NHS
Leeds Community Healthcare
NHS Trust

Annual Report
and Accounts 2022-2023

Contents

Foreword

As we look back at the past 12 months, we do so with pride and gratitude for the continued hard work of all our colleagues across the Trust and across our partner organisations. The dedication given to our patients across the City and the communities we serve, has continued at the highest level.

We have progressed with a culture of innovation and working in agile ways to improve the services we offer. There are many examples, and they are well highlighted in this report. As we emerge from the most serious health crisis of our time, we will continue to do all we can to support and deliver our continued commitment together with the highest quality performance and care from our staff.

Staff across the Trust have worked exceptionally hard over the year to deliver the best possible care. However, we recognise the difficulties that still exist for our patients in being able to access some services in a timely way and we are working extremely hard to improve this within the resources we have available.

Over the past 12 months we have been actively involved in further developing relationships at both Leeds 'Place' and West Yorkshire levels to deliver our shared ambition of ensuring that all people are given *the best start* in life, are able to remain healthy and age well. We recognise the importance of collaborative working and the benefits that integration will bring for service users, patients, and carers.

We also recognise and fully support the West Yorkshire integrated care arrangements and we contribute on key areas of the Integrated Care Systems (ICS) progressive journey.

We have driven forward with important work on *health inequalities* with a greater understanding of how we can proactively focus on the areas of highest inequality to deliver the most positive benefits. We have launched our *Health Equity Strategy* outlining our commitment to embed both small and large-scale changes across the organisation to make a meaningful difference to how people are able to access and interact most effectively with our services.

As well as our work to reduce health inequalities, a key area of our work has focused on prevention and supporting a *self-care agenda*. Our self-management facilitators work closely with patients, clinicians, third sector organisations and Leeds Teaching Hospitals NHS Trust's Discharge Team to promote independence, to educate and to empower patients to take greater control of their health and to lead on some important aspects of their own care.

We introduced *Enhance, Third Sector Service* – a partnership between Leeds Community Healthcare; Leeds Older People's Forum (LOPF); Leeds City Council; Forum Central and 14 third sector delivery partners – this partnership provides support to patients discharged from hospital; helps to avoid unnecessary hospital admissions and develops closer partnership working with Neighbourhood Teams. It also provides 'person centred' holistic, wraparound support which aids recovery, prevents deterioration, maintains independence, and supports quality of life.

Work to develop and expand the capacity of our *virtual wards and urgent community response offer* has continued with us working in close partnership with cross sector health and care providers to help more people receive care at home where they feel safest and most comfortable. Going forward, we will further develop this work as part of the Citywide *Intermediate Care* redesign programme, now known as Homefirst.

We are committed to strong partnership working and we are proud of our track record of working with colleagues across the City. This commitment remains at the forefront of delivering City priorities.

We have also continued to invest in *our facilities for the local community*. In January 2023 we re-opened Seacroft Clinic following major renovations to transform the clinic which now offers an improved patient experience.

During 2022/23 we experienced some trade unions taking industrial action which has impacted on some services. We worked hard to prepare for, mitigate disruption to services, and ensure safe levels of care were maintained during this challenging period.

There is no doubt that this past year with system pressures and challenging winters, has had an impact on the wellbeing and morale of our staff and as a result we have enhanced our support offer. We have introduced a *disability and long-term conditions staff network;* we offer *individual support* for those experiencing emotional and psychological difficulties and we have improved our communications and promotion on a broad range of health and wellbeing support available for staff. As living costs rise, we have also focused on supporting staff's financial wellbeing, working closely with our partners to provide staff with access to a range of support as necessary.

We are proud of such an outstanding organisation. We look forward to making continued strong progress over the coming period on what is set to be yet another challenging and demanding year.

Brodie Clark CBE
Chair

Thea Stein
Chief Executive

About the Trust

How we work

Leeds Community Healthcare NHS Trust (LCH) serves a population of approximately 812,000 people 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 3,200 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 and Families Services. The three business units are supported by Corporate Service teams. A full list of our services is set out below.

Adult Services

- 13 Neighbourhood Teams
- Wharfedale Recovery Hubs
- Neighbourhood Nights Palliative and End of Life Care
- Community Cancer Support Service
- Health Case Management
- Bed Bureau
- Single Point of Urgent Referral (SPUR)
- Leeds Integrated Discharge Service
- Community Care Beds
- Therapy Supported Discharge
- Tissue Viability Service
- Continence, Urology and Colorectal Service
- Community Falls Service
- Community Geriatricians

Specialist Services

- Community Neurology Team
- Community Stroke Team
- Speech and Language Therapy (SLT) Services; Speech and Swallowing Service
- Leeds Mental Wellbeing Service (LMWS)
- 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
- Custodial Healthcare (Wetherby Young Offenders Institute, and Adel Beck Secure Children's Home)
- Healthcare services for police custody suites across Yorkshire and the Humber
- Liaison and Diversion – (Hull and Humber)
- Reconnect (Hull and Humber, Operational from April 2023)
- Community Intravenous Antibiotics Service (CIVAS)
- Tuberculosis (TB)
- Homeless and Health Inclusion Team (HHIT)
- Cardiac Service
- Respiratory Service
- Respiratory Virtual Ward
- Leeds Sexual Health
- Community Gynaecology
- Long COVID-19 Community Rehabilitation Service

Children and Families Services

- Integrated Children's Additional Needs Service (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
- Child and Adolescent Mental Health Services (CAMHS):
  - Crisis Service
  - Community Outreach Service
  - Transitions Service
  - MindMate Single Point of Access
  - Community Teams
  - Eating Disorders Service

  - Learning Disability Team
  - MindMate Support
  - Youth Justice Service Team
  - Input to Therapeutic Social Work Team
  - Crisis Call Line
- 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 (0-19 PHINS)
- Infant Mental Health Service
- Children's Community Eye Service
- School Immunisations Service

During 2022/23, we took on additional services including rehabilitation wards at Wharfedale Hospital and developed other services including Virtual Wards and our Urgent Community Response offer.

Our purpose is to provide high quality community healthcare. We do this by working together with other organisations and groups, involving and developing our staff, and using our resources wisely to continually improve services. We work in partnership with the NHS, social care, the criminal justice system and the third sector. You can read more about our partnerships within this annual report.

The Trust was rated **Good** overall in its most recent inspection by the Care Quality Commission (CQC) and we were pleased to have been rated **Outstanding** for our Sexual Health Services.

We promote equality of service delivery to different groups throughout the organisation. We continue to raise awareness of race equality and support our Race Equality Network's efforts to create an inclusive environment for patients and staff. We believe that a workforce that reflects its community will be able to serve that community far more effectively.

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

How we work

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 '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

Leeds Community Healthcare's strategic goals

The Trust Board agreed four strategic goals for 2022/23:

- To deliver outstanding care.
- To ensure our workforce community is able to deliver the best possible care in all of the communities that we work with.
- To work in partnership to deliver integrated care, care closer to home and reduce health inequalities.
- To use our resources wisely and efficiently.

These strategic goals guided our approach to how we provided care, managed our resources and worked with our health and social care partners to meet patient need, whilst looking after the health and wellbeing of our staff.

Key risks

In 2022/23 we identified and managed 21 strategic risks connected to our goals. These are grouped in the four following themes and the level of assurance given for the management and mitigation of these risks is reported to the Trust Board at each of its meetings:

- Failure to provide high quality, safe, equitable and clinically effective services that reflect and respond to the needs of the whole population served.
- Failure to engage and empower the Trust's workforce and to recruit, retain and develop staff, and failure to work in a resilient and safe environment.
- Failure to deliver integrated care closer to home, as a result of failing to work in partnership with stakeholders to deliver service solutions.
- Failure to maintain a viable and sustainable organisation and failing to make sure our information technology systems are adequate, and our data is secure.

Our business continuity arrangements have continued to be severely tested. We have responded to the challenges by understanding where the system pressures were, and then flexing our workforce accordingly.

The Performance Overview in this report describes how the Trust managed its strategic risks in order to achieve our goals during 2022/23. These arrangements receive oversight and scrutiny through the Board Assurance Framework.

Risk management, including the Board Assurance, is considered in more detail in our Annual Governance Statement which can be found on page 45 of this report.

Performance Overview and Analysis Report

Performance Overview

In their Foreword to this Annual Report, the Trust Chair and Chief Executive commented on how the Trust responded during 2022/23 as we emerged from the COVID-19 pandemic.

We recognised the impact on our staff personally and professionally and have focussed on enhancing our support offer.

We drove forward our work on health inequalities, seeking to make positive changes in areas of greatest inequality.

We continued to develop our work on prevention and supporting self-care, working in partnership across the City to empower patients to take control of their own health and lead on some or all aspects of their care.

Working collaboratively characterises Leeds Community Healthcare. We further developed, already good, relationships at both Leeds 'Place' and West Yorkshire levels to deliver our joint ambition of ensuring that all people are given the best start in life, are able to remain healthy and age well.

We developed a suite of Equity data sets for the Trust on Access (referrals/appointment outcomes and waiting list) and Outcomes (incidents/outcome measures and mortality) that is analysed by deprivation and ethnicity. The Leeds Place based Integrated Care Board Delivery Subcommittee (of which Leeds Community Healthcare is a member) received a full report on data for the Adult's 'Core20 plus 5 framework' in February 2022 and plan to discuss the Children's in June 2023.

During the year we took on additional services including rehabilitation wards at Wharfedale Hospital and developed others including virtual wards and our urgent community response offer.

Providing high quality and safe premises for our patients and staff remains our priority. In January 2023 we re-opened Seacroft Clinic following major renovations to transform the clinic which now offers an improved patient experience and will also benefit our staff that work there. We know there is more to do across some of our older estate and will continue to invest to keep our levels of backlog maintenance low.

The Board seeks to make sure that the Trust is delivering the priorities it agreed for the year and that operational, or day-to-day, performance meets the expectations of our patients, commissioners, partners and regulators. It does this through a wide range of formal and informal process, formal public Board meetings and a committee structure, and through engagement with patients, staff and stakeholders.

The Trust's operational performance against a range of national and local targets and standards is assessed and reported on, internally and externally. The targets and standards are derived from the NHS Oversight Framework, our contracts, and local priorities. They are grouped into five domains which align to the Care Quality Commission's (CQC)

governance framework – we then add a finance domain. Monitoring of the individual measures within these domains gives us an overall view of the Trust and our current performance. The Board considers a Performance Brief at each meeting which describes our current performance. This is available as part of the Board papers which are published on the Trust's website: **www.leedscommunityhealthcare.nhs.uk**

In the following sections we outline how we delivered against our priorities for the year and then present our performance against key performance indicators (KPIs).

How we met our Strategic Goals

Our Trust vision is that **'we provide the best possible care in every community'** and is underpinned by our four Strategic Goals. In 2022/23 we developed our key priorities to directly align to and provide evidence in the achievement of a strategic goal. However, whilst the priorities are aligned to a specific goal, they have been developed with a cross cutting intention to support achievement of the other goals.

The Trust priorities we developed were underpinned by our learning and experience during 2021/22. They reflected our challenge to ourselves as we sought to continuously learn and improve our provision of high quality care to the communities we serve.

Our four Strategic Goals, with underpinning Trust Priorities and some highlights of the year, are:

Strategic Goal – To deliver outstanding care

***Trust Priority:* We will be responsive to the needs of our populations as we continue to rebuild our services back better.**

Services continued to strive to deliver outstanding care over 2022/23 in the face of continued pressure across the whole system and continued pressure from COVID-19 and Mpox (Monkeypox).

Leeds Sexual Health's and Leeds City Council's Mpox Operational Response Group was highly commended at the Compassionate City Awards under the Council Supported Project of the Year Category.

The Neighbourhood Model Transformation Programme (NMTP) continued through the year. Key areas of focus were triage, planned/unplanned care and shared care with Neighbourhood Teams/Podiatry. Following extensive engagement with staff and partners a new triage model of three hubs was introduced in November 2022, removing the need to triage in each of the 13 Neighbourhood Teams.

Wharfedale Recovery Hub – The Trust assumed responsibility for the Wharfedale Recovery Hub from 23 November 2022 on the Bilberry and Heather units at Wharfedale Hospital. The Wharfedale Recovery Hub is for patients who need a short stay of up to six weeks as they may need additional rehabilitation and/or planning for discharge before returning to their home. As we develop this service our aim is to work with patients to achieve their recovery goals with the support of the nursing and therapy team which includes Occupational Therapists, Speech and Language Therapists, Physiotherapists, Dieticians and Support Workers. During the subsequent four months a significant amount of development work took place to make sure that quality care was provided in a safe and supportive environment.

Strategic Goal - Use our resources wisely and efficiently

***Trust Priority:* We will continue to rebuild our services with a focus on our waiting list backlogs through continuous improvement.**

Neighbourhood Team (NT) Virtual Consultations - The roll out of virtual consultations was expanded to a much wider range of services including Neighbourhood Teams, Tissue Viability Service, Neighbourhood Nights, Pharmacy Tech, Continence, Urology and Colorectal Service, Therapy, Self-Management, Community Cancer Support Service and Palliative Care.

Leeds Sexual Health: Online Contraception Booking Pilot - Leeds Sexual Health Service began a pilot to offer an online service for booking of appointments, starting with contraception services, in September 2022.

During the year we established **The Leeds Place COVID-19 Medicines Delivery Unit (CMDU)** based at St James's Hospital. As a great example of partnership working, it is jointly run by our Trust Community Intravenous Administration Service (CIVAS) and Leeds Teaching Hospitals NHS Trust. The CMDU offers people who are immunosuppressed and test positive for COVID-19 treatment with the newest antiviral and monoclonal antibody treatments to prevent their condition from worsening and possibly requiring hospitalisation.

Strategic Goal - Ensure our workforce community is able to deliver the best possible care in all of the communities that we work with

***Trust Priority:* We will support our workforce to recover and flourish, with enhanced focus on resourcing and health and wellbeing.**

In a competitive labour market, our resourcing focus during the year was, and remains, two-fold; recruitment of new staff and retention of our existing staff.

With unemployment levels reaching record lows over the last two years, the volume of candidates applying for roles through traditional routes has decreased significantly. The candidates that were applying were from similar socio-economic backgrounds and were generally already in employment, often already working within the Leeds Health and Social Care System.

During 2022/23 the Trust began recruitment sessions across the City and posted flyers through doors in areas of high deprivation. We also worked closely with third sector organisations to support those furthest from the labour market into work, adapting the recruitment process to meet the individual needs of those people applying. The Trust attracted a more diverse candidate pool and reduced socio-economic inequalities via employment of over 100 people during the year from this approach. Following evaluation of this hyper-local recruitment campaign success, the Trust shared learning with NHS Employers and the Health Service Journal (HSJ) published an article on our work.

The Trust recruited seven international nurses in June 2022. International recruitment continued into 2023/24.

You can read about the work we have done to support the health and wellbeing of our existing staff in the Our Staff section on page 20.

Strategic Goal - To work in partnership to deliver integrated care, care closer to home and reduce health inequalities

***Trust Priority:* We will work pro-actively across all the communities we serve to improve health outcomes.**

Partnership working with Local Care Partnerships (LCPs) - Our Clinical Systems Pathway Development Lead is leading the Diabetes Leeds work with LCPs to prioritise diabetes in populations. We aim to strengthen holistic care, improve knowledge and access to care. Successful partnerships have formed with LCP development team, HATCH (a local care partnership covering Chapeltown, Harehills, Richmond Hill and Burmantofts), LS25/26 and Morley.

Integrated Primary Care Network (PCN) Frailty projects - We have several joint roles where Community Matrons split their time working for the Neighbourhood Teams and a PCN, and interest in this way of working continues to grow.

Virtual Ward (Frailty) - The service delivered a number of clinical pathway improvements to increase capacity including: IV (intravenous) antibiotic pathway for community acquired pneumonia, second daily virtual ward round with additional geriatrician input, skill mixing to recruit heart failure community specialists and an out of hours referral route for follow up overnight or next day assessment within Leeds Teaching Hospitals NHS Trust Emergency Department. New mental health nurses started in post in November 2022 to deliver and develop a staged mental health offer with anticipation of additional psychiatry input in 2023/24.

Local urgent community response services delivered by the Neighbourhood Teams (including the virtual ward frailty pathway) performed above the national standard in the first half of the year. As demand for the service increased, performance has dropped below the national average in the second half. The service will continue to develop in 2023/24 with performance expected to return to the national standard and improvements such as enhanced winter resilience to support a reduction in ambulance conveyances, especially for people in care homes.

Introduction of a new procedure for Yorkshire Ambulance Service (YAS) referrals for a rapid response from the Neighbourhood Teams (NTs). From February 2023 YAS were able to directly refer less serious calls to NTs for a response within two hours to avoid an unnecessary admission to hospital.

Integrated Clinics - Since May 2022, seven integrated clinics have opened across 14 Primary Care Network sites in Leeds. They focused on supporting wound management, catheter and line care patients

Leeds City Council - The Transfer of Care (TOC) Hub became operationally managed by LCH. The aim is for the Hub to be open seven days a week from the first weekend in October 2023.

The Enhance Third Sector Service, went live in June 2022. It is a programme to link Neighbourhood Teams with 14 third sector delivery partners. The aim is to improve capacity in both sectors and avoid delayed discharges and readmissions for vulnerable people on neighbourhood caseloads. The programme provides person centred holistic,

wraparound support to vulnerable people across Leeds and has been developed to find ways to alleviate the pressure on the NHS. Qualitative evidence is of some excellent outcomes for people in Leeds.

Partnership working with Leeds Teaching Hospitals NHS Trust - We strongly believe that empowering patients to play an active role in care is vital to ensuring that we offer patient-centred care whilst remaining responsive to new demand. This year we worked in partnership with colleagues at Leeds Teaching Hospitals NHS Trust to upskill patients in greater levels of supported self-management. We provided staff to hospital wards to provide training and the results have been very encouraging.

In hip and fracture care, we invested just 31 hours of time, but this led to direct savings of 156 hours for ward nurses and saved approximately 84 bed days for these patients. Even though many of our initiatives commenced in January 2023, our teams managed to save over 3,000 visits for patients over a three month period. This work has already impacted positively on the experience patients have in our care and should allow us to achieve better responsiveness in the future.

Performance Analysis

This section gives a more detailed analysis of how we performed in key areas during 2022/23.

Our Performance Monitoring Processes

The Trust Board monitored a wide range of Key Performance Indicators (KPIs), across six domains:

- **Safe -** people are protected from abuse and avoidable harm.
- **Caring -** staff involve and treat people with compassion, kindness, dignity, and respect.
- **Effective -** people's care, treatment and support achieves good outcomes, promotes a good quality of life, and is based on the best available evidence.
- **Responsive -** services are tailored to meet the needs of individual people and are delivered in a way to ensure flexibility, choice, and continuity of care.
- **Well-led -** leadership, management and governance of the organisation assures the delivery of high-quality person-centred care, supports learning and innovation, and promotes an open and fair culture.
- **Finance -** our resources are managed well and put to the best uses.

The Board was supported in its monitoring of operational performance by the Quality Committee, Business Committee, and the Senior Operations Performance Panel. Each of our three Clinical Business Units provided monthly written reports on their performance, including risks, key initiatives in support of our staff, and plans for improvement to the Senior Operations Performance Panel. These reports covered all six domains.

A summary of these details was reported to committees every two months, and then presented to Board for final review.

Next year our Board will receive a broader set of metrics including an overview of key performance across the Leeds Health and Care system to support our partnership working,

our work to reduce health inequalities (including against Core20 plus 5 priorities) and increased financial oversight.

All the Performance Reports considered by the Trust Board are available as part of the Board papers on our website **www.leedscommunityhealthcare.nhs.uk.**

Our Performance against Key Performance Indicators

The Trust's services worked exceptionally hard to achieve our performance targets in 2022/23 and we are proud of the work that they did in providing high quality services.

As shown in Table 1 (large table on page 19), we achieved many of our targets despite another difficult year of more complex demand and reduced staffing.

We recognise the difficulties that still exist for our patients in being able to access services in a timely way. The total number of patients on our waiting lists increased, as did the average amount of time that they needed to wait. Despite this the vast majority of our patients waited less than 18 weeks to start treatment. We are working hard to deliver our plans to improve this, within the resources we have available. Throughout next year, we want all our patients have a positive experience of our services.

Safe

We are proud that our services continued their excellent track record of safety.

Our Serious Incident Rate remained well below the target of 0.1 per 1,000 contacts for the whole of the year. We saw a reduction in the number of falls with harm compared to the previous year. This reduction is even more striking given that LCH took over the running of the Community Rehabilitation services based at Wharfedale Hospital in November 2022.

Rates for community acquired infections remained at significantly low levels, and we remained well below our internal targets for the numbers of avoidable pressure ulcers.

The number of patient safety incidents remained at levels consistent with previous years. We have maintained a positive level of reporting which we believe is a critical feature of our open and transparent culture around patient safety. This is highlighted by our reporting of incidents without harm. In 2022/23, 43% of our reported patient safety incidents involved no harm occurring to patients. However, capacity gaps within our clinical team led to an increase in the number of incidents awaiting review during the year. Our teams took on the challenge to reduce this by working together, collaborating, and sharing the load. Clinicians working in corporate services provided valuable support, alongside front-line leaders to make sure each case was reviewed satisfactorily, and that learning was shared and understood. In 2023/24 we will make more of these backlogs visible, so that our teams can act faster. We will share learning from incidents more widely and effectively than ever before with new dashboards available to staff.

Caring

Although most of our patients reported excellent levels of satisfaction with the care they received, we marginally failed to achieve our target of 95% of patients reporting a good or very good experience using our patient satisfaction surveys. We also recorded an increase in the number of complaints during the 12 months.

The primary reason for both these indicators was the dissatisfaction our patients felt with waiting times.

We listened to this feedback, and some of our services implemented new methods of communication to inform patients how long they might be expected to wait and provided regular updates on progress. These approaches have been well received, and we plan to roll them out more widely during the next year.

Patients also fed back that in some services we could be better at providing more empathetic care, listening to their difficulties as an individual. We recognise clinicians face significant daily pressures, and responded by providing a caring and supportive environment, whilst also offering more training. This has already led to improvements during the latter half of the year and allowed our staff to have better conversations and create more effective relationships with patients.

Effective

The effectiveness of our services is measured primarily through our compliance with NICE (National Institute for Health and Care Excellence) Guidelines, and by our Audit Programme. Our teams recorded strong progress once again in these areas as 98% of NICE Guidance from 2019/20 and 100% of guidance issued in 2020/21 has now been implemented fully. The outstanding 2% (which relates to 1 guidance) has a Trust approved exception in place. The team has made excellent progress in this, clearing all backlogs from the national pause on NICE Guidance during the COVID-19 pandemic, now leading us to be fully compliant. We are proud that our services remain at the forefront of evidence-based practice.

Our teams registered 46 high priority audits, and 44 Priority 2 audits this year. 39% of these were completed within the year, leading to valuable learning to help our services improve. The lower than hoped for level of audit completion was due to operational pressures and staffing changes during the year. We have recruited new staff into our Clinical Effectiveness Team to provide better support to our services and are planning to restart our Audit Training programme in the upcoming year. This was paused during the response to the COVID-19 pandemic.

During the year, more of our services began to implement outcome measures within the care they offer. Many of these outcome measures are patient-led, including the Goals Based Outcomes measures preferred by many of our teams as an approach that fits with our person-centred care.

We have continued to work on embedding clinical outcomes across all three Business Units. They are used in a clinically meaningful way to support shared decision making and measure clinical change with patients. Areas that are not currently using outcome measures, particularly those services who offer screening and assessment, are exploring appropriate measures and plan to introduce these in 2023/24. This has included consultation with our Leeds Community Healthcare Youth Board (Youth Board is for young people aged between 14 -19, who are interested in being involved in developing children's services offered by Leeds Community Healthcare NHS Trust) to make sure that they are acceptable to those using them. We are working with Business Intelligence colleagues on better systems to report the data on a service basis through the electronic patient record.

Responsive

The number of people on our waiting lists increased during the year, as did the length of time that people needed to wait. Unfortunately, we were unable to meet patients' expectations, primarily within our Adult Neighbourhood Team Therapy Services, and our Children's Neurodevelopmental Services.

Demand for Children's Neurodevelopmental Services, including autism assessments has risen approximately 30% since pre-pandemic levels. We are working closely with our partners across Leeds to try and meet this increased demand.

We experienced substantial pressure on our Musculoskeletal and Podiatry services during the first six months of the year. These services worked hard to reduce the numbers of patients waiting but higher levels of urgent referrals during the last quarter of the year slowed down these recovery efforts.

We operate a small number of consultant-led services (about 6% of our referrals) that aim to provide treatment within 18-weeks of referral. These services were amongst those most affected by rising demand and ongoing capacity pressures. Our performance fell to 62.7% by the end of the year, despite our focussed improvement efforts.

The Children's Community Audiology Service is our single diagnostic service, aiming to provide access to diagnostic checks within six weeks. Our performance against this standard has improved steadily throughout the year, but remains significantly below the standard of 99%. We will continue to focus on improving our performance and have implemented service changes and productivity improvements to respond to the continuing backlog that first developed as a result of COVID-19.

Our Child and Adolescent Mental Health Service (CAMHS) lost the entire functionality of their Electronic Patient Record (EPR) in August 2022 due to a cyber-attack on the system supplier. This required the deployment of a multi-disciplinary project team to enable clinicians to continue offering care to patients and begin to implement a new EPR. This was a magnificent effort by many of our staff and we are proud of everyone who helped to minimise the impact on patient care.

Our Virtual Ward Service has been critical at supporting our frail elderly patients to return home and stay home following hospital admissions. The team has worked to prevent over 1,400 acute admissions by working closely with colleagues at the Yorkshire Ambulance Service, LCH Neighbourhood Teams, and other providers in the City. The team has also achieved excellent outcomes for patients, with 56% of patients able to remain at home following discharge.

As described above, Neighbourhood Teams have adapted their pathways to begin providing Urgent Community Response services. During the year, we provided a two hour response to 3298 patients, including referrals directly from Ambulance crews. Overall, 66% of these patients were seen within two hours.

Well-led

As you can read elsewhere in this report, we have recognised the subsequent impact that the pandemic is having on our staff both professionally and personally and have sought to support them through a range of initiatives. Turnover during the year was below the 14.5% target, although turnover rates within the nursing and midwifery staff group were higher than we would wish. The Trust has responded to this through a range of recruitment initiatives such as international recruitment, recruiting from within our local communities and the development of several clinical apprenticeship roles.

Overall sickness absence during 2022/23 continued to match absence levels in the previous year; not yet returning to the under 5.8% levels of pre-pandemic. Short-term sickness absence levels remained within tolerance throughout the year. Our focus remains on supporting the prevention of and return from long-term sickness absence, where stress/anxiety/depression remains the most prevalent sickness absence reason.

The vast majority of our staff are in work most of the time. We want them to be the best they can be and to provide care as safely and effectively as they can. An annual appraisal can support that. Our annual appraisal rates fell steadily during the year from 79% to 72%, and remain below our target of 90%. The Board consciously relaxed our targets for appraisal in view of the capacity pressures on services, but in 2023/24 we will pilot a new **appraisal season.** Compliance with statutory and mandatory training continues to just fall short of the 90% target, mainly due to much of the training available online and can be completed by staff at a time that suits them.

It is pleasing to note that our continued focus on the Workforce Race Equality Standards (WRES) resulted in some improvements linked to hyper-local recruitment, where 29% of appointees since 1 April 2022 are from a Black, Asian or Minority Ethnic (BAME) background and 12.2% of the overall LCH workforce reports as BAME. We know we have much more work to do in this area. We strongly believe that this focus is necessary and that the benefits will be seen not just in improvements on race equality standards but in other areas where we need to see improvement such as the Workforce Disability Equality Standards.

Table 1: Our 2022/23 Key Performance Indicators

Indicator	Target	2021/22	2022/23
Patient Safety Incidents reported as harmful (per 1K contacts)	1.12 to 2.8	1.88	1.95
Serious Incidents (per 1K contacts)	0 to 0.1	0	0.02
Validated numbers of Patients with Avoidable Category 3 Pressure Ulcers	8 per year	4	3
Validated numbers of Patients with Avoidable Category 4 Pressure Ulcers	0 per year	0	0
Validated numbers of Patients with Avoidable Unstageable Pressure Ulcers	10 per year	6	4
Number of teams who have completed Medicines Code Assurance Check 1 April 2019 versus total number of expected returns	100%	98%	100%
Duty of Candour Breaches	1 per year	0	0
Attributed MRSA Bacteraemia Infections	0 per year	0	0
Clostridium Difficile Infections	3 per year	0	0
Never Event Incidence	0 per year	0	0
CAS Alerts Outstanding	0 per year	0	0
Patient Satisfaction – Percentage of Respondents Reporting a **Very Good** or **Good** Experience in Community Care (FFT)	95%	89%	93%
Total Number of Formal Complaints Received	No Target	91	141
Mixed Sex Accommodation Breaches	No Target	0	0
Number of NICE guidelines with full compliance versus number of guidelines published in 2019/20 applicable to LCH	100%	93%	98%
Number of NICE guidelines with full compliance versus number of guidelines published in 2020/21 applicable to LCH	No Target	96%	100%
Number of Unexpected Deaths in Bed Bases	No Target	3	7
Number of Sudden Unexpected Deaths in Infants and Children on the Active LCH Caseload	No Target	5	10
NCAPOP audits completion rate	100%	100%	100%
Priority 2 audit completion rate	100%	100%	39%
Total number of patients waiting (on 31 March)	No Target	20,690	24,023
Percentage of patients waiting more than 18 weeks for a Consultant-led service (as of 31 March)	92%	84%	62.7%
Number of patients who waited more than 52 weeks for a (Consultant-led) (as of 31 March)	0 per year	2	11

Indicator	Target	2021/22	2022/23
Percentage of patients waiting less than 6 weeks for a diagnostic test (as of 31 March)	99%	39%	50.3%
Percentage of patients waiting less than 18 weeks for a non Consultant service (as of 31 March)	95%	88.5%	87.1%
Staff Turnover	14.5%	13.2%	13.8%
Percentage of staff who left the organisation within 12 months	20%	20%	17%
Short term sickness absence rate (%)	3%	2.1%	2.2%
Long term sickness absence rate (%)	3.5%	4.5%	4.9%
AfC Staff Appraisal Rate	90%	74.2%	75.5%
Statutory and Mandatory Training Compliance	90%	88.1%	86.2%
Percentage of Staff that would recommend LCH as a place of work (Staff FFT)	60%	60%	64.8%
Percentage of Staff who are satisfied with the support they received from their immediate line manager	52%	70.9%	71.5%
WRES indicator 1 – Percentage of BME staff in Bands 8-9, VSM	No Target	7.6%	7.2%
Starters/leavers net movement	Above 0	-28	179

Our Staff

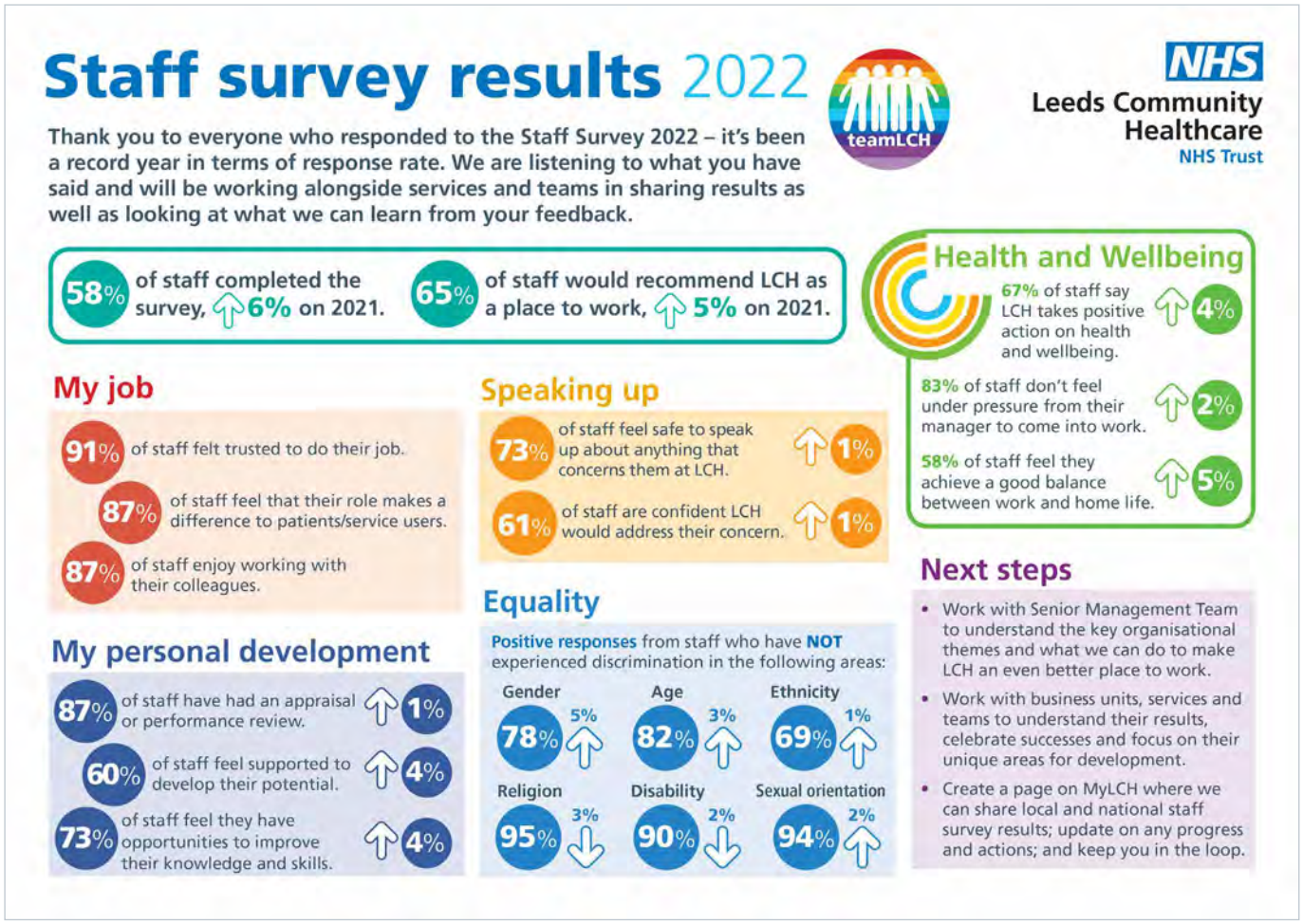
NHS Staff Survey

The annual NHS Staff Survey invites everyone working in the NHS to give their views on working life. It is completely independent, and we encourage staff to complete it as it is an important feedback tool for the Trust.

In 2022 we had a record response rate, 58% of colleagues completed the survey. This was a 6% higher response rate than 2021 and 12% higher than the national average of 46%.

As an overall snapshot of the staff survey, comparing our 2022 results with 2021, shows 25 questions recorded a significant improved score, with just one significant decline (satisfaction with level of pay), leaving the remaining 78 questions as no change from 2021.

Below is a summary of our results covering some of the key themes including job satisfaction, personal development and health and wellbeing.



We continue to focus on areas of development with services and teams. Whilst these vary locally, some of our overall development areas include:

- Staffing levels and burnout. Although we have made improvements from 2021, we still fall below the average for the Community Trust sector for staff feeling more burnout largely due to workloads. We will continue to focus on staff retention, capacity and health and wellbeing of our colleagues to further improve this.
- Making time to discuss the team's effectiveness and being able to implement real improvements. We will support teams in finding time not only to suggest improvements but implement them to ensure better working environments for colleagues.
- We want to continue to work with leaders and teams on leadership fundamentals and team development, making sure people feel supported and valued within their teams and by their teams.

Against the backdrop of a difficult 12 months, we have held our position from 2021 and made some improvements.

You can find our full results and benchmark reports by visiting the NHS Staff Survey website and searching 'Leeds Community Healthcare' *Local results for every organisation | NHS Staff Survey* **(www.nhsstaffsurveys.com)**

Awards and recognition

External awards

During the year we were delighted that so many individuals, teams and services received national and regional recognition.

The Tissue Viability service won the Antimicrobial Stewardship Award at the Journal of Wound Care Awards in London for the wound infection framework. It has been developed and implemented by the service to provide clinicians guidance in their practice and patients with quality care.

Leanne Wilson, Head of Medical Education and Revalidation, was awarded Higher or Degree Apprentice of the Year at the West Yorkshire Apprenticeship Awards. Leanne studied the Chartered Manager apprenticeship and achieved a First-Class Honours Degree and Diploma with Distinction from Leeds Trinity University.

The Long COVID-19 holistic virtual rehabilitation programme was announced as a finalist at the Medipex Awards for the Improved treatments, therapies and rehabilitation award for the second year running. The Long COVID-19 service continues to work extremely hard in this evolving area of practice to be innovative, whilst providing the best care to our patients.

The LCH Staff Wellbeing Facebook Group was shortlisted for the Staff Wellbeing HSJ Award recognising outstanding contribution to healthcare.

Details of all our awards during the year can be found on our website:
https://www.leedscommunityhealthcare.nhs.uk/our-news/awards/

Internal awards

We continued to celebrate our staff achievements through our monthly internal Thanks a Bunch awards. Staff nominated their colleagues for being shining examples of our Trust behaviours. In 2022/23 directors presented 13 awards, personally thanking nominated staff for their continued hard work and commitment.

Our 2023/24 annual staff awards will be an in-person event, following the online approach in the previous two years. The 'Thank You' event will see senior managers turning up unannounced to staff meetings to surprise colleagues and congratulate teams and individuals for their outstanding efforts.

Building capacity

The commitment to maximising capacity has continued to be at the forefront of our work to support the organisation to continue to deliver the best possible care to patients and communities across Leeds and beyond. Our hyper-local recruitment success and the recruitment of our first cohort of international nurses is highlighted in this report.

Other initiatives that we believe have helped us build or maintain staffing capacity include:

- Capacity enhancing reward measures targeted at priority services and shifts.
- Continued promotion of 'InstantPay' functionality to enable staff faster in-month access to pay for shifts worked.
- Working collaboratively with health and social care partners to address shared resourcing challenges.
- Continued development of our apprenticeship programmes which saw us exceeding the Public Duty target by 0.5%.

A positive employee relations climate is underpinned by LCH's values and behaviours and People Before Process approach, together with a regular schedule of formal and informal partnership meetings with Trade Union colleagues and staff network representatives.

Our work in the 'Leeds system' continues, including the development of staff sharing agreements for Leeds, a central role in the Leeds One Workforce Strategic Board, workforce expertise for the GP Confederation, and the implementation of the innovative Employ / Deploy approach for Primary Care Networks (PCNs).

The start of a Leeds Place Based Partnership (PBP) and the introduction of the LCH Third Sector Strategy both bring further opportunities for working together on shared priorities for the benefit of our Workforce Strategy ambitions, overall business objectives and, most importantly, our communities.

Inclusion

The Equality, Diversity and Inclusion Forum, which is chaired by the Trust's Chair, has continued to bring employee perspectives, experiences, and ideas in pursuit of our ambition to be much more representative of our communities and to further tackle and reduce outstanding issues of disparity in staff experience.

We have continued to encourage conversations about inequality and cultural awareness through our education programmes, Allyship and Reverse mentoring programmes, which are now on their fifth cohort.

Our Race Equality Network has helped to facilitate an increased visibility of staff from Black and Minority Ethnic (BME) backgrounds on recruitment panels and improved cultural awareness by linking into national campaigns, religious holidays and sharing personal stories through our internal communications channels.

LCH believes in workplaces where all LGBTQ+ people are accepted without exception and promotes this through the NHS Rainbow badge, which currently has over 600 staff members, who are Rainbow Ambassadors. LCH secured one of only 40 places, to be involved with Phase II of the Rainbow Badge initiative.

Whilst we are making progress across many of the Equality, Diversity and Inclusion areas there is much more to do. A No Bystanders event held in autumn 2022 helped identify areas of focus where we need to do better. 'No Bystanders' is the LCH terminology for identifying and addressing unacceptable behaviours in the workplace. We have now launched advice to staff about how they should report unacceptable behaviours and how the Trust will support them to do so.

Staff health and wellbeing

At LCH, caring for one another is one of our 'Seven' behaviours.

Workforce health and wellbeing remained a key priority during 2022/23 and it was pleasing to see progress in the 2022 where 67% of staff in the Staff Survey said that LCH takes positive action on employee health and wellbeing; this was up 4% from 2021, and 74% of staff said that their immediate manager takes a positive interest in their health and wellbeing.

We enhanced our staff support package by:

- Establishing a Disability and Long-Term conditions staff network.
- Our staff focussed Clinical Psychologist developed a new critical incident debriefing model; the development of a tiered structure of psychological support and interventions for staff; and a training pilot on the subject of supporting staff experiencing stress, anxiety and depression.
- Continued focus on Employee Voice, including regular Team LCH and cohort-specific discussion and feedback sessions, weekly engagement with Trade Union colleagues, and additional promotion of our award-winning Freedom to Speak Up service.
- Refreshing our support offer for colleagues with everything from financial to emotional matters (known as our Feel Good Pledge).
- Introducing Schwartz Rounds - monthly facilitated sessions designed for all staff to come together and reflect on the various emotional and social challenges associated with working in healthcare.

As living costs rose, a closer focus on financial wellbeing was introduced, providing our staff with access to a range of support when they need it. We worked with organisations across the City to create a financial wellbeing week, where staff could access a range of webinar based financial sessions, that were provided in partnership with expert companies. We introduced an app enabling staff to access up to 35% of their earnings in advance of pay date; over 400 employees have downloaded the app.

In the absence of a national uplift to mileage rates as fuel costs increased significantly, we continued to ensure that we reimbursed staff the full cost of their in-work mileage.

Work continues to be driven by the Staff Health and Wellbeing (HWB) Engagement Group, to raise awareness to managers and staff on the wide range of health and wellbeing support available.

Financial Performance

Elsewhere in this Annual Report and Accounts you will have read how, in 2022/23, Leeds Community Healthcare NHS Trust continued the recovery of services from the COVID-19 pandemic. It did so under a financial regime that moved away from the emergency arrangements of the previous two years, whilst maintaining a degree of stability for the Trust's income.

The Trust formulated its expenditure plans to maintain day-to-day services, to continue to address waiting list backlogs and to continue to innovate and improve.

The Trust is firmly embedded in system working; the importance of this for financial performance is that we have a responsibility not only to manage our financial resources efficiently and effectively but also to play our part in helping the Leeds health system and the West Yorkshire Integrated Care System to manage within the resources allocated.

We were able to play a key part in providing the significant financial resources needed to invest in initiatives in advance of and during the winter months to help the Leeds health and social care system respond to patient demand and facilitate effective options outside of hospital care where that was more appropriate. Due to competing demand for investment the Integrated Care Board (ICB) in Leeds was unable to fully fund the new developments agreed across City partners, but Leeds Community Healthcare NHS Trust was able to ensure these developments started by utilising its own resources. These resources were available in 2022/23 only, due to the Trust making savings from a high level of vacancies and an allocation of resources for the costs of COVID-19 in excess of costs incurred. Utilising savings from staff vacancies is not how the Trust would wish to manage its financial resources, we would rather have as many staff in post as our contract income would allow. But in a very difficult labour market it made sense to use the funds freed up to help all health and social care partners in Leeds respond as effectively as possible to service pressures.

Moving into 2023/24 those new developments are now being funded by the ICB in Leeds. Leeds Community Healthcare will continue to work hard to reduce staff vacancies as we know that will improve the level of services we are able to offer and will help to improve the health and wellbeing of our current staff.

Key Financial Duties	Target	Performance	Achieved
Planned surplus on income and expenditure	£1,040k	£1,042k	✔
Remain within External Financing Limit *	£0k	£5,378k	✔
Remain within Capital Resource Limit *	£4,158k	£4,158k	✔
Capital Cost Absorption Rate	3.50%	3.50%	✔
Agency	£3,550k	£4,213k	✔
Better Payments Practice Code:			
Non NHS invoices (number and value)	95% and 95%	96% and 98%	✔ ✔
NHS invoices (number and value)	95% and 95%	99% and 100%	✔ ✔
CIP recurrent savings in year	£3,030k	£3,030k	✔

* targets confirmed after year end

In 2023/24 the Trust's adjusted income and expenditure financial performance was a surplus of £1,042,000, as per the plan agreed with NHS England and the West Yorkshire Integrated Care Board.

The Trust spent its full capital allocation for the year of £4,158,000, £3,778,000 on owned assets and £380,000 on right of use assets. The significant expenditure during the year was the comprehensive refurbishment of Seacroft Clinic. You can see the results elsewhere in this Annual Report. The balance of our capital resource was spent on continued reduction in backlog maintenance on our buildings, ensuring that they are safe environments for staff and patients, and investment in new and replacement clinical equipment and information technology.

The financial results are the 12th straight year that Leeds Community Healthcare has met its financial targets. The challenge to achieve that does not get any easier and, whilst I expect the Trust to meet its financial duties in 2023/24, the Board has approved a deliverable revenue and capital budget, it will be more difficult than in many of the 12 previous years. The Trust is better placed than many to manage the current NHS financial challenges but must continually seek to improve efficiency levels whilst improving and developing services.

This is the final Financial Performance report that I will write as the Trust's Director of Finance and Resources. It has been a pleasure (mostly) and a privilege (always) to hold that position for the first 12 years of the Trust's existence. My thanks to everyone who has played a part in making sure that Leeds Community Healthcare NHS Trust has made the best possible use of its financial resources in providing the best possible healthcare to the communities we serve.

Bryan Machin
Executive Director of Finance
and Resources

Legal obligations and how we are fulfilling these

Improving Health Equity

Our Health Equity Strategy is the Trust's response to how we address unfair and avoidable differences in the health of different groups and communities. This includes a comprehensive action plan of how we are addressing our duty to redress health inequalities including the five NHSE mandated strategic priorities, and our approach to delivering on healthcare inequalities thought the Core20 plus 5 framework. It also includes how we meet our statutory requirements to address discrimination against people with protected characteristics, incorporating our statutory duties under the Equality Act, Public Sector Equality Duty, Accessible Information Standards and Armed Forces Covenant. We assess and then remove or mitigate the impact of service changes through our Equity and Quality Impact Assessment process. Our Quality Challenge Plus process includes an equity lens on each of the quality domains. You can read more about this work in the Quality Account. We have now completed two years of actions within the Health Equity Strategy which you can read more about in our 2022/23 Quality Account on our website at **https://www.leedscommunityhealthcare.nhs.uk/about-us-new/access-to-information/quality1/**

Emergency Preparedness and Resilience

We are 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 NHS Trusts in England and NHS England are prepared to respond to emergencies and are resilient in relation to continuing to provide safe patient care.

We continue to fulfil our requirements set out in the Civil Contingencies Act 2004. The requirements make sure that we can 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.
- **Training -** On-call managers are in the process of attending the newly released NHS England Principles of Health Command Training programme.

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.

We recognise that the effective implementation of our 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 2022/23 is chaired by the Executive Director of Finance and Resources and its membership includes staff-side representatives.

The Health and Safety Group reviews and proposes changes and developments of the health and safety management system to ensure the continuous improvement of health and safety performance.

Counter Fraud

We do not tolerate 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 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).

For details of the personal data related incidents reported by the Trust during 2022/23 please see the Annual Governance Statement (page 45).

Safeguarding

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

The Trust is committed to safeguarding our population through effective multiagency working and public engagement in line with our organisation's vision and values while recognising Leeds City Council's Social Work service as the lead agency.

The Trust approved a three-year strategy in August 2020. The strategy sets out LCH's direction of travel and priorities for Safeguarding 2020-2023 and outlines the vision of making safeguarding everybody's business, and recognising safeguarding is fundamental to our duty as care providers.

Duty of Candour

The Quality Committee monitors the Trust's compliance with Duty of Candour requirements on a regular basis. This ensures that applicable incidents have met the criteria of a safety notifiable incident which are:

- A 72 hour review was carried out to understand the initial facts in relation to what happened, what went wrong and what we could have done better.
- The people affected were informed and necessary apologies given.
- The people affected were provided with an explanation of how we would investigate and asked if they required any specific questions to be answered within the investigation.

Going Concern Assessment

Going Concern is an accounting principle that requires organisations to consider whether they can continue their operations for the foreseeable future when preparing their Accounts. The sort of questions the Trust considers are: do we have contracts to provide sufficient income? 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?

The Trust has prepared its 2022/23 accounts on a going concern basis. The Board considered the matter of the Trust as a going concern at its meeting on 31 March 2023. Our formal financial reporting begins on page 79.

Signed ..... **Thea Stein**, Chief Executive

Date 28 June 2023 .....

Accountability Report
Directors' 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.
- Making sure public money is spent in a way that is fair, efficient, effective and economic.
- Being a good employer.
- Engaging patients and the wider public 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's Chair and Chief Executive have led these functions throughout 2022/23.

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 Board discharges its day-to-day management of the Trust through the Chief Executive, Executive Directors and non-voting Directors, and senior staff through a scheme of delegation which is approved by the Audit Committee.

Board Composition

Taking into account the wide experience of the whole Board, the Board believes that its membership is balanced, complete and appropriate and that no individual or group of individuals dominate the Board. There is a clear division of responsibilities between the Chair of the Trust and Chief Executive which ensures a balance of power and authority. The Board has a wide range of skills and a significant number of members have a medical, nursing or other health professional background. Non-Executive Directors have wide-ranging expertise and experience with backgrounds in finance, digital, healthcare, legal, and third sector.

Here are the people on our Board of Directors as at 31 March 2023

Brodie Clark CBE
Chair

Thea Stein
Chief Executive

Helen Thomson
Non-Executive Director
(Vice Chair)

Richard Gladman
Non-Executive Director

Samantha Prince
Executive Director
of Operations

Bryan Machin
Executive Director of
Finance and Resources

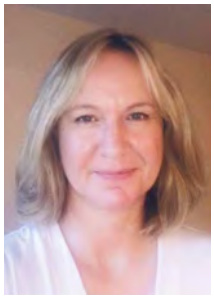
Alison Lowe OBE
Non-Executive Director

Professor Ian Lewis
Non-Executive Director

Stephanie Lawrence MBE
Executive Director of
Nursing and Allied Health
Professionals

Dr Ruth Burnett
Executive Medical
Director

Khalil Rehman
Non-Executive Director



Rachel Booth
Associate Non-Executive
Director*

Jenny Allen and Laura Smith
Executive Director of Workforce*

*Non-voting members

Our Board Members
Non-Executive Directors

Brodie Clark CBE
(Trust Chair)

Brodie was appointed as Trust Chair in August 2020 and had previously been a Non-Executive Director at the Trust since September 2014. He chairs the Nominations and Remuneration Committee and is a member of the Charitable Funds Committee. Brodie has had extensive public sector experience with 32 years in the Prison Service and nine years in the UK Border Agency. His experience has included governing prisons, responsibility for the high security prison estate and latterly he developed and successfully led the UK Border Force through a modernising programme with security and risk at its core. He is experienced in dealing with large scale complex national and international risk activity and in delivering transformational change agendas within demanding operational settings. He was awarded the CBE in 2010 for his work on UK border security.

He is a strong believer in the power and voice of local communities and seeks to support that through his role with the Trust.

Helen Thomson DL
(Vice Chair)

Helen was appointed as a Non-Executive Director in May 2019. She is Vice Chair of the Trust, chairs the Quality Committee and is a member of the Business Committee. Helen is also the Trust's Senior Independent Director which includes duties such as providing support to the Chair, co-ordinating the Chair appraisal process, intervening to resolve issues of concern on the Board, and taking part in the succession planning process for the Chair role where a reappointment or new appointment is necessary.

Helen holds an MA in Leading Innovation and Change from York University and a first degree in management from Leeds University. She is a Registered Nurse and Midwife and a Registered Midwife Teacher as well as a qualified coach.

After beginning her nursing career in Leeds she has held clinical, management and education posts across West Yorkshire. She held a number of NHS Board posts since 1993 as Director of Operations, Chief Nurse and CEO until her retirement in 2014.

Helen is now an independent healthcare consultant and a Trustee of the charity Sue Ryder where she chairs the Health and Social Care Sub-committee.

She was appointed Deputy Lieutenant for West Yorkshire in 2012 and Vice Lord Lieutenant in 2022. She is a former Council member of the University of Huddersfield where she Chaired the Audit Committee and a former member of the Independent Reconfiguration Panel of the Department of Health and Social Care.

Alison Lowe OBE

Alison was appointed as a Non-Executive Director in December 2020. She chairs the Charitable Funds Committee and is a member of the Quality Committee and Nominations and Remuneration Committee.

Alison has worked for voluntary organisations for nearly 30 years including as Chief Executive of Touchstone, a mental health charity in Leeds and wider West Yorkshire for nearly 20 years.

Alison is currently the Deputy Mayor for Police and Crime in West Yorkshire. Alison has also been involved in local government for 29 years as a local councillor representing Armley and she was Deputy Lord Mayor in 2003/04. Alison was made an Honorary Alderwoman of Leeds in 2020.

Alison has substantial experience in developing inclusive leadership teams and was awarded an honorary Doctor of Laws by the University of Leeds for her contribution to Equality, Diversion and Inclusion across 30 years working in the region.

Professor Ian Lewis

Ian was appointed as a Non-Executive Director in July 2017. Ian serves on the Quality Committee (Vice Chair) and Audit Committee. He was a Senior Clinician and was Executive Medical Director of Alder Hey Children's NHS Foundation Trust in Liverpool between 2011 and 2015, having previously been a Divisional Medical Director and Consultant Paediatric Oncologist at Leeds Teaching Hospitals NHS Trust.

He also co-chaired the Children and Young People's Health Outcomes Forum - an independent group of professionals who advised the Government, which operated between 2012 and 2016.

He served as a Trustee of The Candlelighters Trust (1985-2011), Martin House Children's Hospice (1990-2010) and Bone Cancer Research Trust (2006-present) within the charitable sector.

Richard Gladman

Richard was appointed to a Non-Executive Director role on the Trust's Board commencing April 2016. Richard chairs the Business Committee and is Deputy Chair of Audit Committee. He acts as Board champion for the Freedom to Speak Up Guardian work at the Trust.

Through his own consultancy business, Richard specialises in digital healthcare transformation; designing and delivering complex programmes. He is a specialist in programme delivery and commercial management, particularly centred on patient record and population health management solutions. Over his career Richard has held senior positions with PwC, IBM, PA Consulting and Deloitte where he headed the UK Human Capital Healthcare team. He has led work across the UK, Europe and the Middle East. Richard has a degree in Economics and is a qualified accountant.

Khalil Rehman

Khalil was appointed as a Non-Executive Director in December 2020. He chairs the Audit Committee and is Deputy Chair of the Business Committee.

Khalil has spent his career at the intersections of finance, social impact and digital innovations across the private, public and third sectors. He brings significant board and corporate governance experience alongside a sense of curiosity, inclusivity and compassion.

Khalil has a background in successfully delivering humanitarian projects, public health and global healthcare services across Africa, South Asia and other developing countries. He was Chief Executive of an international health charity between 2011-18 and Director of Finance and IT of a leading North West based social care charity previously.

Khalil also spent 10 years in investment banking in mergers and acquisitions and corporate finance advisory roles, followed by a stint in academia at one of the world's top universities as a Research Fellow in social care and postgraduate teaching. He is currently a Non-Executive Director at Salix Homes and a Non-Executive Director at East Lancashire Hospitals NHS Trust.

Rachel Booth (Associate)

Rachel was appointed as an Associate Non-Executive Director in December 2020. She is a member of the Business Committee and the Nominations and Remuneration Committee.

Rachel is a qualified lawyer with over 20 years' experience of working in health and social care. A litigator by background she spent several years at DLA Piper, a global commercial law firm where she specialised in health and social care regulation, before moving to an in-house legal role with Bupa in 2007.

Rachel's current role is Legal Director, leading a team which manages legal services for Bupa's care homes, dental and health clinics across the UK and Ireland. She sits on multiple Executive and Risk Committees as well as occupying the role of Speak Up Officer, managing Bupa's whistleblowing process.

Executive Directors

Thea Stein
(Chief Executive)

Thea joined Leeds Community Healthcare in October 2014. Previously, Thea was Chief Executive of Carers Trust, a post which she held from September 2012. Thea has also worked at a senior level in the public sector across England and Scotland. Previous roles have included Chief Executive of Yorkshire Forward and Chief Executive of one of the former primary care trusts in Leeds, as well as working in public health and primary care commissioning. Thea started her career as a clinical psychologist working in homelessness and drug and alcohol services.

Bryan Machin
(Executive Director of Finance and Resources)

Bryan had over 10 years' experience at Director level prior to joining Leeds Community Healthcare NHS Trust in May 2011. Commencing with the NHS as a graduate finance trainee, Bryan has worked at senior levels in community and mental health providers, in acute Trusts, at strategic health authorities and in commissioning organisations. This breadth of experience gives him the opportunity to look at financial issues from a range of perspectives and propose practical solutions to problems.

Stephanie Lawrence MBE

(Executive Director of Nursing and Allied Health Professionals AHPs)

Stephanie was born and has spent most of her working life in Yorkshire. She trained as a nurse in Calderdale. As well as being a Registered Nurse for adults, she also holds qualifications in children's nursing, district nursing and a Master's degree in advanced practice and is a non-medical prescriber.

She is currently leading on the National District Nurse Apprenticeship Standard and is the Chair of the Trailblazer group for this work. She has held a number of senior leadership posts within nursing across provider and commissioning organisations. Her current role is Executive Director of Nursing and AHPs for Leeds Community Healthcare NHS Trust and Leeds GP Confederation. She also works as the National Professional Advisor for Community Services at the Care Quality Commission (CQC).

She is passionate about ensuring high quality care for patients and also for carers in their own homes and other community settings and still practices clinically on a regular basis. Stephanie was awarded an MBE for her services to district nursing in 2022.

Samantha Prince

(Executive Director of Operations)

After a short stint in the private sector, Samantha started her NHS career in 1989 in Harrogate and worked in community, mental health and learning disability services.

She moved to Leeds in 1994 and has worked in a variety of operational, planning and business development roles. Samantha was Managing Director of NHS Leeds Community Healthcare from July 2009 to April 2011 when she led the organisation's transition to NHS Trust status. Samantha is passionate about making local services more accountable to local people, with significant experience of involving service users, carers and the public in developing and delivering services. Samantha is committed to the delivery of cost effective, preventative and responsive community services in Leeds.

Dr Ruth Burnett
(Executive Medical Director)

Ruth qualified as a GP in Oxford and, alongside mainstream practice, worked as the Clinical Commissioning Group (CCG) Locality Lead for Urgent Care and as a GP with an Extended Role (GPER) in musculoskeletal medicine. She continues to see patients in practice.

She became the Medical Director for Buckinghamshire MSK community service in 2011 and then stepped into a national Medical Director role in 2013. Before taking up her current post, she worked for six years as a Medical Director across a mixture of community MSK services, primary care, out of hours and urgent care, new models of care and prison healthcare.

She has a passion for increasing the effectiveness of primary and community services for both patients and staff and the model she created with the Prime Minister's Challenge Fund in 2014, Practice Assist, was shortlisted in the HSJ finals in the category 'Primary Care Innovation'.

Her contribution to medical leadership was recognised in Senior Fellowship of the Faculty of Medical Leadership and Management in 2021.

Directors

Jenny Allen and Laura Smith
(Director of Workforce - job share)

Jenny and Laura job share our Director of Workforce, Organisational Development and System Development role.

Jenny studied law at university before joining the NHS on the National Graduate Management Scheme as a general management trainee in 1998. She has held a number of senior HR and workforce leadership roles across NHS organisations including at Leeds Teaching Hospitals NHS Trust and NHS Digital before commencing with Leeds Community Healthcare NHS Trust.

Jenny has previously run her own HR consulting business, has held associate lecturer roles at several local universities and is a published academic author in the field of HR and management. She is also an associate editor for an academic journal.

Laura joined the NHS in 2000 as a General Management trainee, and has held leadership roles in general management, human resources (HR) and organisational development across acute organisations, primary care trusts and national organisations. She is an accredited coach and mentor as well as a qualified HR professional.

What matters most to both Laura and Jenny in work is people: "the people we work with and the patients and population we work for, both across the City of Leeds and the wider geographic communities served by LCH."

Changes to the Board

There have been no changes made to the Board membership during 2022/23.

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 main components of this are:

- The Chair conducts individual performance evaluations of the Non-Executive Directors and the Chief Executive, which involves obtaining feedback from a variety of stakeholders;
- The Senior Independent Director conducts a performance evaluation of the Chair, which involves obtaining feedback from a variety of stakeholders;
- The Chief Executive conducts performance evaluations of the Senior Management Team.

The Board has continued with its development programme during the year, including an externally facilitated Board Leadership and Governance 360 survey on leadership behaviours, governance competencies, and effective team working.

The Trust has a programme of workshops to support Board members' development, and in 2022/23 covered such topics as organisational strategy, health equity, equality and inclusion, sustainability, and priorities 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.

All Non-Executive Directors are considered to be independent (demonstrated through annual appraisals, declarations of interest and independence, and Board and Committee minutes).

Director's declarations of interests for disclosure 2022/23

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 shareholdings 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 received within the past 12 months: in excess of £35 in connection with the Trust
Brodie Clark CBE (Trust Chair)	None	None	None	None	None	None	None	None
Thea Stein (CEO)	None	None	None	Trustee of Nuffield Trust CQC Executive reviewer	None	None	None	None
Helen Thomson	Helen Thomson Ltd	Director Helen Thomson Ltd	None	Trustee: Sue Ryder	Trustee: Sue Ryder	None	None	None
Alison Lowe	Blue Light Commercial from 1 May 2022	None	None	Trustee, Together Women Trustee Citizens Advice Leeds	Trustee Citizens Advice Leeds Trustee, Together Women	None	Deputy Mayor for Policing and Crime in West Yorkshire from 9 August 2021	None
Richard Gladman	Director of Verbena Digital Ltd	Verbena Digital Ltd - 50% ownership	Verbena Digital Ltd	None	Client Service Partner for Nordic Global	None	None	None
Prof Ian Lewis	None	None	None	Trustee: Rossett School Harrogate	None	None	None	None

Director's declarations of interests for disclosure 2022/23

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 received within the past 12 months: in excess of £35 in connection with the Trust
Khalil Rehman	NED, Salix Homes Ltd	None	None	Director, Medisina Foundation Ltd Non-Executive Director East Lancashire Hospitals NHS Trust	Consultancy/ Advisory work for Touchstone Support Ltd	None	None	None
Rachel Booth (Associate Member)*	None	None	None	None	Full time employee of BUPA which contracts with NHS through its Cromwell Hospital, Dental and Care Homes business areas	None	None	None
Bryan Machin	None	None	None	Trustee and Vice-chair of St Anne's Community Services. (Registered Charity, Housing Association and Company Limited by Guarantee)	None	None	None	None
Dr Ruth Burnett	None	None	None	Medical Director Leeds GP Confederation Performs GP work at Crossley Street Surgery, Wetherby on an unpaid basis as part of Continuing Professional Development and maintaining registration.	None	None	None	None
Samantha Prince	None	None	None	None	None	None	None	None

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 received within the past 12 months: in excess of £35 in connection with the Trust
Stephanie Lawrence	None	None	None	Executive Director of Nursing and AHPs for Leeds GP Confederation. National Professional Advisor for Community Services for CQC since April 2021. Fellow of Queen's Nursing Institute.	None	None	None	Invitation to the Nuffield Summit 1 and 2 March 2023 with an overnight stay and meals provided. Approx value £300.
Laura Smith*	None	Associate of Prospect Business Consulting and WellNorth Enterprises	None	Director of Workforce Leeds GP Confederation Leeds	None	None	None	None
Jenny Allen*	None	None	None	Director of Workforce Leeds GP Confederation Leeds. Volunteering for Zarach, a Leeds based charity (February 2022). Trustee for Hollybank Trust. Indirect interest – husband is a partner at KPMG. KPMG bid and contract for contracts with NHS Providers. Husband is a Trustee for Age UK Leeds.	Volunteering for Zarach, a Leeds based charity (February 2022)	None	None	None

* Non-voting Board member

Board approved

Audit Committee approved

Board meetings and business in 2022/23

As with all NHS Trusts, we are required to hold formal Board meetings in public. The Board has met formally seven 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 and the Board has further encouraged the public to attend during the year with some Board meetings being held in community venues across Leeds. The dates are advertised on the Trust's website, with a live link to the meetings, and Board meeting agendas, reports and minutes are published online.

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, Gatenby Sanderson supported the Board with a development review during 2022.

Attendance at Board meetings is outlined below:

	27 May	17 Jun	5 Aug	7 Oct	2 Dec	3 Feb	31 Mar	
Brodie Clark CBE	✔	✔	✔	✔	✔	✔	✔	7/7
Richard Gladman	✔	✔	✗	✔	✔	✗	✔	5/7
Ian Lewis	✔	✔	✔	✔	✔	✔	✔	7/7
Helen Thomson	✔	✔	✔	✔	✔	✔	✔	7/7
Alison Lowe	✔	✔	✔	✗	✔	✗	✔	5/7
Rachel Booth Associate	✔	✔	✔	✔	✔	✔	✔	7/7
Khalil Rehman	✔	✔	✔	✔	✔	✔	✔	7/7
Thea Stein	✔	✔	✔	✔	✔	✔	✔	7/7
Ruth Burnett	✔	✔	✗	✔	✔	✔	✔	6/7
Bryan Machin	✔	✔	✔	✔	✔	✔	✔	7/7
Samantha Prince	✔	✔	✔	✔	✔	✔	✔	7/7
Stephanie Lawrence	✔	✔	✔	✔	✔	✔	✔	7/7
Jenny Allen/Laura Smith	✔	✔	✔	✔	✔	✔	✔	7/7

In addition, an Annual General Meeting was held on 20 September 2022. This was held in person at the Thackray Museum, Leeds as well as virtually to ensure that everyone could attend in some way, if they wished.

Leeds Community Healthcare NHS Trust has a commitment to providing high quality care and reducing health inequalities within our communities. The Trust aims to innovate, build and standardise in order to deliver high quality, safe and effective care that provides patients, families and carers with the best patient experience. All actions to ensure the Trust meets this commitment 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 it meets all national and local standards and targets for the services we provide.

The Board's committees (decision making groups)

The Trust has five committees that make sure we carry out our duties effectively, efficiently and economically.

Details of the functions of each committee can be found in our Annual Governance Statement 2022/23 which starts on page 45.

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 Learning Disabilities and Autism Collaborative. 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.

Signed ..... **Thea Stein**, Chief Executive

Date 28 June 2023 .....

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

The Chief Executive of NHS England 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 and
- 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 ..... **Thea Stein,** Chief Executive

Date 28 June 2023 .....

Corporate Governance Report
Annual Governance Statement 2022/23

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Leeds Community Healthcare NHS Trust (LCH), 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 LCH for the year ended 31 March 2023 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, data security, contractual and partnership governance, health and safety of staff.
- Executive Director of Operations: Risks to major change projects, business tenders, contracted activity, environmental sustainability.
- 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 a qualified, experienced Risk and Safety 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.

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 continued focus on risk management training during 2022/23 in response to a realisation that that some services did not have a suite of suitable and sufficient 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 also been delivered and this has a strong focus on risk assessment technique. Due to pressures imposed on services by the pandemic, only a limited number of training sessions have been delivered.

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 for example:

- Review of performance and working practice.
- Clinical practice.
- Legislation, national policy and guidance.
- Risk assessments.
- Incident reports.
- Complaints.
- Claims for compensation.
- Audit and workplace 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 (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 an electronic risk management system to record and monitor risks. The risk register includes: a description of the risk, the risk owner, any controls currently in place, actions to be completed, and the initial, current and target risk scores. Extracts and themes from the risk register are frequently scrutinised by appropriate managers, committees and the Board.

The Trust's **risk appetite** is aligned with its four strategic goals. The Senior Management Team defines the Trust's risk appetite and reviews this on an annual basis. Any proposed amendments are subject to review by the Audit Committee and approval by the Board. The risk appetite statement is an appendix of the Risk Management Policy, which can be found on the Trust's intranet. The risk appetite was reviewed in 2022 with a particular focus on whether it reflected the changed and difficult climate the Trust continues to work in.

Data security risk is managed through a system of general managers and heads of service or other lead managers who act as information asset owners. These individuals work with the Senior Information Risk Owner to manage data security and other information-related risks.

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

- The ongoing 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 are conducted regularly.
- Business Continuity plans are in place to ensure the Trust can respond to a cyber-attack. A cyber-attack against a national supplier (Advanced) in August 2022 and affected a number of NHS Trusts, required the Trust to deploy business continuity plans for the Child and Adolescent Mental Health Service on an extended basis which has provided an opportunity for learning and improvements to the service's continuity and recovery plans.
- The importance of maintaining awareness of data security, awareness to phishing emails and other cyber-risks have been highlighted to staff through articles in the Trust's regular staff briefings and simulated Phishing Campaigns.

All of these activities are designed to help ensure that 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, is reviewed regularly. Validations on waiting list data are collected directly from services on a regular basis and reviews of other Key Performance Indicators (KPIs) happen at performance review meetings across all levels of the Trust. More specific pieces of work to test out and provide assurance around data quality are carried out on a service-by-service basis, which will be supported by the creation of a Data Quality Framework to aid consistency and accuracy of reporting.

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), five executive directors and two non-voting members of the Board - the Director of Workforce (job share role). The Trust also has an Associate Non-Executive Director. The Board leads the Trust by carrying out three main roles:

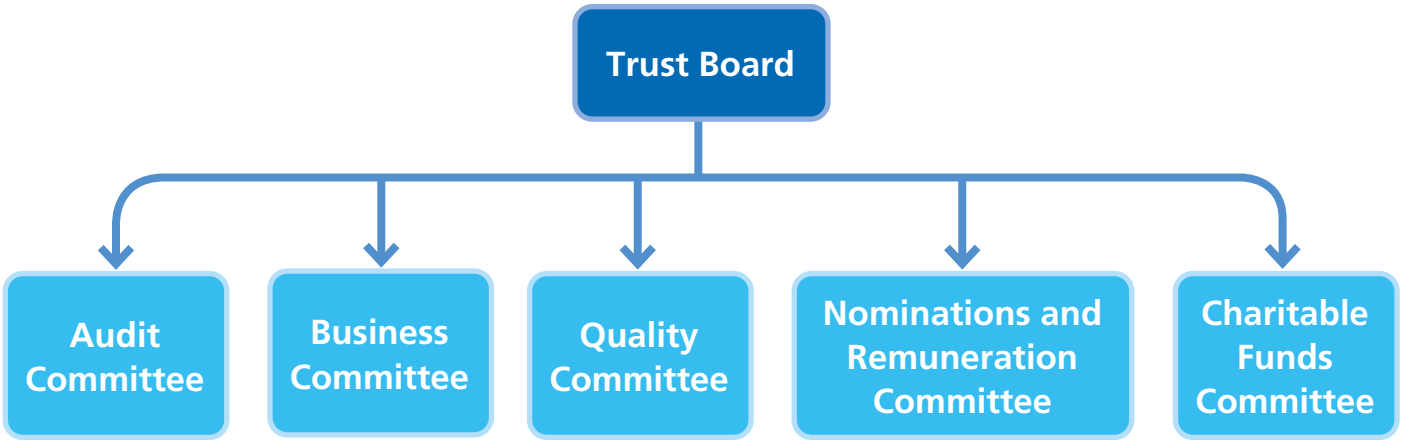
- Formulating strategy.
- Holding the organisation to account for the delivery of strategy and seeking assurance that systems of control are robust and reliable.
- Shaping a positive culture for the Board and the wider Trust.

There is a clear division of responsibilities between the Chair and Chief Executive, and both have discharged their leadership functions throughout the whole of 2022/23. The division of responsibilities is set out in the Trust's standing orders and standing financial instructions (scheme of delegation section).

The Board held seven formal meetings in public in 2022/23. The Annual General Meeting was held both in person and virtually in September 2022 and the Trust offered various ways of accessing the meeting to achieve good attendance. Board member attendance at Board meetings is set out in the Director's report (see section starting on page 30) 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 engage with and support staff and to view the service provided to patients.

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. The Board discharges its responsibilities through five Committees (see diagram below). Each committee has Board approved terms of reference and work plans which have been reviewed during 2022/23 Each committee's minutes and assurance reports are presented at Board meetings.



A performance brief and suite of reports which mirror the five Care Quality Commission (CQC) domains is produced for each Board meeting 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 managed 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 in July and November 2022 to discuss committee effectiveness and the flow of business through the committees.

The Trust has a needs-based Board development programme. In addition to the formal Board meetings, there were two Board development session and four Board workshops. One of the development sessions was externally facilitated and reviewed and reflected on the Board's leadership approach and team working.

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 12 months, as required by the *'Managing Conflicts of Interest in the NHS'* guidance. It is available on the Trust website.

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

Audit Committee

Chair: Khalil Rehman

The Audit Committee comprises three non-executive directors, one of whom is a qualified accountant. The Audit Committee met formally six times during 2022/23 and is routinely attended by the Executive Director of Finance and Resources, the Company Secretary, Internal Audit and External Audit representatives.

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 Data Protection and Cyber Security Panel. 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 during the year.

The Chair of each of the Board's committees produces an annual report, which is reviewed by the Audit Committee in order to provide assurance to the Board that 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.

Audit Committee attendance

Attendee	22 Apr	11 May (Informal)	13 Jun	3 Aug	14 Oct	16 Dec	10 Mar	Total (7)
Richard Gladman	✔	✔	✔	✗	✔	✔	✔	6/7
Ian Lewis	✔	✔	✔	✔	✗	✔	✔	6/7
Khalil Rehman	✔	✔	✔	✔	✔	✔	✔	7/7
Bryan Machin*	✔	✔	✔	✗	✔	✔	✔	6/7

*Executive Director in attendance

Quality Committee

Chair: Helen Thomson

The Quality Committee's membership comprises three non-executive directors and three executive directors with other senior officers also attending each meeting. The Committee met on 10 occasions in 2022/23.

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 2021-24 which aims to respond to challenges presented with innovation, standardisation, and a focus on improvement.

We continue to work in a challenging landscape and the Trust ensures we continue to provide services that are clinically effective, safe, well-led, and responsive to patient's needs, offering a positive patient experience. The Committee has received regular updates

on progress with the strategy and has sought assurance about the implementation of specific actions.

The Committee also has responsibility for overseeing the work of two subgroups: the Quality Assurance and Improvement Subgroup, and the Safeguarding Committee.

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.

Quality Committee attendance

Member	25 Apr	23 May	20 Jun	25 Jul	26 Sep	24 Oct	21 Nov	23 Jan	20 Feb	27 Mar	Total (10)
Helen Thomson	✔	✔	✔	✔	✗	✔	✔	✔	✔	✔	9/10
Ian Lewis	✔	✔	✗	✔	✔	✔	✔	✔	✗	✔	8/10
Alison Lowe	✔	✔	✔	✔	✔	✔	✔	✗	✔	✔	9/10
Rachel Booth*	✔	✔	✗	✔	✗	✔	✔	✔	✗	N/A	6/9
Thea Stein*	✔	✗	✔	✗	✗	✔	✔	✔	✔	✗	6/10
Stephanie Lawrence	✔	✔	✔	✔	✗	✔	✔	✔	✔	✔	9/10
Ruth Burnett	✔	✔	✔	✔	✔	✗	✗	✔	✗	✔	7/10
Samantha Prince	✔	✔	✗	✗	✗	✔	✔	✔	✔	✗	6/10

*Rachel Booth (Associate Non-Executive Director) was no longer a member of the Quality Committee from March 2023. *CEO in attendance.

Business Committee

Chair: Richard Gladman

The Business Committee's membership comprises four non-executive directors, the Chief Executive and two further executives. Other senior officers attend as required. The Business Committee held 10 meetings in 2022/23.

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 2022/23 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. This 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 change programmes. The committee receives in-depth reports from the programme leads and reports from the Change Board, which provides an overview of inter-connectivity for the main programmes and related projects.

Business Committee attendance

Attendee	27 Apr	25 May	29 Jun	27 Jul	28 Sept	26 Oct	23 Nov	25 Jan	22 Feb	29 Mar	Total (10)
Richard Gladman	✔	✔	✔	✗	✔	✔	✔	✔	✔	✔	9/10
Helen Thomson	✔	✔	✔	✔	✗	✔	✔	✗	✔	✔	8/10
Khalil Rehman	✔	✗	✔	✔	✔	✔	✔	✔	✔	✔	9/10
Rachel Booth* (from March 2023)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✔	1/1
Thea Stein	✔	✗	✔	✗	✔	✔	✗	✔	✔	✗	6/10
Bryan Machin	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	10/10
Samantha Prince	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	10/10
+Laura Smith/ Jenny Allen	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	10/10

*Rachel Booth (Associate Non-Executive Director) became a member of the Business Committee from March 2023.
+Officer (job share) in attendance.

Nominations and Remuneration Committee

Chair: Brodie Clark CBE

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 five times in 2022/23.

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.

In 2022/23 the Committee approved various staff financial incentive schemes which were targeted responses to the challenging workforce situation.

Nominations and Remuneration Committee attendance

Attendee	17 Jun	16 Sept	13 Dec	17 Jan	14 Mar	Total (5)
Brodie Clark CBE	✔	✔	✔	✔	✔	5/5
Alison Lowe	✔	✔	✔	✔	✔	5/5
Rachel Booth	✔	✗	✔	✔	✔	4/5
*Stephanie Lawrence	✗	✔	✗	✗	✗	1/5
*Bryan Machin	✗	✗	✔	✗	✗	1/5
+Jenny Allen/ Laura Smith	✔	✔	✔	✔	✔	5/5

*Executive Director in attendance.
+Officer (job share) in attendance.

Charitable Funds Committee

Chair: Alison Lowe OBE

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 three times during 2022/23.

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.

Charitable Funds Committee attendance

Attendee	22 Jun	16 Sept	7 Dec	13 Mar	Total (4)
Brodie Clark CBE	✔	✔	✔	✔	4/4
Alison Lowe	✔	✔	✔	✔	4/4
Bryan Machin	✔	✗	✔	✔	3/4
Stephanie Lawrence	✔	✔	✔	✔	4/4

Working at system level

West Yorkshire Health and Care Partnership (WYH&CP), an integrated care system

Over the last 12 months we were actively involved in further developing relationships at both Leeds 'Place' and West Yorkshire levels. As one of the country's leading integrated care systems (ICSs) the WYH&CP is now enhancing its work in line with legislative changes. In July 2022, it formalised on a statutory basis the successful health and care partnership of the last six years based on working together.

The Partnership is made up of the NHS, councils, hospices, Healthwatch, the voluntary community social enterprise sector. The Partnership supports 2.4 million people, living in urban and rural areas. 770,000 are children and young people. 530,000 people live in areas ranked in the most deprived 10% of England. 20% of people are from minority ethnic communities. There are an estimated 400,000 unpaid carers, as many do not access support. Together it employs over 100,000 staff and work alongside thousands of volunteers.

The WYH&CP takes a place-based approach across Bradford District and Craven; Calderdale, Kirklees, Leeds, and Wakefield that highlights the strengths, capacity, and knowledge of all those involved. This way of working is supported by West Yorkshire wide priority programmes, such as cancer, maternity, mental health, urgent care, tackling health inequalities, children and young people. The Partnership provides greater opportunities to deliver the Five Year Plan ambitions, ensuring that all people are given the best start in life, able to remain healthy and age well.

Leeds Health and Care Partnership (LHCP)

"We know that people's lives are better when those who deliver health and care work together."

The Leeds Health and Care Partnership (LHCP) includes health and care organisations from across Leeds who are working together to improve the health of people in Leeds. The LHCP understands that by listening to people, and by sharing knowledge and resources, it can make a bigger difference to people's lives.

Represented through the LCH Chief Executive, The Leeds Committee of the West Yorkshire Integrated Care Board makes decisions about the best way to allocate resources across the City that will have the biggest impact on improving health outcomes, people's experiences and reducing health inequalities.

Working in collaboration

We recognise the importance of collaborative working and the benefits that integration can bring for our service users, patient and carers. The Trust is a member of the West Yorkshire Mental Health, Learning Disability and Autism Collaboration. Partnership working with the Voluntary and Community Sector (VCS) is described and delivered through our third sector strategy.

Risk assurance process and scrutiny of risks

Each Business Unit's performance group includes a review of new risks that have been added to the Trust's Risk Register. They also review 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 groups also maintain an oversight of the practical application of the risk management procedure with support from the Risk and Safety Manager. Risks are also reviewed by individual risk owners and by the appropriate directors.

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 2022, in line with the Trust's operational plan. These strategic risks are assigned to a lead executive to manage. Each of the strategic risks are also assigned to one of the Board's committees for oversight and scrutiny. Overall scrutiny of the BAF process 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.

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 the report in advance of the Board. 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 provides assurance to the Board on 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 at forums and through a learning resource on the Trust's intranet 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. 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. An internal audit in 2023 found some good practice but made a series of recommendation in order to improve the way that the Trust shares, embeds and evidences learning from adverse incidents.

Information Governance

Data security, data ownership and transparency are of paramount importance to the Trust, supporting both clinical and organisational management needs. The Trust is committed to ensuring that personal data is protected, and any confidential data is used appropriately.

The Trust complies with the relevant legislation and national codes of practice and actively supports the transparency of information. The Trust complies with the General Data Protection Regulation (GDPR) by employing a Data Protection Officer (DPO). The DPO duties include:

- Promoting the accountability principle within the Regulation which empowers the organisation to be compliant with the Data Protection Act 2018.
- Ensuring there is subject matter expert provision for internal and external stakeholders to achieve compliance with privacy and information security in relation to the organisation activities.
- Protecting information, its integrity and availability throughout the lifecycle of the information and also supporting the move to integrated care modelling.

The Senior Information Risk Owner (SIRO) ensures that there is effective information governance in place. The SIRO chairs the Information Governance Group which reports quarterly to the Audit Committee and in turn to the Board. The Caldicott Guardian is the Deputy Chair of the Information Governance Group, and works closely with the SIRO and the DPO, particularly where there are any identified information risks relating to patient data.

The Trust ensures effective information governance through a number of mechanisms including education, policies and procedures, IT/information security controls, IT vulnerability testing, and by demonstrating annual compliance with the Data Security Standards of the Data Security and Protection Toolkit (DSPT).

The Trust demonstrates compliance with the 10 Data Security Standards, an outcome from the National Data Guardians *'Review of data security, consent and opt outs'* report, via a self-assessment within the Data Security and Protection Toolkit (DSPT).

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 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 two incidents to the Information Commissioner's Office (ICO) during 2022/23. Details of the incidents are:

The first breach occurred when the Trust had been impacted by the national Cyber Incident reported by a third-party supplier Advanced. Advanced have informed the Trust

they have reported this to the ICO. The Trust was specifically impacted by the unavailability of CareNotes, one of its software systems for the delivery of Child and Adolescent Mental Health Services (CAMHS). The ICO have now responded that the case is now closed, and no further action has been taken against the Trust due to no data being breached.

The second breach happened when a letter to young person was sent to both parents, the mother's address was included in the body of the letter, but there was a court order against the mother's address being disclosed to the father. The ICO have now responded that the case is now closed, and no further action has been taken against the Trust as the controls in place were assessed as being adequate.

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, which is aligned with the Trust's strategic goals and priorities, responding to external, internal, and cultural factors including market conditions which are currently (or anticipated) to impact on our workforce requirements. Its primary aim is to attract, develop and retain the best people in order to deliver outstanding care. The Workforce Strategy's key themes are outlined below, all of which contribute to safe, sustainable and effective staffing:

1. Resourcing

We maximise our workforce capacity for delivery of the best possible care, by fully exploring all options available to us.

2. Organisation Design

We know what workforce and what skills LCH needs to deliver the best possible care, now and in the future; and take action to enable its delivery.

3. Leadership

LCH managers are consistently inclusive, capable, put people before process and are aligned with LCH values. We support our existing and aspiring leaders to achieve this.

4. Inclusion

We are much more representative of our communities. Disparities in employee experience have substantially reduced; with any remaining disparity actively tackled.

5. Wellbeing

We look after our people through improved psychological, physical and financial wellbeing; leading to best-ever attendance, capability and satisfaction.

6. System Partner

We enable further successful integration and joint working for services and clinical pathways. We feel and act as part of #TeamLeeds.

7. Foundations

We provide excellent workforce and HR services to our customers, in support of the provision of outstanding care.

Progress on delivery of the Workforce Strategy's priorities is overseen by the Board, with the Business Committee providing additional scrutiny and assurance.

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 Executive Director of Nursing and Allied Health Professionals, 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.

Workforce data is an important part of the Trust's business continuity approach, with daily, real-time workforce and capacity information informing decision making and planning.

Triangulation of data including financial, workforce and activity / performance information, takes place at the Senior Management Team meeting and at the Board and its subcommittees' meeting, to ensure comprehensive oversight of staffing and any issues arising.

Our services grow and develop 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.

NHS pension obligations

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.

The Board receives in-depth analysis and updates on a range of proactive work around this wider agenda through the Workforce Strategy. This includes delivery against the Workforce Race Equality Standard (WRES) action plan and the Workforce Disability Equality Standard (WDES) Action Plan. The Equality, Diversity and Inclusion Forum, which is chaired by the Trust's Chair, continues to bring employee perspectives, experiences and ideas in pursuit of our ambition to be much more representative of our communities and to further tackle and reduce outstanding issues of disparity in staff experience. The Trust also has two staff networks: the Disability/Long-Term Conditions Staff Network and the Race Equity Network.

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

The Trust has consistently met the financial targets set by its regulators.

The Board sets an annual budget to meet the Trust's financial obligations. For 2022/23 revenue and capital resources were agreed between the Trust and its commissioners enabling the Board to agree a budget to deliver balance revenue and capital plans. The revenue plan was subsequently amended to a £1,042,000 surplus by agreement with the West Yorkshire ICS following receipt of additional resources.

Throughout the year the Trust worked in collaboration with partner organisations in Leeds and across the West Yorkshire ICS to ensure that best use was made of NHS resources.

The Trust maintained its financial governance arrangements throughout 2022/23 with the Business Committee and Board continuing to receive financial reports at each of their meetings, and the Audit Committee receiving assurances on financial governance from management, internal and external auditors.

The Trust has a 'use of resources' metric of 1, which means it has a low risk.

During 2022/23, as the Trust achieved its financial targets the level of efficiency required was delivered. The Trust's external auditors are required to provide a Value for Money conclusion each year.

For 2022/23 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 2023.

The effectiveness of the Trust's services is regularly assessed by the Trust's Quality Committee and by the Board.

Sustainability

Following the approval of the Trust's Green Plan in 2022, there has been a period of time where services have started to return to normal pre COVID-19 practice, and this is reflected in the Trust's carbon emissions, particularly around staff travel.

Following a similar pattern to last year, with quarter four end of year procurement and higher energy usage reflected in higher carbon emissions. Overall, the trend year on year is a rising amount of emissions, so even though a number of sustainable plans have already been introduced, the Trust will need to significantly increase the number and size of sustainability projects over the next five years to keep in line with the trajectory to be net zero by 2045.

NHS England continue to performance manage all trusts on a quarterly basis and this year there have been additional questions around including social value/ sustainability into major procurement decisions and climate adaptability plans. The Trust will need to incorporate this work into existing plans.

The Trust has also worked with regional colleagues and the Anchor Institutions in Leeds in further understanding how all partners can work better together on improving sustainability plans beyond organisational boundaries.

The four key areas of sustainability activity in the Trust continues to be within estate, travel, waste and procurement:

Estates

Despite the continuing rise in energy prices, the Trust has continued to use green energy tariffs for all electricity usage. Efforts to reduce energy usage have been continuous including switch off campaigns, bulb replacements and infra-red lighting schemes.

The Trust completed the modernisation of Seacroft Clinic, which incorporates a range of energy saving features. New national guidance has been received on the sustainability standards required for future redevelopment/building schemes which will help the Trust in its future planning.

A trial of 'no mowing' of lawns has begun at three sites, with the aim of encouraging more wildlife in the grounds of some of our sites.

External consultants were commissioned this year to undertake heat decarbonisation studies of all Trust owned buildings. These detailed reports will further help the Trust decide which buildings can redeveloped in line with the new guidance to help us achieve net zero.

Travel

Recognising that the vast majority of staff travel in the Trust is conducted in staff owned cars, a major effort was put in to publicise and make the lease car and salary sacrifice scheme more accessible and affordable. The mileage eligibility for the lease car scheme has been reduced to a maximum of 1,000 miles and the employer national insurance savings have been released back to staff to reduce lease costs. Increasing staff usage of these two schemes will ensure that a greater number of people are using low emission vehicles.

During the next 12 months the focus will shift to active travel, to support staff wanting to walk/cycle to work, as well as supporting a growing number of electric vehicles.

Waste

There have been few changes in the waste provision in the Trust, though a food waste trial at Trust head office has been extended. Recycling of batteries has also been trialled at some sites during 2022/23.

In 2023 all waste contracts will be retendered, with a focus on sustainability good practice.

Procurement

A project group was established with Leeds and York Partnership NHS Foundation Trust to work jointly on sustainable procurement. Initial plans will focus on stock management/ waste reduction, an electronic catalogue and social value/sustainability requirements in procurement exercises.

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 separate report and describes 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 that 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. The Quality Account highlights 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 seeks to provide a balanced view of the Trust's achievements and areas for improvement. 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.

Internal audit

Audit Yorkshire has been the provider of the Trust's internal audit services since 1 April 2022. The Head of Internal Audit has provided an opinion which concludes that for the areas reviewed during the year, significant assurance can be given that there is a good system of governance, risk management and internal control designed to meet the organisation's objectives and that controls are generally being applied consistently.

This opinion is based solely on the matters that came to the attention of Audit Yorkshire during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Leeds Community Healthcare NHS Trust from its various sources of assurance.

A range of individual opinions arising from risk-based audit assignments, contained within risk-based plans have been reported throughout the year: To date, internal audit has issued two high assurance opinions, 11 significant assurance opinions, four limited assurance opinions, 0 low assurance opinions, and one review without an assurance rating (as a rating was not required).

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 2022/23, the Trust participated in 100% of national clinical audits and 100% of national confidential enquiries that it was eligible to participate in, as well as completing locally determined clinical audits. More information about these is in our Quality Account (separate document).

CQC compliance

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

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 takes 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 2022/23, no significant control issues have been identified by the Trust's systems of internal control.

Signed ..... **Thea Stein**, Chief Executive

Date 28 June 2023 .....

Remuneration and Staff Report

Senior managers' remuneration (audited)

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.

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.

Expenses payments related to benefit in kind payments.

	2022 / 2023						2021 / 2022					
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**
Thea Stein – Chief Executive	155 - 160	0	-	-	-	155 - 160	150 - 155	0	-	-	-	155 - 160
Bryan Machin – Executive Director of Finance and Resources	125 - 130	0	-	-	-	125 - 130	120 - 125	-	-	-	-	120 - 125
Ruth Burnett – Executive Medical Director	105 - 110	-	-	-	27.5 - 30	135 - 140	100 - 105	-	-	-	25 - 27.5	125 - 130
Stephanie Lawrence – Executive Director of Nursing and Allied Health Professionals	80 -85	6,100	-	-	25 - 27.5	110 -115	80 -85	6,100	-	-	47.5 - 50	130 - 135
Samantha Prince – Executive Director of Operations	110 - 115	-	-	-	-	110 - 115	110 - 115	-	0 - 5	-	-	115 - 120
Jennifer Allen – Director of Workforce, OD and System Development	50 - 55	-	-	-	15 - 17.5	70 - 75	50 -55	-	-	-	27.5 - 30	80 -85
Laura Smith – Director of Workforce, OD and System Development	50 - 55	-	-	-	15 - 17.5	70 - 75	50 - 55	-	-	-	32.5 - 35	85 - 90
Brodie Clark CBE – Chair	40 - 45	0	-	-	-	40 - 45	35 - 40	0	-	-	-	40 - 45
Richard Gladman – Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-	10 - 15

	2022 / 2023						2021 / 2022					
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**
Ian Lewis – Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-	10 - 15
Alison Lowe – Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-	10 - 15
Helen Thomson – Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-	10 - 15
Khalil Rehman – Associate Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-	10 - 15
Rachel Booth – Associate Non-Executive Director	10 - 15	-	-	-	-	10 - 15	10 - 15	-	-	-	-	10 - 15

Total remuneration for senior managers with shared responsibilities

	2022 / 2023						2021 / 2022					
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**
Ruth Burnett – Executive Medical Director	130 - 135	-	-	-	35 - 37.5	170 - 175	130 - 135	-	-	-	30 - 32.5	160 -165
Stephanie Lawrence – Executive Director of Nursing and Allied Health Professionals	100 - 105	7,700	-	-	30 - 32.5	140 - 145	100 - 105	7,700	-	-	57.5 - 60	165 - 170
Jennifer Allen – Director of Workforce, OD and System Development	60 - 65	-	-	-	17.5 - 20	80 - 85	60 - 65	-	-	-	35 - 37.5	95 - 100
Laura Smith – Director of Workforce, OD and System Development	65 - 70	-	-	-	17.5 - 20	85 - 90	60 - 65	-	-	-	35 - 37.5	100 - 105

Pension details for senior managers (audited)

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 2023 (bands of £5,000) £'000	Lump sum at pensionable age related to accrued pension at 31 March 2023 (bands of £5,000) £'000	Cash Equivalent Transfer Value at 1 April 2023 £'000	Real increase in Cash Equivalent Transfer Value £'000	Cash Equivalent Transfer Value at 31 March 2023 £'000	Employer's contribution to stakeholder pension £'000
Jennifer Allen – Director of Workforce, OD and System Development	0 - 2.5	0 - 2.5	25 - 30	40 - 45	369	16	404	0
Ruth Burnett – Executive Medical Director	2.5 - 5	0 - 2.5	20 - 25	30 - 35	267	15	315	0
Stephanie Lawrence – Executive Director of Nursing and Allied Health Professionals	0 - 2.5	0 - 2.5	35 - 40	80 - 85	662	34	730	0
Laura Smith – Director of Workforce, OD and System Development	0 - 2.5	0 - 2.5	25 - 30	55 - 60	419	18	459	0

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 2008 number 1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

Cash Equivalent Transfer Value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

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).

Payments to past directors

There have been no payments made to past directors.

Fair pay disclosures

Reporting bodies are required to disclose the relationship between the remuneration and salary of the highest paid director in their organisation and the median and 25th and 75th percentiles remuneration and salary of the organisation's workforce.

Total remuneration used here includes gross pay plus all direct payments (taxable or not) this includes salary, non-consolidated performance related pay, clinical excellence awards, on-call payments, benefits-in-kind and all re-imbursed expenses. It does not include severance payments, employer pension contributions or cash equivalent transfer value of pensions.

Range of remuneration

During 2022/23 the Trust's staff were paid annualised salaries ranging from £14,482 to £191,233. The Trust's highest paid director was the Chief Executive Officer whose salary was £156,086; In total four medical members of staff earned more than the CEO on an annualised basis in 2022/23, four substantive members.

Percentage Changes	2022/2023		2021/2022	
	Salary and allowances	Performance related pay and bonus	Salary and allowances	Performance related pay and bonus
Highest paid Director	3%	0%	0%	0%
Other employees	4.7%	0%	6.8%	36.2%

The highest paid director received a 3% pay award but did not receive a performance related bonus in 2022/23. No member of staff received a performance bonus in 2022/23. In 2021/22 one member of staff received a performance related bonus, awarded under the VSM pay scheme. The small number of transactions has resulted in a large percentage increase; the actual change in bonus payments was £1,457.

The total annualised remuneration and salaries for the Trust's staff including agency was as tabled below.

2022/2023	25th percentile	Median	75th percentile
Total Renumeration (£)	28,436	37,129	46,638
Salary component of total remumeration (£)	28,436	37,129	46,638
Pay ratio information	5.5:1	4.2:1	3.4:1

2021/2022	25th percentile	Median	75th percentile
Total Renumeration (£)	25,103	33,256	42,121
Salary component of total remumeration (£)	24,882	33,960	42,121
Pay ratio information	6.0:1	4.6:1	3.6:1

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director / member in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration is further broken down to show the relationship between the highest paid director's salary component of their total remuneration against the 25th percentile, median and 75th percentile of salary components of the organisation's workforce.

The banded remuneration of the highest paid director / member in Leeds Community Healthcare NHS Trust in the financial year 2022/23 was £155k - £160k (2021/22, £150k - £155k). The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

Year	25th percentile pay ratio		Median pay ratio		75th percentile pay ratio	
	Total remuneration	Salary	Total remuneration	Salary	Total remuneration	Salary
2022/23	5.5:1	5.5:1	4.2:1	4.2:1	3.4:1	3.4:1
2021/22	6.0:1	6.1:1	4.6:1	4.5:1	3.6:1	3.6:1

The salary of the Chief Executive Officer was 5.5 times more than the employee who was paid the 25th percentile point in 2022/23; the median ratio is 4.2 times more than the employee in this position and 3.4 times more than the 75th percentile employee. The total remuneration includes all payments such as travel expenses not just salary; these ratios are very similar for both measures. The ratios between the highest paid director and other staff have reduced for all categories between 2021/22 and 2022/23. The reduction was due to a senior management pay freeze. The majority of staff in the Trust received a pay increase in 2022/23.

Staff Report

Staff costs and numbers including senior officers (audited)

Staff costs	2022/23			2021/22		
	Permanent £k	Other £k	Total £k	Permanent £k	Other £k	Total £k
Salaries and wages	110,497	6,881	117,378	97,844	6,152	103,996
Social security costs	11,808	349	12,157	9,872	273	10,145
Apprenticeship levy	546	16	562	485	13	498
Employer's contributions to NHS pensions	19,054	305	19,359	18,413	223	18,636
Pension cost - other	98	3	101	74	2	76
Other post employment benefits	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0
Termination benefits	245	0	245	35	0	35
Temporary staff	0	4,213	4,213	0	3,599	3,599
Total gross staff costs (including seconded out)	**142,248**	**11,767**	**154,015**	**126,723**	**10,262**	**136,985**
Of which: Costs capitalised as part of assets	**57**	**0**	**57**	**407**	**0**	**407**

Average staff numbers in post by occupation groupings (audited)

Average number of employees (WTE basis)	2022/23			2021/22		
	Permanent Number	Other Number	Total Number	Permanent Number	Other Number	Total Number
Medical and dental	50	24	74	50	32	82
Administration and estates	812	40	852	764	48	812
Healthcare assistants and other support staff	553	25	578	554	20	574
Nursing, midwifery and health visiting staff	854	44	898	875	48	923
Nursing, midwifery and health visiting learners	10	0	10	14	0	14
Scientific, therapeutic and technical staff	531	27	558	539	21	560
Healthcare science staff	0	0	0	0	0	0
Other	49	0	49	44	0	44
Total average numbers	**2,859**	**160**	**3,019**	**2,840**	**169**	**3,009**
Of which: Number of employees (WTE) engaged on capital projects	**1**	**0**	**1**	**7**	**0**	**7**

Gender composition

Role	Gender	Headcount	%	FTE
Directors	Female	21	0.61%	19.04
	Male	6	0.18%	5.07
Employees	Female	2918	85.42%	2453.37
	Male	471	13.79%	434.94
	Total	3416	100%	2912.42

Staff turnover

Staff Turnover Rate metric shows the proportion of leavers against an average headcount over a defined period. The below table shows the overall headcount and the number of leavers each month, also the turnover rate over a rolling 12-month period as indicated by the '12m'.

More information about our workforce statistics, including staff turnover, can be found on NHS Digital's website at:

NHS Workforce Statistics, January 2023 - NDRS (digital.nhs.uk) https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/january-2021

The series is an official statistics publication complying with the UK Statistics Authority's Code of Practice.

	2022									2023		
Month	**04**	**05**	**06**	**07**	**08**	**09**	**10**	**11**	**12**	**01**	**02**	**03**
Headcount	3,248	3.237	3,231	3,257	3,260	3,281	3,271	3,347	3,333	3,383	3,396	3,418
Leavers Headcount	44	38	39	43	42	41	42	29	36	32	25	48
Starters Headcount	44	30	39	67	49	72	46	97	32	83	51	65
Turnover Rate (Headcount)	1.32 %	1.14 %	1.17 %	1.29 %	1.26 %	1.23 %	1.26 %	0.87 %	1.08 %	0.96 %	0.75 %	1.44 %
Turnover Rate (12m)	15.35 %	15.30 %	15.38 %	15.50 %	15.21 %	14.94 %	14.44 %	14.57 %	14.70 %	14.04 %	13.98 %	13.77 %

Engagement

In the National Staff Survey staff engagement is measured across three subscores motivation, involvement and advocacy.

Overall staff engagement is measured as an average across these three scores. Staff engagement scores fall between 0 and 10, where the higher the score, the more engaged the staff.

	Engagement 2020	Engagement 2021	**Engagement 2022**	Morale 2020	Morale 2021	**Morale 2022**
LCH	7.2	6.9	**7.1**	6.0	5.8	**5.9**

The Trust maintained or slightly improved both engagement and morale scores. The engagement score is significant as there are correlations between staff engagement, patient experience and patient outcomes. For this reason, it is used to compare each NHS Trust with others and is used by the CQC in their Well-Led assessments. Our scores for engagement and morale are in line with the sector benchmarks and are stable year on year. In terms of morale our Nursing and Allied Health Professional groups continue to be the most impacted with scores of 5.5 (2021 - 5.5) and 5.7 (2021 - 5.6) respectively.

Expenditure on consultancy

The Trust has no spend on consultancy services during 2022/23 (2021/22 £70k spend).

Off-payroll engagements

The Trust had the following off-payroll engagements as of 31 March 2023, that were for more than £245 per day and where engagement was for six months or more. The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.

Length of all highly paid off-payroll engagements

Number of existing engagements as of 31 March 2023	15
Of which, the number that have existed:	
For less than one year at the time of reporting	6
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	8

Nine of the off-payroll appointments relate to forensic medical examiners and six are individuals who provide clinical supervision to some of our senior clinical staff. Given the nature of the individual's work the off-payroll arrangements give the Trust the best value for money.

Off-payroll workers engaged at any point during the financial year

The Trust must also disclose how many off-payroll contractors who worked for the Trust at any time during 2022/23 where the earnings were £245 or more per day, this picks up all agency staff who are employed by and on the payroll of an umbrella company.

For all off-payroll engagements between 1 April 2022 and 31 March 2023, for more than £245 per day:

Number of temporary off-payroll workers engaged between 1 April 2022 and 31 March 2023	45
Of which:	
Number not subject to off-payroll legislation*	34
Number subject to off-payroll legislation and determined as in-scope of IR35*	0
Number subject to off-payroll legislation and determined as out of scope of IR35*	11
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which, number of engagements that saw a change to IR35 status following review	0

*A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Department must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

The Trust is required to disclose how many members of the Board or those with significant financial responsibility have been subject to off-payroll arrangements during the financial year 2022/23.

Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed 'Board members, and/or, senior officials with significant financial responsibility' during the financial year. This figure must include both on payroll and off-payroll engagements	14

Reporting on time off for Trade Union facility time

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	10
Full-time equivalent employee number	8.19

Percentage of time spent on facility time: How many of your employees who were relevant union officials employed during the relevant period spent:

a) 0%,

b) 1%-50%,

c) 51%-99%

or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	0
1-50%	10
51%-99%	0
100%	0

Percentage of pay bill spent on facility time: Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

Pay bill spend	Figuress
Provide the total cost of facility time	£55,880.77
Provide the total pay bill	£153,633,000.00
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x100	0.036%

Paid trade union activities: As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

(Total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x100 **= 12.65%**

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.

2022/2023

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
Less than £10,000	1	0	1
Total number	1	0	1
Total cost (£)	**9,727**	**0**	**9,727**

2021/2022

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
Total number	1	0	1
Total cost (£)	**17,051**	**0**	**17,051**

Compensation payments for loss of office

Redundancy and other departure costs have been paid in accordance with the provisions of Section 16 of the Agenda for Change Handbook.

Exit packages: other (non-compulsory) departure payments	2022/2023		2021/2022	
	Payments agreed	Salary	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	0	0	0	0
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval	0	0	0	0
Total	0	0	0	0
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	0	0	0	0

Staff sickness

The table below illustrates a total number of days lost through sickness absence across the calendar year. These figures are supplied to the Trust by the Department of Health and Social Care. This is to make sure a standard approach is taken and so that figures can be compared across NHS organisations.

Calendar year	Average FTE*	Adjusted FTE days lost to Cabinet Office definitions	Average sick days per FTE	FTE days available	FTE days recorded sickness absence	Sickness absence rate
2022	2,822	45,437	16.1	1,029,957	73,709	7.2%
2021	2,840	37,860	13.3	1,036,484	61,417	5.9%

Source: NHS Digital – Sickness Absence and Workforce Publications, based on data from the ESR Data Warehouse. Periods covered: January to December 2021 and January to December 2020

Data items: ESR does not hold details of the planned working/non-working days for employees, so days lost and days available are reported based upon a 365-day year.

For the Annual Report and Accounts the following figures are used:

The number of FTE days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.

The number of FTE days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

The average number of sick days per FTE has been estimated by dividing the FTE Days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

Signed ..... **Thea Stein,** Chief Executive

Date 28 June 2023

Parliamentary Accountability and Audit Report

We disclose the mandated content (fees and charges, remote contingent liabilities, losses and special payments and gifts) in the accounts.

Leeds Community Healthcare NHS Trust

Annual accounts for the year ended 31 March 2023

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

28th June 2023 Chief Executive

28th June 2023 Executive Director of Finance and Resources

Independent auditor's report to the Directors of Leeds Community Healthcare NHS Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Leeds Community Healthcare NHS Trust ('the Trust') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2022/23 as contained in the Department of Health and Social Care Group Accounting Manual 2022/23, and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to NHS Trusts in England.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2022/23; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, and taking into account the requirements of the Department of Health and Social Care Group Accounting Manual, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Directors and the Accountable Officer for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The Directors are required to comply with the Department of Health and Social Care Group Accounting Manual 2022/23 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another public sector entity. The Directors are responsible for assessing each year whether or not it is appropriate for the Trust to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

As explained in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust, the Accountable Officer is responsible for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Accountable Officer is responsible for ensuring that the financial statements are prepared in a format directed by the Secretary of State.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material

misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accountable Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions and the risk of fraud in revenue and expenditure recognition.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud;
- addressing the risks of fraud through management override of controls by performing journal entry testing, testing of accounting estimates, and consideration of any significant transactions outside the normal course of business; and
- addressing the risk of fraud through revenue and expenditure recognition by testing a sample of income and expenditure transactions around the year-end, testing year end accruals, and reviewing intra-NHS reconciliations provided by the Department of Health and Social Care.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in April 2021.

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

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

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in January 2023, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2023.

We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Accountable Officer

As explained in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust, the Accountable Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 21 of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Accounts Direction made under the National Health Service Act 2006; and

- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the guidance issued by NHS England; or
- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act; or
- we issue a report in the public interest under section 24 and schedule 7(1) of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 and schedule 7(2) of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Board of Directors of Leeds Community Healthcare 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 Directors of the Trust 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 Directors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources.

Alastair Newall, Key Audit Partner
For and on behalf of Mazars LLP

One St Peter's Square
Manchester
M2 3DE

29 June 2023

Audit Completion Certificate issued to the Directors of Leeds Community Healthcare NHS Trust for the year ended 31 March 2023

In our auditor's report dated 29 June 2023 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness is its use of resources.

This work has now been completed.

No matters have come to our attention since 29 June 2023 that would have a material impact on the financial statements on which we gave our unqualified opinion.

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

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in January 2023, we have nothing to report in this respect.

Certificate

We certify that we have completed the audit of Leeds Community Healthcare NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Alastair Newall, Key Audit Partner
For and on behalf of Mazars LLP

One St Peter's Square
Manchester
M2 3DE

7 September 2023

Statement of Comprehensive Income

	Note	2022/23 £000	2021/22 £000
Operating income from patient care activities	3.1	205,467	183,688
Other operating income	4	13,065	11,862
Operating expenses	6, 9	(219,779)	(194,681)
Operating surplus / (deficit) from continuing operations		**(1,247)**	**869**
Finance income	10	943	22
Finance expenses	11	(563)	-
PDC dividends payable		(396)	(402)
Net finance costs		**(16)**	**(380)**
Other gains / (losses)	12	1	3
Surplus / (deficit) for the year		**(1,262)**	**492**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	1,732	-
Total comprehensive income / (expense) for the period		**470**	**492**

Adjusted financial performance (control total basis)

	2022/23 £000	2021/22 £000
Surplus / (deficit) for the period	(1,262)	492
Remove net impairments not scoring to the Departmental expenditure limit	2,289	-
Remove I&E impact of capital grants and donations	15	15
Adjusted financial performance surplus / (deficit)	**1,042**	**507**

Statement of Financial Position

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	13	116	171
Property, plant and equipment	14	33,540	32,234
Right of use assets	16.1	56,464	-
Receivables	17	20	30
Total non-current assets		**90,140**	**32,435**
Current assets			
Receivables	17	14,002	6,816
Cash and cash equivalents	18	41,206	39,459
Total current assets		**55,208**	**46,275**
Current liabilities			
Trade and other payables	19	(26,640)	(16,968)
Borrowings	21	(6,214)	-
Provisions	22	(602)	(367)
Other liabilities	20	(1,050)	(1,276)
Total current liabilities		**(34,506)**	**(18,611)**
Total assets less current liabilities		**110,842**	**60,099**
Non-current liabilities			
Borrowings	21	(50,283)	-
Provisions	22	(20)	(30)
Total non-current liabilities		**(50,303)**	**(30)**
Total assets employed		**60,539**	**60,069**
Financed by			
Public dividend capital		778	778
Revaluation reserve		15,914	14,182
Income and expenditure reserve		43,847	45,109
Total taxpayers' equity		**60,539**	**60,069**

The notes on pages 92 to 138 form part of these accounts.

Signed 

Name Thea Stein

Position Chief Executive

Date 28th June 2023

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2022 - brought forward	**778**	**14,182**	**45,109**	**60,069**
Surplus / (deficit) for the year	-	-	(1,262)	**(1,262)**
Impairments	-	1,732	-	**1,732**
Taxpayers' equity at 31 March 2023	**778**	**15,914**	**43,847**	**60,539**

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2021 - brought forward	**778**	**14,182**	**44,617**	**59,577**
Surplus / (deficit) for the year	-	-	492	**492**
Impairments	-	-	-	**-**
Taxpayers' equity at 31 March 2022	**778**	**14,182**	**45,109**	**60,069**

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 and Social Care as the public dividend capital.

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.

Other reserves
Leeds Community Healthcare NHS Trust does not hold a financial assets (available for sale) reserve, a merger reserve or any other reserves not specifically included in the taxpayers' equity.

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

Statement of Cash Flows

	Note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(1,247)	869
Non-cash income and expense:			
Depreciation and amortisation	6	8,587	1,934
Net impairments	7	2,289	-
(Increase) / decrease in receivables and other assets		(7,244)	(1,205)
Increase / (decrease) in payables and other liabilities		10,303	2,123
Increase / (decrease) in provisions		225	(1,372)
Net cash flows from / (used in) operating activities		**12,913**	**2,349**
Cash flows from investing activities			
Interest received		943	22
Purchase of PPE and investment property		(4,635)	(1,996)
Sales of PPE and investment property		-	5
Net cash flows from / (used in) investing activities		**(3,692)**	**(1,969)**
Cash flows from financing activities			
Capital element of lease liability repayments		(6,399)	-
Interest element of lease liability repayments		(563)	-
PDC dividend (paid) / refunded		(512)	(540)
Net cash flows from / (used in) financing activities		**(7,474)**	**(540)**
Increase / (decrease) in cash and cash equivalents		**1,747**	**(160)**
Cash and cash equivalents at 1 April - brought forward		**39,459**	**39,619**
Cash and cash equivalents at 31 March	18	**41,206**	**39,459**

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 2022/23 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 financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

Leeds Community Healthcare NHS Trust Board specifically considered the matter of going concern at its Board meeting on 31 March 2023. The Trust Board concluded that after considering the matters in the paper and having an awareness of all relevant information, that there are no material uncertainties related to events or conditions which may cast significant doubt on 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. Leeds Community Healthcare NHS Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

Leeds Community Healthcare NHS Trust provides the following services as lead provider. The contract income flows to the Trust and the relevant partner recharges expenditure associated with the provision of the service. Leeds Community Healthcare NHS Trust distributes a share of any profit or loss to the relevant partner.

Sexual health services - Partner: Leeds Teaching Hospitals NHS Trust

Forensic child and adolescent mental and physical health services - Partner: South West Yorkshire Partnership NHS Foundation Trust

Leeds mental wellbeing service - Partners: Leeds and York Partnership NHS Foundation Trust, Northpoint, Touchstone, Community Links, Leeds GP Confederation, Women's Counselling Service and Homestart Leeds

Court liaison and diversion services - Partner: Community Links

Weight management services - Partners: Leeds Teaching Hospitals NHS Trust and Leeds and York Partnership NHS Foundation Trust

Leeds Community Healthcare NHS Trust provides a community care beds service under a joint operation with Leeds City Council. The Trust is the lead provider and contract income flows to the Trust. Leeds City Council recharges expenditure associated with the service. The total cost of this service is recognised by Leeds Community Healthcare NHS Trust.

Leeds Community Healthcare NHS Trust provides a 10 bed dementia service under a joint operation with Leeds City Council. Leeds City Council is the lead provider and contract income flows to them. Leeds Community Healthcare NHS Trust recharges expenditure associated with the service to Leeds City Council.

NHS Charitable Fund

Leeds Community Healthcare NHS Trust is the Corporate Trustee to the Leeds Community Healthcare Charitable Trust. 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.

Leeds Community Healthcare Trust has decided not to consolidate the charitable funds into these accounts as the transactions and balances 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.

Revenue from NHS contracts

The main source of income for Leeds Community Healthcare NHS Trust is contracts with commissioners for health care services and is in the form of aligned payment and incentive contracts, the main form of contracting between NHS providers and their commissioners for 2022/23. The Trust agreed fixed element payments with commissioners, based on funding for an agreed level of activity. The fixed element also included CQUIN funding of 1.25% of the contract value.

In addition a revised process for Integrated Care Boards (ICBs) and Trusts was implemented from 1 April 2022 to streamline the financial processes for managing low volume activity (LVA) flows from ICBs to Trusts in other systems. The LVA payments schedule was provided nationally and identified those relationships where, on the basis of historical activity, the annual value of activity between the ICB and the Trust for 2022/23 is expected to be below £500,000.

2022/23 contracts were signed by Clinical Commissioning Groups (CCGs) and on ICB establishment, signed contracts were transferred from CCGs to ICBs under the nationally arranged transfer schemes provided for in the Health and Care Bill.

2022/23 quarter one contract income payments were paid by Clinical Commissioning Groups (CCGs) and quarters two to four were paid by ICBs. The related performance obligations are the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

In addition the Trust received additional non recurrent income during the financial year to reimburse specific costs incurred.

Revenue from non-NHS contracts

Revenue is recognised by Leeds Community Healthcare NHS Trust from non-NHS commissioners for health care services under IFRS 15. The revenue is recognised as and when performance obligations are satisfied.
The performance obligation relating to the delivery of the health care is satisfied over the time the healthcare is received and consumed simultaneously by the customer, as the Trust performs it. At the year end, the Trust accrues income relating to activity delivered in that year.

Where Leeds Community Healthcare NHS 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.

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 grant 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 Leeds Community Healthcare NHS 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 of the benefit.

Other income

Within the other income category, Leeds Community Healthcare NHS Trust includes any income recieved in the period not identified seperately. It includes catagories such as rental income, recruitment support, joint project income, lease car income and employee salary sacrifice VAT 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 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 a cost of at least £5,000, or
• collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, have 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 the criteria in IFRS 5 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 and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ‘held for sale’ and instead is retained as an operational asset and the asset’s 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.

This includes assets donated to the Trust by the Department of Health and Social Care or NHS England as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year end.

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
Buildings, excluding dwellings	5	90
Plant & machinery	5	10
Information technology	5	5
Furniture & fittings	10	10

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. Revaluation 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
Software licences	2	5

Note 1.10 Inventories

Leeds Community Healthcare NHS Trust does not hold inventories and the cost of inventory items are expensed through the income and expenditure account.
During 2022/23 Leeds Community Healthcare NHS Trust received inventories including personal protective equipment from the Department of Health and Social Care. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at an estimated cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.11 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 1.12 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 the 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 are categorised according to the business model and cash flows, as either amortised cost, fair value through OCI or fair value through profit and loss. 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 leasing arrangements 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 as a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, Leeds Community Healthcare NHS 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 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).

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at ‘fair value through profit and loss’, require an allowance for an expected credit loss. Lifetime credit losses are recognised if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset and that have an impact on the estimated future cash flows of the asset. However NHS bodies are not allowed to recognise any impairments against intra-DHSC balances as it is expected that they will be recoverable, therefore no lifetime credit losses are made against NHS bodies.

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 1.13 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. Leeds Community Healthcare NHS Trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as a lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, Leeds Community Healthcare NHS Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments include fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

Leeds Community Healthcare NHS Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, Leeds Community Healthcare NHS Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

Leeds Community Healthcare NHS Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

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

Income from operating leases is recognised on a straight-line basis or another systematic 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.

Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the Statement of Financial Position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying asset has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line or other systematic basis.

Note 1.14 Provisions

Leeds Community Healthcare NHS 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 from 31 March 2023:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-term	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
Very long-term	Exceeding 40 years	3.00%	0.66%

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 from 31 March 2023:

	Inflation rate	Prior year rate
Year 1	7.40%	4.00%
Year 2	0.60%	2.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which Leeds Community Healthcare NHS 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 22.1 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

Leeds Community Healthcare NHS 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 1.15 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 Leeds Community Healthcare NHS Trust's control) are not recognised as assets, but are disclosed in note 36 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 23, 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 1.16 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, Leeds Community Healthcare NHS Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by Leeds Community Healthcare NHS 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, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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 the audit of the annual accounts.

Note 1.17 Value added tax

Most of the activities of Leeds Community Healthcare NHS 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 1.18 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 1.18 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

Note 1.19 Standards, amendments and interpretations in issue but not yet effective or adopted

There are no new standards in issue that are due to be effective or adopted.

Note 1.20 Critical judgements in applying accounting policies

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

In line with IFRS 9 Financial Instruments, Leeds Community Healthcare NHS 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.

Leeds Community Healthcare NHS Trust has had to estimate its irrecoverable debt value using the matrix for 2022/23, as disclosed in note 26.3.

As part of the adoption of IFRS 16, Leeds Community Healthcare NHS Trust reviewed all leases to determine whether a revaluation model or cost model would be used as a basis for valuing property leases. On review, it was determined that the property leases are subject to regular rent reviews throughout the lease term, based on the Retail Prices Index (RPI) and market conditions. As the rental values are regularly updated to account for market conditions, the Trust has applied the cost model when accounting for the property leases under IFRS16.
IFRS 16 has been applied to all leases held by the Trust with a length of over 12 months and over £5k in value.

Note 1.21 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 for Leeds Community Healthcare NHS Trust;

Property Valuation and Asset Lives

Valuations have been undertaken by Leeds Community Healthcare NHS Trust's expert independant valuer, the District Valuer, part of the Valuation Agency Office, as at 31st March 2023 on a current value in existing use basis. The land and building valuations are based on the Royal Institution of Chartered Surveyors valuation standards insofar as these are consistent with the requirements of HM Treasury and the Department of Health and Social Care. These valuations will therefore be subject to changes in market conditions and market values. As part of this valuation the asset lives are also estimated by the District Valuer and are subject to professional judgement.

The District Valuer has valued estate on the 31st March as £29,239k, with Land being £9,518k and Buildings £19,720k

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)

	2022/23	2021/22
	£000	£000
Mental health services		
Income from commissioners under aligned payment and incentive contracts*	27,602	-
Services delivered under a mental health collaborative	183	89
Community services		
Income from commissioners under aligned payment and incentive contracts**	134,501	147,319
Income from other sources (eg local authorities)	30,586	30,255
All services		
Agenda for change pay award central funding***	6,291	-
Additional pension contribution central funding****	5,894	5,656
Other clinical income	410	369
Total income from activities	**205,467**	**183,688**

* Mental health services income has been identified within the 2022/23 contract. In 2021/22 mental health services income was included within Community Services income as part of the block contract arrangement.

** Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners.

*** 'In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

**** The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have 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)

	2022/23	2021/22
Income from patient care activities received from:	**£000**	**£000**
NHS England	22,603	14,353
Clinical Commissioning Groups	36,180	138,990
Integrated Care Boards	115,505	-
Other NHS providers	593	178
Local Authorities	29,500	29,041
Non NHS: other	1,086	1,126
Total income from activities	**205,467**	**183,688**
Of which:		
Related to continuing operations	205,467	183,688

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)
Leeds Community Healthcare NHS Trust has made no charges relating to patients who are overseas visitors.

Note 4 Other operating income

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	347	-	**347**	324	-	**324**
Education and training	4,111	426	**4,537**	3,071	224	**3,295**
Non-patient care services to other bodies	58	-	**58**	325	-	**325**
Reimbursement and top up funding	220	-	**220**	1,056	-	**1,056**
Income in respect of employee benefits accounted on a gross basis	3,186	-	**3,186**	3,117	-	**3,117**
Charitable and other contributions to expenditure *	-	300	**300**	-	293	**293**
Revenue from operating leases	-	482	**482**	-	490	**490**
Other income **	3,935	-	**3,935**	2,962	-	**2,962**
Total other operating income	**11,857**	**1,208**	**13,065**	**10,855**	**1,007**	**11,862**
Of which:						
Related to continuing operations			13,065			11,862

* This is notional income in respect of protective personal equipment provided centrally by the Department of Health and Social Care to the Trust as part of the Covid-19 response.

** Other income totalled £3,935k; this includes £942k rental income, £574k Leeds and York Partnership NHS Foundation Trust contribution to the intergrated mental wellbeing service for Leeds, £561k for First Contact Practitioners working for GPs, £418k for Local Care Partnerships income to fund projects supporting the transformation of care pathway, £359k refund of salary sacrifice VAT to employees, £214k One Adoption funding, £282k recruitment support funding from NHS England, £169k lease car income, £151k Therapeutic Support for Leeds City Council and £265k various other income.

Note 4.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2022/23	2021/22
	£000	£000
Revenue recognised in the reporting period that was included in contract liabilities at	594	290

Note 5 Operating leases - Leeds Community Healthcare NHS Trust as lessor

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

Leeds Community Healthcare NHS Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

Note 5.1 Operating lease income

	2022/23	2021/22
	£000	£000
Lease receipts recognised as income in year:		
Minimum lease receipts	482	490
Total in-year operating lease income	**482**	**490**

Note 5.2 Future lease receipts

	31 March 2023
	£000
Future minimum lease receipts due at 31 March 2023:	
- not later than one year;	376
- later than one year and not later than two years;	327
- later than two years and not later than three years;	327
- later than three years and not later than four years;	327
- later than four years and not later than five years;	314
- later than five years.	358
Total	**2,029**

	31 March 2022
	£000
Future minimum lease receipts due at 31 March 2022:	
- not later than one year;	482
- later than one year and not later than five years;	1,381
- later than five years.	362
Total	**2,225**

Note 6 Operating expenses

	2022/23	2021/22
	£000	£000
Staff and executive directors costs	153,713	136,543
Remuneration of non-executive directors	128	128
Supplies and services - clinical (excluding drugs costs)	27,586	25,803
Supplies and services - general	6,991	6,646
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	1,006	928
Consultancy costs	-	70
Establishment	3,520	3,601
Premises	8,227	6,581
Transport (including patient travel)	1,827	1,427
Depreciation on property, plant and equipment and right of use assets	8,532	1,874
Amortisation on intangible assets	55	60
Net impairments	2,289	-
Movement in credit loss allowance: contract receivables / contract assets	65	(78)
Increase / (decrease) in other provisions	20	(86)
Fees payable to the external auditor - audit services - statutory audit *	68	68
Internal audit costs	100	98
Clinical negligence	578	445
Legal fees	142	70
Insurance	112	125
Research and development	109	5
Education and training	1,120	693
Expenditure on short term leases	540	-
Expenditure on low value leases	103	-
Operating lease expenditure**	-	7,112
Redundancy	245	35
Car parking and security	334	322
Hospitality	7	5
Losses, ex gratia and special payments	385	59
Other services (external payroll, purchasing, transactional financial services)	1,105	1,094
Other	872	1,053
Total	**219,779**	**194,681**
Of which:		
Related to continuing operations	219,779	194,681
Related to discontinued operations	-	-

* Includes VAT

All expenditure includes VAT where not recoverable

** Leeds Community Healthcare NHS Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 16.

Note 6.1 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2022/23 or 2021/22.

Note 7 Impairment of assets

	2022/23 £000	2021/22 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	2,289	-
Other	-	-
Total net impairments charged to operating surplus / deficit	**2,289**	**-**
Impairments charged to the revaluation reserve	(1,732)	-
Total net impairments	**557**	**-**

The impairment of assets is due to the full revaluation of Leeds Community Healthcare NHS Trust's estate undertaken by the District Valuer. Net impairments of £2,289k have been included in operating expenses during the year and the £1,732k impairment gain has been included in the revaluation reserve. The net impact on the value of assets was an overall reduction of £557k and was due to changes in market prices. Full details can be found in Note 15.

Note 8 Employee benefits

	2022/23 £000	2021/22 £000
Salaries and wages	117,378	103,996
Social security costs	12,157	10,145
Apprenticeship levy	562	498
Employer's contributions to NHS pensions	19,359	18,636
Pension cost - other	101	76
Termination benefits	245	35
Temporary staff (including agency)	4,213	3,599
Total gross staff costs	**154,015**	**136,985**
Recoveries in respect of seconded staff	-	-
Total staff costs	**154,015**	**136,985**
Of which		
Costs capitalised as part of assets	57	407

Note 8.1 Retirements due to ill-health

During 2022/23 there were 6 early retirements from Leeds Community Healthcare NHS Trust agreed on the grounds of ill-health (4 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £620k, calculated on an average basis and will be bourne by the NHS Pension Scheme (£316k in 2021/22).

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health 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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 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% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

Leeds Community Healthcare NHS Trust has incurred expenditure of £19,359k during the year in respect of contributions for employees under the NHS Pension scheme Future pensions costs are expected to be at the same contribution level of 20.6% .

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 Leeds Community Healthcare NHS 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).

Leeds Community Healthcare NHS Trust has incurred expenditure of £101k during the year in respect of contributions for employees under the NEST scheme.

Note 10 Finance income

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

	2022/23	2021/22
	£000	£000
Interest on bank accounts	943	22
Total finance income	**943**	**22**

Note 11 Finance expenditure

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

	2022/23	2021/22
	£000	£000
Interest expense:		
Interest on lease obligations	563	-
Total finance costs	**563**	**-**

Note 11.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

Leeds Community Healthcare NHS Trust has no expenditure in respect of late payments of commercial debts.

Note 12 Other gains / (losses)

	2022/23	2021/22
	£000	£000
Gains on disposal of assets	1	5
Losses on disposal of assets	-	(2)
Total gains / (losses) on disposal of assets	**1**	**3**
Other gains / (losses)	-	-
Total other gains / (losses)	**1**	**3**

Note 13 Intangible assets - 2022/23

	Software licences
	£000
Valuation / gross cost at 1 April 2022	**307**
Valuation / gross cost at 31 March 2023	**307**
Amortisation at 1 April 2022	**136**
Provided during the year	55
Amortisation at 31 March 2023	**191**
Net book value at 31 March 2023	**116**
Net book value at 1 April 2022	**171**

Note 13.1 Intangible assets - 2021/22

	Software licences
	£000
Valuation / gross cost at 1 April 2021	**307**
Valuation / gross cost at 31 March 2022	**307**
Amortisation at 1 April 2021	**76**
Provided during the year	60
Amortisation at 31 March 2022	**136**
Net book value at 31 March 2022	**171**
Net book value at 1 April 2021	**231**

Note 14 Property, plant and equipment - 2022/23

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022	**9,708**	**19,118**	**2,213**	**1,880**	**7,706**	**189**	**40,814**
Additions	-	1,642	565	240	1,331	-	**3,778**
Impairments	(250)	(3,894)	-	-	-	-	**(4,144)**
Reversals of impairments	60	3,153	-	-	-	-	**3,213**
Reclassifications	-	2,053	(2,049)	-	(4)	-	**-**
Valuation / gross cost at 31 March 2023	**9,518**	**22,072**	**729**	**2,120**	**9,033**	**189**	**43,661**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**1,775**	**-**	**1,351**	**5,268**	**186**	**8,580**
Provided during the year	-	861	-	112	941	1	**1,915**
Impairments	-	(553)	-	-	-	-	**(553)**
Reversals of impairments	-	179	-	-	-	-	**179**
Accumulated depreciation at 31 March 2023	**-**	**2,262**	**-**	**1,463**	**6,209**	**187**	**10,121**
Net book value at 31 March 2023	**9,518**	**19,810**	**729**	**657**	**2,824**	**2**	**33,540**
Net book value at 1 April 2022	**9,708**	**17,343**	**2,213**	**529**	**2,438**	**3**	**32,234**

Note 14.1 Property, plant and equipment - 2021/22

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021	**9,708**	**18,601**	**492**	**1,982**	**6,990**	**189**	**37,962**
Additions	-	-	2,238	171	716	-	**3,125**
Impairments	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	**-**
Reclassifications	-	517	(517)	-	-	-	**-**
Disposals / derecognition	-	-	-	(273)	-	-	**(273)**
Valuation / gross cost at 31 March 2022	**9,708**	**19,118**	**2,213**	**1,880**	**7,706**	**189**	**40,814**
Accumulated depreciation at 1 April 2021	**-**	**1,019**	**-**	**1,520**	**4,256**	**182**	**6,977**
Provided during the year	-	756	-	102	1,012	4	**1,874**
Impairments	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	(271)	-	-	**(271)**
Accumulated depreciation at 31 March 2022	**-**	**1,775**	**-**	**1,351**	**5,268**	**186**	**8,580**
Net book value at 31 March 2022	**9,708**	**17,343**	**2,213**	**529**	**2,438**	**3**	**32,234**
Net book value at 1 April 2021	**9,708**	**17,582**	**492**	**462**	**2,734**	**7**	**30,985**

Note 14.2 Property, plant and equipment financing - 31 March 2023

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	9,518	19,246	729	657	2,824	2	**32,976**
Owned - donated / granted	-	564	-	-	-	-	**564**
Total net book value at 31 March 2023	**9,518**	**19,810**	**729**	**657**	**2,824**	**2**	**33,540**

Note 14.3 Property, plant and equipment financing - 31 March 2022

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	9,708	16,785	2,213	529	2,438	3	**31,676**
Owned - donated / granted	-	558	-	-	-	-	**558**
Total net book value at 31 March 2022	**9,708**	**17,343**	**2,213**	**529**	**2,438**	**3**	**32,234**

Note 14.4 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	-	14,803	-	-	-	-	**14,803**
Not subject to an operating lease	9,518	5,007	729	657	2,824	2	**18,737**
Total net book value at 31 March 2023	**9,518**	**19,810**	**729**	**657**	**2,824**	**2**	**33,540**

Note 15 Revaluations of property, plant and equipment
Land and buildings are included in the financial position at their valuation on 31 March 2023. A comprehensive and full valuation was undertaken by the District Valuer part of the Valuation Agency Office, an independent RICS valuer, in accordance with RICS guidance.

The valuation took into account improvements undertaken during the year as well as their current condition. The valuation methodology assumes that our buildings will be maintained to their current condition over their remaining lives. The valuation was undertaken on a current value in existing use basis, as defined in DHSC GAM and reflecting the adaptation approved by FRAB to IAS16.

The impact of the valuation on land and property in full use is a net reduction in value of £557k.

The useful lives applied to property, plant and equipment assets are shown in note 1.8.

Note 16 Leases - Leeds Community Healthcare NHS Trust as a lessee
This note details information about leases for which the Trust is a lessee.

Leeds Community Healthcare NHS Trust has short term leases in respect of property rental, vehicles and photocopiers.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Leeds Community Healthcare NHS Trust has moved all leases over 12 months in length and £5k in value to an IFRS 16 accounting basis, The Trust has classified 60 leased car and 18 property leases as right of use assets. The majority of the property leases are held with NHS Property Services and Community Healthcare Partnerships

Note 16.1 Right of use assets - 2022/23

	Property (land and buildings)	Transport equipment	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000
IFRS 16 implementation - adjustments for existing operating leases / subleases	62,422	279	**62,701**	61,080
Additions	-	212	**212**	-
Remeasurements of the lease liability	176	2	**178**	170
Disposals / de-recognition	-	(18)	**(18)**	-
Valuation / gross cost at 31 March 2023	**62,598**	**475**	**63,073**	**61,250**
Provided during the year	6,447	170	**6,617**	5,950
Disposals / de-recognition	-	(8)	**(8)**	-
Accumulated depreciation at 31 March 2023	**6,447**	**162**	**6,609**	**5,950**
Net book value at 31 March 2023	**56,151**	**313**	**56,464**	**55,300**
Net book value of right of use assets leased from other DHSC group bodies				55,300

Note 16.2 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the Statement of Financial Position (SoFP). A breakdown of borrowings is disclosed in note 21.

	2022/23 £000
Carrying value at 31 March 2022	**-**
IFRS 16 implementation - adjustments for existing operating leases	62,517
Lease additions	212
Lease liability remeasurements	178
Interest charge arising in year	563
Early terminations	(11)
Lease payments (cash outflows)	(6,962)
Carrying value at 31 March 2023	**56,497**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure. These payments are disclosed in Note 6. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 16.3 Maturity analysis of future lease payments at 31 March 2023

	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:		
- not later than one year;	6,720	6,251
- later than one year and not later than five years;	25,029	24,574
- later than five years.	27,355	27,317
Total gross future lease payments	**59,104**	**58,142**
Finance charges allocated to future periods	(2,607)	(2,592)
Net lease liabilities at 31 March 2023	**56,497**	**55,550**

Note 16.4 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses operating lease costs incurred in 2021/22 and commitments as at 31 March 2022 for leases Leeds Community Healthcare NHS Trust previously determined to be operating leases under IAS 17.

	2021/22 £000
Operating lease expense	
Minimum lease payments	7,112
Total	**7,112**

	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	6,953
- later than one year and not later than five years;	23,969
- later than five years.	30,947
Total	**61,869**

Note 16.5 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.13.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	1 April 2022
	£000
Operating lease commitments under IAS 17 at 31 March 2022	**61,869**
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	**58,604**
Less:	
Commitments for short term leases	(568)
Irrecoverable VAT previously included in IAS 17 commitment	(208)
Other adjustments:	
Variable lease payments based on an index or rate	4,349
Rent increases / (decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	340
Total lease liabilities under IFRS 16 as at 1 April 2022	**62,517**

Note 17 Receivables

	31 March 2023 £000	31 March 2022 £000
Current		
Contract receivables	5,373	4,814
Allowance for impaired contract receivables / assets	(71)	(6)
Prepayments (non-PFI)	1,167	1,164
PDC dividend receivable	206	90
VAT receivable	832	701
Other receivables	6,495	53
Total current receivables	**14,002**	**6,816**
Non-current		
Other receivables	20	30
Total non-current receivables	**20**	**30**
Of which receivable from NHS and DHSC group bodies:		
Current	8,061	772
Non-current	20	30

Note 17.1 Allowances for credit losses

	2022/23	2021/22
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 April - brought forward	**6**	**91**
New allowances arising	68	5
Reversals of allowances	(3)	(83)
Utilisation of allowances (write offs)	-	(7)
Allowances as at 31 March	**71**	**6**

Note 17.2 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 Leeds Community Healthcare NHS Trust uses a provision matrix to categorise the debts and reviews 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 Trust has reviewed the nature and value of other outstanding debt at the end of 2022/23 and has made an additional provision to mitigate the risk of non-payment.

Leeds Community Healthcare NHS Trust has a credit risk from ex-employee debt and the credit loss rate to be applied to this type of debt was calculated as 26.75%. For other outstanding debt over 6 months a credit risk has been applied at 50%. Overall a £71k credit loss allowance has been recognised for non-NHS receivables in 2022/23.

Note 18 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.

	2022/23	2021/22
	£000	£000
At 1 April	**39,459**	**39,619**
Net change in year	1,747	(160)
At 31 March	**41,206**	**39,459**
Broken down into:		
Cash at commercial banks and in hand	3	3
Cash with the Government Banking Service	41,203	39,456
Total cash and cash equivalents as in SoFP	**41,206**	**39,459**
Total cash and cash equivalents as in SoCF	**41,206**	**39,459**

Note 19 Trade and other payables

	31 March 2023 £000	31 March 2022 £000
Current		
Trade payables	4,689	3,824
Capital payables	433	1,290
Accruals	16,934	7,034
Social security costs	1,583	1,638
Other taxes payable	1,132	1,132
Pension contributions payable	1,864	1,741
Other payables	5	309
Total current trade and other payables	**26,640**	**16,968**
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	1,571	1,235
Non-current	-	-

Note 20 Other liabilities

	31 March 2023 £000	31 March 2022 £000
Current		
Deferred income: contract liabilities	1,050	1,276
Total other current liabilities	**1,050**	**1,276**
Total other non-current liabilities	**-**	**-**

Note 21 Borrowings

	31 March 2023 £000	31 March 2022 £000
Current		
Lease liabilities*	6,214	-
Total current borrowings	**6,214**	**-**
Non-current		
Lease liabilities*	50,283	-
Total non-current borrowings	**50,283**	**-**

*Leeds Community Healthcare NHS Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 16.

Note 21.1 Reconciliation of liabilities arising from financing activities - 2022/23

	Lease Liability £000	Total £000
Carrying value at 1 April 2022	**-**	**-**
Cash movements:		
Financing cash flows - payments and receipts of principal	(6,399)	**(6,399)**
Financing cash flows - payments of interest	(563)	**(563)**
Non-cash movements:		
Impact of implementing IFRS 16 on 1 April 2022	62,517	**62,517**
Additions	212	**212**
Lease liability remeasurements	178	**178**
Application of effective interest rate	563	**563**
Early terminations	(11)	**(11)**
Carrying value at 31 March 2023	**56,497**	**56,497**

Note 21.2 Reconciliation of liabilities arising from financing activities - 2021/22

	Lease Liability £000	Total £000
Carrying value at 1 April 2021	**-**	**-**
Cash movements:		
Financing cash flows - payments and receipts of principal	-	**-**
Financing cash flows - payments of interest	-	**-**
Non-cash movements:		
Carrying value at 31 March 2022	**-**	**-**

Note 22 Provisions for liabilities and charges analysis

	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000
At 1 April 2022	**125**	**241**	**31**	**397**
Arising during the year	20	245	-	**265**
Utilised during the year	(20)	(10)	(10)	**(40)**
At 31 March 2023	**125**	**476**	**21**	**622**
Expected timing of cash flows:				
- not later than one year;	125	476	1	**602**
- later than one year and not later than five years;	-	-	1	**1**
- later than five years.	-	-	19	**19**
Total	**125**	**476**	**21**	**622**

In respect of legal claims the uncertainty as to amounts and timings relates to the time taken to determine whether or not Leeds Community Healthcare NHS 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.

Other provisions are in respect of clinicians' pensions liaibility arising from the 2019/20 Pension Annual Allowance Charge Compensation Scheme (PAACCS). These figures have been calculated by NHS England and use the latest available information on actual uptake of the scheme. They are derived from combining information on applications to join the 2019/20 scheme under the policy, together with information in the election forms where present, and with averages assumed where these forms are absent or clearly an estimate (values less than £100). Future liabilities based on individual member data and scheme rules are then discounted to give a total.

Note 22.1 Clinical negligence liabilities

At 31 March 2023, £1,288k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Leeds Community Healthcare NHS Trust (31 March 2022 £955k).

Note 23 Contingent assets and liabilities

	31 March 2023 £000	31 March 2022 £000
Value of contingent liabilities		
Redundancy	(1,264)	(988)
Gross value of contingent liabilities	**(1,264)**	**(988)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(1,264)**	**(988)**

Leeds Community Healthcare NHS Trust has a possible obligation arising from its employ and deploy model of staffing. The redundancy liability would arise should a decision be made by the third parties to terminate the deployment contracts.

Leeds Community Healthcare NHS Trust has no contingent assets in 2022/23

Note 24 Contractual capital commitments

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	-	620
Total	**-**	**620**

Leeds Community Healthcare NHS Trust has no contractual capital commitments in 2022/23.

Note 25 Other financial commitments

Leeds Community Healthcare NHS 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 2023 £000	31 March 2022 £000
- not later than one year;	18,057	14,747
- after one year and not later than five years;	9,982	14,389
Total	**28,039**	**29,136**

Note 26 Financial instruments

Note 26.1 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 Leeds Community Healthcare NHS 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.

Leeds Community Healthcare NHS 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.

Leeds Community Healthcare NHS 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

Leeds Community Healthcare NHS 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.

Leeds Community Healthcare NHS Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

Leeds Community Healthcare NHS Trust has no borrowing in 2022/23.

The Trust may borrow from government for capital expenditure, subject to affordability as confirmed by NHS England. 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 England. Interest rates are confirmed by the Department of Health and Social Care, the lender, at the point borrowing is undertaken.

Leeds Community Healthcare NHS Trust therefore has low exposure to interest rate fluctuations.

Credit risk

The majority of Leeds Community Healthcare NHS 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 2023 are in receivables from customers, as disclosed in note 26.1.

Liquidity risk

The majority of Leeds Community Healthcare NHS Trust's operating costs are incurred under contracts with Integrated Care Boards, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit.

Leeds Community Healthcare NHS Trust is not therefore exposed to significant liquidity risks.

Note 26.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2023	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	11,817	-	-	**11,817**
Cash and cash equivalents	41,206	-	-	**41,206**
Total at 31 March 2023	**53,023**	**-**	**-**	**53,023**

Carrying values of financial assets as at 31 March 2022	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	4,891	-	-	**4,891**
Cash and cash equivalents	39,459	-	-	**39,459**
Total at 31 March 2022	**44,350**	**-**	**-**	**44,350**

Note 26.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Obligations under leases	56,497	-	**56,497**
Trade and other payables excluding non financial liabilities	22,061	-	**22,061**
Total at 31 March 2023	**78,558**	**-**	**78,558**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other payables excluding non financial liabilities	12,422	-	**12,422**
Total at 31 March 2022	**12,422**	**-**	**12,422**

Note 26.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2023	31 March 2022
	£000	£000
- In one year or less;	28,781	12,430
- In more than one year but not more than five years;	25,029	-
- In more than five years.	27,355	-
Total	**81,165**	**12,430**

Note 27 Losses and special payments

	2022/23		2021/22	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	1	11	-	-
Bad debts and claims abandoned	2	1	23	23
Stores losses and damage to property	-	-	1	8
Total losses	**3**	**12**	**24**	**31**
Special payments				
Compensation under court order or legally binding arbitration award	5	13	-	-
Ex-gratia payments*	2	359	11	306
Total special payments	**7**	**372**	**11**	**306**
Total losses and special payments	**10**	**384**	**35**	**337**
Compensation payments received				

* This 2021/22 figure includes payments to staff in respect of the Flowers legal case. The total value paid to staff was £278k and is recorded as 2 transactions.

Ex-gratia payments in 2022/23 includes £359k of refunds of VAT on salary sacrifice lease car payments made to employees.

Note 28 Related parties

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

Organisation and related party	Revenue from Related Party £000	Expenditure with Related Party £000	Amounts due from Related Party £000	Amounts owed to Related Party £000
Crossley Street Surgery, Wetherby	**-**	**168**	**-**	**13**
Ruth Burnett (Medical Director)				
Performs unpaid GP work as part of CPD and maintaining registration				
Leeds GP Confederation	**1,452**	**-**	**550**	**-**
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 and Allied Health Professionals)				
Director of Nursing, Leeds GP Confederation				
Laura Smith (Director of Workforce)				
Director of Workforce, Leeds GP Confederation				
Prospect Business Consulting	**-**	**1**	**-**	**-**
Laura Smith (Director of Workforce)				
Associate				
The Queen's Nursing Institute	**3**	**93**	**3**	**-**
Stephanie Lawrence (Executive Director of Nursing and Allied Health Professionals)				
Fellow				
Touchstone	**-**	**1,736**	**-**	**430**
Khalil Rehman (Non Executive Director)				
Advisory work				

The Department of Health and Social Care is regarded as a related party. During the year 2022/23 Leeds Community Healthcare NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department as listed below:

Bradford District Care NHS Foundation Trust
Bradford Teaching Hospitals NHS Foundation Trust
Calderdale & Huddersfield NHS Foundation Trust
Central and North West London NHS Foundation Trust
Care Quality Commission
Department of Health and Social Care
East of England Ambulance Service NHS Trust
Greater Manchester Mental Health NHS Foundation Trust
Guy's & St Thomas' NHS Foundation Trust
Harrogate and District NHS Foundation Trust
Health Education England
Leeds and York Partnership NHS Foundation Trust
Leeds Teaching Hospitals NHS Trust
Leicestershire Partnership NHS Trust
Manchester University NHS Foundation Trust
Mid Yorkshire Hospitals NHS Trust
NHS Black Country Integrated Care Board
NHS Business Services Authority
NHS England
NHS Greater Manchester Integrated Care Board
NHS Hertfordshire and West Essex Integrated Care Board
NHS Humber and North Yorkshire Integrated Care Board
NHS Kent and Medway Integrated Care Board
NHS Lancashire and South Cumbria Integrated Care Board
NHS Leeds CCG
NHS North of England Commissioning Support Unit
NHS Norfolk and Waveney Integrated Care Board
NHS North Central London Integrated Care Board
NHS North East and North Cumbria Integrated Care Board
NHS Nottingham and Nottinghamshire Integrated Care Board
NHS Resolution
NHS South Yorkshire Integrated Care Board
NHS Wakefield CCG
NHS West Yorkshire Integrated Care Board
Northumbria Healthcare NHS Foundation Trust
Sheffield Teaching Hospitals NHS Foundation Trust
South West Yorkshire Partnership NHS Foundation Trust
Southern Health NHS Foundation Trust
St Helens and Knowsley Hospital Services NHS Trust
UK Health Security Agency
University Hospitals Of Derby and Burton NHS Foundation Trust
University Hospitals Sussex NHS Foundation Trust
West Midlands Ambulance Service University NHS Foundation Trust
Yorkshire Ambulance Service NHS Trust
York and Scarborough Teaching Hospitals NHS Foundation Trust

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

Community Health Partnerships Ltd
HM Revenue and Customs
Humberside Police and Crime Commissioner and Chief Constable
Kirklees Metropolitan Council
Leeds City Council
National Employment Savings Trust
NHS Pension Authority
NHS Property Services
West Yorkshire Combined Authority (Policing and Crime)
West Yorkshire Police and Crime Commissioner and Chief Constable

Leeds Community Healthcare NHS Trust has also had transactions with Macmillan Cancer Support, NHS Providers and a subsidiary company of Currys PLC which the Department of Health and Social Care has deemed to be related parties of entities within the Departmental Group.

The Trust has received receipts from Leeds Community Healthcare Charitable Trust for £11k, which the Trust Board is Corporate Trustee. These are solely to reimburse the Trust for purchases made for the Charity as an agent. A debtor of £74k is held by the Trust in relation to the Charity for transactions made in 2022/23.

Note 30 Better Payment Practice code

Non-NHS Payables	2022/23 Number	2022/23 £000	2021/22 Number	2021/22 £000
Total non-NHS trade invoices paid in the year	15,402	48,987	14,124	41,082
Total non-NHS trade invoices paid within target	14,805	48,169	13,494	40,192
Percentage of non-NHS trade invoices paid within target	96.1%	98.3%	95.5%	97.8%
NHS Payables				
Total NHS trade invoices paid in the year	292	22,104	371	21,239
Total NHS trade invoices paid within target	290	22,103	368	21,238
Percentage of NHS trade invoices paid within target	99.3%	100.0%	99.2%	100.0%

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

Note 31 External financing limit

Leeds Community Healthcare NHS Trust is given an external financing limit against which it is permitted to underspend

	2022/23 £000	2021/22 £000
Cash flow financing	(8,146)	160
External financing requirement	**(8,146)**	**160**
External financing limit (EFL)	(8,146)	160
Under / (over) spend against EFL	**-**	**-**

Note 32 Capital Resource Limit

	2022/23 £000	2021/22 £000
Gross capital expenditure	4,168	3,125
Less: Disposals	(10)	(2)
Charge against Capital Resource Limit	**4,158**	**3,123**
Capital Resource Limit	4,158	3,123
Under / (over) spend against CRL	**-**	-

Note 33 Breakeven duty financial performance

	2022/23 £000
Adjusted financial performance surplus / (deficit) (control total basis)	1,042
Breakeven duty financial performance surplus / (deficit)	**1,042**

Note 34 Breakeven duty rolling assessment

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	2,577	1,809	1,425	2,007	2,985	3,350	4,655	5,661	2,045	1,557	507	1,042
Breakeven duty cumulative position	2,577	4,386	5,811	7,818	10,803	14,153	18,808	24,469	26,514	28,071	28,578	29,620
Operating income	134,978	139,906	142,863	146,668	156,367	148,654	149,526	155,640	171,312	187,920	195,550	218,532
Cumulative breakeven position as a percentage of operating income	**1.9%**	**3.1%**	**4.1%**	**5.3%**	**6.9%**	**9.5%**	**12.6%**	**15.7%**	**15.5%**	**14.9%**	**14.6%**	**13.6%**

Thank you for taking the time to read our Annual Report and Accounts for 2022-2023. You can also view this document on our website at www.leedscommunityhealthcare.nhs.uk where you can also find the full accounts.

If you would like hard copies of this report or an accessible version of the financial statements and notes on pages 67-118, please email **lch.comms@nhs.net**

Our Quality Account is also available on our website.

If you would like any of our reports in an alternative format or large print please email **lch.pet@nhs.net** or call **0113 220 8585**.