0	0	0	10	0
NHS Vale of York CCG	2,160	0	0	0	1,126	0	0	0
Rotherham, Doncaster and South Humber Foundation Trust	6	43	0	0	29	0	1	0
Tees, Esk and Wear Valleys NHS Foundation Trust	100	100	514	10	1,168	10	478	0
York Teaching Hospital NHS Foundation Trust	145	1,418	117	474	433	429	398	235

Local Government Bodies

Kingston Upon Hull City Council	714	90	490	0	378	75	233	0
East Riding of Yorkshire Council	7,018	78	623	0	7,715	1,148	184	5

In addition, Humber Teaching NHS Foundation Trust has had a number of material transactions with other Government Departments and other central Government bodies. Humber Teaching NHS Foundation Trust had no other related party transactions.

Note 39 Transfers by absorption

Humber Teaching NHS Foundation Trust had no transfers by absorption in 2018/19 (2017/18 £Nil)

Note 40 Prior period adjustments

Humber Teaching NHS Foundation Trust had no prior period adjustments in 2018/19 (2017/18 £Nil)



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