NHS
Leeds Community Healthcare
NHS Trust

Annual Report

and accounts 2019 | 2020

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Annual Report and accounts 2019|2020

Reflections

of an outgoing Chair

2019/20 was the final year of Neil Franklin's tenure as Chair of Leeds Community Healthcare. Here he reflects on his time as Chair – and signs off.

It seems strange, but perhaps inevitable, in reflecting upon eight years as Chair of a wonderful NHS Trust, that my thoughts initially turn to the uncertain present and future, rather than the past. It is early May, as I write, and the COVID-19 epidemic has spread across the world like a giant forest fire, with most of the world's medical and health services struggling to suppress it. Alas, we cannot expect to be saved by tropical rainstorms and so the resilience, dedication, determination, resourcefulness and skill of frontline NHS staff is being tested to the limits as we strive to defeat this massive threat to so many lives.

Success in beating this vicious, hidden enemy depends on each and every person complying with restrictions on our lifestyles of a scale that we could never have previously imagined. Most comply willingly, displaying an incredible sense of community and decency. Some don't, but many more, selflessly, often heroically and at risk to their health and that of loved ones, tend the sick and save lives.

In Leeds it is very apparent that LCH front line staff and those of our partner providers are going above and beyond the call of duty, because that is what they do, every day. Their commitment to care and safety, apparent to me every time I visit an LCH service or a friend or relative in one of our hospitals, will see us through the storm. In the wider community we see people coming together, a massive army of silent volunteers, some organised, some simply and selflessly ensuring that neighbours have food and are coping. As far as the NHS is concerned, one can only add that its performance under pressure has rightly won the admiration of the whole country.

As I turn from the present and future back to the last eight years I am able to reflect how LCH has developed into an impressive organisation, which is valued and highly regarded by partners, patients and the community. How have we gone from being something of a Cinderella service, little known, fighting for a place in the sun, to a confident, bright system leader, with a consistent CQC rating of 'Good' and staff confidence at a hugely improved level? The journey to where we are now has taken years of time and effort on the part of many great staff at all levels and I would like to think my own role in this, though minor, has not been insignificant.

When I became Chair in 2012, I experienced a significant culture shock and 32 years in public service in the Crown Prosecution Service and five years on the Board of Leeds Primary Care Trust had not fully prepared me for the challenge. The Trust was embarking upon a major transformation programme with posts disappearing and new ones being created in their place. Change at this scale is invariably tough to manage and it was not long before I sensed the impact on staff - not always positive - and some of the new roles were incredibly challenging for those who took them on.

I didn't think that the Board meetings functioned as efficiently as they might and my decision to develop strong business and quality committees did support a more strategic approach with a lot of the 'heavy lifting' done at Committee level. We did have some tremendous players at SMT/Board level, who impressed me with their vision and energy.

I think the key to creating a great organisation is always to ensure that you have great people in all the key positions leading it and when opportunities arose to further strengthen SMT and the Board I was keen to ensure that we recruited the best mix of talents. In 2014 the opportunity to recruit a Chief Executive arose and from my first meeting with Thea I could see that she had exactly the right combination of vision, compassion, people skills and, above all, leadership, to take LCH forward. Thea and I worked together to deliver an outstanding leadership team and I am very proud of the current Senior Management Team and Non-Executive Board members, which, without

disrespecting some fantastic people who have been Board members during my stewardship, represents the strongest and most effective group it has ever been my privilege to work with in public service.

If it has been a pleasure and privilege to lead such as group as this, perhaps the greatest thrills and most enduring experiences for me have been those involving meeting so many hundreds of the fantastic clinical, management and administrative staff who have readily embraced LCH's vision and values, selflessly providing fantastic care, leadership and support. My many service visits have invariably exposed me to the commitment, dedication and professionalism of staff at all levels and, in our headquarters at Stockdale House, I have got to know many people of great quality whom I should like to think have become friends as well as colleagues.

There are massive challenges ahead. COVID-19 will inevitably cause us to reflect on how, in partnership with commissioners and provider partners, we should seek to deliver health care in the city and beyond. Much has been done to forge an outstanding partnership with the Leeds GP Confederation and LCH will look to build on that, taking full account of how COVID-19 is redefining the relationship between the community and the NHS. Huge opportunities to capitalise on technology have become very apparent and will no doubt influence the development of the LCH offer in the post COVID-19 world.

I will keep a close eye on these developments and will work hard to preserve and build upon the many friendships I have made over eight wonderful years of what turned out to be a second career, which though appreciably shorter than the first, in many ways was far more rewarding.

Neil Franklin OBE

Overview

This section provides the Chief Executive's overview of performance during the year. It includes a short summary of the Trust - our purpose, our activities, our business model and organisational structure as well as our priorities, key performance indicators and risks affecting delivery of our main objectives.

Performance overview from the Chief Executive

Although this Annual Report covers the whole of 2019/20, I must start by recognising the enormous impact COVID-19 has had on the communities we serve, our staff, our services, the country and across the world. Whilst that impact on the Trust was felt only at the very end of the 2019/20 financial year we all know that it continues in 2020/21 with significant disruption to our services. I say more about how we responded but I do want to highlight some of our main developments and achievements and the improvements we have made to our services over whole year and look at how LCH has performed against key national and locally determined clinical standards.

We had a Care Quality Commission (CQC) visit in May and June. The Inspectors looked at a range of our services and made visits across the organisation, speaking to staff, patients and their families and interviewing staff members and leaders of the organisation directly.

In its report, the CQC highlighted a number of areas of exemplary practice and I am pleased that 100% of our services are now rated as 'Good' or 'Outstanding' for Caring, because our patients are at the heart of everything we do.

During the year we introduced some important new services and had reasons to celebrate:

Leeds Mental Wellbeing Service – working with 10 other organisations, including the charitable and voluntary sectors, we led roll out of the Leeds Mental Wellbeing Service (LMWS). This is a new service which aims to support everyone's mental health. Our shared vision and strategy will deliver exciting developments in 2020/21 including a range of online self-help tools.

0-19 Service – on 1 April the 0-19 Public Health Integrated Nursing Service was established, bringing together the Health Visiting, School Nursing Service and Oral Health Promotion services. This new service was fully launched in September 2019. In July the Service was awarded UNICEF's Baby Friendly Initiative gold status. Chathealth, a new, real time, confidential text service to support 11-19 year olds with their issues around sexual health, emotional health and wellbeing, bullying, healthy eating and general health concerns went live in October. Chathealth was shortlisted for a Yorkshire Evening Post health award and cited by the Care Quality Commission in its Well-Led Inspection Report along with the service's HENRY programme (Health Eating and Nutrition for the Really Young) as examples of outstanding practice.

New website – the launch of a new website in May improved the quality of the information available about us and made it easier for people to find service and general information about the Trust and to contact all our services directly.

Flu – our award-winning Infection Prevention and Control Team were behind a successful in-house campaign which encouraged more than 80% of our frontline workforce to protect themselves, their loved ones and our patients by having an annual flu jab. When our office staff were included, the total number of flu jabs given totalled 2187.

Staff survey – I was pleased that a record number of our workforce responded to the annual national NHS Staff Survey (55% against a national average of 49%) which again puts us in the top 25% for response levels nationwide. 83% of our staff said that care of patients is the Trust's top priority (up by 2% on last year) and the number who said they would recommend LCH as a place to work was up by five percent to 69%.

Speaking Up – We were ranked sixth best of 180 organisations for encouraging speaking up and openness in the first ever national Freedom to Speak Up Index Report. I was delighted with our ranking because it is a testament to the work we do across the Trust to create a culture of speaking up.

'#Hellomynameis…' – we adopted this national campaign throughout the Trust and were delighted to welcome co-founder, Chris Pointon to present at our Annual General Meeting.

You'll find more information on more of our significant developments and achievements in the following sections of this report. But what you won't see in much detail is the huge impact on our ways of working that the COVID-19 pandemic brought. Within the space of two weeks we had turned the Trust 'inside out': we bolstered our frontline, closed down or reduced non-essential services, asked as many staff as possible to work from home and adopted completely new ways of working using new technology.

Team LCH moved mountains. I am proud and astounded at what was achieved through immense amounts of courage, flexibility and determination to make sure the patients we nurse and care for at home could absolutely rely on us to deliver the services they depend on.

Come back next year when I will be able to describe in detail what we achieved, learned and adopted as standard ways of working. It's a great story!

For now I hope this Annual Report, written during the worst of the COVID-19 pandemic is a fair reflection of our activity and achievements for the majority of 2019/20 financial year and clearly demonstrates our ambition to be the best we can be and play our part in improving and supporting the physical and mental health of every citizen in Leeds.

Thea Stein
Chief Executive

About Leeds Community Healthcare NHS Trust

Leeds Community Healthcare NHS Trust serves a population of approximately 868,000 and delivers care to around 5,000 people every day. We are an award winning Trust, with many staff recognised nationally for their achievements.

We employ more than 3,000 people who provide a range of community healthcare services for the people of Leeds and some specialist care services across the wider Yorkshire and the Humber area. Care is always provided in, or as near to, a person's own home as possible. Our services are organised into three business units: Adult Services, Specialist Services and Children. The three business units are supported by corporate service teams.

Adult Services

- 13 Neighbourhood Teams (NTs)
- Neighbourhood Nights/End of Life
- Health Case Management Leeds Integrated Discharge Service (LIDS)
- Community Care Beds
- Bed Bureau
- Single Point of Urgent Referral (SPUR)
- Wound Prevention and Management Service (WPaMS)
- Continence, Urology and Colorectal Service
- Community Falls Service
- Community Geriatricians
- Pharmacy Technicians

Specialist Services

- Community Neurology Team
- Community Stroke Team
- Community Neurology Rehabilitation Unit
- Speech and Language Therapy Services
- Leeds Mental Wellbeing Service
- Diabetes Leeds Partnership
- Adult and Children's Nutrition and Dietetics
- Tier 3 Weight Management
- Podiatry (foot health)
- Community Dental Service
- Musculoskeletal Services
- Leeds Community Pain Service
- First Contact Physiotherapy
- Prison Healthcare (Young Offenders Institute, Wetherby and Adel Beck Secure Children's Home)
- Healthcare services for police custody suites across Yorkshire and the Humber
- Liaison and Diversion
- Community Intravenous Antibiotics Service (CIVAS)
- Tuberculosis (TB)
- Homeless and Health Inclusion Team (HHIT)
- Cardiac Service
- Respiratory Service
- Leeds Sexual Health
- Community Gynaecology

Children

- ICAN Hubs: Child Development Centre, Occupational Therapy, Physiotherapy, Community Paediatrics, Paediatric Neurodisability Clinics
- ICAN Citywide Services: Child Protection Medical Service, Growth and Nutrition, Adoption and Fostering, Springfield, Audiology
- CAMHS Inpatient Unit
- CAMHS Crisis Service
- CAMHS Community Outreach Service
- CAMHS Transitions Service
- Mindmate SPA
- Community CAMHS Teams
- Eating Disorders Service
- CAMHS Learning Disability Team
- Mindmate SPACE
- Intensive Positive Behaviour Support Service
- CAMHS Youth Justice Service Team
- CAMHS input to Therapeutic Social Work Team
- CAMHS Training Unit

Children cont'd

- Continuing Care and Health Short Breaks
- Inclusion Nursing Service
- Hannah House
- Children's Community Nursing Service
- Children's Speech and Language Therapy
- 0-19 Public Health Integrated Nursing Service
- Community Sickle cell and Thalassaemia Service (until 1st Feb 2020)
- Watch It Service
- Children's Community Eye Service
- School Immunisations Service

Our purpose is to provide high quality community healthcare. We do this by working in partnership with other organisations and groups, involving and developing our staff, and using our resources wisely to continually improve services. The Trust was rated 'Good' in its 2019 inspection by the Care Quality Commission (CQC), and we were pleased to have been rated 'Outstanding' for our sexual health services.

We are committed to equality and diversity, believing that a workforce which reflects its community will be able to serve it far more effectively. We are proud to be currently rated 14th in the UK's top 50 inclusive employers list, and we promote inclusion across all protected characteristics.

Leeds Community Healthcare NHS Trust is at the heart of exciting developments in Leeds as we seek to develop its local care partnerships and work more closely to provide integrated services with all our partners.

The Trust is proud to be an 'anchor institute' for Leeds and is working with some of the city's biggest organisations to deliver better outcomes for its people, drawing on the talents of, and benefitting, all our communities.

The Trust's culture is underpinned by our vision:

'We provide the best possible care to every community we serve.'

We hold three values close to our heart:

- We are open and honest and do what we say we will
- We treat everyone as an individual
- We are continuously listening, learning and improving

Everyone at the Trust aims to uphold these values and achieve the vision by following **seven magnificent 'How we work' behaviours**:

Caring for our patients

Working together

Finding solutions

Caring for one another

Leading by example

Making the best decisions

Adapting to change and delivering improvements

Our 2019 CQC inspection report describes finding 'a healthy and authentic culture of valuing staff, openness, fairness and putting the patient at the heart of every policy, strategy and service delivered. This culture was embedded across the organisation from the floor to the Board'

For more detailed information about any of our services, please visit our website:
www.leedscommunityhealthcare.nhs.uk

Leeds Community Healthcare's strategic goals

In March 2019, the Board of Directors agreed the Trust's annual plan setting out its priorities across four strategic goals:

Ensure our workforce is able to deliver the best possible care in all our communities

- Further develop staff engagement to create the working lives we want.
- Continue to improve recruitment particularly for hard to recruit roles.
- Put in place our refreshed leadership and management offer to staff.
- Work with healthcare partners in Primary Care, the city and West Yorkshire and Harrogate to put in place unified workforce and HR strategies.

Deliver outstanding care

- Aim to achieve outstanding quality across all services – as measured through Care Quality Commission (CQC) ratings and our own **Quality Challenge+** scores.
- Develop our approach to **Quality Improvement**.
- Strengthen our approach to service user engagement and experience at all stages of care.
- Maintain or improve quality when we put in place new models of care and new ways of working with partners.

Work in partnership to deliver integrated care and care closer to home

- Work closely with health and social care partners to develop new ways of delivering joined up care to best meet patient need (for example **Local Care Partnerships**, Virtual Respiratory Ward). See one minute guides for further info:
  - Population Health Management
  - The Leeds Health and Care Plan: LCH's story so far
- Focus more on prevention, early intervention and better **self-management** so that people stay well and in their community.
- Play a strong role in developing integrated working and service delivery with GP practice partners.

Use our resources wisely and efficiently

- Progress work to deliver a new in-patient Child and Adolescent Mental Health facility and develop our service offer.
- Establish new services won through successful bids. For further information and one minute guides go to:
  - Business Development Strategy
  - LCH Traded Services
- Understand and reduce unwarranted variation.
- Refresh and put in place our plans for the technology we use and the buildings we work from.

Key risks

In 2019/20 we had 20 strategic risks connected to our goals. These are grouped in the four following themes (these are also known as strategic risk clusters) and the level of assurance given for the management and mitigation of these risks is reported to the Board at each meeting:

1. Failure to provide high quality, safe and clinically effective services that reflect the needs of the population served
2. Failure to engage and empower the Trust's workforce and to recruit, retain and develop staff, and to work in a safe environment
3. Failure to deliver integrated care closer to home, as a result of failing to work in partnership with stakeholders to deliver service solutions
4. Failure to maintain a viable and sustainable organisation

Risk management is considered in more detail in our Annual Governance Statement which can be found on page 43 of this report.

Performance analysis

How we measure performance

The Trust's performance against a range of national and local targets and standards is assessed and reported on, internally and externally. The targets and standards are sourced from the NHS Oversight Framework, our contracts and local priorities. They are grouped into six domains which align to the Care Quality Commission's (CQC) governance framework - with the addition of a finance domain. Monitoring of the individual measures within these domains gives us an overall view of the Trust and our current performance on areas of importance.

The Board considers a Performance Brief at each meeting which describes our current performance. This is available as part of the Board papers on the Trust's website.

Performance summary

The Trust's 2019/20 operational plan set out priorities and success measures to drive continued delivery of high quality services and Leeds-wide service transformation plans. The transformation plans were supported by sustainable financial and workforce plans in a challenging financial context, continuing national and local recruitment challenges and some services experiencing increases in the number and complexity of referrals.

The plan reflected continuity and clear alignment with key focuses of the NHS Long Term Plan, the West Yorkshire and Harrogate Health and Care Partnership Plan and the Leeds Health and Care Plan.

The following section provides an analysis of our performance against our operational plan priorities in 2019/20.

Delivery of the 2019/20 Operational Plan

Strategic goal 1

Ensure our workforce is able to deliver the best possible care in all our communities

Priority 1: Improve overall engagement levels across the organisation through initiatives on creating the lives that we want

As a Trust, we believe that a well-motivated, inclusive and valued workforce helps to deliver high quality patient care, increased patient satisfaction and improved safety for the people we care for.

We continue to offer a full range of Health and Wellbeing (HWB) support under our **Feel Good Pledge** brand.

As our 'people before process' culture grows, open conversations/ stories from staff about their HWB issues are becoming 'the norm'. We are equipping and upskilling our leaders to enable them to work in an inclusive and compassionate way.

We launched a brand new **Employee Assistance Programme** which gives our employees immediate access to a range of independent advice and services to support their health and wellbeing. This includes counselling, plus financial, relationship and legal advice.

We also trained 16 members of staff who volunteered to act as **Mental Health First Aiders (MHFA)**.

Our average cumulative sickness absence level over the year was 5.4%. In order to understand how we could support staff who were absent due to long term sickness to get back to work as soon as they are fit enough, we have introduced regular training on attendance management and reasonable adjustment sessions for managers. Thirty managers have already attended the Reasonable Adjustment/Equality Act Training.

Equality matters at LCH. We continue to raise awareness of race equality and support our Black, Asian Minority Ethnic (BAME) staff network's efforts to create an inclusive environment for patients and staff.

We continue to make progress with delivering the **WRES (workforce race equality standard)** action plan. Two cohorts of the Reverse Mentoring programme between BAME staff and Trust Board members/senior managers have been held and a third cohort was launched in January 2020, together with the #RaceForEquality event - a call to arms to tackle race inequality in LCH and the wider NHS.

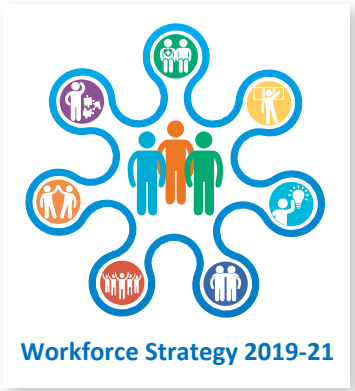
We continue to provide opportunities for all staff to access face-to-face 'Unconscious Bias' awareness sessions to help reduce the number of staff experiencing inequality of experience and opportunity. We deliver a 'Compassionate and Inclusive Leadership' session as part of the 'Leading LCH' management development programme.

We now have a **Workforce Disability Equality Standard (WDES) Action Plan** in place which was developed with input from a Board Development Workshop. The Work Disability Equality Standard, launched in April 2019, is a set of measures that will enable us to compare the employment experiences of disabled and non-disabled staff. We have published data for each of the metrics on our website and have used this information to develop a local action plan to improve the experience of disabled staff. As part of this action plan, we have introduced Reasonable Adjustment Awareness Training for Managers.

The Trust has achieved and retained the accreditation of **Disability Confident Employer** and in November 2019 the Inclusive Companies organisation ranked us 14th best in the country in a list of organisations that promote inclusion across all protected characteristics, through each level of employment within their organisation: https://www.inclusiveccompanies.co.uk/inclusivetop50/2019rankings/

Our redesigned **Leadership and Management** offer, 'Leading by Example', met its aim of training 180 managers and aspiring managers before the end of 2019/20. We have now developed and tested a Leadership Competency Framework (LCF) which is rooted in our 'seven behaviours' and our Shadow Board Development Programme was successfully completed in 2019/20.

A **Workforce Strategy** covering 2019-2021 was agreed in May 2019 which should allow us to adapt and respond to current and anticipated requirements, challenges and opportunities. It aims to make sure that our workforce is able to deliver the best possible care in all our communities and through the regional services we provide.



Freedom to Speak Up Guardian

We promote the phrase: 'Speaking up is a practice, not a position' and actively seek to hear and understand the voices of our workforce. Our Freedom to Speak Up Guardian (FTSUG) works impartially and confidentially to support staff members who want to speak out.

Our FTSUG is available to all our administrative and clinical staff and 30 individuals have formally raised concerns in the last year. Facilitative conversations initiated by the Freedom to Speak Up Guardian may in some cases enable matters to be resolved without recourse to formal grievance or other HR procedures.

The Chief Executive, Chair and Non-Executive Director with responsibility for staff meet with the FTSUG regularly.

The first ever national **Freedom to Speak Up Index Report** was published in October 2019 and listed LCH as sixth best in the country (of 180 organisations) for its efforts to encourage speaking up and openness. The Index Report is based on answers to questions in the annual NHS Staff Survey and we were delighted with our ranking because it is a testament to the work done to create a culture of speaking up.

There was a peer review of our FTSUG service during the year. It was an independent review by an external body and spoke to key people involved in the process such as a staff member who spoke up, Chief Executive and managers. Our FTSUG service evaluated well.

NHS Staff Survey

The annual NHS Staff Survey invites everyone working in the NHS to give their views on working life. It's completely independent and we encourage our staff to complete it as an important feedback mechanism. More than half of our staff (55%) completed the 2019 survey - which is above the national average for NHS organisations (49%) and puts us in the top 25% for responses nationally.

Our results this year demonstrate continued improvements across many of the areas explored by the Survey and there is strong evidence of progress in priority areas of focus including the ability to contribute to improvements, support from managers, and feeling valued and recognised. Staff engagement indicators – those measures which look at staff connection to, and satisfaction with, the organisation – have improved in eight areas while the ninth stayed the same. We benchmark well against our peer organisations across the NHS, and are in the top quartile of NHS organisations for key indicators.

Here is a summary of our results covering support from managers and satisfaction with working life:

Q5b I am satisfied with the support I get from my immediate manager

Overall NHS result	LCH result
71%	75%

Q5g I am satisfied with my level of pay

Overall NHS result	LCH result
38%	46%

Q5f I am satisfied with the extent to which my organisation values my work

Overall NHS result	LCH result
48%	56%

Q5h I am satisfied with the opportunities for flexible working patterns

Overall NHS result	LCH result
54%	64%

Q9d Senior managers act on staff feedback

Overall NHS result	LCH result
34.5%	44%

Q21a Care of patients/ service users is my organisation's top priority

Overall NHS result	LCH result
77.3%	83%

Q21c I would recommend my organisation as a place to work

Overall NHS result	LCH result
63.3%	69%

Priority 2: Further strengthen recruitment, particularly for hard to recruit roles, and produce an organisational workforce plan underpinned by future organisational design principles aligned with operational business plans that set out resourcing requirements and plans to meet these by profession

There was a significant increase in the number of posts we advertised as we successfully bid to develop new NHS services. We streamlined our recruitment processes and provided greater focus on 'hard to recruit' roles, particularly nurses for the Neighbourhood Teams, clinicians for the new Public Health Integrated Nursing Service, psychological wellbeing practitioners for the Leeds Mental Wellbeing Service and dentists and nurses for the Community Dental Service.

The rapid changes required in our resourcing approach, linked with an urgent need to prioritise maximising workforce supply and meeting business continuity plans brought about by the COVID-19 pandemic had an impact on the final elements of our new workforce planning approach that we intended to introduce in quarter 4.

Well-received recruitment initiatives continue, including the 'LCH Bus Tour' which was a finalist in the Nursing Times Awards 2019 in the Best Recruitment Experience category. The bus tour is now an annual event which is part of our strategy to attract newly qualified nurses to the organisation. We take second and third year nursing students around the city to visit three of our neighbourhood teams and have a close look at community nursing.

The Trust started work on implementing the District Nursing Apprenticeship to support nurses who would like to develop their careers in the community and has developed Self Care Facilities in the Adult Business Unit to support patients wanting to manage their own health in their own home. The Unit also introduced new Nursing Associate roles, aimed at people wanting to develop a career in community nursing.

Over the year we successfully rolled out a new e-rostering system across the majority of the Adult Business Unit. The benefits of the system include:

- Employee Online (EOL) will enable employees to make off-duty requests online for any period into the future. EOL enables staff to view their rota in advance from anywhere, as the system is accessible via any internet connection.
- HealthRoster enables managers to reduce payroll paperwork by electronically calculating enhanced payments and absence records, authorisation of any working or attendance variations.
- Enhanced information for reporting on capacity across the organisation, providing greater insight for better matching of service capacity to demand.

Priority 3: Leadership: Put in place and further develop a revised leadership and management development offer

Effective leadership and talent management continues to be a high priority and we offer a range of high quality training opportunities for our staff. By the end of quarter 3, 198 managers had participated in leadership development, exceeding our annual target. We have made further progress on evaluation of our leadership training and all components of our programme demonstrate positive impact at the end of training and three to six months post completion (qualitative and quantitative scores)

Our Shadow Board programme continued and had a positive impact on the 10 managers who took part, and benefitted the Trust Board which received many valuable insights and challenges from its shadow. We are keen to build on this and will continue to use a shadow board to give valuable extra scrutiny and perspective on our key initiatives.

We believe that our strategy of empowering managers is reflected in the NHS Staff Survey: 75% of our staff said they were satisfied with the support they got from their manager - above the national rate of 71%; while 44% of LCH staff said their manager acted on feedback, well above the national average of 34.5%.

Priority 4: Work effectively as a system partner in developing and putting in place workforce and HR strategies, systems and plans across Primary Care, the city of Leeds and West Yorkshire

GP Confederation and Primary Care Networks (PCNs)

We are delighted that three of our Directors work for both the Trust and the Leeds GP Confederation. This has facilitated the introduction of new or enhanced services with our primary care colleagues. For example, the Leeds GP Confederation is a partner in the new Leeds Mental Wellbeing Service and together we are improving wound management services.

We have developed innovative solutions to respond to challenges and opportunities. For example, during 2019/20 we developed an 'Employ and Deploy' service for the Primary Care Networks (PCNs) across Leeds. This service uses the Trust's HR and professional support infrastructure to enable PCNs to attract and deploy the best possible candidates for vital roles - so far, eight PCNs have taken up the service. Thirteen Clinical Pharmacists have been recruited and have taken up post through our service during 2019/20.

The PCNs now plan to use the Trust's 'Employ and Deploy' model for those recruited to Social Prescriber roles. There is significant potential for this offer to grow, particularly in the light of the recently released GP Contract with further mandated roles and funding for them now agreed.

We are continuing to support the GP Confederation to directly employ staff. Approval was given for many of its workers to join the NHS Pension Scheme and a substantial piece of work on resourcing and employment began which will deliver results in 2020.

Leeds Health and Care Academy

We are a committed partner in the Leeds Health and Care Academy, a ground breaking collaboration of Leeds health, care and university partners to create a single, joined up approach for innovative learning and development for all staff in health and care in the city. Together we want to support the creation of 'one Leeds workforce' with the best skills, founded upon the best research and evidence, improving the health and wellbeing of the people of Leeds.

Strategic goal 2

Deliver outstanding care

Priority 5: Maintain quality across all services and aim for outstanding rating by CQC and in our services' Quality Challenge+

The Care Quality Commission (CQC) visited our sexual health service, community CAMHS (child and adolescent mental health service), inpatient CAMHS, community dental service and community services for children, young people and families in May/June 2019. The CQC inspectors also completed a Trust-wide inspection under the well-led framework. Their report was published in October and we were rated as 'Good' overall and for each of five CQC domains. The Inspection findings were:

Improved rating since previous inspection

- **Sexual health services** were rated outstanding overall. The service was rated good for safe and caring, and outstanding for effective, responsive and well led.
- **Children and young people's services** were rated good for safe, effective, caring, responsive and well led

Maintained rating from the previous inspection

- **Inpatient CAMHS services** were rated good for caring; requires improvement for safe, effective and responsive. Disappointingly 'well led' was rated as inadequate but a set of immediate actions were implemented and we would expect a significant improvement in this rating if it was inspected now. The opening of the new in-patient facility in autumn 2021 will address all of the environmental issues at the current building that are well known to service users, the Trust and the CQC.
- **Community CAMHS services** maintained the good rating for effective and caring, but the 'Requires Improvement' rating for safe, responsive and well led was lower than previous ratings.
- **Dental services** were rated good for safe, effective, caring, responsive and well led.

We have an agreed action plan to address the 23 'must do' and 14 'should do' actions highlighted by the CQC. At the end of March 2020, 17 of the 'must do' actions were complete, 2 were on track to complete within the time scale agreed with the CQC and four were on hold due to COVID-19. The Trust keeps the CQC fully informed of progress. Of the 'should do' actions, nine were complete and five are on track to complete within the agreed time scale.

This year we have worked on improving the way we learn from measuring clinical outcomes. This includes working with partners and commissioners to develop outcome measures for pathways and supporting Leeds-wide health management work for frail patients. This has seen the development of more meaningful data, closer working between clinicians, commissioners and other partners and sharing learning between services. This helps us to make better use of the data available to deliver the best possible care to all our service users and to meet our aim of tackling health inequality in the city.

Priority 6: Develop and embed continuous quality improvement which engages staff and service users

The Year 2 Quality Improvement (QI) Strategy was agreed in August 2019 and outlines our approach to 'Making Stuff Better' by focussing on three main priorities:

1. We can all make stuff better - develop and embed continuous quality improvement which engages staff and service users to undertake small or large scale change.
2. Enabling and supporting all staff to Make Stuff Better - provide tools, training and resources to staff and other teams that help them improve their area of work.
3. Recognise good stuff happens and sharing our learning - enable all staff and service users to access QI tools, QI team members and share learning and improvement stories.

The **Quality Improvement Team** has been working in partnership with the Improvement Academy to progress the strategy.
We are working to engage all staff in QI and launched our 'Making Stuff Better' campaign in August 2019 to highlight improvement work across the organisation and to celebrate and share improvement projects regardless of scale.

This well received campaign is all about supporting and encouraging staff to share their stories about improvements they have made in their area of work with the aim of:

- Sharing learning across LCH and wider
- Enabling teams to get recognition for QI work they have done
- Raising the profile of teams and services
- Inspire and helping others with 'Making Stuff Better'

We have successfully used Rapid Improvement workshops to support a number of improvement projects across our business units, including the ICAN Transformation Programme. The workshops bring together staff, partner organisations, commissioners, patients and carers to work collaboratively to problem solve, generate solutions and improve services. Examples include the development and implementation of a city-wide Diabetes Strategy and the ICAN Transformation Programme.

The **Community Neurological Discharge Team (CNDT)** was shortlisted for a Health Service Journal Value Award in the 'Specialist Service Redesign Initiative' category. The CNDT has been in operation for just over a year and has had a significant impact on patients' length of stay in hospital using a QI approach - by providing immediate Occupational Therapy input for traumatic brain injury patients on discharge, the team has saved almost 600 bed days.

The team works in partnership with Leeds Teaching Hospitals NHS Trust colleagues to plan and support complex discharges for this group of patients. This results in a positive impact on patient experience with examples where patients have returned to work and college as well as integrating back into their home environment.

Priority 7: Strengthen organisational approach to service user engagement and experiences at all stages of care delivery

The Trust's Patient Engagement Strategy was agreed in October 2019. It commits the Trust to making sure patients, carers and the public are engaged in everything the Trust does - from Board level to front line services - so that the patient voice is loud and clear in all we do. Our key priorities included: culture of engagement; working with others; leadership; listening to everyone's voice; we are all experts; and how we do what we do.

During the year, we launched our Youth Board which is a group run by young people to discuss any aspect of care and wellbeing that is important to them. As well as providing input into the design and feel of the new in-patient CAMHS unit, the group has already had an impact on the way we run services and the way we provide information. The Youth Board meets monthly.

The Big Leeds Chat took place in November 2019. LCH joined the Big Chat event in Leeds City Market and local chats in Otley and Rutland Lodge. Feedback from, and on, the event was collated by Healthwatch Leeds and Leeds CCG.

As part of a wider Quality Improvement (QI) project in the Children's Community Nursing Service (CCNS), the Patient Experience Team in partnership with the Yorkshire and Humber Improvement Academy, facilitated interviews with eight families who access these services. We wanted to hear their stories and about their experiences so we could look at how the CCNS teams work together across different functions. We wanted to identify what was going really well and whether there were opportunities to make things better for the families who access these services.

Using the Yorkshire and Humber Improvement Academy Patient Experience Toolkit, the feedback from the family/carer interviews was collated and overarching themes were identified. The feedback and themes were fed back to the staff from the Children's Nursing Services, along with Staff Culture Survey results, and improvement actions were identified for the teams to take forward.

The Patient Experience Team has also worked with the staff at Hannah House to identify and develop how local volunteers could best support interactions with the children at busy times such as mealtimes. A person specification was developed and one of the 'Friends of Hannah House' is now involved with reading to children and supporting play times with recruitment of two other 'Friends' pending.

Concerns, complaints and compliments

We welcome and encourage feedback on our services so we can gauge where we are doing well and where we might need to make improvements. In 2019/20, we worked on more than 2200 pieces of patient feedback through compliments, enquiries, concerns and complaints. Although three quarters of this feedback was positive, we recorded 431 concerns and 174 complaints.

The top five areas of concern across all services were:

Appointments

Clinical judgement/treatment

Attitude, conduct, cultural and dignity issues

Communication issues with the patient

Access and availability

Following any complaint investigation, we take improvement action. In 2019/20 this has included:

- All children's occupational therapists were reminded that they must keep parents informed about the progress of children's treatment plans, especially if there are likely to be delays.
- Services have made changes to enable patient choice and involvement in their care including changing the clinicians involved in care; amending appointment locations and offering alternative methods of communication wherever possible.
- Teams were reminded of the benefits of updating patient records immediately wherever possible to reduce the risk of information being lost or forgotten.
- Altering questionnaires to enable a patient to opt out if they had previously completed the questionnaire. Patients thought their treatment would stop if they didn't complete the questionnaire each time it was presented to them.

Friends and Family Test

The Friends and Family Test (FFT) is an important feedback tool that supports the fundamental principle that people who use NHS services should have the opportunity to provide feedback on their experience. At LCH we always aim to listen to the views of patients and staff to help identify what is working well, what can be improved and how. We remain committed to using the feedback received from the FFT to improve services:

Our **Nutrition and Dietetics** patients said they would like more discussion time during their consultations with clinicians. In response, the clinical team introduced electronic copies of their patient health questionnaires and sends them out in advance of appointments. Responses are reviewed before a patient arrives for their appointment which means the consultation is more patient-centred.

In July 2019, the **Health and Homeless Inclusion Team** launched their FFT and specifically invited feedback from members of the Gypsy and Traveller and Homeless communities that are seldom heard from. The feedback received has been really positive, with service users describing staff from the service as respectful, caring and trustworthy.

The **CUCS (Continence, Urinary and Colorectal Service)** team introduced a consistent system for prescribing continence products and advising patients. The CUCS FFT recommendation rate has now reached 100% showing patients are increasingly satisfied with the service.

Priority 8: Developing and implementing new models of care and new ways of working including integrated pathway development, service developments, tenders and sub-contracting arrangements and working across boundaries to ensure quality is maintained and improved

We have made good progress in developing strong frameworks and standards to support robust quality governance when working across organisational boundaries. Our Board approved the Partnership Governance Standards (which incorporates the Clinical Governance Framework) and the Trust continues to work with its primary care partners to develop common standards and frameworks.

Over the year we have developed Memoranda of Understanding (MoU) for services won by tenders that are delivered through partnerships. These MoUs incorporate the Partnership Governance Standards and are signed off at Partnership Boards.

In November 2019 we launched the Leeds Mental Wellbeing Service which brought together 10 NHS partners and third sector organisations to make sure the people of Leeds can get the mental health support they need, at the right time and in the right place through a range of online therapies, self-help resources and online self-referral tools.

Strategic goal 3

Work in partnership to deliver integrated care and care closer to home

Priority 9: Engage fully as a key partner in the development of Local Care Partnerships and their plans, and ensure service responsiveness in implementing new models of care and pathway redesign

We are fully engaged in the development of Local Care Partnerships (LCPs). All LCPs participate in the developing Population Health Management Approach which aims to improve physical and mental health outcomes, promote wellbeing and reduce health inequalities across an entire population. Our Neighbourhood Teams are core members of Local Care Partnerships across the city.

CAMHS and paediatric medics and clinicians worked with GP practices to establish three Child and Family Health and Wellbeing Hubs. The Pudsey Hub has been extended to Bramley. Like the LCPs, the Hubs aim to address inequality in health outcomes by working together to test new health interventions and ways of working.

The Virtual Ward (Frailty) went live in November 2019 and saw our Middleton Neighbourhood Team working in collaboration with Leeds Teaching Hospitals NHS Trust (LTHT) and other partner organisations. The aim is to provide improve care and outcomes for people living with a moderate to severe frailty who can be safely supported in their home when they become unwell. This could be by providing coordinated, rapid care 24/7 city-wide to avoid an admission into hospital and/or to support a patient's discharge from hospital. In January 2020 the model was extended from admission avoidance only to include early discharge from specific acute assessment wards and attendance avoidance via transfer of care from LTHT's Emergency Department/ Frailty Unit. There are plans to expand the model across south Leeds during Q1 2020/21.

Some of the other major focuses of our partnership work during the year we were:

- **Virtual Respiratory Ward** – following evaluation of the initial phase, the service was extended to more groups of patients. Plans for primary care engagement and proactive care were developed.
- **Diabetes** – we worked with partners, patients and carers to develop the SPA (Single Point of Access) using Rapid Improvement methodology. The SPA went live on 1 September 2019. Joint triage has proved very effective and the joint working relationship between Leeds Teaching Hospitals and our staff is extremely positive.
- **Community Stroke** – the work to develop an integrated service with LTHT continued throughout the year. The length of a patient's stay in hospital reduced to 15-17 days which is below the national average. Physiotherapist and occupational therapy rotations have been established.
- **Community Neurological Discharge (CND) Team** – in the Team's first year of operation, more than 400 bed days were saved. An evaluation was completed and a community offer is being developed in partnership with commissioners.
- **Musculoskeletal First Contact Physiotherapy (FCP) model** – during the year we developed our offer drawing on experience of running a pilot service. During quarter 4, national funding for 100% of costs was announced. 10 PCNs confirmed that they want to take up our FCP Model.

Priority 10: Increase service and organisational focus on prevention, early intervention, pro-active care and self-management to keep people well in the community and enable 'left shift'

We now have 22 Self-Management Facilitators as an established role in the Neighbourhood Teams. The focus of the role is to work in partnership with patients to increase their knowledge, skills and confidence to manage elements of their care and their long term conditions.

Over the last year 554 patient activation measures have been administered and 82% of our patients have shown an increase in their knowledge, skills and confidence. We recognise that patient activation measures are not suitable for all patients. We also use goal attainment scoring to capture outcomes for patients and to shape practice within the teams to become goal focused.

On April 1 we launched the 0-19 Public Health Integrated Nursing Services bringing together the Health Visiting and School Nursing Service into a single, integrated service.

There has been good uptake of Chathealth, the confidential text service enabling 11-19 year olds to ask a 0-19 Specialist Public Health Nurse for confidential health support and advice on a range of health issues. This was shortlisted for a Yorkshire Evening Post Mental Health and Wellbeing Award.

Better Conversations – from April 2019 to February 2020, 238 staff completed the Better Conversations skills training, helping them to talk and listen to patients more effectively. This also helps our staff to coach patients and motivate them to take steps to improve their health and wellbeing. Training scheduled for March '20 for a further 25 staff was cancelled due to COVID-19

Throughout 2019/20, the Trust collaborated with Forum Central (an umbrella organisation which represents the voluntary and community sector in Leeds) to develop a Third Sector Strategy. This included a large consultation event where more than 60 third sector organisations joined us in a big conversation about how to improve partnership working to create a thriving and sustainable third sector in Leeds.

The resulting strategy will help us to co-deliver services to support our ambition of providing health, care and support services in the community, close to where people live, so that they are able to live well and longer.

Supporting the community to become confident partners in their care is what we mean by 'left shift'.

Priority 11: Focus on all opportunities to develop integrated working and provision between Primary Care and LCH

The Trust works with Primary Care Networks in a flexible and responsive way to meet patient needs and changing organisational relationships. Integrated clinics are now held in 13 locations citywide and nine of our 13 Neighbourhood Teams have access to one in their area. This has culminated in an additional 350 appointments for patients who require wound care in Leeds.

Caseload reviews were done to identify overlap between GP practice nursing and community nursing / specialist teams and we tested integrated home visiting. We also reviewed 'referrals' between primary and community care to smooth out the transition between services with the aim of ending the need for formal referrals in future.

We appointed a Clinical Pathway Lead for integrated working across community and primary care around wound prevention and management and other areas. We have introduced a wound care formulary across integrated wound clinics and wider primary and community care.

We also worked with our primary care partners on a range of staffing-related areas including a Preceptorship programme designed to support the transition from student to staff nurse. Each Newly Qualified Nurse has a dedicated preceptor for a full 12 months who will meet them regularly to give support and guidance.

Local training for Registered Nurses, Allied Health Professionals and other non- medical staff across LCH and primary care has allowed primary care to access immunisation and vaccination training. Other shared training was in development in the final quarter of the year.

Strategic goal 4

Use our resources wisely and efficiently

Priority 12: Develop an innovative and viable model for the new CAMHS Tier 4 service to the agreed timeframe

We were delighted to receive approval of our Full Business Case and planning permission for the new 22 bed West Yorkshire CAMHS Unit. Construction has now started on the site at Armley in West Leeds.

Young people were consulted about the design, décor and facilities for the new Unit and an engagement event was held in July 2019 to give local people feedback on how their response to earlier engagement had been used to develop the final plans.

Planning for the delivery of this new service in autumn 2021 is now well underway, providing much needed local facilities for children and young people from West Yorkshire in state of the art accommodation.

Artist's impression

Priority 13: Mobilise the 0-19 Public Health Integrated Nursing Service, Community Dental Service, Liaison and Diversion and Tier 3 Weight Management service and other successful bids

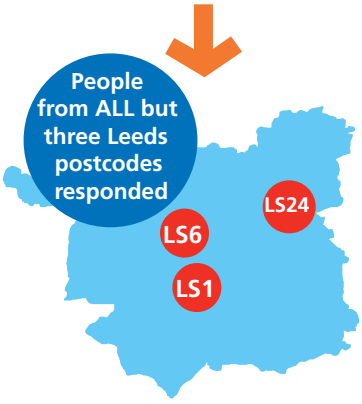
Mobilisations during 2019/20 were:

- **0-19 Public Health Integrated Nursing Service** – this new service brought together Health Visiting, School Nursing and Oral Health promotion from 1 April 2019 and since July 2019 has consistently achieved all the targets it was set by the service commissioner.
- **Liaison and Diversion** – in partnership with Community Links, the Trust successfully mobilised a brand new liaison and diversion service in Humberside which began on 1 April, 2019. Working closely with our police custody healthcare service, L and D diverts offenders away from the criminal justice system and signposts them into support services. Community Links provides an innovative community volunteer model as part of the service.
- **Tier 3 Weight Management Service** – a brand new service to deliver a specialist adult weight management in partnership with Leeds and York Partnership NHS Foundation Trust and Leeds Teaching Hospitals NHS Trust began on 1 April, 2019. The new community-based service is providing support for people with complex obesity and includes dietetic advice, behaviour change support and psychological and physical activity input to suit the needs of each individual.
- **Leeds Mental Wellbeing Service** – the Trust led a bid with seven local partners to retain and grow Improving Access to Psychological Therapies (IAPT), perinatal mental health services and primary care mental health services. The service, known as Leeds Mental Wellbeing Service (LMWS), launched in November 2019 and includes innovative online therapy, primary care support based in GP practices plus bespoke interventions led by the third sector, aimed at better engaging under-represented groups and those people who experience health inequality.
- **Community Dental Service** – following engagement with service users and wider stakeholders, the improved Community Dental Service began working from three, fully accessible bases, offering appointments five days a week and an increased range of specialised services.

Community Dental Service feedback

x131 people gave us their views

50% said they had a disability



37% were patients

60% were parents or carers of patients

3% were staff or members of the public

68.3% of people understood why we wanted to change how we provide the Community Dental Service

Most people were happy with the choice of **AM** or **PM** appointments

20% said they would like **Saturday morning appointments**

17.5% would like **early evening appointments**

We had great feedback about the service:

- 'Very good service'
- 'Great staff'
- 'Good NHS practice'
- 'Great treatment and care'
- 'Excellent treatment'

People were concerned about:

- Accessibility
- Closing sites that are busy
- Extra travel and the costs of taxis
- Being able to see their usual dentist
- Less choice of sites and less appointments

People liked:

- More choice of clinical appointments throughout the week at each site.
- Good information about the planned changes
- Being able to have all their treatment in one place

Priority 14: Understand and reduce unwarranted variation

Whilst there has been significant work to understand unwarranted variation across the Trust during the year, progress was not as anticipated. There will be a renewed focus on using the information we have to restart services safely and effectively during 2020.

Priority 15: Implement digital and estates strategies

Digital Strategy

The Digital Strategy approved by the Board in December 2019, aims to identify how digital products and services can make our services more accessible to communities and patients and increase our effectiveness, efficiency and environmental sustainability. Whilst some progress has already been made, we are aware there is much still to do.

During 2019/20 the Trust successfully implemented a Mobile Device Management Solution, designed to better control our mobile devices to ensure they remain safe, secure and only running authorised, up-to-date software. We have also run an 'anti-phishing' campaign with NHS Digital, designed to help staff better understand the cyber risks we face and thereby protect the information we use to support patient care.

Our dietitians piloted use of digital health screening for patients with Irritable Bowel Syndrome. Patients are sent a text which prompts them to detail their symptoms in an online form about a week before they meet with their dietitian. The dietitian has time to review that information and work out possible next steps. This means appointments are focused on solutions, not information gathering. Follow up research show that consultations take less time so the dietitians can see more patients. Our patients are happy with the quality of consultations and are finding ways to manage their symptoms much more quickly.

The new Leeds Mental Wellbeing Service and our weight management services have adopted the pre-consultation information gathering approach. This digital innovation has received several national digital health awards and has been shared across the UK:

- Highly Commended at the NHS Excellence in Supply Awards
- Winner for Non-Clinical Innovation at the Building Better Healthcare Awards
- Highly Commended for Clinician's Choice at the Building Better Healthcare Awards
- Winner for Patient's Choice at the Building Better Healthcare Awards
- Winner for Digital Innovation at the Chief Allied Health Professionals Awards

We will continue to develop and improve the Trust's cyber-security defences through additional technical measures as well as further staff education on the dangers posed by phishing emails and other malicious online activity.

Estates Strategy

The Board approved a Five Year Estates Strategy in October 2019. The aim of the strategy is to support the delivery of the best possible care to every community we serve by delivering affordable, sustainable, fit for purpose and appropriately located health facilities that meet the community requirements of all care pathways for both today and tomorrow.

The strategy reflects the strategic context that:

- Leeds is a growing city, with a greater demand for primary care and community services, and is committed to offering alternatives to hospital care wherever possible
- Our staff will make more and more use of digital innovations to deliver care, both in a patient's home and also from all sorts of different buildings within the city
- The importance of sharing buildings, sharing approaches, working across organisations will see new demands for opening up buildings for all health and social care staff in Leeds.

The strategy describes the way forward over the next five years in delivering the estate required to enable these things to happen. We will work closely with partners, especially GPs, in creating One Public Estate, which will enable all organisations to deliver more from public assets and help in our collective aim to reduce health inequalities.

The strategy sets out three key priorities:

- Provide appropriately located, high standard, fit for purpose facilities for patient care services
- Provide appropriately located, fit for purpose facilities to enable new ways of working
- Invest in our estate and ensure effective governance and management of buildings


Financial
performance
13%
18%
6%
7%
14%

Hopefully you will have enjoyed reading about the achievements of the Trust and its staff in delivering healthcare to all the communities we serve during 2019/20. As you read this Annual Report and perhaps even the Annual Accounts, a financial year that ended on 31 March will probably seem a very long time ago given the changes in all our lives since. The changes in the NHS financial regime within which the Trust is operating during 2020/21 have been dramatic, which means it is difficult to look too far forward financially as I would normally do here. What the Trust will continue to do, as it has done since its creation over nine years ago, is aim to provide the best possible care to every community we serve whilst living within our financial means.

We aim to get the best possible value from every pound we spend, so we will continue to innovate and will take the opportunity to learn from the scale and pace of innovation in Trust and in the NHS more widely in the first half of 2020/21.

You will see from the table below that the Trust met all its financial targets in 2019/20; indeed we exceeded the income and expenditure surplus target set for us by NHS England by £300,000 in order to support the West Yorkshire and Harrogate Integrated Care System (ICS) achieve its aggregate control total and maximise resources available to the ICS organisations. The £300,000 will be available to the Trust in 2020/21.

The Trust's capital investment plan for 2019/20 continued to be one of aiming to invest all its internally generated capital resources and remaining within the capital resource limit agreed with NHS England. During the year the Trust spent just less than £2m on the continuing roll-out of our Electronic Patient Record, upgrading and maintaining our buildings, clinical equipment and information technology.

I would like to thank managers and staff throughout the Trust who all played their part during the year in helping to meet the financial targets. I would also like to say a special thank you this year to the Trust's finance team who help and support all our staff throughout the year and completed the Trust's Annual Accounts for 2019/20 whilst working away from the office during the key month of April.

Bryan Machin
Executive Director of Finance and Resources

Key Financial Data Statutory Duties with target	Outturn	Variance from plan	Performance
Income and Expenditure Retained Surplus £1.7m	£2.0m	£0.3m	✔
Remain with External Financing Limit £0.6m	(£6.7m)	£7.2m	✔
Remain within Capital Resource Limit £2.1m	£2.0m	£0.1m	✔
Capital Cost Absorption Duty 3.5%	3.5%	-	✔
Better Payments Practice Code 95% NHS Invoices Number	99%	4%	✔
NHS Invoices Value	99%	4%	✔
Non NHS Invoices Number	97%	2%	✔
Non NHS Invoices Value	98%	3%	✔

Legal obligations and how we are fulfilling these

Emergency preparedness and resilience

The Trust is required to adhere to the requirements of the NHS England Emergency Preparedness, Resilience and Response (EPRR) Assurance Process. The purpose of this process is to assess the preparedness of the NHS, both commissioners and providers, against common NHS EPRR Core Standards in order to provide assurance that both the NHS in England and NHS England are prepared to respond to emergencies, and are resilient in relation to continuing to provide safe patient care.

The 2019/20 annual review was shared with the Business Committee/ Board in September/ October 2019. At the time the Trust's compliance to the standards was rated as partially compliant. Since then an action plan has been implemented and by the end of December 2019, enough progress had been made to upgrade the Trust's compliance to substantially compliant.

We continue to fulfil our requirements set out in the Civil Contingencies Act 2004. The requirements make sure that we are able to respond in the best way possible to any form of disruption to normal service or a major incident. This includes:

- A Major Incident Plan which is regularly updated to ensure it is fit for purpose along with management on call arrangements.
- Business Continuity plans to protect against the impact of a wide range of emergency situations which may affect normal service delivery.
- Emergency planning functions to deal with national issues that may affect service delivery. Most recently, planning has involved national issues relating to Brexit and Coronavirus (COVID-19).
- Planning for major events. In 2019/20 the emergency planning team led the Trust's preparations to minimise the potential for disruption to services from two major city centre events: the Tour de Yorkshire and the UCI World Championship Road Races.

Health and safety

We are committed to maintaining an environment where the health and safety of staff, patients, visitors, contractors and the public is assured. This is in line with the Health and Safety at Work Act 1974 and the Management of Health and Safety at Work Regulations 1999.

The Trust recognises that the effective implementation of its health and safety arrangements depends on managers, staff and their representatives working together at all levels to ensure that safe working practices are in place.

The Health and Safety Group is the forum that enables staff to be involved in developing, enabling and reviewing the Trust's health and safety arrangements. The group which met four times in 2019/20 is chaired by the Executive Director of Finance and Resources and its membership includes staff-side representatives.

The Health and Safety Group proposed some changes and developments of the health and safety management system to ensure the continuous improvement of health and safety performance. The need for these improvements was reinforced by the Health and Safety Executive, who as part of their inspection programme to assess how NHS organisations identify and manage risks posed to employees by violence and aggression and musculoskeletal disorders, visited the Trust during 2019/20.

Improvements to the health and safety management system are being implemented by the newly formed Risk and Safety Team which in 2019/20 saw the merging of the risk management function with fire, health and safety and personal security staff. Key performance indicators and data quality checks are being established in order to accurately measure performance and monitor improvement.

Counter fraud

We have a zero tolerance to fraud and we work hard to prevent, deter, detect and investigate it. Our counter fraud work is undertaken by a counter fraud specialist from our Internal Audit team and is overseen by the Executive Director of Finance and Resources. Our counter fraud work complies with the NHS Standards for Providers of NHS services.

Modern slavery and human trafficking statement

In accordance with the Modern Slavery Act 2015, Leeds Community Healthcare can confirm that it meets its responsibilities under this Act. As an NHS organisation suppliers are subject to standard NHS terms and conditions.

Disclosure of personal data related incidents

The General Data Protection Regulations (GDPR) were introduced as part of a new UK Data Protection Act 2018 (DPA), which repealed and replaced the 1998 Act.

The new legislation strengthens the rights of data subjects, while increasing the responsibilities of organisations to process personal data in a lawful and transparent manner. This means that incidents calculated as externally reportable must be reported to the Information Commissioner's Office (ICO), through NHS Digital's Data Security and Protection Toolkit (DSPT).

Risks to data security are managed by making sure that all colleagues with access to patient-identifiable data have the required access permissions and have completed their compulsory information governance training. All IT equipment is fully encrypted and has effective information governance to ensure essential safeguarding of our information assets from all threats.

The Trust made a self-assessment against the Data Security & Protection Toolkit (DSPT) and all data security standards were met as required by at 31 March 2020.

Sustainability performance

The NHS currently contributes to around 5.4% of the UK's total carbon foot print and uses roughly enough energy to fuel 35 million homes for a full year. It recognises that it must be economically sustainable, but must also consider social and environmental sustainability in its future proofing of the organisation to deliver a high quality, productive and efficient healthcare service for years to come.

We have pledged to reduce our carbon footprint and we are pushing sustainability far higher up our agenda. We have appointed our first Sustainability Managers who now chair the Trust's Sustainability group and have developed our most recent Sustainability Development Management Plan (SDMP). They also produced our first sustainability newsletter in January 2020 and launched the Green Pledge Campaign to engage all Trust staff in sustainability. We have also signed up to NHS Single-Use Plastics Reduction Campaign Pledge.

Wetherby YOI (Young Offenders Institute) team became the first group to sign up to the LCH Green Pledge Campaign by committing to planting trees and enhancing the natural environment. The Woodland Trust offered 1/2 acre of land where trees have been planted in the team's name.

The Trust has been recognised for its Excellence in Sustainability Reporting awarded by the Sustainable Development Unit, NHS Improvement and the Health Finance Managers Association (HFMA). This is a significant recognition as it highlighted that we are excelling in reporting our carbon output and are adding appropriate narrative and plans for further long term changes to improve our sustainability.

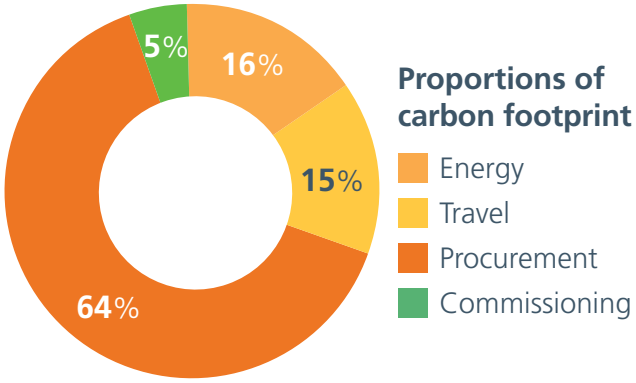
We use the Sustainable Resource Planning (SRP) online reporting portal to complete our annual sustainability reporting as part of our obligations under the NHS Standard Contract (Service Condition 18).

Sustainability Development Management Plan (SDMP)

We make sure that we meet our obligations under the Climate Change Act and that the Adaptation Reporting requirements are complied with.

Our SDMP covers 2020-2022 and identifies the key areas we need to focus on to achieve our goal of overall carbon reduction are:

- **Energy and Energy Consumption**
- **Procurement**
- **Travel**
- **Communication and staff engagement**
- **Waste**
- **Digital Innovation**



Energy and energy consumption

The energy we save across our estate contributes to the overall NHS reduction targets for England and there is financial benefit to the organisation in reducing our energy use.

Our projected carbon emissions show a slight drop from the 2018/19 period due to a reduction in gas consumption during the wet and warm 2019/20 winter.

Over the last two years we have invested in and installed more than 280 LED lights internally and externally across the sixteen properties we own and as part of refurbishment projects, including our headquarters at Stockdale House in Headingley.

The table below shows our overall energy use and carbon produced over the last three reporting periods.

Resource utilities		2017/18	2018/19	2019 / 20 (projected)
Gas	Use (kwh)	3559853	3032789	3262510
	tCO2e	755	635	678
Electricity	Use (kwh)	3150855	2852896	2656344
	tCO2e	1404	1006	839
Total	Use (kwh)	6710708	5885685	5918854
	tCO2e	2159	1641	1517

Procurement

Buying goods and services accounts for 64% of the Trust's whole carbon output. There are a number of reasons for this, but mainly that we provide services in the community and have many clinics caring for people close to where they live, community bases and staff travelling to patients' homes. We also buy specialised supplies and equipment for treating our patients.

We plan to improve our carbon outputs from procurement by:

- Reducing the amount of goods we order
- Making best use of everything we buy
- Buying products that are as sustainably sourced and produced as possible
- Creating Procurement Approval Groups which include a sustainability manager

Transport

As a Community Trust, many of our services are provided in patients' own homes, or buildings in their local areas. This reduces the need for patient travel, but creates a high number of miles travelled by the staff members who deliver this care. Annual staff mileage totals are increasing as the range of services we provide grows along with number of community buildings we use to deliver care.

However, we do recognise the need to balance the provision of high quality care with minimising the impact of the resultant carbon emissions.

We plan to reduce our carbon emissions by 10% through a variety of methods:

- Ensure greener electric vehicles are available through our in-house lease and salary sacrifice schemes (and that there are sufficient electric charging points in the city to support this)
- Encourage greener travel with incentives for staff to cycle, walk and use public transport.

Designing the built environment

Adapting to the changes in climate will be a challenge to our service delivery and infrastructure and we recognise the risk to the organisation.

We occupy a mix of owned and leased buildings. We aim, where possible, to use space which complies with the Building Research Establishment Environmental Assessment Method (BREEAM), the leading infrastructure and buildings sustainability assessment method. The Reginald Centre in Chapeltown, a BREEAM Excellent rated building constructed under the NHS LIFT programme in 2010, is being developed as a hub for children's services is a BREEAM Excellent rated building. The new West Yorkshire CAMHS Unit in Armley due to be opened in August 2021 will also meet BREEAM Excellent standards.

Waste recovery and recycling

Segregated waste management arrangements have been introduced across the organisation to pre-sort waste, resulting in continued reduction of waste going to landfill. During the 12 month period ending the 31 March 2020, we produced 67.95 tonnes of waste, 58.65 tonnes was recycled and only 8.94 tonnes was sent to landfill.

A sudden enforced change in our specialist clinical waste provider means that full clinical waste data for the 19/20 year remains outstanding, but we expect our total to be around 40-43 tonnes.

Safeguarding

Safeguarding is about working closely with families and partner agencies in health and social care to respect to the rights of everyone to live life free from abuse, neglect or emotional harm.

During 2019/20 we have built on our commitment to safeguarding by:

- Reviewing the safeguarding training compliance status of staff across the Trust (for adult safeguarding) and reconfiguring our Electronic Staff Record system to accurately reflect the level of training required for each role.
- Working closely with strategic partners in the Leeds Safeguarding Children Partnership to continue to embed the systems and process changes which arose from the publication of 'Working Together to Safeguard Children: A guide to inter-agency working to safeguard and promote the welfare of children' (July 2018); which seeks to strengthen local partnership working and the robustness of processes for child safeguarding practice reviews and child death reviews
- Working closely with strategic partners in the Leeds Safeguarding Adults Board we revised and embedded the Citizen-Led Multi-Agency Safeguarding Adult Procedures (published April 19) which now incorporates the voice of the citizen 'talk to me, hear my voice'. In developing the 'Leeds Approach', we are clearly and firmly placing service users at the heart of safeguarding practice. In 2020 we will continue to embed the procedures

- Our safeguarding team worked in partnership with Safer Leeds and Leeds United Football Club to provide a multi-agency stalking and coercive control conference in December 19. The conference aimed to help with developing a shared understanding of coercive control and safeguarding and raising the profile and understanding best practice. Our safeguarding team was integral to the planning and delivery of a highly successful multi-agency self-neglect conference promoted under the 'Talk to me, hear my voice' banner in 2018 which was repeated in May 2019 with equal success.

Duty of Candour

Our compliance with Duty of Candour Regulations is monitored on a monthly basis by our Quality Committee.

An audit examining the Trust's compliance with Duty of Candour requirements took place in July 2019 as a result of Care Quality Commission (CQC) inspection feedback. The audit found that a verbal apology was given in 92% of incidents audited, but highlighted areas for improvement: the recording of Duty of Candour incidents and understanding of the Duty of Candour requirements.

Going Concern Assessment

Going concern is considered by private sector and public sector organisations when they prepare their accounts.

It means that we have looked at whether the organisation can continue: does it have contracts for its business? Have we enough cash to pay for things we need to run the business (staff and non-staff)? Can we afford to buy any capital equipment we might need? Do we have strong, stable management? Are we meeting external requirements? Do we understand our risks and are they being mitigated and managed appropriately?

LCH has prepared its 2019/20 accounts on a going concern basis. The Board considered the matter of the Trust as a going concern at its meeting on 27 March 2020.

Signed .....

Chief Executive

Date 19 June 2020 .....

Corporate Governance Report

Director's report

The Trust Board - what we do and how we do it

Along with all NHS trusts across the country, we have a Board of Directors to guide our work. The purpose of our Board is to govern effectively, and to build patient, public and stakeholder confidence that health and healthcare is in safe hands.

Our Board is accountable to the public and stakeholders for:

- High quality, safe health services
- Accessible and responsive health services
- Public money spent in a way that is fair, efficient, effective and economic
- Being a good employer
- Patient and the public engagement in shaping health services

The Board plays a key role in:

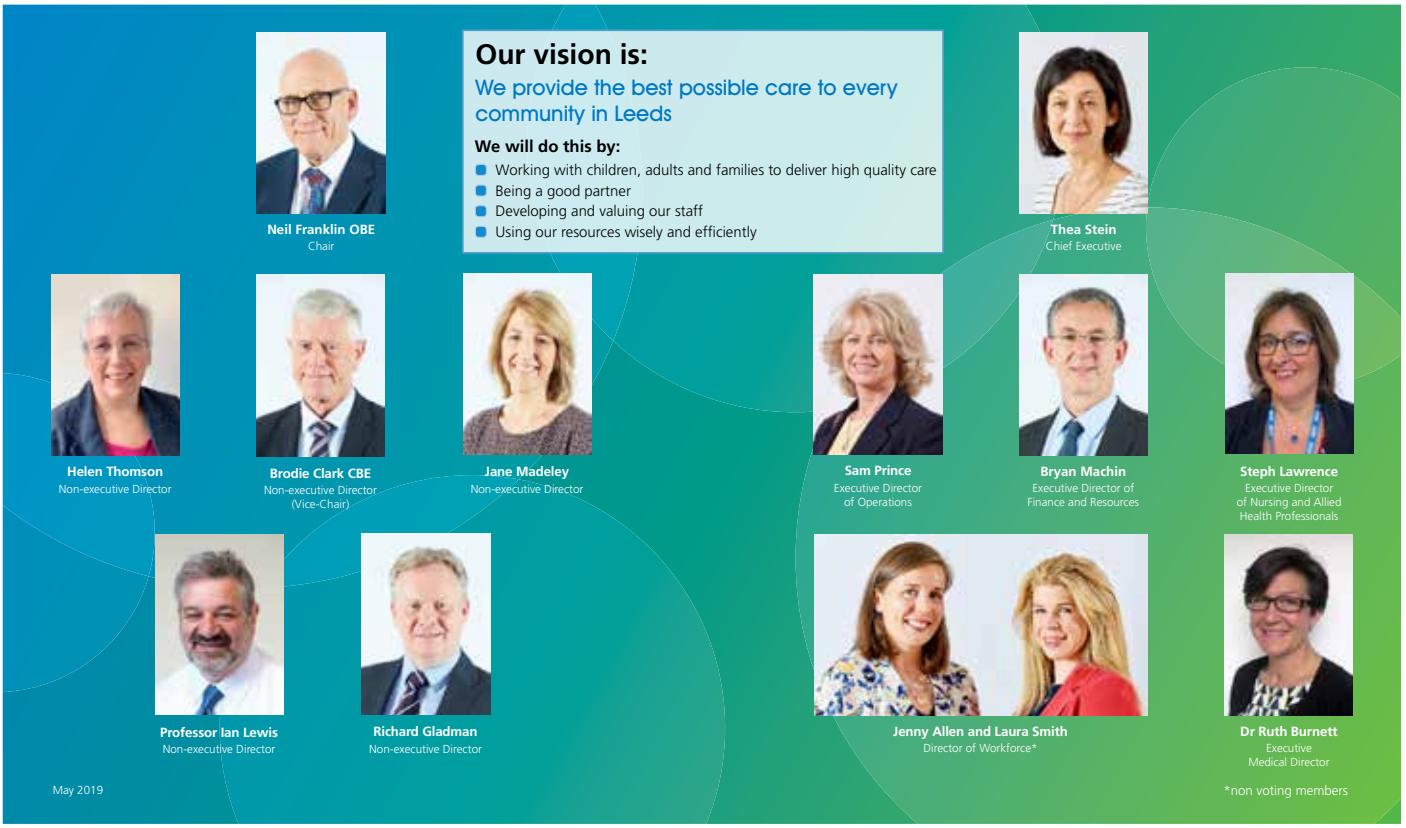
- Shaping the strategy, vision and purpose of the Trust.
- Holding the organisation to account for the delivery of strategy
- Ensuring value for money
- Working to shape a positive culture

The Trust Board has both Executive and Non-Executive Directors. It is a unitary Board, which means that both Executive and Non-Executive Directors share the same liabilities and joint responsibility for every decision of the Board. Led by an independent chair and made up of both executive and independent non-executive members, the Board has collective responsibility for the performance of our organisation.

The Trust's Chair and Chief Executive have led these functions throughout 2019/20.

Here are the people on our Board of Directors:

NHS
Leeds Community Healthcare
NHS Trust



Changes to the Board

Tony Dearden stepped down as non-executive director on 30 April 2019 and was replaced by non-executive director, Helen Thomson, who was appointed from 1 May 2019.

A 'fit and proper' Board

Board members have an annual appraisal, which is a thorough review of the assessment of their performance, reflecting on their contribution to the Trust during the year and setting objectives for the coming year.

The Board has continued with its development programme during the year. It has a programme of workshops to support Board members' development, covering such topics as organisational strategy, data security, health and safety, equality and diversity, and system planning. Both executives and non-executives attend training days and networking events to improve their knowledge base and remain up to date with current NHS matters

All directors have made a declaration that they comply with the 'fit and proper person test' that was introduced from November 2014.

Each director has confirmed in writing that they know of no information that would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and each has taken all the steps that he or she ought to have taken to make himself/herself aware of any such information and to establish that the auditors are aware of it.

Board meetings and business in 2019/20

As with all NHS Trusts, we are required to hold formal Board meetings in public. The Board has met formally six times during the year. At these meetings, the Board takes strategic decisions and monitors the operational performance of the Trust. Any member of the public is welcome to attend the formal meetings; the dates are advertised on the Trust's website and Board meeting agendas, reports and minutes are published online. A briefing document for staff called 'Boardwalk' provides information from the main agenda items of the meeting.

The Board has also met informally on a further five occasions. These events have taken the form of a Board development programme and have involved a wider group of senior leaders.

In addition, an Annual General Meeting was held on 17 September 2019.

The quality of care is at the heart of all that the Trust does and the over-arching approach to quality within the Trust is captured within the Quality Strategy for 2018-2021. The strategy describes an overarching quality objective to strengthen the approach to quality improvement with a focus on understanding data in order to give the necessary assurances on the quality of services. Using this approach the Trust is focussing on four priority areas:

- Prevention, proactive care and self-management
- Patient experience and engagement
- New models of care
- Workforce

All actions to ensure the Trust provides high quality services are overseen closely by the Board.

The Board receives regular updates on strategic service developments and regular integrated performance reports (the report brings together quality and financial information in one document). Information in the report is aligned to the Care Quality Commission's (CQC) five domains (safe, caring, effective, responsive and well led). This is the main way the Board assesses that we meet all national and local standards and targets for the services we provide.

Directors' interests

Our Directors declare interests that they have in associated businesses or areas of work. These are shown in the following table:

Board Member	Name of company, directorships, including non-executive directorships held in private companies or PLCs (with the exception of those in dormant companies)	Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS	Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS	A position of trust in a public, charity or voluntary organisation in the field of health and social care	Any connection with a voluntary or other organisation contracting for NHS services	Any other commercial interest Impacting on decision making in meetings	Any other area of potential conflict	Details of any hospitality or gift in received within the past 12 months: in excess of £35 in connection with the Trust
Neil Franklin	None	None	None	Donisthorpe Hall Care Home – advisor to the Board	None	None	None	None
Thea Stein	None	None	None	Trustee of Nuffield Trust – October 2019 CQC reviewer	None	None	None	None
Brodie Clark	Director Clark Advisory Ltd –consultancy services on security and Government Affairs	None	None	Non-executive Director Compass (Charity)	None	None	None	None
Jane Madeley	None	None	None	Chief Financial Officer, University of Leeds	None	None	Leeds, Leeds Faculty of Medicine and Health, Leeds Academic Health Partnership, NIHR Clinical Research Network Co-ordinating Centre and Leeds Community Healthcare NHS Trust	None
Richard Gladman	Director of Verbena Digital Ltd	Part ownership of Verbena Digital Ltd	None	None	Associate business relationship with: • Ideal Health Ltd • Black Pear Ltd	None	None	None

Directors' interests cont'd

Board Member	Name of company, directorships, including non-executive directorships held in private companies or PLCs (with the exception of those in dormant companies)	Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS	Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS	A position of trust in a public, charity or voluntary organisation in the field of health and social care	Any connection with a voluntary or other organisation contracting for NHS services	Any other commercial interest Impacting on decision making in meetings	Any other area of potential conflict	Details of any hospitality or gift in received within the past 12 months: in excess of £35 in connection with the Trust
Prof Ian Lewis	None	None	None	Trustee: Rossett School Harrogate	None	None	None	None
Helen Thomson (from 1 May 2019)	None	Helen Thomson Ltd	None	Trustee: Sue Ryder	Council Member University of Huddersfield	None	None	None
Tony Dearden (until 30 April 2019)	None	None	None	Fee paid medical member First Tier Tribunal Mental Health Fellow of the Royal College of Psychiatrists	None	None	None	None
Bryan Machin	None	None	None	Trustee at St Anne's Community Services from 4 February 2020. St Anne's is a charity and housing association	None	None	None	None
Dr Ruth Burnett	None	None	None	Medical Director Leeds GP Confederation	None	None	None	None
Sam Prince	None	None	None	None	None	None	None	None
Steph Lawrence	None	None	None	Director of Nursing Leeds GP Confederation	None	None	None	None

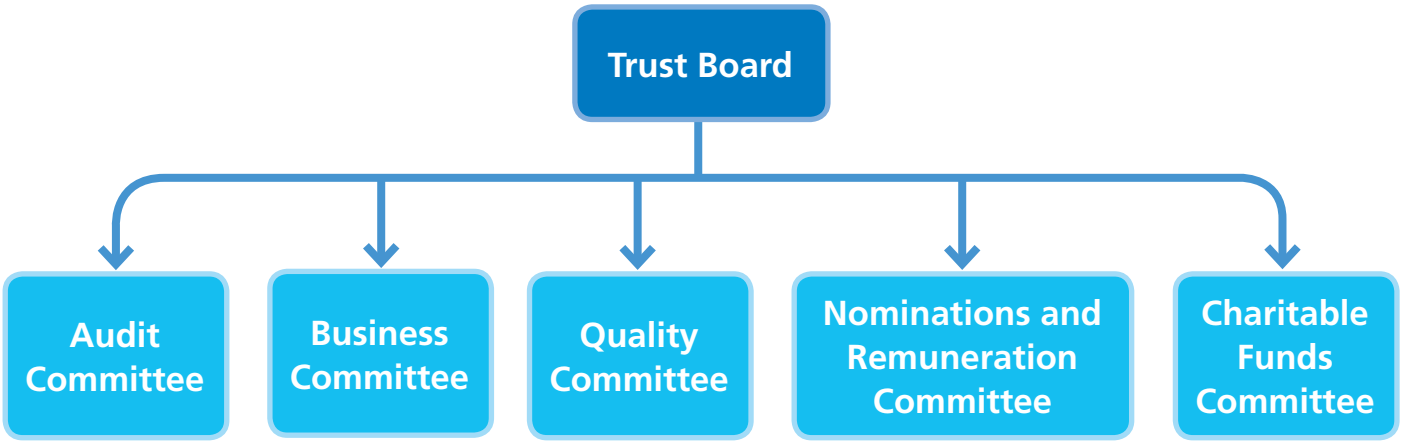
Directors' interests cont'd

Board Member	Name of company, directorships, including non-executive directorships held in private companies or PLCs (with the exception of those in dormant companies)	Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS	Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS	A position of trust in a public, charity or voluntary organisation in the field of health and social care	Any connection with a voluntary or other organisation contracting for NHS services	Any other commercial interest Impacting on decision making in meetings	Any other area of potential conflict	Details of any hospitality or gift in received within the past 12 months: in excess of £35 in connection with the Trust
Laura Smith* (from 4 June 2018)	None	None	None	Director of Workforce Leeds GP Confederation Leeds	None	None	None	None
Jenny Allen* (from 4 June 2018)	None	None	None	Director of Workforce Leeds GP Confederation Leeds Indirect interest – my husband is a partner at KPMG who I understand to be involved in financially auditing the Trust KPMG also bid for contracts with NHS Providers My husband is a Trustee for Age UK Leeds Appointed as a Trustee for Hollybank Trust – 6 June 2019	None	None	None	None

*The Director of Workforce is a non-voting member of the Board

The Board's committees (decision making groups)

The Trust has five committees that make sure we carry out our duties effectively, efficiently and economically. These are shown in the organisation chart below.



Details of the functions of each committee can be found in our Annual Governance Statement 2019/20.

In addition, the Trust has two 'Committees in Common' arrangements involving a number of NHS organisations. A 'Committees in Common' approach allows NHS Trusts to establish their own committees, which all meet at the same time and with the same remit and common agenda. The two 'Committees in Common' are:

- West Yorkshire Mental Health Services Collaborative Committees in Common. This comprises of the four mental health and community NHS trusts in West Yorkshire (Bradford District Care NHS Foundation Trust, Leeds and York Partnerships NHS Foundation Trust, Leeds Community Healthcare NHS Trust, and South West Yorkshire Partnership NHS Foundation Trust) working together to ensure high quality, sustainable mental health services.
- Leeds Primary Healthcare Collaborative, which is Leeds Community Healthcare NHS Trust and the Leeds GP Confederation whose aim is to jointly deliver city-wide seamless and efficient primary care and community health services for patients.

These are reflected in the Trust's current scheme of delegation.

Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum*. These include ensuring that:

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

As far as I am aware, there is no relevant audit information of which the trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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

Signed ..... Chief Executive

Date 19 June 2020 .....

Annual Governance Statement 2019/20

Scope of responsibility

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

Thea Stein

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 Leeds Community Healthcare NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Leeds Community Healthcare Trust NHS Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust recognises that it is operating in a healthcare environment where patient safety, quality of care and service sustainability is paramount and of mutual benefit to stakeholders and the organisation alike. The Trust manages clinical risks (i.e. risks to individual patients through clinical activity) and financial and business risks (i.e. risks that threaten the achievement of statutory financial duties or the safeguarding of the Trust's assets) in order to deliver its objectives in a controlled way. With controls and assurances in place, and in line with the Trust's statement of how much risk it will accept ('risk appetite'), manageable risks are tolerated - but not where there is a foreseeable risk of harm or adverse outcomes to patients.

Careful risk management is embedded within the culture of the organisation, from risk assessments in clinical practice to considering the risk in each Board decision. Risks are identified and aligned to strategic goals. Risk tolerance, i.e. the level at which risk is escalated, is clearly set out in the Risk Management Policy and Procedure.

The Chief Executive has overall responsibility for the Trust's management of risk and members of the Senior Management Team have been given responsibility for managing risk types:

- **Chief Executive:** Risks to staff and stakeholder engagement, integration and system change programmes
- **Executive Director of Finance and Resources:** Risks to efficiency, income and expenditure, IT infrastructure, partnership governance, health and safety of staff
- **Executive Director of Operations:** Risks to major change projects, business tenders, contracted activity
- **Executive Director of Nursing and Allied Health Professionals and Executive Medical Director:** Risks to clinical quality assessment, clinical quality improvement, clinical governance
- **Director of Workforce:** Risks to staff capacity and capability

The role of each director is to ensure that appropriate and robust arrangements are in place to:

- identify and assess risks
- eliminate or reduce risks to an acceptable level, in line with the Trust's approach to risk
- comply with policies and procedures, and statutory and external requirements
- maintain the Board Assurance Framework

The Trust employs an experienced Risk Manager who delivers risk management training, coordinates the risk register and provides support and direction in all risk management related matters.

Every member of staff is briefed on the Trust's risk management procedures as part of our induction process and bespoke training is provided to support teams and services with managing risk. Managers are also trained in risk management procedures in their induction process and as part of ongoing training, coaching and support. All training includes awareness of the Trust's approach to risk and how this should be applied in decision-making processes.

The Trust has a quarterly risk management newsletter which includes: lessons learned from incidents and complaints; the latest information about risk management; available training courses and examples of good practice across the Trust. There is a 'lessons learned' portal on the Trust's intranet, where managers can share information about incidents, learning and improvements.

There has been a targeted approach to risk management training during 2019/20 in response to a realisation that that some services did not have suitable and sufficient health and safety risk assessments. Individual and group training sessions have been provided, along with an accessible library of risk assessment templates. A training session around a manager's role and responsibilities in staff health, safety and risk management has been developed, which has a strong focus on risk assessment technique. The session is part of the Trust's essential management training programme.

The Trust is currently in the process of selecting an electronic system to support the completion, review and monitoring of risk assessments.

The Trust commissioned an internal audit review of the effectiveness of risk management in 2019/20 and this concluded with a 'reasonable assurance' opinion. The Trust continued to strengthen its risk management processes during 2019/20 by combining its risk management functions and health and safety functions into one team.

The risk and control framework

The Trust's risk management policy defines the risk management framework and sets out the approach the Trust will take to the management of risk, making sure that sound risk management principles are an integral part of its governance structure and processes. It also sets out the respective responsibilities for corporate and operational risk management throughout the Trust.

The risk management procedure supports staff to identify, assess, manage, and monitor the risks that threaten the organisation's ability to achieve its objectives. The aim of the risk management procedure is to achieve an optimum response to risk, prioritised in accordance with a consistent evaluation of the identified risk.

The Trust has systems in place that contribute to the identification of risk from a number of sources; the following are examples:

- Review of performance and working practice
- Clinical practice
- Legislation, national policy and guidance
- Risk assessments
- Incident reports
- Complaints
- Claims for compensation
- Audit and work place surveys
- Patient satisfaction surveys
- External / internal audits
- Regulators' inspections and reports
- External environment within which the Trust operates

Any of the above can be part of the risk assessment process. Risks are identified in a proactive way, for example: changes or introduction of new processes, new equipment, and different ways of working will initiate a risk assessment.

The risk management policy and procedure is supported by content in a bespoke risk and safety area of the Trust's intranet which is available to all staff.

The Board Assurance Framework's (BAF) enables the Board to be assured that risks to the success of strategic goals and corporate objectives are being

managed effectively. The BAF aligns strategic risks to the revised strategic goals and priorities in the Trust's operational plan.

The risk register is a record of all the risks that may affect the Trust's ability to achieve its strategic, project or operational objectives. The Trust uses Datix - an electronic risk management system - to record and monitor risks. The risk register includes: a description of the risk, the risk owner, any controls in currently in place, actions to be completed, and the initial, current and target risk scores. Extracts from Datix are frequently scrutinised by appropriate managers, committees and the Board. An additional risk log was introduced in March 2020 to ensure that risks relating to COVID-19 were quickly captured, assessed, mitigated and reported.

The Trust's **risk appetite** is aligned with its four strategic goals. Senior management team defines the Trust's risk appetite and reviews this on an annual basis. The risk appetite statement is an Appendix of the risk management policy and procedure, which can be found on the Trust's intranet.

Data security risk is managed through a system of general managers and heads of service who act as information asset owners. These individuals work with the Senior Information Risk Owner to manage data security and other information-related risks. This process has been significantly improved through efforts to ensure the Trust remains compliant with the General Data Protection Regulation (GDPR).

Data Security risks continue to be managed through a series of coordinated activities which have included:

- The release of software patches to ensure our electronic devices remain as resilient as possible to the threat of computer viruses and other cyber security risks.
- Third party penetration tests designed to identify vulnerabilities in the Trust security architecture. The most recent test was on 16 December, 2019 and the issues it highlighted have been incorporated into an action plan to mitigate the threats.
- Business Continuity Plan testing to make sure that the Trust is able to respond to a cyber-attack. A simulation was performed with the IT and Clinical Systems support teams on 16 January 2020. The learning from this event has been fed into the annual Business Continuity Plan update.
- Staff education and awareness. With the support of NHS Digital, anti-phishing campaigns have been run to test the likelihood of an individual following a malicious link in an email. If this happens, the individual is directed to an e-learning resource to help them spot the signs of a suspicious email in the future.
- Dedicated cyber training for the Trust Board on 3 May 2019, to help them understand and discharge their duties with respect to cyber awareness and security.
- Articles in the quarterly Risky Business newsletter to highlight the importance of checking social media accounts settings and personal details (especially when posting sensitive information to users) and how to spot the signs of a phishing email.

All of these activities are designed to help ensure sensitive information is protected and the risk of unintended loss or disclosure is minimised.

Data quality and the accuracy of performance reporting, including waiting list information, are reviewed regularly. Validations on waiting list data are collected directly from services on a regular basis and reviews of other Key Performance Indicators (KPI) happen at performance review meetings across all levels of the Trust. The accurate completion of key demographic information is monitored via the Data Quality Maturity Index. More specific pieces of work to test out and provide assurance around data quality are carried out on a service by service basis.

The Trust reports monthly on its performance against national KPIs in line with NHS Improvement's Single Oversight Framework and national contract requirements. Specific service indicators in contracts are monitored monthly via internal performance monitoring processes.

Governance structures and accountability

Our Board is made up of six non-executive directors (including the Chair), and five executive directors. There is one non-voting member of the Board - the Director of Workforce. The Board leads the Trust by carrying out three main roles:

- Formulating strategy
- Holding the organisation to account for the delivery of strategy and seeking assurance that systems of control are robust and reliable
- Shaping a positive culture for the Board and the wider Trust

There is a clear division of responsibilities between the Chair and Chief Executive and both have discharged their leadership functions throughout the whole of 2019/20.

The Board met twelve times in 2019/20: six formal meetings were held in public, there were five informal meetings or strategic workshops plus our Annual General Meeting. Attendance at Board meetings has been good and all meetings have been quorate.

The quality of services remains the Trust's first priority, so the Board's agendas feature reports on our quality strategy, patient experience topics and the maintenance of safe staffing levels. Information presented to the Board provides essential assurance and our Directors regularly visit frontline services to support staff and see them in action.

The Board has Standing Orders, a scheme of reservation and delegation of powers and standing financial instructions. These are regularly reviewed and provide a governance framework which allows the Trust to show it is well governed and that it meets the requirements of corporate governance codes of practice. It also has an annual work plan, which schedules required and discretionary business. An amendment was made to the standing orders at the Board meeting on 27 March 2020 in order to respond effectively to the COVID-19 situation which was rapidly escalating. This was to reduce Board and Committee agendas to ensure that essential business was covered and the focus was on staff and patient safety and the Trust's COVID-19 response.

The Board's five committees (see pages 47-48) all have their own Terms of Reference and work plans which have been reviewed during 2019/20. Each committee's minutes and assurance reports are sent to the Board.

A performance brief and suite of reports which mirror the five Care Quality Commission (CQC) domains is produced for each Board meetings so that our compliance with national and local targets can be assessed. The meetings also get regular updates on strategic service developments, for example, work to improve how primary and secondary health services and social care work together and the introduction of new ways of working.

Extracts from the risk register and the Board Assurance Framework are considered at each meeting so the Board can be assured that risks are being in the organisation. The extracts give timely information about existing and potential risks to the Trust.

The Board wants to be sure that it is operating effectively and regularly seeks opportunities to evaluate its effectiveness and strengthen its performance, remaining mindful of the best practice contained within codes of governance.

The Trust Board and committees undertake an annual self-assessment against elements of the NHS Improvement/CQC Well-Led Framework. This assessment has drawn out a number of priorities to enhance the effectiveness of elements of the Trust's governance. The results being reported to the Board and are contained in committees' annual reports. The committee chairs also meet collectively to discuss committee effectiveness.

The Trust has a needs-based Board development programme. Five development sessions were held during 2019/20) which included senior leaders from corporate services and business units (including clinical leads).

The individual performance of all Board members is reviewed through a formal appraisal process and any individual development needs are identified and supported.

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

The Trust's Board's five committees are chaired by non-executive directors and are:

Audit Committee

(Chair: Jane Madeley)

The Audit Committee comprises three non-executive directors. The Chair of the Committee is a qualified accountant and a Chief Financial Officer in the higher education sector. The Audit Committee met formally six times during 2019/20 and is routinely attended by the Executive Director of Finance and Resources, the Company Secretary, the Internal Auditor and the External Auditor.

The Committee provides an overarching governance role and reviews the work of the other committees which provides relevant assurance to the Audit Committee's own scope of work. It also has responsibility for overseeing the work of the Information Governance Group. The Committee receives minutes from this sub-group, receives papers on any matters escalated to it and periodically reviews the effectiveness of the sub-group.

During the year, the Committee has received regular reports from: internal audit, external audit, the local counter fraud specialist, the security management service and information governance specialists.

The Committee has considered a range of financial control reports and a number of governance papers, and has oversight of risk management processes including the Board Assurance Framework, which it reviewed twice in full during the year.

The Chair of each of the Board's committees produces an annual report, which provides assurance to the Audit Committee on how each committee has met its terms of reference during the year. Each committee undertakes a self-assessment exercise which is reported in their annual reports. The committees' chairs also met to discuss the flow of business through the committees.

Quality Committee

(Chair: Professor Ian Lewis)

The Quality Committee's membership comprises the Trust's Chair, two non-executive directors, the Chief Executive and two executive directors. A number of other senior officers attend each meeting. The Committee met on 10 occasions in 2019/20.

The Committee provides assurance to the Board that the Trust provides high standards of care and that adequate and appropriate quality governance structures, processes and controls are in place to:

- Promote quality, in particular safety and excellence in patient care
- Identify, prioritise and manage clinical risk and assure the Board that risks and issues are being managed in a controlled and timely manner
- Ensure effective evidence-based clinical practice
- Produce the annual Quality Account and monitor progress

The Committee exercises these functions in the context of the Trust's quality strategy. The Quality Strategy 2018-2021 provides an overarching framework for quality within the Trust and sets out a programme of work to achieve four key objectives and seven action areas focused on patient safety, clinical effectiveness and patient experience. The Committee has received regular updates on progress and has sought assurance about the implementation of specific actions.

The Committee also has responsibility for overseeing the work of five subgroups: Clinical Effectiveness Group; Patient Safety and Experience Governance Group, Mortality Surveillance Group; Safeguarding Committee and Mental Health Act Governance Group. The Mental Health Act Governance Group provides assurance to the Quality Committee that statutory duties are being met in relation to the care provided to patients who are detained under the Mental Health Act.

The Quality Committee and the Board monitor serious incidents, incidents and complaints and the associated action plans. All serious incidents are managed in accordance with the Trust's incident and serious incident management policy.

Business Committee
(Chair: Brodie Clark)

The Business Committee's membership comprises three non-executive directors, the Chief Executive and two further executives. Other senior officers attend as required. The Business Committee held 10 meetings in 2019/20.

The Committee provides assurance to the Board on the financial and performance management processes within the organisation, including monitoring the delivery of the Trust's business plan and oversight of significant projects.

The Committee oversees business and commercial developments and makes investment decisions in line with the scheme of delegation and the Trust's investment policy. It also ensures that the Board has a sufficiently robust understanding of key performance, financial and investment issues to enable sound decision-making.

The Committee discharges a significant role in overseeing the workforce aspects of the Trust's performance. During 2019/20 the committee considered recruitment and retention initiatives, sickness absence management and leadership approaches. It also has responsibility for overseeing the work of the Health and Safety Group. The Group provides an overarching view of health and safety and ensures that the Trust complies with its health and safety obligations by monitoring adherence with its policies and procedures. The Committee receives minutes from the Health and Safety Group and papers on any matters escalated to it. It also periodically reviews the effectiveness of the Health and Safety Group in discharging its delegated responsibilities.

The Committee has assumed an extended role in terms of oversight of the Trust's main projects. The Committee receives in-depth reports from the project leads and reports from the Change Board, which provides an overview of inter-connectivity for the main projects.

Nominations and Remuneration Committee
(Chair: Neil Franklin)

The Nominations and Remuneration Committee's membership comprises the Chair and two further non-executive directors; the Committee is supported by the Director of Workforce. The Committee has met four times in 2019/20.

The role of the Nominations and Remuneration Committee is to nominate executive directors, including the Chief Executive, for appointment and advise and make recommendations to the Board about appropriate remuneration and terms of service for the Chief Executive, executive directors, directors and any senior managers not covered by national Agenda for Change terms and conditions of employment.

The Committee also gives full consideration to, and make plans for, succession planning for the Chief Executive and other executive directors taking into account the challenges and opportunities facing the Trust and the skills and expertise needed.

It monitors and reviews any exceptional and/or significant employee relations cases which are high risk to the Trust, including high cost employment cases or of reputational significance.

The Committee ratifies and agrees any awards at the discretion of the Trust as the employer. One such duty is to review the nominations for the Clinical Excellence Awards and to encourage maximum participation from staff across the eligible consultant body. The Committee approved seven Employer Based Clinical Excellence Awards 2018/19 to the suggested consultants.

Charitable Funds Committee
(Chair: Brodie Clark)

The Charitable Funds Committee's membership is comprised of the Chair and one other non-executive director. The Committee is supported by the Executive Director of Nursing and met four times during 2019/20.

The purpose of the committee is to give assurance to the Board that the Trust's charitable activities happen within the law and regulations set by the Charity Commissioners for England and Wales. The Committee oversees charitable activities, approves charitable funds expenditure, agrees an investment policy for charitable funds and monitors investments on a regular basis.

Risk assurance process and scrutiny of risks

The Risk Review Group meets quarterly to review new risks that have been added to the Trust's Risk Register. It also reviews escalated, de-escalated and recently closed risks and acts as a moderator for risk grading, making sure risks are 'owned' and ensuring that effective management of the risk is being recorded. The group also maintains an oversight of the practical application of the risk management procedure.

Assurance creates the bedrock of evidence which gives the Trust confidence that risk is being controlled effectively, or highlights that certain controls are ineffective or there are gaps that need to be addressed. The Trust's Board Assurance Framework (BAF) records strategic risks including: risk descriptions, controls and gaps in controls, sources of assurance and gaps in sources in assurance, actions required to remedy gaps in controls or assurance.

Risks to strategic objectives contained within the Trust's clinical and service strategies and plans are identified and the BAF has been revised during 2019, in line with the Trust's operational plan. These risks are assigned to a lead executive to manage. Each of the strategic risks is also assigned to one of the Board's committees for oversight and scrutiny. Overall in-depth scrutiny is provided by Audit Committee. Sources of assurance are reviewed and evaluated by the committees to provide an indication to the Board of the current assurance level for each strategic risk. This information is used to populate the BAF. A summary of this information is presented at each Board meeting.

In early 2020, the Board recognised that it needed further assurance about its business continuity plans particularly as they were being severely tested during the initial response to the COVID-19 pandemic. This emerging strategic risk was added to the Board Assurance Framework in order to determine the controls and assurance sources needed.

The Board receives a significant risks report at each meeting. The report details the Trust's risks scoring 15 or above (extreme), after the application of controls and mitigation measures, as well as information about risks scoring 12 (high). It provides an analysis of all risk movement, identifies themes and links these material risks to the strategic risks on the BAF. The Senior Management Team reviews a significant risks report on a monthly basis. The Quality Committee reviews high scoring clinical and operational risks and the Business Committee reviews non-clinical risks, rated as high.

Assurance of risk mitigation is provided to the Board through the Quality, Audit, and Business Committees in relation to clinical and non-clinical risks. The Audit Committee also assures the risk management process.

Together, these mechanisms allow for the appropriate identification, monitoring, control and mitigation of risks, which may have an impact on the Trust's objectives.

Incident reporting and learning from incidents

The Trust has a strong, open incident reporting culture. An electronic incident reporting system is operational throughout the organisation and is accessible to all colleagues. Incident reporting is promoted through induction and training and regular communications. Learning from incidents is shared with staff through the Trust's quarterly risk management newsletter, at staff forums and a learning resource on the Trust's internal website for all staff to access, which has been developed to share anonymised, learning from incidents across the organisation. When root cause analysis is undertaken, good practice in incident management is celebrated and learning shared. In addition, arrangements are in place to raise any concerns at work confidentially and anonymously if necessary.

Serious incidents are reported and managed in accordance with the Trust's incident and serious incident policy. The majority of managers have had serious incident investigation training and root cause analysis is carried out to ensure that systemic problems are resolved so that similar incidents do not occur.

Information governance

The Trust recognises that information is an important asset which supports both clinical and management needs and is fully committed to protecting personal information and making sure it is used appropriately.

The Trust has submitted a self-assessed score that all data security standards have been met for the Data Security and Protection Toolkit (DPST).

The Trust's information governance group develops policies and strategies to control data security and other information-related risks. Information sharing has been identified as an area where secure email and electronic records should replace paper-based systems. The introduction of data security measures has reduced the risk of data loss through mobile electronic communication devices. The Trust has demonstrated its commitment to being an accountable data controller by having a Data Protection Officer in post to support the monitoring of data protection compliance and personal data breaches.

Information governance policies and procedures have been revised to ensure they are robust and compliant with the General Data Protection Regulation and the Data Protection Act 2018.

Risks to data security are managed at all levels. This includes ensuring that all colleagues with access to personal identifiable data have the necessary permissions for their role, and have completed compulsory data security awareness training. In recognition of the importance of data security, there is a nationally set target of 95% of staff compliance with information governance training. Training compliance is closely monitored, and attendance is enforced where necessary.

All incidents relating to a potential breach of personal data are reported, investigated and, where appropriate, remedial actions are implemented. The Trust reported four incidents to the Information Commissioner's Office (ICO) during 2019/20. The ICO looked at the Trust's response in each case and confirmed that no further action was needed. Details of the incidents are:

- A confidential report was sent to the patient's previous address in error.

  Our action: A secure system for safe distribution practice has been implemented; all staff are aware of this system and adhere to it. Regular quality checks are carried out to confirm the system is effective.

- A letter from a doctor was sent to an incorrect address that contained information regarding a mother's concerns regarding her child's diagnosis.

  Our action: A process in place requiring staff to perform a mandatory check of any data leaving the Trust to make certain the information being sent is correct and that it is being sent to the correct recipient.

- A clinical appointment outcome letter for an individual containing special category data was posted to an incorrect address.

  Our action: Services to use window envelopes and no longer handwrite

- A Subject Access Request in which another patient's name, address, date of birth and NHS number were present in some of the information received.

  Our action: Subject Access Request responses to be reviewed prior to being released.

Safe, sustainable and effective staffing

The Trust has a range of strategies, systems and processes in place to ensure safe, sustainable and effective staffing. The overall approach to workforce is described in the Trust's Workforce Strategy (2019-21) which was approved by the Board on 1 February 2019. The Workforce Strategy is aligned with LCH's strategic goals and priorities, responding to external, internal and cultural factors which are currently (or anticipated) to impact on our workforce requirements. Progress on delivery of the Workforce Strategy's priorities is overseen by the Business Committee.

The Trust's Workforce Plan supports the delivery of our operational business plan and is embedded in service needs. It is also triangulated with finance and activity data. The Plan is updated each year and is signed off by both the Business Committee and the Board at a meeting in public.

The Board receives a twice-yearly Safe Staffing report from the Director of Nursing, in line with the National Quality Board's 2016 guidance; incorporating professional judgement and outcomes. Regular reports are also received at Board from the Guardian for Safe Working Hours.

Our services are constantly growing and developing as we deliver new pathways of care; and care for more and more people in the community. Any new service or service change is subject to a Quality Impact Assessment (QIA) which includes any new roles which create a significant change to the way care is delivered.

Triangulation takes place both at the regular Senior Management Team meeting and across the Board and its sub-committees, of finance, workforce and activity / performance information, to ensure comprehensive oversight of staffing and any issues arising.

We are in the process of rolling out an electronic rostering system Trust-wide to further improve the capability of our staffing systems. E-rostering will enable us to better monitor, analyse and plan staffing patterns and resource requirements.

NHS pension obligation

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

Equality and diversity

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. The Trust has a legal obligation under the Equality Act 2010 and Public Sector Equality Duty to provide equality in access to service provision and within employment, and has a nominated Board member who champions this agenda at Board level.

The Business Committee discharges a significant role in overseeing the workforce aspects of the Trust's performance, which includes providing assurance to the Board around equality and diversity. In recognition of the importance of equality and diversity, the Business Committee receives in-depth analysis and updates on a range of proactive work around this wider agenda. This includes delivery against the Workforce Race Equality Standard (WRES) action plan and the Workforce Disability Equality Standard (WDES) Action Plan. Board members were updated on Trust's progress on complying with WDES at a Board Development Session in July 2019.

The Board receives regular updates on diversity and inclusion through the Workforce Strategy, which has these as one of its six priority areas.

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

The Board sets an annual budget to meet the Trust's financial obligations. It is monitored carefully each month at the Business Committee and bi-monthly at the Board. The Trust has consistently met the financial targets set by its regulators. Delivery of cost improvement plans during 2019/20 was good. NHS Improvement require NHS Trusts to conduct a 'Use of Resources' self-assessment to understand how effectively and efficiently trusts are using their resources – including their finances, workforce, estates and facilities, technology and procurement. The Trust consistently self-assesses as having a 'use of resources' metric of 1, which means it has a low risk.

The Business Committee also receives an annual report on the Trust's reference costs, which are an indicator of the Trust's efficiency in delivering its services. The Trust's overall reference costs for 2018/19 (published February 2020) were 106; the services with higher reference costs will be reviewed using information from the NHS Benchmarking Club and the NHS's Model Community Trust website by the Trust's Productivity Group.

The Audit Committee reviews all internal audit reports and monitors how the Trust implements any recommendations. The Trust's external auditors are required to provide a Value for Money conclusion each year. For 2019/20 the auditors concluded that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2020. The effectiveness of the Trust's services is regularly assessed by the Trust's Quality Committee and by the Board.

Carbon reduction delivery plans

The Trust has undertaken risk assessments and has a sustainable development management plan in place. During 2020/21 it will be reviewed to take into account UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Annual Quality Account

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

The Quality Account is a report about the quality of services offered by an NHS healthcare provider. The Quality Account is an important way for local NHS services to report on quality and highlight improvements in the services delivered to local communities and stakeholders. The quality of the services is measured by looking at patient safety, the effectiveness of the treatments patients receive, and patient feedback about the care provided.

The Quality Account priorities for LCH have been developed in conjunction with stakeholders, services and senior managers. These priorities will make sure that Trust activity drives improvements in services for all communities, stakeholders and aligns to the Quality Strategy and business objectives. Production of this year's Quality Account had been started and then paused during the height of the COVID-19 pandemic, in line with national guidance in order to reduce unnecessary pressures on services. The production of the Quality Account will resume later in the year and will highlight a selection of initiatives, clinical practice and events that have happened throughout the year to reflect the commitment and drive to provide the best possible standards of care throughout all services.

The Trust recognises the complex needs of its community and strives to achieve consistent delivery of high quality care to maximise patient safety and experience. The Quality Account will seek to provide a balanced view of the Trust's achievements and areas for improvements. The Trust acknowledges the developments it continues to make and the collaborative work with partners to make real progress across the whole health economy.

The Trust has robust systems and processes to ensure the accuracy of data provided in the Quality Account, including waiting time data. This includes data cleansing and data validation processes as well as oversight arrangements provided by Committees and committee subgroups.

Review of effectiveness

The Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of internal auditors, the comments made by external auditors in the ISA260 report, the continuing engagement of the Audit Committee, managers and clinical leads who have responsibility for the development and maintenance of the internal control framework. The Audit Committee undertakes a role in terms of providing assurance to the Chief Executive.

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

T Stein

Internal audit

TIAA Limited has been the provider of the Trust's internal audit services since 1 April 2015. The Head of Internal Audit has provided an opinion which concludes that - based on the work undertaken in 2019/20 - reasonable assurance can be given that there are adequate and effective management and internal control processes to manage the achievement of the organisation's objectives. No emerging risks were identified which could have an impact on the overall effectiveness of the governance, risk and internal control framework of the organisation.

In areas where the effectiveness of internal control arrangements provided less than 'substantial' assurance, internal audit recommendations were made to further strengthen the control environment. The resulting management actions, which are monitored by the Audit Committee, have been completed or are being progressed in a satisfactory manner.

Clinical audit

Clinical audit is vital to the quality and effectiveness of clinical services and is a fundamental part of the quality improvement process. It plays a pivotal role in providing assurances about the quality of services. Findings from clinical audit are used to ensure that action is taken to protect patients from risks associated with unsafe care, treatment and support.

Clinical audit is managed at service level with the support of the quality and professional development directorate. The Quality Committee approves an annual programme of clinical audit and has oversight of progress during the course of the year. During 2019/20 there were 35 mandatory audits (priority 1), 28 recommended audits (priority 2), plus a further 143 locally determined audits (priority 3) that have been completed. A further 41 clinical audits began during 2019/20 work on these will continue throughout 2020/21.

CQC compliance

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

The Trust had a CQC Well led inspection in the first quarter of 2019/20. The Inspection Report was published in October 2019 and rated the Trust as 'Good' overall and Outstanding for its sexual health services.

NHS England and NHS Improvement oversight

NHS England and NHS Improvement have assigned the Trust a segment rating of '2' which indicates standard oversight whereby the provider may be offered targeted support in one or more areas.

The Trust works with a range of regulators including the CQC, HM Inspectorate of Prisons, and Ofsted.

Conclusion

The Trust is a well-established health care provider that has built a system of internal control on sound foundations. The Trust has a strong safety culture and sees quality of care as its primary objective. Ongoing scrutiny enhances learning and strengthens governance.

The annual governance statement demonstrates that the Trust has the necessary control arrangements in place to manage risks and take action when incidents occur.

Strong financial control and the achievement of statutory financial duties support the view that, clinically and financially, the Trust has effective and improving systems in place.

During 2019/20, no significant control issues have been identified by the Trust's systems of internal control.

Signed .....

Chief Executive

Date 19 June 2020 .....

Remuneration and staff report

Three of the senior manager roles for the Trust are joint appointments with the Leeds GP Confederation; one day per week of the remuneration for the Medical Director, the Executive Director of Nursing and Allied Health Professionals and the Director of Workforce, Organisational Development and System Development is recharged to the GP Confederation.

Senior manager remuneration:

Leeds Community Healthcare NHS Trust responsibilities only

	2019 / 2020						2018/ 2019					
Name and title	**Salary** (bands of £5,000) **£'000s**	**Expense payments** (Rounded to the nearest hundred) **£'000s**	**Performance pay and bonuses** (bands of £5,000) **£'000s**	**Long term performance pay and bonuses** (bands of £5,000) **£'000s**	**All pension related benefits** (bands of £2,500) **£'000s**	**TOTAL** (bands of £5,000) **£'000s**	**Salary** (bands of £5,000) **£'000s**	**Expense payments** (Rounded to the nearest hundred) **£'000s**	**Performance pay and bonuses** (bands of £5,000) **£'000s**	**Long term performance pay and bonuses** (bands of £5,000) **£'000s**	**All pension related benefits** (bands of £2,500) **£'000s**	**TOTAL** (bands of £5,000) **£'000s**
Jennifer Allen – Director of Workforce, OD and System Development (from 04.06.18)	45 - 50		0 - 5			45 - 50	35 - 40				80 - 82.5	115 - 120
Dr Phil Ayres – Interim Executive Medical Director (until 31.05.18)							5 - 10					5 - 10
Ruth Burnett – Medical Director (from 01.08.18)	115 - 120	0.1			62.5 - 65	180 - 185	80 - 85	<0.1			32.5 - 35	115 - 120
Brodie Clark – Non-Executive Director	5 - 10	0.2				5 - 10	5 - 10	1.1				5 - 10
Dr Tony Dearden – Non-Executive Director	0 - 5	<0.1				0 - 5	5 - 10	0.3				5 - 10
Neil Franklin – Chair	20 - 25	0.1				20 - 25	20 - 25	0.6				20 - 25
Richard Gladman – Non-Executive Director	5 - 10					5 - 10	5 - 10					5 - 10
Ann Hobson – Interim Director of Workforce (02.10.17 to 03.06.18)							15 - 20	<0.1				15 - 20

	2019 / 2020						2018/ 2019					
Name and title	**Salary** (bands of £5,000) **£'000s**	**Expense payments** (Rounded to the nearest hundred) **£'000s**	**Performance pay and bonuses** (bands of £5,000) **£'000s**	**Long term performance pay and bonuses** (bands of £5,000) **£'000s**	**All pension related benefits** (bands of £2,500) **£'000s**	**TOTAL** (bands of £5,000) **£'000s**	**Salary** (bands of £5,000) **£'000s**	**Expense payments** (Rounded to the nearest hundred) **£'000s**	**Performance pay and bonuses** (bands of £5,000) **£'000s**	**Long term performance pay and bonuses** (bands of £5,000) **£'000s**	**All pension related benefits** (bands of £2,500) **£'000s**	**TOTAL** (bands of £5,000) **£'000s**
Stephanie Lawrence – Executive Director of Nursing and Allied Health Professionals (from 01.10.18)	80 - 85				65 - 67.5	145 - 150	40 - 45				30 - 32.5	75 - 80
Ian Lewis – Non Executive Director (from 01.07.17)	5 - 10					5 - 10	5 - 10					5 - 10
Bryan Machin – Executive Director of Finance and Resources	120 - 125	0.1				120 - 125	115 - 120	0.1				115 - 120
Jane Madeley – Non-executive Director	5 - 10					5 - 10	5 - 10					5 - 10
Marcia Perry – Executive Director of Nursing (until 30.09.18)							45 - 50	0.1				45 - 50
Samantha Prince – Executive Director of Operations	105 - 110	0.1				105 - 110	100 - 105	0.1				100 - 105
Laura Smith – Director of Workforce, OD and System Development (from 04.06.18)	45 - 50		0.5			45 - 50	35 - 40				82.5 - 85	120 - 125
Thea Stein – Chief Executive	145 - 150	0.1				145 - 150	140 - 145	0.1	5 - 10			145 - 150
Dr Amanda Thomas – Executive Medical Director (until 16.10.18)							25 - 30		35 - 40			65 - 70
Helen Thomson (from 01.05.19)	5 - 10					5 - 10						

Total remuneration for senior managers
with shared responsibilities

	2019 / 2020						2018/ 2019					
Name and title	**Salary** (bands of £5,000) **£'000s**	**Expense payments** (Rounded to the nearest hundred) **£'000s**	**Performance pay and bonuses** (bands of £5,000) **£'000s**	**Long term performance pay and bonuses** (bands of £5,000) **£'000s**	**All pension related benefits** (bands of £2,500) **£'000s**	**TOTAL** (bands of £5,000) **£'000s**	**Salary** (bands of £5,000) **£'000s**	**Expense payments** (Rounded to the nearest hundred) **£'000s**	**Performance pay and bonuses** (bands of £5,000) **£'000s**	**Long term performance pay and bonuses** (bands of £5,000) **£'000s**	**All pension related benefits** (bands of £2,500) **£'000s**	**TOTAL** (bands of £5,000) **£'000s**
Jennifer Allen – Director of Workforce, OD and System Development (from 04.06.18)	55 - 60		0 - 5			55 - 60	45 - 50				100 - 102.5	145 - 150
Ruth Burnett – Medical Director (from 01.08.18)	145 - 150	0.1			77.5 - 80	225 - 230	80 - 85	<0.1			32.5 - 35	115 - 120
Stephanie Lawrence – Executive Director of Nursing and Allied Health Professionals (from 01.10.18)	100 - 105				80 - 82.5	180 - 185	40 - 45				30 - 32.5	75 - 80
Laura Smith – Director of Workforce, OD and System Development (from 04.06.18)	55 - 60		0.5			55 - 60	45 - 50				105 - 107.5	150 - 155

Pension details for senior managers (subject to audit)

Board Member	Real increase in pension at pensionable age (bands of £2,500) £'000	Real increase in pension lump sum at pensionable age (bands of £2,500) £'000	Total accrued pension at pensionable age at 31 March 2020 (bands of £5,000) £'000	Lump sum at pensionable age related to accrued pension at 31 March 2020 (bands of £5,000) £'000	Cash Equivalent Transfer Value at 1 April 2019 £'000	Real increase in Cash Equivalent Transfer Value £'000	Cash Equivalent Transfer Value at 31 March 2020 £'000
Jennifer Allen – Director of Workforce, OD and System Development	0	0	15 - 20	45 - 50	301	0	299
Ruth Burnett – Medical Director	2.5 - 5	5 - 7.5	10 - 15	25 - 30	119	42	187
Stephanie Lawrence – Executive Director of Nursing and Allied Health Professionals	2.5 - 5	7.5 - 10	25 - 30	70 - 75	450	71	544
Laura Smith – Director of Workforce, OD and System Development	0	0	20 - 25	50 - 55	351	0	346

No other senior managers are members of the pension scheme

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with Statutory Instrument number 1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Fair pay disclosures (subject to audit)

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

The remuneration of the highest paid director for the Trust for 2019/20 was £148,463 (2018/19 £151,604). This was 4.8 times (2018/19, 5.0) more than the median remuneration of the workforce, which was £30,778 (2018/19, £30,306).

At 4.8 the 2019/20 multiple is less than it was in 2018/19 because the highest paid director (the Medical Director) has earned less than the highest paid director did in 2018/19 (the Chief Executive). In 2018/19 the Chief Executive's remuneration included a performance related bonus of between £5,000 and £10,000.

In 2019/20 total remuneration ranged from £17,652 to £151,892 (2018/19, £17,460 to £169,326). One medical staff employee was paid more than the highest paid director.

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

Staff costs and numbers including senior officers (subject to audit)

Staff costs	2019/20			2018/19
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	86,159	4,558	90,717	84,009
Social security costs	7,996	423	8,419	7,803
Apprenticeship levy	400	21	421	390
Employer's contributions to NHS pensions	15,892	214	16,106	10,366
Pension cost - other	49	1	50	31
Other post employment benefits	0	0	0	0
Other employment benefits	0	0	0	0
Termination benefits	376	0	376	(690)
Temporary staff	0	4,472	4,472	5,516
Total gross staff costs costs (including seconded out)	**110,872**	**9,689**	**120,561**	**107,425**
Of which: Costs capitalised as part of assets	**141**	**122**	**263**	**391**

The majority of the increase in staff costs is as a result of the 2018/19 national agenda for change pay award.

Average staff numbers in post by occupation groupings

Average number of employees (WTE basis)	2019/20			2018/19
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	48	30	78	79
Administration and estates	696	60	756	735
Healthcare assistants and other support staff	496	35	531	489
Nursing, midwifery and health visiting staff	900	40	940	928
Nursing, midwifery and health visiting learners	7	0	7	5
Scientific, therapeutic and technical staff	465	27	492	455
Healthcare science staff	0	0	0	1
Other	34	1	35	35
Total average numbers	**2,646**	**193**	**2,839**	**2,727**
Of which: Number of employees (WTE) engaged on capital projects	**2**	**2**	**4**	**7**

Expenditure on consultancy

The Trust has spent a total of £57k on external consultancy during 2019/20. This consisted of:

Specialist IT advice £45k, and

CAMHS inpatient service technical advice £12k

Off-payroll engagements

The Trust had the following off-payroll engagements as of 31 March 2020, which are for more than £245 per day and where engagement was for six months or more.

Number of existing engagements as of 31 March 2020	13
Of which, the number that have existed:	
For less than one year at the time of reporting	1
For between one and two years at the time of reporting	1
For between two and three years at the time of reporting	0
For between three and four years at the time of reporting	0
For four or more years at the time of reporting	11

All but four of the existing engagements have contractual clauses to request assurance on tax status. Of the thirteen appointments all but two relate to forensic medical examiners; given the nature of their work the off-payroll arrangements gives the Trust the best value for money.

The Trust had new off-payroll engagements as follows, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, that were for more than £245 per day and that lasted for longer than six months.

Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	3
Of which:	
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	3
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the year	0

Number of individuals that have been deemed 'Board members, and/or senior officers with significant financial responsibility' during the financial year. This figure includes off payroll and on-payroll engagement	14

Trade Union support

The Trust has a track record of working positively with staff-side representatives and supports a number of employees to undertake work associated with the Joint Negotiation and Consultation Forum (JNCF), and to support individual colleagues. There were 12 employees who undertook the role of accredited trade union officials and were given paid time off to undertake these duties. The amount of time that they spent on this varied, to meet the demands of their members.

Reporting on time off for Trade Union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 (the Regulations) came into force on 1 April 2017. The Regulations require the Trust, as a public sector employer, to report and publish information annually on how much time is spent by their local union officials on paid 'trade union facility time'. For the year April 2019 to March 2020 the Trust is reporting.

Exit packages

The figures reported here are in respect of exit packages agreed in year. The actual date of departure may be in a subsequent period, and the expense in relation to departure costs may have been accrued in a previous period. The data here is therefore presented on a different basis to other staff cost expenditure in the accounts.

Exit package cost band (including any special payment element)	Total number of compulsory redundancies Number	Number of other departures where special payments have been made Number	Total number of exit packages Number
£10,000 - £25,000	1	0	1
£100,001 - £150,000	1	0	1
Total number	2	0	2
Total cost (£)	**£125,000**	**£0**	**£125,000**

Redundancy and other departure costs have been paid in accordance with the provisions of Section 16 of the Agenda for Change Handbook. Exit costs in this note are accounted for in full in the year of departure. Where the trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirements are met by the NHS Pensions Scheme and are not included in the table. There were no other departures where special payments have been made during 2019/20.

Staff sickness

This information has not been issued to the Trust at the time of this report, however information on the Trust's sickness rates is available from NHS Digital on the hyperlink:

https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Signed .....

Chief Executive

Date 19 June 2020

Leeds Community Healthcare NHS Trust

Annual accounts for the year ended

31 March 2020

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

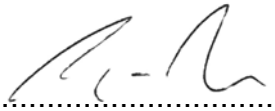
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors 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 Trust's performance, business model and strategy.

By order of the Board

19 June 2020 .....Date.....  .....Chief Executive

19 June 2020 .....Date.....  .....Executive Director of Finance

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF LEEDS COMMUNITY HEALTHCARE NHS TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Leeds NHS Trust ("the Trust") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health and Social Care Group Accounting Manual 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Director's conclusions we considered the inherent risks to the Trust's operations and analysed how these risks might affect the Trust's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Other information in the Annual Report

The Accountable Officer is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information. In our opinion the other

information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2019/20. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 1 of the Annual Accounts, the directors are responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust, on page 45 of the Annual Report, the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained in the statement set out on page 45 of the Annual Report, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in December 2019 and updated in April 2020 as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Directors of Leeds NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Leeds NHS Trust for the year ended 31 March 2020 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Clare Partridge
for and on behalf of KPMG LLP
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

24 June 2020

Statement of Comprehensive Income

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	3	162,397	145,276
Other operating income	4	8,915	10,364
Operating expenses	7, 9	(169,052)	(149,282)
Operating surplus/(deficit) from continuing operations		**2,260**	**6,358**
Finance income	12	206	153
Finance expenses	13	-	-
PDC dividends payable		(757)	(715)
Net finance costs		**(551)**	**(562)**
Other gains / (losses)	14	(12)	(140)
Share of profit / (losses) of associates / joint arrangements	21	-	-
Gains / (losses) arising from transfers by absorption		-	-
Corporation tax expense		-	-
Surplus / (deficit) for the year from continuing operations		**1,697**	**5,656**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	16	**-**	**-**
Surplus / (deficit) for the year		**1,697**	**5,656**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(1,112)	-
Revaluations	19	3,248	-
Share of comprehensive income from associates and joint ventures	21	-	-
Fair value gains / (losses) on equity instruments designated at fair value through OCI	22	-	-
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liability / asset	38	-	-
Gain / (loss) arising from on transfers by modified absorption		-	-
Other reserve movements		-	-
May be reclassified to income and expenditure when certain conditions are met:			
Fair value gains / (losses) on financial assets mandated at fair value through OCI	22	-	-
Recycling gains / (losses) on disposal of financial assets mandated at fair value through OCI	14	-	-
Foreign exchange gains / (losses) recognised directly in OCI		-	-
Total comprehensive income / (expense) for the period		**3,833**	**5,656**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		1,697	5,656
Remove net impairments not scoring to the Departmental expenditure limit		343	-
Remove (gains) / losses on transfers by absorption		-	-
Remove I&E impact of capital grants and donations		5	5
Prior period adjustments		-	-
Remove non-cash element of on-SoFP pension costs		-	-
Remove 2018/19 post audit PSF reallocation (2019/20 only)		-	
Adjusted financial performance surplus / (deficit)		**2,045**	**5,661**

Statement of Financial Position

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	16	229	30
Property, plant and equipment	17	30,836	29,310
Investment property	20	-	-
Investments in associates and joint ventures	21	-	-
Other investments / financial assets	22	-	-
Receivables	25	-	-
Other assets	26	-	-
Total non-current assets		**31,065**	**29,340**
Current assets			
Inventories	24	-	-
Receivables	25	9,782	9,449
Other investments / financial assets	22	-	-
Other assets	26	-	-
Non-current assets for sale and assets in disposal groups	27	-	-
Cash and cash equivalents	28	33,086	26,483
Total current assets		**42,868**	**35,932**
Current liabilities			
Trade and other payables	29	(14,476)	(9,774)
Borrowings	31	-	-
Other financial liabilities	32	-	-
Provisions	34	(774)	(580)
Other liabilities	30	(985)	(1,099)
Liabilities in disposal groups	27	-	-
Total current liabilities		**(16,235)**	**(11,453)**
Total assets less current liabilities		**57,698**	**53,819**
Non-current liabilities			
Trade and other payables	29	-	-
Borrowings	31	-	-
Other financial liabilities	32	-	-
Provisions	34	-	-
Other liabilities	30	-	-
Total non-current liabilities		**-**	**-**
Total assets employed		**57,698**	**53,819**
Financed by			
Public dividend capital		441	395
Revaluation reserve		14,186	12,026
Financial assets reserve		-	-
Other reserves		-	-
Merger reserve		-	-
Income and expenditure reserve		43,071	41,398
Total taxpayers' equity		**57,698**	**53,819**

The notes on pages 73 to 117 form part of these accounts.

Signed 
Name Thea Stein
Position Chief Executive Officer
Date 19 June 2020

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

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019	**395**	**12,026**	**-**	**-**	**-**	**41,398**	**53,819**
Surplus / (deficit) for the year	-	-	-	-	-	1,697	**1,697**
Gain / (loss) arising from transfers by modified absorption	-	-	-	-	-	-	**-**
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-	**-**
Other transfers between reserves	-	24	-	-	-	(24)	**-**
Impairments	-	(1,112)	-	-	-	-	**(1,112)**
Revaluations	-	3,248	-	-	-	-	**3,248**
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	**-**
Fair value gains / (losses) on financial assets mandated at fair value through OCI	-	-	-	-	-	-	**-**
Fair value gains / (losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	-	**-**
Recycling gains / (losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-	-	**-**
Foreign exchange gains / (losses) recognised directly through OCI	-	-	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability / asset	-	-	-	-	-	-	**-**
Public dividend capital received	46	-	-	-	-	-	**46**
Public dividend capital repaid	-	-	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	-	-	**-**
Other reserve movements	-	-	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2020	**441**	**14,186**	**-**	**-**	**-**	**43,071**	**57,698**

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

	Public dividend capital	Revaluation reserve	Financial assets reserve	Other reserves	Merger reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018	**256**	**12,032**	**-**	**-**	**-**	**35,736**	**48,024**
Impact of implementing IFRS 15 on 1 April 2018	-	-	-	-	-	-	**-**
Impact of implementing IFRS 9 on 1 April 2018	-	-	-	-	-	-	**-**
Surplus / (deficit) for the year	-	-	-	-	-	5,656	**5,656**
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-	**-**
Other transfers between reserves	-	-	-	-	-	-	**-**
Impairments	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	**-**
Transfer to retained earnings on disposal of assets	-	(6)	-	-	-	6	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	**-**
Fair value gains / (losses) on financial assets mandated at fair value through OCI	-	-	-	-	-	-	**-**
Fair value gains / (losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	-	**-**
Recycling gains / (losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-	-	**-**
Foreign exchange gains / (losses) recognised directly through OCI	-	-	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	-	-	**-**
Remeasurements of the defined net benefit pension scheme liability / asset	-	-	-	-	-	-	**-**
Public dividend capital received	139	-	-	-	-	-	**139**
Public dividend capital repaid	-	-	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	-	-	**-**
Other reserve movements	-	-	-	-	-	-	**-**
Taxpayers' and others' equity at 31 March 2019	**395**	**12,026**	**-**	**-**	**-**	**41,398**	**53,819**

Information on reserves

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

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

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Other reserves
The Trust does not hold a financial assets (available for sale) reserve, a merger reserve or any other reserves not specifically included.

Statement of Cash Flows

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus / (deficit)		2,260	6,358
Non-cash income and expense:			
Depreciation and amortisation	7.1	2,038	1,973
Net impairments	8	343	-
(Increase) / decrease in receivables and other assets		(346)	(879)
Increase / (decrease) in payables and other liabilities		4,437	(952)
Increase / (decrease) in provisions		194	(781)
Net cash flows from / (used in) operating activities		**8,926**	**5,719**
Cash flows from investing activities			
Interest received		206	153
Purchase of intangible assets		(208)	-
Purchase of Property, Plant and Equipment and investment property		(1,623)	(2,336)
Net cash flows from / (used in) investing activities		**(1,625)**	**(2,183)**
Cash flows from financing activities			
Public dividend capital received		46	139
PDC dividend (paid) / refunded		(744)	(436)
Net cash flows from / (used in) financing activities		**(698)**	**(297)**
Increase / (decrease) in cash and cash equivalents		**6,603**	**3,239**
Cash and cash equivalents at 1 April		**26,483**	**23,244**
Cash and cash equivalents transferred under absorption accounting		-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March	28.1	**33,086**	**26,483**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis.

The Trust's financial monitoring throughout 2019/20 provides evidence that financial duties and targets will be met or exceeded. The Trust has achieved the control total set by NHS Improvement for 2019/20. Historically the Trust has achieved all its financial duties.

The Trust's financial performance is monitored externally by NHS Improvement through monthly reporting and regular meetings. Internally, the Trust's financial performance has been monitored monthly by the Senior Management Team and the Business Committee and by the Board at each of their meetings.

The Trust has reported a use of resources risk rating of 1 since it was introduced in October 2016. A rating of 1 represents the lowest risk rating for provider organisations.

The Trust has prepared a draft financial plan for 2020/21; this plan demonstrates achievement of the target surplus and a risk rating of 1.

The Trust has low levels of outstanding debt; the majority of the contract income is paid in month.

The Trust's liquidity remains very strong with circa £33m in the bank at year-end. The Trust has sufficient cash resources to meet all its liabilities in 2020/21.

The Board of Directors is an experienced team with only 1 Non-Executive member change during the financial year. The current Chair ended his term of office 7 May 2020. Due to the Coronavirus outbreak the recruitment of a new Chair had to be postponed. NHSE/I asked the current Vice Chair to take on the role of Interim Chair and this will commence 8 May 2020.

The Board considered the matter of the Trust as a going concern at its meeting on 27 March 2020, and through its ongoing assessment of sustainability and the resources needed to ensure it continues in operational existence for the foreseeable future. This is in line with the Group Accounting Manual December 2019 section 4.11-4.16.

The Senior Management Team has no intention of applying to the Secretary of State for dissolution of the Trust.

The 2019/20 CQC assessment of the Trust's service delivery rated services to be Good overall.

In considering the matters in this note, and an awareness of all relevant information, Senior Management have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Trust to continue as a going concern.

Note 1.3 Interests in other entities

Joint operations
Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

The Trust provides sexual health services under a joint operation with Leeds Teaching Hospitals NHS Trust. As lead provider the contract income flows to the Trust, and Leeds Teaching Hospitals NHS Trust recharges expenditure associated with the provision of this service. The total cost of the service is recognised by Leeds Community Healthcare NHS Trust and a share of any profit or loss is transferred to Leeds Teaching Hospitals NHS Trust.

The Trust provides forensic child and adolescent mental and physical health services under a joint operation with South West Yorkshire Partnership NHS Foundation Trust. As lead provider the contract income flows to the Trust, and South West Yorkshire Partnership NHS Foundation Trust recharges expenditure associated with the provision of this service. The total cost of the service is recognised by Leeds Community Healthcare NHS Trust and a share of any profit or loss is transferred to South West Yorkshire Partnership NHS Foundation Trust.

On 1 November 2019 the Trust commenced the provision of an integrated mental wellbeing service for Leeds under a joint operation with Leeds and York Partnership NHS Foundation Trust, Northpoint, Touchstone, Community Links, Leeds GP Confederation, Women's Counselling Service and Homestart Leeds. As lead provider the contract income flows to the Trust and the other providers recharge expenditure associated with the provision of this service. The total cost of this service is recognised by Leeds Community Healthcare NHS Trust and a share of any profit or loss is transferred to the provider partners.

The Trust provides court liaison and diversion services under a joint operation with Community Links. As lead provider the contract income flows to the Trust and Community Links recharges expenditure associated with the provision of this service. The total cost of this service is recognised by Leeds Community Healthcare NHS Trust and a share of any profit or loss is transfered to Community Links.

The Trust provides weight management services under a joint operation with Leeds Teaching Hospitals NHS Trust and Leeds and York Partnership NHS Foundation Trust. As lead provider the contract income flows to the Trust and the other providers recharge expenditure associated with the provision of this service. The total cost of this service is recognised by Leeds Community Healthcare NHS Trust and a share of any profit or loss is transfered to the partner providers.

NHS Charitable Fund

The Trust is the Corporate Trustee to the Leeds Community Healthcare Charitable Trust and Related Charities. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The Trust has decided not to consolidate the charitable funds into these accounts as the transactions are not material.

Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

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

With the exception of the Provider Sustainability Fund, income payments are not dependant on the timing of satisfaction of performance obligations.

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 IFRS 15 entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and de-recognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

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 non-NHS contracts

The Trust receives revenue from contracts with non-NHS 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 the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

The Trust's research contract values are not considered material.

Provider sustainability fund (PSF) and Financial recovery fund (FRF)

The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

The Provider Sustainability Fund (PSF) enables NHS providers to earn income linked to the achievement of financial controls and performance targets. Access to both the general and targeted elements of PSF are unlocked as NHS providers meet their financial control totals.

In line with IFRS 15, PSF should be accounted for as variable consideration. Paragraph 51 of the Standard identifies that consideration would be variable if a fixed amount is promised as a performance bonus.

In accordance with paragraph 50 of the Standard an entity is required to estimate the amount of consideration to which it will be entitled, in exchange for transferring promised goods or services. It is noted in paragraph 53 (b) of the Standard that the 'most likely amount' method of predicting consideration to which an entity will be entitled to, may be an appropriate method of estimation if there are only two possible outcomes; achieving a performance bonus or not. The method of estimation employed must be applied consistently throughout the contract.

Revenue from other contracts

The Trust has no other income under IFRS 15 that is considered material.

Note 1.5 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

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

Other income

The Trust's other income relates to rental income and lease car income.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the Trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Property, plant and equipment
Recognition
Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

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

Measurement

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided.

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.

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

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

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

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments
In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

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

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

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

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

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions
The Trust has no Private Finance Initiative or Local Improvement Finance Trust transactions.

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
Dwellings	-	-
Plant & machinery	5	10
Transport equipment	-	-
Information technology	5	5
Furniture & fittings	10	10

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.9 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

Measurement
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. 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 where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Information technology	-	-
Development expenditure	-	-
Websites	-	-
Software licences	5	5
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.10 Inventories

The Trust has no inventories.

Note 1.11 Investment properties

The Trust has no investment properties.

Note 1.12 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 1.13 Carbon Reduction Commitment scheme (CRC)

The Trust does not contribute to the Carbon Reduction Scheme.

Note 1.14 Financial assets and financial liabilities

Recognition
Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Classification and measurement
Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets so classified are subsequently measured at amortised cost.

Financial liabilities so classified are subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost
Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense.

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.

De-recognition
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 1.15 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.

The Trust as a lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The Trust as a lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

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

Note 1.16 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020:

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 34.2 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 1.17 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 35 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 35, 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 1.18 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

(i) donated and grant funded assets,

(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and

(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

Note 1.19 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 1.20 Corporation tax

Health service bodies are generally exempt from corporation tax, as they are either part of the Department of Health and Social Care or have specific exemption provided by sections 985 and 986 of the Corporation Tax Act 2010 (CTA 2010). Having reviewed these sections the Trust is satisfied it fulfils the definition of a health service body. The Trust has been established under section 25 of the National Health Service Act 2006 (as amended in 2012). This legislation states NHS trusts have been established to provide goods and services for the purposes of the health service. This is further defined as:

- the provision of goods and services for any purposes related to the provision of services provided to individuals for or in connection with the prevention, diagnosis or treatment of illness, and
- the promotion and protection of public health.

Since the Trust only carries out services as described above, it has established no wholly or partially owned subsidiaries, and is therefore a health service body as defined by the Corporation Tax Act 2010, the Trust is exempt from corporation tax.

Note 1.21 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 1.22 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

Note 1.23 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.24 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.25 Transfers of functions to / from other NHS bodies

For functions that have been transferred to the Trust from another NHS 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/loss corresponding to the net assets/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 body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

Note 1.26 Early adoption of standards, amendments and interpretations

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

Note 1.27 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

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

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

On transition to IFRS 16 on 1 April 2021, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2021 for existing finance leases.

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

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

The Trust has undertaken significant work in respect of the implementation of IFRS 16 as this will transfer the current operating leases for accommodation and vehicles to finance leases. Systems and controls have been updated and a detailed analysis of the impact for 2020/21 has been completed and submitted to NHS England. This work will be updated to reflect the revised implementation date.

Other standards, amendments and interpretations

IFRS 17 Insurance Contracts

The International Accounting Standards Board has deferred the effective date of IFRS 17, Insurance Contracts, to annual reporting periods beginning on or after 1 January 2023. IFRS 17 as interpreted and adapted by the FReM is to be effective from 1 April 2023.

Note 1.28 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

In accordance with IFRS 15 Revenue from contracts, the Trust has included the full value of the Provider Sustainability Fund income. This arrangement enables provider organisations access to income linked to achievement of financial controls and performance targets, as such it is classified as variable consideration. As the Trust has met these targets in full the total value of this income has been recognised in year.

In line with IFRS 9 Financial Instruments, the Trust uses a provisions matrix approach to determine the value of provisions in respect of all financial instruments. The only financial instrument the Trust has is its trade receivables. The Trust has had to estimate its irrecoverable debt value using the matrix for 2019/20.

Note 1.29 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:

An estimate of the redundancy and legal claims costs has been made and included in the Trust's expenditure for 2019/20 as required under IAS 37. The estimated value of this is £565k for redundancies and £209k for legal claims.

Note 2 Operating Segments

All activity at Leeds Community Healthcare NHS Trust is healthcare related and the majority of the Trust's revenue is received from within UK government departments.

The main proportion of operating expenses are payroll related and are for the staff directly involved in the provision of healthcare and the indirect and overhead costs associated with that provision. It is deemed that the business activities that earn revenues for the Trust, and in turn incur the expenses, are therefore one broad provision on which it is deemed appropriate to identify as only one segment, namely healthcare.

Monthly operating results are published for assessment and review by the Trust's Chief Operating Decision Maker, which is the overall Trust Board that includes Executive and Non-Executive Directors. The financial position of the Trust to date, the Trust's Statement of Financial Position and Cash Flow and projections of future performance are assessed as a whole Trust rather than individual component parts that make up the sum total. In addition, all reporting of the position of the Trust is presented on a whole Trust basis that again implies a single operating segment under IFRS 8. As all decisions affecting the Trust's future direction and viability are made based on the overall total presented to Board, the Trust is satisfied that the single segment of healthcare is appropriate and consistent with the principles of IFRS 8.

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

Note 3.1 Income from patient care activities (by nature)	2019/20 £000	2018/19 £000
Acute services		
Elective income	-	-
Non elective income	-	-
First outpatient income	-	-
Follow up outpatient income	-	-
A & E income	-	-
High cost drugs income from commissioners (excluding pass-through costs)	-	-
Other NHS clinical income	-	1,071
Mental health services		
Cost and volume contract income	-	-
Block contract income	1,620	1,598
Clinical partnerships providing mandatory services (including S75 agreements)	-	-
Clinical income for the secondary commissioning of mandatory services	-	-
Other clinical income from mandatory services	-	-
Community services		
Community services income from CCGs and NHS England	124,663	111,071
Income from other sources (e.g. local authorities)	31,041	29,676
All services		
Private patient income	-	-
Agenda for Change pay award central funding*	-	1,546
Additional pension contribution central funding**	4,893	-
Other clinical income	180	314
Total income from activities	**162,397**	**145,276**

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

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

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2019/20 £000	2018/19 £000
NHS England	16,960	9,020
Clinical commissioning groups	114,396	104,719
Department of Health and Social Care	-	1,546
Other NHS providers	2	319
NHS other	-	-
Local authorities	29,725	28,550
Non-NHS: private patients	-	-
Non-NHS: overseas patients (chargeable to patient)	-	-
Injury cost recovery scheme	-	-
Non NHS: other	1,314	1,122
Total income from activities	**162,397**	**145,276**
Of which:		
Related to continuing operations	162,397	145,276
Related to discontinued operations	-	-

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

The Trust made no charges relating to patients who are overseas visitors.

Note 4 Other operating income

	2019/20			2018/19		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	387	-	**387**	391	-	**391**
Education and training	2,006	109	**2,115**	1,801	73	**1,874**
Non-patient care services to other bodies	287	-	**287**	334	-	**334**
Provider sustainability fund (PSF)	1,138	-	**1,138**	3,953	-	**3,953**
Income in respect of employee benefits accounted on a gross basis	1,115	-	**1,115**	967	-	**967**
Receipt of capital grants and donations	-	-	**-**	-	-	**-**
Charitable and other contributions to expenditure	-	-	**-**	-	-	**-**
Support from the Department of Health and Social Care for mergers	-	-	**-**	-	-	**-**
Rental revenue from finance leases	-	-	**-**	-	-	**-**
Rental revenue from operating leases	-	507	**507**	-	481	**481**
Amortisation of PFI deferred income / credits	-	-	**-**	-	-	**-**
Other income *	3,303	-	**3,303**	2,364	-	**2,364**
Total other operating income	**8,299**	**616**	**8,915**	**9,810**	**554**	**10,364**
Of which:						
Related to continuing operations			**8,915**			**10,364**
Related to discontinued operations			**-**			**-**

* Other contract income totalled £3.3m; of which £755k was rental income, £197k was lease car income, £1,730k was income to fund projects supporting the transformation of care pathways.

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	380	316
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 5.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	31 March 2020 £000	31 March 2019 £000
within one year	-	-
after one year, not later than five years	-	-
after five years	-	-
Total revenue allocated to remaining performance obligations	**-**	**-**

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 6.1 Fees and charges

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

The Trust has no income associated with fees and charges.

Note 7.1 Operating expenses

	2019/20 £000	2018/19 £000
Purchase of healthcare from NHS and DHSC bodies	-	-
Purchase of healthcare from non-NHS and non-DHSC bodies	1,968	1,563
Purchase of social care	-	-
Staff and executive directors costs	119,922	107,034
Remuneration of non-executive directors	67	53
Supplies and services - clinical (excluding drugs costs)	13,932	10,511
Supplies and services - general	5,072	5,026
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	888	854
Inventories written down	-	-
Consultancy costs	57	-
Establishment	3,519	3,330
Premises *	6,997	5,508
Transport (including patient travel)	1,985	1,951
Depreciation on property, plant and equipment	2,029	1,956
Amortisation on intangible assets	9	17
Net impairments	343	-
Movement in credit loss allowance: contract receivables / contract assets	4	(59)
Movement in credit loss allowance: all other receivables and investments	-	-
Increase/(decrease) in other provisions	(44)	(30)
Change in provisions discount rate(s)	-	-
Audit fees payable to the external auditor:		
audit services- statutory audit	47	48
other auditor remuneration (external auditor only)	-	-
Internal audit costs	94	96
Clinical negligence	227	260
Legal fees	24	36
Insurance	100	116
Research and development	27	19
Education and training	662	642
Rentals under operating leases *	8,308	8,207
Early retirements	-	-
Redundancy	376	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	-	-
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	250	250
Hospitality	-	-
Losses, ex gratia & special payments	64	50
Grossing up consortium arrangements	-	-
Other services, eg external payroll	838	817
Other **	1,287	1,027
Total	**169,052**	**149,282**
Of which:		
Related to continuing operations	169,052	149,282
Related to discontinued operations	-	-

* In advance of the adoption of IFRS 16; during 2019/20 the Trust has been establishing formal leases for all premises. Whilst this work has not been fully completed all building rental costs have been transferred from premises, where historically they have been reported, to rentals under operating leases. The prior year figures have been adjusted by £6,876k in respect of this change to provide comparators.

** Other expenditure includes £825k relating to external recharges in respect of joint operations and £300k for services commissioned from South West Yorkshire Partnership NHS FT and Bradford District Care NHS FT using New Care Models resources.

Note 7.2 Other auditor remuneration

Tne Trust has no other auditor remeuneration in 2019/20.

Note 7.3 Limitation on auditor's liability

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

Note 8 Impairment of assets

	2019/20 £000	2018/19 £000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	343	-
Other	-	-
Total net impairments charged to operating surplus / deficit	**343**	**-**
Impairments charged to the revaluation reserve	1,112	-
Total net impairments	**1,455**	**-**

The District Valuer indicated an anticipated movement in property values of 13% since the last valuation was undertaken; in line with the Trust's policy, an asset valuation was commissioned from the District Valuer as at 31 March 2020 to ensure the carrying values reflect market prices. This has resulted in impairments totalling £1,455k of which £1,112k was taken through the revaluation reserve and a net £343k as an expense; being £589k and the reversal of prior year impairments of £246k.

Note 9 Employee benefits

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	90,717	84,009
Social security costs	8,419	7,803
Apprenticeship levy	421	390
Employer's contributions to NHS pensions	16,106	10,366
Pension cost - other	50	31
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	376	(690)
Temporary staff (including agency)	4,472	5,516
Total gross staff costs	**120,561**	**107,425**
Recoveries in respect of seconded staff	-	-
Total staff costs	**120,561**	**107,425**
Of which		
Costs capitalised as part of assets	263	391

Note 9.1 Retirements due to ill-health

During 2019/20 there were 5 early retirements from the Trust agreed on the grounds of ill-health (5 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £300k (£309k in 2018/19).

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

Note 10 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 and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

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

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

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

Other pension costs

NEST (National Employment Savings Trust) is an alternative pension scheme set up to comply with new legislation which provides that employees fulfilling certain criteria must auto-enrol into a pension scheme. When they do not qualify for or wish to join the NHS Pension Scheme this is the Trust's mandatory alternative scheme. NEST Corporation is the Trustee body that has overall responsibility for running NEST. It is a non-departmental public body that operates at arm's length from government and is accountable to Parliament through the Department of Work and Pensions (DWP). The Trust has expensed £50k during the year in respect of contributions for employees under the NEST scheme.

Note 11 Operating leases

Note 11.1 Leeds Community Healthcare NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Leeds Community Healthcare NHS Trust is the lessor.

Leasing arrangements where the Trust is a lessor relate to the sub-letting of health centres and clinics, where the lessee is generally a GP practice or other healthcare provider.

	2019/20	2018/19
	£000	£000
Operating lease revenue		
Minimum lease receipts	507	481
Contingent rent	-	-
Other	-	-
Total	**507**	**481**

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease receipts due:		
- not later than one year;	491	507
- later than one year and not later than five years;	1,243	1,289
- later than five years.	34	95
Total	**1,768**	**1,891**

Note 11.2 Leeds Community Healthcare NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Leeds Community Healthcare NHS Trust is the lessee.

The Trust has leases in respect of accommodation, vehicles and photocopiers.

	2019/20	2018/19
	£000	£000
Operating lease expense		
Minimum lease payments	8,308	8,207
Contingent rents	-	-
Less sublease payments received	-	-
Total	**8,308**	**8,207**

	31 March 2020	31 March 2019
	£000	£000
Future minimum lease payments due:		
- not later than one year;	8,100	8,148
- later than one year and not later than five years;	28,656	29,891
- later than five years.	46,058	52,570
Total	**82,814**	**90,609**
Future minimum sublease payments to be received	-	-

Note 12 Finance income

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	206	153
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
Total finance income	**206**	**153**

Note 13.1 Finance expenditure

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	-	-
Other loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	-	-
Main finance costs on PFI and LIFT schemes obligations	-	-
Contingent finance costs on PFI and LIFT scheme obligations	-	-
Total interest expense	**-**	**-**
Unwinding of discount on provisions	-	-
Other finance costs	-	-
Total finance costs	**-**	**-**

Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2019/20	2018/19
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 14 Other gains / (losses)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	-	-
Losses on disposal of assets	(12)	(140)
Total gains / (losses) on disposal of assets	**(12)**	**(140)**
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	-	-
Other gains / (losses)	-	-
Total other gains / (losses)	**(12)**	**(140)**

Assets disposed of during the year relate to the write off of equipment no longer in use and not saleable.

Note 15 Discontinued operations

The Trust has no discontinued operations.

Note 16.1 Intangible assets - 2019/20

	Software licences	Total
	£000	£000
Valuation / gross cost at 1 April 2019	**47**	**47**
Transfers by absorption	-	**-**
Additions	208	**208**
Impairments	-	**-**
Reversals of impairments	-	**-**
Revaluations	-	**-**
Reclassifications	-	**-**
Transfers to / from assets held for sale	-	**-**
Disposals / de-recognition	-	**-**
Valuation / gross cost at 31 March 2020	**255**	**255**
Amortisation at 1 April 2019	**17**	**17**
Transfers by absorption	-	**-**
Provided during the year	9	**9**
Impairments	-	**-**
Reversals of impairments	-	**-**
Revaluations	-	**-**
Reclassifications	-	**-**
Transfers to / from assets held for sale	-	**-**
Disposals / de-recognition	-	**-**
Amortisation at 31 March 2020	**26**	**26**
Net book value at 31 March 2020	**229**	**229**
Net book value at 1 April 2019	**30**	**30**

Note 16.2 Intangible assets - 2018/19

	Software licences £000	Total £000
Valuation / gross cost at 1 April 2018	**259**	**259**
Transfers by absorption	-	**-**
Additions	-	**-**
Impairments	-	**-**
Reversals of impairments	-	**-**
Revaluations	-	**-**
Reclassifications	-	**-**
Transfers to / from assets held for sale	-	**-**
Disposals / de-recognition	(212)	**(212)**
Valuation / gross cost at 31 March 2019	**47**	**47**
Amortisation at 1 April 2018	**206**	**206**
Transfers by absorption	-	**-**
Provided during the year	17	**17**
Impairments	-	**-**
Reversals of impairments	-	**-**
Revaluations	-	**-**
Reclassifications	-	**-**
Transfers to / from assets held for sale	-	**-**
Disposals / de-recognition	(206)	**(206)**
Amortisation at 31 March 2019	**17**	**17**
Net book value at 31 March 2019	**30**	**30**
Net book value at 1 April 2018	**53**	**53**

Note 17.1 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	IT	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019	**10,241**	**16,294**	**-**	**2,076**	**5,305**	**189**	**34,105**
Transfers by absorption	-	-	-	-	-	-	**-**
Additions	-	735	359	138	542	-	**1,774**
Impairments	(785)	(999)	-	-	-	-	**(1,784)**
Reversals of impairments	124	106	-	-	-	-	**230**
Revaluations	128	1,889	-	-	-	-	**2,017**
Reclassifications	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	**-**
Disposals / de-recognition	-	-	-	(128)	-	-	**(128)**
Valuation/gross cost at 31 March 2020	**9,708**	**18,025**	**359**	**2,086**	**5,847**	**189**	**36,214**
Accumulated depreciation at 1 April 2019	**-**	**911**	**-**	**1,572**	**2,158**	**154**	**4,795**
Transfers by absorption	-	-	-	-	-	-	**-**
Provided during the year	-	766	-	198	1,050	15	**2,029**
Impairments	-	(83)	-	-	-	-	**(83)**
Reversals of impairments	-	(16)	-	-	-	-	**(16)**
Revaluations	-	(1,231)	-	-	-	-	**(1,231)**
Reclassifications	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	**-**
Disposals / de-recognition	-	-	-	(116)	-	-	**(116)**
Accumulated depreciation at 31 March 2020	**-**	**347**	**-**	**1,654**	**3,208**	**169**	**5,378**
Net book value at 31 March 2020	**9,708**	**17,678**	**359**	**432**	**2,639**	**20**	**30,836**
Net book value at 1 April 2019	**10,241**	**15,383**	**-**	**504**	**3,147**	**35**	**29,310**

Note 17.2 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	IT	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018	**10,241**	**15,670**	**-**	**2,169**	**4,898**	**589**	**33,567**
Transfers by absorption	-	-	-	-	-	-	**-**
Additions	-	664	-	120	1,306	-	**2,090**
Impairments	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	**-**
Disposals / de-recognition	-	(40)	-	(213)	(899)	(400)	**(1,552)**
Valuation/gross cost at 31 March 2019	**10,241**	**16,294**	**-**	**2,076**	**5,305**	**189**	**34,105**
Accumulated depreciation at 1 April 2018	**-**	**217**	**-**	**1,493**	**2,018**	**529**	**4,257**
Transfers by absorption	-	-	-	-	-	-	**-**
Provided during the year	-	705	-	277	949	25	**1,956**
Impairments	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	**-**
Revaluations	-	-	-	-	-	-	**-**
Reclassifications	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	**-**
Disposals / de-recognition	-	(11)	-	(198)	(809)	(400)	**(1,418)**
Accumulated depreciation at 31 March 2019	**-**	**911**	**-**	**1,572**	**2,158**	**154**	**4,795**
Net book value at 31 March 2019	**10,241**	**15,383**	**-**	**504**	**3,147**	**35**	**29,310**
Net book value at 1 April 2018	**10,241**	**15,453**	**-**	**676**	**2,880**	**60**	**29,310**

Note 17.3 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	IT	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020							
Owned - purchased	9,708	17,090	359	432	2,639	20	**30,248**
Finance leased	-	-	-	-	-	-	**-**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	**-**
Off-SoFP PFI residual interests	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	**-**
Owned - donated	-	588	-	-	-	-	**588**
Net book value total at 31 March 2020	**9,708**	**17,678**	**359**	**432**	**2,639**	**20**	**30,836**

Note 17.4 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	IT	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019							
Owned - purchased	10,241	15,215	-	504	3,147	35	**29,142**
Finance leased	-	-	-	-	-	-	**-**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	**-**
Off-SoFP PFI residual interests	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	**-**
Owned - donated	-	168	-	-	-	-	**168**
Net book value total at 31 March 2019	**10,241**	**15,383**	**-**	**504**	**3,147**	**35**	**29,310**

Note 18 Donations of property, plant and equipment

The Trust received no donations of property, plant and equipment during 2019/20.

Note 19 Revaluations of property, plant and equipment

Revaluation of property and land

- these were revalued as at 31 March 2020
- the valuation was under taken by the District Valuer
- all the Trust's buildings are specialised assets and are valued and depreciated at replacement cost. Modern equivalent assets values were used but not alternative site basis as buildings are situated in line with service requirements
- one building previously designated as a non-specialised asset has been reclassified as a specialised asset on advice from the District Valuer.
- as part of the revaluation the District Valuer updated the useful economic lives of building assets.

The valuation exercise was carried out in February 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19.

The District Valuer reports "The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement."

The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Revaluation of plant and equipment

- the Trust does not revalue its plant and equipment. The carrying value is depreciated annually and this is considered sufficient to ensure asset values are up to date.

Note 20 Investment Property

The Trust has no investment property.

Note 21 Investments in associates and joint ventures

The Trust has no investments in associates and joint ventures.

Note 22 Other investments / financial assets (non-current)

The Trust has no non-current other investments / financial assets.

Note 22.1 Other investments / financial assets (current)

The Trust has no current other investments / financial assets.

Note 23 Disclosure of interests in other entities

The Trust has no interests in unconsolidated subsidiaries, joint ventures, associates or unconsolidated structured entities.

Note 24 Inventories

The Trust has no inventories.

Note 25.1 Receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	8,217	8,395
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	(6)	(8)
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	1,089	490
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
PDC dividend receivable	17	30
VAT receivable	423	489
Corporation and other taxes receivable	-	-
Other receivables	42	53
Total current receivables	**9,782**	**9,449**
Non-current		
Contract receivables	-	-
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	-	-
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	-	-
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
VAT receivable	-	-
Corporation and other taxes receivable	-	-
Other receivables	-	-
Total non-current receivables	**-**	**-**
Of which receivable from NHS and DHSC group bodies:		
Current	3,378	5,182
Non-current	-	-

Note 25.2 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April	**8**	**-**	**-**	**100**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	-	-	100	(100)
Transfers by absorption	-	-	-	-
New allowances arising	11	-	65	-
Changes in existing allowances	-	-	(33)	-
Reversals of allowances	(7)	-	(91)	-
Utilisation of allowances (write offs)	(6)	-	(33)	-
Changes arising following modification of contractual cash flows	-	-	-	-
Foreign exchange and other changes	-	-	-	-
Allowances as at 31 March 2020	**6**	**-**	**8**	**-**

Note 25.3 Exposure to credit risk

NHS debt is resolved through the agreement of balances process and, as such, is not considered to be a credit risk. In line with IFRS 9 the Trust uses a provision matrix to categorise the debts and review historical losses over a two year period. The historical debt rates of non-NHS debt were determined by calculating invoices written off as a percentage of total non-NHS debt. Forward looking macro-economic factors were considered and the final credit losses rates were calculated.

The main credit risk to the Trust is from ex-employee debt and the credit loss rate to be applied to this type of debt was calculated as 26.75%. Overall a £6k credit loss allowance has been recognised for non-NHS receivables in 2019/20.

Note 26 Other assets

The Trust has no other assets.

Note 27.1 Non-current assets held for sale and assets in disposal groups

The Trust has no non-current assets held for sale and assets in disposal groups to disclose for the accounting period.

Note 27.2 Liabilities in disposal groups

The Trust has no liabilities in disposal groups.

Note 28.1 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.

	2019/20	2018/19
	£000	£000
At 1 April	**26,483**	**23,244**
Transfers by absorption	-	-
Net change in year	6,603	3,239
At 31 March	**33,086**	**26,483**
Broken down into:		
Cash at commercial banks and in hand	3	3
Cash with the Government Banking Service	33,083	26,480
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	**33,086**	**26,483**
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	**33,086**	**26,483**

Note 28.2 Third party assets held by the Trust

The Trust holds no third party assets.

Note 29.1 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	2,505	2,628
Capital payables	277	126
Accruals	7,862	3,478
Receipts in advance and payments on account	-	-
PFI lifecycle replacement received in advance	-	-
Social security costs	1,393	1,265
VAT payables	-	-
Other taxes payable	849	793
PDC dividend payable	-	-
Other payables	1,590	1,484
Total current trade and other payables	**14,476**	**9,774**
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance and payments on account	-	-
PFI lifecycle replacement received in advance	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	2,795	1,552
Non-current	-	-

Note 29.2 Early retirements in NHS payables above

There are no early retirements included in NHS payables.

Note 30 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	985	1,099
Deferred grants	-	-
Deferred PFI credits / income	-	-
Lease incentives	-	-
Other deferred income	-	-
Total other current liabilities	**985**	**1,099**
Non-current		
Deferred income: contract liabilities	-	-
Deferred grants	-	-
Deferred PFI credits / income	-	-
Lease incentives	-	-
Other deferred income	-	-
Net pension scheme liability	-	-
Total other non-current liabilities	**-**	**-**

Note 31.1 Borrowings

The Trust has no borrowings.

Note 31.2 Reconciliation of liabilities arising from financing activities - 2019/20

There were no financial liabilities arising from financing activities for 2019/20.

Note 31.3 Reconciliation of liabilities arising from financing activities - 2018/19

There were no financial liabilities arising from financing activities for 2018/19.

Note 32 Other financial liabilities

The Trust has no other financial liabilities.

Note 33 Finance leases

The Trust has no finance leases,

Note 34.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Re-structuring	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	**-**	**-**	**266**	**-**	**-**	**314**	**-**	**580**
Transfers by absorption	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in the discount rate	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Arising during the year	**-**	**-**	**8**	**-**	**-**	**531**	**-**	**539**
Utilised during the year	-	-	(13)	-	-	(125)	-	**(138)**
Reclassified to liabilities held in disposal groups	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversed unused	**-**	**-**	**(52)**	**-**	**-**	**(155)**	**-**	**(207)**
Unwinding of discount	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 March 2020	**-**	**-**	**209**	**-**	**-**	**565**	**-**	**774**
Expected timing of cash flows:								
- not later than one year;	-	-	209	-	-	565	**-**	**774**
- later than one year and not later than five years;	-	-	-	-	-	-	**-**	**-**
- later than five years.	-	-	-	-	-	-	**-**	**-**
Total	**-**	**-**	**209**	**-**	**-**	**565**	**-**	**774**

In respect of legal claims the uncertainty as to amounts and timings relates to the time taken to determine whether or not the Trust is liable and if so, what the value of that liability will be.

In respect of redundancy and other provisions, the uncertainty as to amounts and timings relates to the time that will need to be taken to complete the formal processes.

Note 34.2 Clinical negligence liabilities

At 31 March 2020, £2,908k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Leeds Community Healthcare NHS Trust (31 March 2019: £619k).

Note 35 Contingent assets and liabilities

The Trust has no contingent assets and liabilities.

Note 36 Contractual capital commitments

The Trust has no contractual capital commitments.

Note 37 Other financial commitments

The Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2020	31 March 2019
	£000	£000
not later than 1 year	5,946	1,390
after 1 year and not later than 5 years	4,115	1,373
paid thereafter	-	-
Total	**10,061**	**2,763**

Note 38 Defined benefit pension schemes

The Trust has no defined benefit pension schemes.

Note 39 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has no on-SoFP PFI, LIFT or other service concession arrangements.

Note 40 Off-SoFP PFI, LIFT and other service concession arrangements

The Trust has no off-SoFP PFI, LIFT or other service concession arrangements.

Note 41 Financial instruments

Note 41.1 Financial risk management

In accordance with IFRS 7, trusts should disclose information that enables users of the accounts to evaluate the nature and extent of risks arising from financial instruments to which the Trust is exposed at the end of the reporting period. Because of the continuing service provider relationship that the Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. In addition financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Trust Board. The Trust's treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations.

The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust currently has no borrowings.

The Trust may borrow from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings would be for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health and Social Care, the lender, at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

The majority of the Trust's revenue comes from contracts with other public sector bodies, therefore, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in note 25.3.

Liquidity risk

The majority of the Trust's operating costs are incurred under contracts with Clincial Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit.

The Trust is not therefore exposed to significant liquidity risks.

Note 41.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	8,253	-	-	**8,253**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	33,086	-	-	**33,086**
Total at 31 March 2020	**41,339**	**-**	**-**	**41,339**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Held at fair value through OCI	Total book value
	£000	£000	£000	£000
Trade and other receivables excluding non financial assets	8,440	-	-	**8,440**
Other investments / financial assets	-	-	-	**-**
Cash and cash equivalents	26,483	-	-	**26,483**
Total at 31 March 2019	**34,923**	**-**	**-**	**34,923**

Note 41.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	-	-	-
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	10,668	-	**10,668**
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2020	**10,668**	**-**	**10,668**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Loans from the Department of Health and Social Care	-	-	-
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	6,289	-	**6,289**
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2019	**6,289**	**-**	**6,289**

Note 41.4 Maturity of financial liabilities

	31 March 2020	31 March 2019
	£000	£000
In one year or less	10,668	6,289
In more than one year but not more than two years	-	-
In more than two years but not more than five years	-	-
In more than five years	-	-
Total	**10,668**	**6,289**

Note 41.5 Fair values of financial assets and liabilities

The book value (carrying value) of financial assets and liabilities is a reasonable approximation of fair value.

Note 42 Losses and special payments

	2019/20		2018/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	1	16	3	-
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	17	8	31	36
Stores losses and damage to property	-	-	1	1
Total losses	**18**	**24**	**35**	**37**
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	10	40	7	13
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**10**	**40**	**7**	**13**
Total losses and special payments	**28**	**64**	**42**	**50**
Compensation payments received		-		-

There are no cases which exceed £300k to disclose.

Note 43 Gifts

There are no gifts to disclose.

Note 44 Related parties

Details of related parties transactions must be disclosed in accordance with IAS 24; these are as follows:

	Expenditure with Related Party	Revenue from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
University of Leeds Jane Madeley (Non-Executive Director) *Chief Financial Officer, University of Leeds*	65,780	11,851	13,372	-
Care Quality Commission Thea Stein (Chief Executive Officer) *Executive Reviewer*	109,251	-	-	-
Royal College of Psychiatrists Dr Tony Dearden (Non-Executive Director) *Fellow*	3,174	-	-	-
University of Huddersfield Helen Thompson (Non-Executive Director) *Council member*	-	29,376	-	8,647
Leeds GP Confederation Jenny Allen (Director of Workforce) *Director of Workforce, Leeds GP Confederation* Ruth Burnett (Medical Director) *Medical Director, Leeds GP Confederation* Stephanie Lawrence (Executive Director of Nursing) *Director of Nursing, Leeds GP Confederation* Laura Smith (Director of Workforce) *Director of Workforce, Leeds GP Confederation*	250,000	68,601	250,000	64,694
Age UK Jenny Allen (Director of Workforce) *Husband is trustee*	100	-	-	-

The Department of Health & Social Care is regarded as a related party. During the year 2019/20 the 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 as listed below:

Airedale NHS Foundation Trust
Barnsley Hospital NHS Foundation Trust
Bradford District Care NHS Foundation Trust
Bradford Teaching Hospitals NHS Foundation Trust
Care Quality Commission
Central & North West London NHS Foundation Trust
Department of Health & Social Care
East Lancashire Hospitals NHS Trust
East of England Ambulance Service NHS Trust
Great Ormond Street Hospital for Children NHS Foundation Trust
Greater Manchester West Mental Health NHS Foundation Trust
Harrogate and District NHS Foundation Trust
Health Education England
Hull University Teaching Hospitals NHS Trust
Leeds and York Partnership NHS Foundation Trust
Leeds Teaching Hospitals NHS Trust
London North West University Healthcare NHS Trust
Manchester University NHS Foundation Trust
Mid Yorkshire Hospitals NHS Trust
NHS Airedale, Wharfedale and Craven CCG
NHS Barnsley CCG
NHS Bolton CCG
NHS Bradford City CCG
NHS Bradford Districts CCG
NHS Calderdale CCG
NHS Camden CCG
NHS Cannock Chase CCG
NHS Doncaster CCG
NHS Ealing CCG
NHS East and North Hertfordshire CCG
NHS East Lancashire CCG
NHS England
NHS Greater Huddersfield CCG
NHS Harrogate and Rural District CCG
NHS Herts Valleys CCG
NHS Heywood, Middleton and Rochdale CCG
NHS Horsham and Mid Sussex CCG
NHS Hull CCG
NHS Improvement
NHS Lambeth CCG
NHS Leeds CCG
NHS Leicester City CCG
NHS Liverpool CCG
NHS Newcastle Gateshead CCG
NHS North Kirklees CCG
NHS North Lincolnshire CCG
NHS North Norfolk CCG
NHS North of England Commissioning Support Unit
NHS Northumberland CCG
NHS Nottingham City CCG
NHS Resolution
NHS Rotherham CCG
NHS Scarborough and Ryedale CCG
NHS Sheffield CCG
NHS Somerset CCG
NHS South East Staffs and Seisdon Peninsula CCG
NHS Stoke on Trent CCG
NHS Sunderland CCG
NHS Thanet CCG
NHS Trafford CCG
NHS Vale of York CCG
NHS Wakefield CCG
NHS Warrington CCG
NHS Wolverhampton CCG
Nottinghamshire Healthcare NHS Foundation Trust
Oxford Health NHS Foundation Trust
Pennine Care NHS Foundation Trust
Public Health England
Rotherham Doncaster and South Humber NHS Foundation Trust
Royal Free London NHS Foundation Trust
Royal Liverpool & Broadgreen University Hospitals NHS Trust
Salford Royal NHS Foundation Trust
Sandwell and West Birmingham Hospitals NHS Trust
Sheffield Teaching Hospitals NHS Foundation Trust
South West Yorkshire Partnership NHS Foundation Trust
Tavistock & Portman NHS Foundation Trust
The Christie NHS Foundation Trust
The Newcastle Upon Tyne Hospitals NHS Foundation Trust
The Rotherham NHS Foundation Trust
University Hospital Southampton NHS Foundation Trust
University Hospitals of Derby & Burton NHS Foundation Trust
West Midlands Ambulance Service NHS Trust
York Teaching Hospital NHS Foundation Trust
Yorkshire Ambulance Service NHS Trust

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies as listed below:

Abertawe Bro Morgan ULHB	Leeds City Council
Aneurin Bevan Local Health Board	National Employment Savings Trust
Community Health Partnerships Ltd	NHS Pension Authority
East Riding of Yorkshire Council	NHS Property Services
HM Revenue and Customs	West Yorkshire Police and Crime Commissioner and Chief Constable
Humberside Police and Crime Commissioner and Chief Constable	

The Trust has received receipts from Leeds Community Healthcare Charitable Trust and Related Charities for which the Trust Board is Corporate Trustee. These are solely to reimburse the Trust for purchases made for the Charity as an agent.

The audited accounts of the Charity are available from the Trust's Communications Team.

Note 45 Transfers by absorption

There are no transfers by absorption to disclose.

Note 46 Prior period adjustments

There are no prior period adjustemnts to disclose.

Note 47 Events after the reporting date

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers.

The Trust has no outstanding loans with DHSC and therefore this change will not impact on the organisation.

The current Chair ended his term of office 7 May 2020. Due to the Coronavirus outbreak the recruitment of a new Chair had to be postponed. NHSE/I asked the current Vice Chair to take on the role of Interim Chair and this will commence 8 May 2020.

Note 48 Better Payment Practice code

	2019/20	2019/20	2018/19	2018/19
Non-NHS Payables	**Number**	**£000**	**Number**	**£000**
Total non-NHS trade invoices paid in the year	16,214	33,147	14,946	29,364
Total non-NHS trade invoices paid within target	15,729	32,536	14,523	28,833
Percentage of non-NHS trade invoices paid within target	97.0%	98.2%	97.2%	98.2%
NHS Payables				
Total NHS trade invoices paid in the year	1,115	19,427	988	16,551
Total NHS trade invoices paid within target	1,104	19,166	980	16,337
Percentage of NHS trade invoices paid within target	99.0%	98.7%	99.2%	98.7%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 49 External financing limit

The Trust is given an external financing limit against which it is permitted to underspend.

	2019/20	2018/19
	£000	**£000**
Cash flow financing	(6,557)	(3,100)
Finance leases taken out in year	-	-
Other capital receipts	-	-
External financing requirement	**(6,557)**	**(3,100)**
External financing limit (EFL)	597	(3,100)
Under / (over) spend against EFL	**7,154**	**-**

Note 50 Capital Resource Limit

	2019/20	2018/19
	£000	**£000**
Gross capital expenditure	1,982	2,090
Less: Disposals	(12)	(140)
Less: Donated and granted capital additions	-	-
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	**1,970**	**1,950**
Capital Resource Limit	2,067	2,051
Under / (over) spend against CRL	**97**	**101**

Note 51 Breakeven duty financial performance

	2019/20
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	2,045
Remove impairments scoring to Departmental Expenditure Limit	-
Add back income for impact of 2018/19 post-accounts PSF reallocation	-
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	-
Breakeven duty financial performance surplus / (deficit)	**2,045**

Note 52 Breakeven duty rolling assessment

	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	2,577	1,809	1,425	2,007	2,985
Breakeven duty cumulative position	2,577	4,386	5,811	7,818	10,803
Operating income	134,978	139,906	142,863	146,668	156,367
Cumulative breakeven position as a percentage of operating income	1.9%	3.1%	4.1%	5.3%	6.9%

	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Breakeven duty in-year financial performance	3,350	4,655	5,661	2,045
Breakeven duty cumulative position	14,153	18,808	24,469	26,514
Operating income	148,654	149,526	155,640	171,312
Cumulative breakeven position as a percentage of operating income	9.5%	12.6%	15.7%	15.5%

Thank you for taking the time to read our Annual Report and Accounts for 2019/20. You can also view this document via our website at **www.leedscommunityhealthcare.nhs.uk** where you can also find the full accounts.

Our Quality Account is also available on our website or hard copies can be requested by email to **lch.pet@nhs.net** or call **0113 220 8585**.

If you would like any of our reports in an alternative format or large print please email **lch.comms@nhs.net** or call **0113 220 8512**.

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