

# Annual Report and Accounts 2011-12





# **York Teaching Hospital NHS Foundation Trust**

## **Annual Report and Accounts 2011-12**

Presented to Parliament pursuant to Schedule 7,  
paragraph 25(4) of the National Health Service Act  
2006



# Contents

<b>Introduction</b> .....	7
Introduction .....	8
Chairman's Statement .....	8
Chief Executive's Statement .....	10
<b>Strategy</b> .....	12
2011/12 .....	13
Strategic approach .....	13
Performance against corporate objectives .....	13
Improve our effectiveness, capacity and capability .....	16
Develop stronger citizenship through our work with partners and the broader community .....	19
Improve our facilities and protect the environment .....	20
Strategy for 2012/13 .....	22
<b>Quality Report</b> .....	25
Part 1 – Overview .....	26
Letter from the Chief Executive .....	26
Statement of Directors' responsibilities in respect of the Quality Report .....	28
Our Quality and Safety Strategy .....	30
Recognising excellence .....	31
National recognition .....	32
Other key achievements .....	33
Part 2 – In more detail .....	34
Performance for the last 12 months .....	34
Our safety priorities .....	34
Our clinical outcome measures .....	35
Our patient experience measures .....	36
Priorities for quality and safety for 2012/13 .....	37
(The data reviewed covers the three dimensions for quality which are patient safety clinical effectiveness and patient experience. However, there are a number of indicators where a change in methodology during 2011/12 has prevented comparative data from being available)	
In more detail - Patient safety .....	38
Clinical outcome measures .....	40
Patient experience .....	42
Part 3 – Regulatory requirements and assurance from the Board .....	44
The Regulations .....	44
Assurance from the Board .....	44
Part 4 – Clinical audit .....	47
National clinical audits and National Confidential Enquiries .....	47
Financial year 2011/12 .....	47
Research and development .....	51
Part 5 – New initiatives, targets and trajectories .....	52
Part 6 – Statements from the Primary Care Trust, Local Involvement Networks (LINks) and Council of Governors .....	54
Statement from NHS North Yorkshire and York .....	54

Statement from the Council of Governors.....	55
Statement from York LINK .....	56
Glossary .....	57
<b>Performance Report</b> .....	63
Performance Report .....	64
Key facts.....	64
Principal activities of the Trust.....	64
Patient care .....	64
Community services .....	73
Review of financial performance.....	76
Summary income and expenditure 2011/12 .....	76
Regulators .....	80
Summary of inspection for York Hospital (July 2011) .....	81
Summary of inspection for White Cross Court Rehabilitation Hospital (July 2011)....	83
Summary of inspection at St Helen's Rehabilitation Hospital (July 2011).....	84
Our staff.....	86
Research and development.....	88
Corporate learning and development.....	88
<b>Governance Report</b> .....	89
Governance Report .....	90
NHS Foundation Trust Code of Governance .....	90
Board of Directors.....	94
Council of Governors.....	108
Foundation Trust membership.....	123
<b>Statutory Information</b> .....	133
Statutory information.....	134
Directors .....	134
Brief history of the Trust.....	134
Environmental matters.....	135
Financial information.....	135
Remuneration Report .....	136
Sustainability .....	142
Equality report .....	144
Staff survey.....	147
Regulatory ratings.....	148
Public Interest Disclosures .....	149
<b>Finance</b> .....	151
Annual Governance Statement.....	152
<b>Annual Accounts</b> .....	168
Statement of the Chief Executive's responsibilities as the accounting officer of York Teaching Hospital NHS Foundation Trust .....	171
Foreword to the Accounts.....	175
Statement of Comprehensive Income for the Year ending 31 March 2012 .....	176

# Introduction

## **Introduction**

### **Chairman's Statement**

Welcome to the 2011/12 Annual Report for York Teaching Hospital NHS Foundation Trust.

This year has been an unsettling one for the healthcare sector in England, due to the prolonged development of the Health and Social Care Act and the national context of austerity that is constraining all public services. Each of these significant factors has shaped a challenging year for the Trust and will lead to a changed environment for commissioning and delivering services in the years ahead.

On behalf of the Board of Directors, I am delighted to report that the Trust has met virtually all of its targets for the year, as we strive to fulfil our mission of being trusted to deliver safe, effective and sustainable healthcare to our communities. Access to good quality care has continued to improve and the independent surveys of our patients continue to be extremely positive across nearly all criteria. We are never satisfied, however, and we continue to challenge all our service teams to improve.

This year has included our new responsibility for community health services. This is a key area of improved integration with our acute services, primary care and social services. We look forward to further developments in the coming years, as more care takes place in community hospitals and other community settings. The Independent Review of Healthcare in North Yorkshire and York, published during 2011, emphasised the need for strong cross-sector cooperation in strengthening this aspect of healthcare delivery and we are actively working with our partners to plan and implement this.

The financial and operating efficiency of the Trust has been outstanding, with significant savings being realised and a small surplus being achieved. This operating effectiveness enables us to reinvest some £10m this year in capital improvements to the estate, equipment and services at the Trust.

I would like to recognise all of our staff, and the increasing body of volunteers who work alongside them, for the consistent and dedicated effort all have made to ensure the Trust has been successful for another year.

We have continued to work hard to strengthen our relationships with stakeholders – including our governors and members, local authorities, teaching and research institutions, other NHS Trusts, the emerging clinical commissioning groups and the extensive third sector. We place a high value on the liaison, support and challenge we share with these bodies. This is important in consolidating our position as one of the leading employers and organisations in the York area.

Over and above all the activity mentioned here, the planned acquisition of Scarborough and North East Yorkshire Healthcare NHS Trust will be the biggest change the Trust has experienced in its history. We feel privileged that we have been invited to work with Scarborough to improve healthcare across a large part of North Yorkshire, and we are

working to finalise these arrangements, planned for completion on 1 July 2012. The resulting enlarged Trust will have over 8,000 staff and revenue of over £400m.

The Trust will broaden to include 10 hospitals and teams of staff working throughout the communities covered. The Board of Directors does not underestimate the risks and challenges of governing and managing this complex organisation and is developing new ways of working to assure success. The Trust is working hard already on the necessary integration programme and the Department of Health and stakeholders across the communities affected are increasingly supportive of the change. We will also be welcoming new elected and appointed Governors from Ryedale and the East Coast communities.

This truly strategic development will help the healthcare we deliver in York, Scarborough and the surrounding areas to be stronger in every way, notably being clinically and financially more sustainable for the challenging years ahead of continued austerity. I look forward to reporting next year on significant progress.

A handwritten signature in black ink, reading "Alan Rose", written over a horizontal line.

**Alan Rose**  
**Chairman**  
**30 May 2012**

## Chief Executive's Statement

Welcome to York Teaching Hospital NHS Foundation Trust's annual report for 2011/12.

Although this has in many ways been a challenging year, it has also been an exciting one with some significant new developments, and we have continued to deliver a high level of performance.

We have been able to maintain our strong record with regard to infection prevention, and continue to be among the best nationally in this area. We are also making strides in terms of patient safety, with initiatives such as the rapid spread project to reduce pressure ulcers showing significant improvements.

In April 2011 we welcomed some 1800 staff to the Trust from community services in Selby, York, Scarborough, Whitby and Ryedale. Over the year we have begun to integrate these services with those based in our acute hospital. This is key to providing care closer to patients' homes which will improve the standard of care we can provide within the hospital, ensuring more people are treated in the most appropriate place for their needs.

As you will see from the accounts included in this report, the underlying reported financial position for the Trust is a small surplus of around £0.7m. This places us among the majority of Foundation Trusts in terms of financial performance, demonstrating that we have managed our in-year finances satisfactorily, returning a financial risk rating of 3.

Alongside this our efficiency programme continues to be successful, which has helped us through the difficult financial year and has meant that we have been able to meet our demanding efficiency targets without significant reductions in staffing or cuts to services.

Our most recent Dr Foster report shows that on the whole we are performing at a high level in several key areas, and our patients should be reassured that the hospital has enjoyed a strong record in patient safety across a variety of measures. A concern was highlighted with regard to mortality rates, and whilst much of this was associated with poor data capture and attribution, nonetheless we have set ourselves demanding targets for improving care and further reducing our mortality rate through a specific programme focussing on the acutely ill patient, led by our dedicated medical and nursing staff.

The report from the Care Quality Commission's (CQC) latest inspection in July 2011 made clear that they continue to regard us as a high performing organisation, and highlighted many examples of good practice and positive feedback from patients. Whilst there will always be areas where we can improve, the CQC were confident in our ability to do so and their subsequent follow-up inspection found us to be meeting all of their essential standards of quality and safety.

We are never complacent and are reviewing and re-launching our patient safety strategy to ensure we have real engagement, determination and action and that we demonstrate that we are unwavering in our desire to be the best hospital that we can be.

Our ability to maintain performance against a challenging political and economic environment gives me the confidence that we have a stable foundation for entering what is essentially new territory for us as Trust.

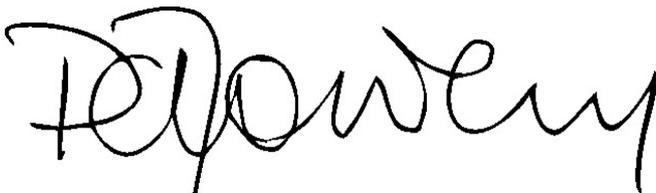
The public sector as a whole is facing a difficult financial outlook, regulation is fierce, and the challenges brought about by changing demography and the demands placed on our services are profound in our community.

Coupled with this, change has been both significant and fast paced including the introduction of GP commissioning, the need to compete to provide services that previously we might have taken for granted, and a continuing programme of reorganisation which has seen us take on community services as mentioned above.

We have begun to work closely with the emerging Clinical Commissioning Groups to understand their commissioning intentions and to establish strong working relationships with them. Our current commissioners have been under significant financial pressure which is showing little sign of easing. It has never been so important that we work together as a wider health community if we are to continue to deliver services to the standard our patients deserve.

We have also continued to work closely with Scarborough and North East Yorkshire Healthcare NHS Trust, with a view to formally completing the acquisition on 1 July 2012. A significant amount of work has been undertaken so far to integrate the two organisations, and in working together we are confident that we can secure sustainable services and a more stable longer-term future for healthcare in the areas served by both organisations.

We are confident that this year will also be an exciting and challenging one. I thank all of our staff for their continuing commitment, and look forward to welcoming staff from Scarborough and Bridlington into our organisation.

A handwritten signature in black ink, appearing to read 'P. Crowley', written in a cursive style.

**Patrick Crowley**  
**Chief Executive**  
**30 May 2012**

# Strategy

**2011/12**

## **Strategic approach**

In 2011/12 the Trust's strategic direction comprised four key drivers (the four strategic frames) designed to ensure there was a focus on the Trust's Mission of "being trusted to provide safe, effective healthcare for the communities we serve". These strategic 'frames' provided a focus for the Trust's emerging priorities and objectives, and assist in communication to staff, patients and other stakeholders. They were:

- Improving quality and safety
- Improving our effectiveness: capacity and capability
- Developing stronger citizenship through our work with partners and the broader community
- Improving our facilities and protecting the environment

## **Performance against corporate objectives**

### **Improve quality and safety**

#### Productive Ward

The Productive Ward programme, designed to release more time for staff to care directly for patients, has been rolled out across York Trust.

The 'Well Organised Ward' module has meant that staff have seen immediate benefits. This module is about simplifying the workplace and reducing waste by having everything in the right place, at the right time, ready to go. The intention is to reduce activity that does not add value. This could mean releasing more staff time for work that actually meets patient needs and to ensure the environment is set out appropriately from the start, with a particular focus on stock and storage. Standard operating procedures and daily checklist have been introduced for storage rooms and sluices. Storage areas have been de-cluttered so creating an ideal workplace and reducing waste. We are standardising the end of bed documentation so each ward will have an index identifying where each document is kept which will have an initial impact on savings by reducing lost documentation, wrong patient identification and wasted nurses' and doctors' time in looking for documentation.

The 'Meal Module' has shown a reduction in food wastage by introducing a new menu system offering more choice to patients and therefore reducing wastage as the wards were no longer bulk ordering. Also changing the process of delivering meals has taken wasted time out of the meal delivery and reinvesting it to make sure patients receive the correct nutritional assessment and also ensuring staff have time to feed patients who require support.

The next step is to apply LEAN methodology to medication stock levels on the wards by improving the scheduled administration of medicines on the ward, resulting in fewer errors and less wasted time. To deliver safe, reliable, efficient and dignified care

through increasing patient safety by reducing errors and ensuring timely administration of medicines.

### Medicines Management

Medicines management relates to the cost effective and safe use of medicines to ensure that patients get the maximum benefit from the medicines they need. This includes prescribing, dispensing and administration of medicines.

At York, there has been a collaborative approach to improving services, involving groups of doctors, nurses and pharmacists.

Over the last year, there have been many improvements to the way in which the Trust manages medicines; some of those improvements are as a consequence of learning from incidents, some due to national and local guidance being changed and many due to innovative and creative working. Examples of where improvements have been made are as follows:

**The Think Glucose campaign:** This is a national initiative, led locally, to raise awareness of the needs of patients with diabetes. The group has implemented a new insulin prescription chart, with the aim of reducing errors in prescribing and has provided additional training for staff in the safe use of insulin.

**Controlled Drugs management:** Another team has undertaken a concentrated piece of work to improve the way in which Controlled Drugs are managed. This includes storage and administration. There has been an additional training and resource material provided. The Trust has also implemented additional assurance processes to ensure compliance with the appropriate standards and regulations.

**Medicines related incidents:** A group has been established to review all medication related incidents. The group ensures that lessons are learned and provides additional training and support for staff. Medication related incidents are now reported to the Trust Board by the Medical Director.

**Additional resources:** The Trust has provided additional funding which has enabled the appointment of a medicines management specialist nurse and pharmacy technician to work specifically with community teams. These posts are valuable additions to the team, with a focus on improving quality and safety of patient care in community hospitals and within community nursing teams.

### VBAC (vaginal birth after caesarean section) Clinic

Vaginal birth after caesarean section (VBAC) is the term used when a woman who has previously had a caesarean birth, but wishes to attempt to give birth to her next baby vaginally. This midwife lead service provides advice and support to women so that they can make an informed choice about the birth option that is likely to be the best for them.

The VBAC clinic was set up to give consistent evidence based information for these specific women, allowing them to have understanding and a feeling of being in control with decision making.

This work helps women to look at their previous birth experience so that they have a greater understanding of what has happened in their previous pregnancy and labour leading to their Caesarean Section (C/S).

Our aim is to increase our vaginal birth rate which lead to quicker recovery time for the mother allowing earlier discharge home for hospital, and reduce our C/S rate.

A vaginal birth can have a big impact on further pregnancies as there is evidence that women have less problems conceiving and are less likely to have major complications e.g. bowel and bladder problems.

There is less risk of the baby being admitted to Special Care Baby Unit (SCBU) with breathing problems following a vaginal delivery.

This all leads to a happy contented mum!

### Stroke Rehabilitation Seven Day Service Development

On 3 December 2011, the Stoke Rehabilitation Service increased its therapy provision from five to seven days. The service was previously driven by standard practice, Monday to Friday working. Following a three month pilot project evaluating a six day therapy service, the results showed a reduction in the average length of stay of 14 days (on ward 39), an increase in frequency of treatment (Physiotherapy) and more patients receiving 45 minutes of more of therapy (Occupational Therapy). Patient feedback was positive. Comments included that they were better able to concentrate on therapy during the weekend as it was quieter, they felt more productive, they could speak more freely about their needs, and more focus could be placed on their current issues. The new service has increased the number of staff, introducing four new Band 3 Stroke Rehabilitation Assistant (SRA). These new posts include aspects of Occupational Therapy, Physiotherapy, Dietetics and Speech and Language Therapy and have facilitated more joint working towards shared patient centred goals. The project has included the development of a competency based multidisciplinary training programme. The weekend service is provided by a combination of qualified staff and the rehabilitation assistants. Feedback from patients has been very positive; they have valued the increase in the service and the benefits it gives them towards improving their independence and the quality of care. Quotes from patients include:

*"It's brilliant when you have therapy"*

*"I like to have as much (therapy) as possible to keep me going"*

*"If you get more physio you get more interested"*

*"It helps me get home quicker "*

The Stroke Rehabilitation Unit at the hospital provides vital care to patients who have suffered a stroke to ensure they can return home as quickly and safely as possible. Care in a stroke unit – along with access to skilled, specialist staff and equipment - is the single most effective intervention for any stroke patient requiring hospital admission.

The Stroke Rehabilitation Unit located on ward 39 is desperately in need of modernisation/refurbishment to meet the specific needs of patients recovering from a stroke.

The York Teaching Hospital Charity has launched 'The Star Appeal' to raise £300,000 to refurbish York Hospital's Stroke Rehabilitation unit. The appeal has so far raised £90,000 through a mixture of public donations and donations from Grant Making Trusts and local groups and associations.

### Volunteers

The Trust has established a structured programme around the recruitment and deployment of volunteers across a wide range of clinical services. The Recruitment team has replicated a number of recruitment tools such as open days and the use of NHS Jobs online to provide assurance around the quality of volunteers. The expansion of volunteers is part of the Trust's overall recruitment strategy and supports our aims of engaging with our community, providing opportunities for our younger workforce and enhancing patient care.

A key dimension of the volunteers work has been the implementation of the 'Dining Companion' role. This is aligned with national work around 'Dignity in Care' and our aim to enhance the quality of patient care. The Trust has recruited 15 dining companions during the last financial year across a range of departments including Elderly where the need was felt to be the greatest. The Trust is committed to the expansion of volunteer roles with the criteria that they have a positive impact on the patient care we provide.

## **Improve our effectiveness, capacity and capability**

### Pharmacy department – clinical trials

North and East Yorkshire and Northern Lincolnshire Comprehensive Local Research Network (NEYNL-CLRN) funding has enabled the Trust to create within Pharmacy a dedicated clinical trials team, headed by a Clinical Trials Pharmacy Manager. This development means that medicinal product trials can be run within the Trust.

### Stroke Service Developments 2011-2012

During 2011 significant work was undertaken to improve the stroke service provided by the Trust so that patients were receiving a comprehensive stroke service that was inline with the National Stroke Strategy. The service was inspected by a panel of external experts who confirmed the service was following national best practice.

Further developments have been made since January 2012 and these will continue during the year. The improvements being made are as follows:

- a seven day Transient Ischaemic Attack (TIA) clinic
- seven day Stroke Physician ward rounds on the acute stroke unit.
- A thrombolysis service will be extended from 8am-8pm Mon – Fri to a 24 hour seven day week service.
- Improved access to brain imaging out of hours.
- More physiotherapy, occupational therapy, dietetics and speech and language therapists to rehabilitate stroke patients will be available.

## North Yorkshire and York Telehealth Project

Telehealthcare is personalised healthcare delivered over a distance. Telehealth involves remote monitoring of patients vital signs for the management of long term conditions; these include chronic obstructive pulmonary disease (COPD) Heart failure and diabetes. Community services have been involved in the Telehealth project since the pilot in 2009.

Community services such as the Heart failure nurses, community matrons and case managers are using Telehealth as a tool to support patients in managing their care. A small device is fitted into the home and patients take their readings as discussed with the referring clinician, that information is then reviewed and if needed is passed onto the clinician who then decides on a course of action. This action could include a telephone call or a visit from a clinician.

In North Yorkshire and York there are 98 GP practices and of those practices 95 have had one or more patients benefiting from Telehealth. Up to date we have had 739 referrals to the service.

We have been working closely with practices to identify suitable patients; this has included using a predictive model tool called Adjusted Clinical Groups (ACGs).

Haxby Group Practice has 67 patients on Telehealth and is currently the highest referrer from one practice group, and this will be expanding to other practices in the future.

200 Patients were surveyed about their experience on Telehealth and results were extremely positive with 96% of patients stating they would recommend Telehealth to family or friends.

Quotes from patients include:

*"Before Telehealth, I was usually admitted to hospital every winter with a lung infection. Due to Telehealth picking up changes, medication is issued and therefore no hospital admission"*

*"Telehealth can also improve the lives of family and carers - his wife can see readings are ok and not take his word, as he used to say he was ok when he wasn't"; another carer responded that Telehealth gave "peace of mind for family who don't live close by!"*

The team has also presented at national and local conferences and the work the Telehealth team are doing has also been recognised nationally as the project was nominated to the Lean Healthcare Academy for the award of Pioneers of Telehealth/Telecare award 2012, in which the project was a runner up.

## York Renal Services

Our patients and staff in our three haemodialysis (HD) units feel that the shared care on HD programme piloted in Sheffield and York has been a huge success. This has led to planning for a self care HD unit in Harrogate to create a home from home environment to be used by independent HD patients. Our model is very similar to the self care dialysis unit in Jonkoping, Sweden. The team has been successful in raising

awareness in the local community and has raised a large amount of money (including a generous grant from BKPA) within a short space of time. Working in collaboration with Harrogate and District NHS Foundation Trust we hope to have a functioning self care haemodialysis unit by the end of 2012.

We have expanded dialysis capacity in the Easingwold satellite unit. Patient satisfaction on the dialysis units have improved as a result of physiotherapy and art work programmes. Dr Worth has been instrumental in establishing the physiotherapy programme alongside community renal exercise groups and an exercise training programme.

Our home HD programme has achieved year one expansion targets. One factor which might have helped us achieve our targets is wide acceptance of shared care on HD.

Following the success of the Selby outreach nephrology clinic we have established renal clinics in Wetherby and Malton in the last 12 months. We have been able to welcome Dr Than and Dr McCullough to our consultant numbers as the renal service has expanded and satellite hospital workload has increased.

Dr Jones and renal social worker colleagues have received funding from NHS Kidney Care to develop a cause for concern register. The work will help develop team members' communication skills in dealing with difficult discussions, identify patients nearing the end of their life, identify appropriate documentation for advance care planning acceptable to patients and to primary and secondary care organisations, develop a secondary care 'at risk register' and look at how this can be communicated to patients and primary and social care.

### Plans for 2012-13

- Transition of renal services in Scarborough from July 2012 through collaborative work with our Hull colleagues
- Home anaemia service for all non HD patients requiring Erythropoietin and Iron.
- The opening of the Harrogate Self Care HD unit and planning for York Self Care HD unit
- Expansion of shared care and home HD programs on base and satellite units
- Progression of advance care planning work
- Explore renal outpatient clinic development in Tadcaster and Ripon

### Library services

The Clinical Librarian has worked successfully with a range of departments, in particular providing the evidence base to support ongoing work around antimicrobial and VTE prophylaxis. The number, and complexity, of literature searches and training sessions provided have increased significantly year on year and are expected to do so further with the demand from newly integrated parts of the organisation. The Clinical Librarian team has expanded in 2012 to reflect and support changes in the way our staff access information and the increasingly remote user base.

## **Develop stronger citizenship through our work with partners and the broader community**

### Palliative Care

The Specialist Palliative Care teams across Scarborough, Whitby, Ryedale and Selby, York have jointly held public consultations with patients, interest groups, third sector, GPs and community health teams, as well as social services and Acute Hospital colleagues regarding developing an advance care plan. This is a planning document, which is a patient held record and is for use by people to discuss their thinking and wishes regarding their end of life care.

The final documents were greatly influenced by patient and carer participation in a one day workshop, and then follow up consultation work. This work has been led by Scarborough based Macmillan Nurse Kath Sartain, who then presented the experience and model of user consultation to the Masters programme in Leadership in Health and Social Care at Hull University. She also presented the Advance Care Planning document and teaching to the Yorkshire General Medical Council Conference on End of Life care in the Community.

### Apprenticeships

The Trust has developed a framework that ensures it can employ individuals on apprentice schemes. The Recruitment Team at the Trust supports the process and guides managers around how the framework can effectively work for the Trust, individual and the community. As part of the Trust's commitment to the community it has developed a Schools Framework. This Schools Framework is linked to the apprenticeships in that it supports those school leavers that would like to start a career in the health service. The Trust has recruited 15 apprentices during the last financial year.

Since January 2011, there has been 21 staff that has, or, is still completing their apprenticeship qualification. Some of these apprentices have been offered permanent roles in the Trust.

So far most of the apprenticeships have been in the administration areas, but the framework is being extended to the Estates team. The Recruitment Department is continuing to promote the apprenticeship framework and encourage managers to use it as an effective way of recruiting staff.

### Hull and York Medical School - (HYMS) Experimental Medicine Unit ([www.hymsemu.york.nhs.uk](http://www.hymsemu.york.nhs.uk))

The HYMS Experimental Medicine Unit is operated by the Trust as a HYMS NHS partner. During this year it continued to run phase 1 clinical trials in the field of HIV prevention and treatment. It also supported a complex Phase II trial and other fundamental research projects including the BABY (Born and Bred in Yorkshire) study.

The HYMS clinical skills programme has significantly changed this year. Many skills have been brought forward in the curriculum to allow the students extra time to perfect fundamental skills. A "simulation safe" element has been introduced whereby the

students are initially taught the skills and are then timetabled to return and undertake a simulated assessment in the laboratory setting before practicing the skills in the clinical areas under supervision.

### Working with other Trusts

The Leeds Partnership NHS Foundation Trust assumed responsibility for the delivery of mental health services in North Yorkshire and York on 1 February 2012. This includes HYMS teaching and the regional training rota for Postgraduate trainees. York is working closely with the Trust.

### Working with schools

The success of the shadowing scheme for sixth formers has prompted the introduction of a programme of visits to local schools to strengthen links within the community and help inform students' choices around medicine as a career.

### Corporate learning and development establishing links with the Army

Applied learning and development (ALAR) has continued an active partnership with HM Army Medical Corps, Strensall, to facilitate clinical practice for army personnel at the Barracks and utilising their very specific skills to assist in leadership and organisational development training within the Trust.

## **Improve our facilities and protect the environment**

### Cot Appeal

The York Teaching Hospital Charity launched an Appeal to raise £13,550 for 10 new cots for York Hospitals Labour Ward. This appeal proved so successful that it was decided to replace all the cots.

The Maternity Unit has 3,400 births a year and all babies will use a cot on the unit during their stay. The old cots were 30 years old. The new cots look fresh and have the added benefit of being electronically variable in height. This is a particular benefit to women who have had caesarean sections as they will no longer need to bend.

Liz Ross Matron of the Maternity Unit said, "Over the last 30 years we have had over 90,000 babies use our cots at York Hospital and Fulford Maternity Unit. Three generations of our local community used the old cots and we are looking forward to the new cots meeting the needs of our future generations." We only have another four cots to replace.

Thanks to the People of York for raising the money and for helping to make a difference to our mothers and babies.

### Estates and Facilities

Estates and Facilities Directorate have a legal responsibility to ensure that staff, visitors and patients are safe. Under Care Quality Commission (CQC) outcome 10 Safety and Suitability of premises we also have a mandatory responsibility to ensure that the premises are protected against the risks by means of -

- Suitable designs and layout
- Appropriate security measures
- Adequate maintenance
- Proper operation of the premises and use of surrounding grounds

The Estates and Facilities Directorate has set up an "in house" minor works team to assist the departments and wards with minor works requests. The Minor works team has completed over 900 jobs in the last 18 months. The Trust has also introduced a dedicated Patient Environment Action Team (PEAT) inspection team who support the Trust in ensuring the required standards are achieved.

The Estates department has been focusing on the Trust's statutory compliance during the year, making sure that the Trust is fully compliant with all the statutory and regulatory requirements related to the hospital buildings and grounds.

The Trust has provided a significant capital investment in the premises infrastructure over the last 12 months which has reduced the backlog maintenance levels and a new condition survey is about to be undertaken which will enable the department to priorities maintenance investment over the coming years.

The new car park opened last year which has greatly helped alleviate the congested parking issues around the site and improve the experience of patients and visitors when they arrive at the Trust. Additional security measures have also been put in place during the year to ensure that the car park remains a safe environment for people to park in.

A new management software system has been introduced into the department, the system will help to modernise working practices in Estates and Facilities. Over the next few months the department will streamline the helpdesk reporting process so that staff across the Trust can track the progress of the reports they have made. This means that patients and visitors should find that issues are reported and resolved quickly.

### Security Improvements

Prior to the years 2011-2012, security and car parking personnel had been provided by different contractors.

The expiry of the contracts and the construction of the new multi-storey car park presented the opportunity to review the roles and make more efficient use of the resources available.

To this end a specification for car parking and security, as a combined role, was developed. The contract was put out to tender and a new company, OCS, was successful in their bid.

By rationalising the roles, the security team can now provide an increased physical presence during the day and night.

The completion of the multi storey car park has provided the trust with an on site control room that enables licensed security staff to monitoring and review CCTV 24/7.

In addition to the CCTV functions, staff can now monitor and direct response to alarm activations at other trust satellite units within the city.

The enhanced car parking facility has provided visitors with secure parking which is barrier controlled and protected by a comprehensive network of internal and external CCTV coverage.

The additional security has meant that the development has been awarded the 'Police Safer Parking Award'.

For the seventh year in a row the Trust has achieved a reduction in recorded crime.

Figures supported by North Yorkshire Police show that since 2004 recorded crime has fallen by 65%.

Last year a reduction of 14% was achieved.

Since 2004 cycle crime has been reduced by 95%

Much of the credit for these results should be attributed to the vigilance and alertness of staff and the willingness of the Trust to invest in the physical and technical resources to provide a safe environment for visitors, staff and their property.

#### North Entrance Safety

The pedestrian access at the North Entrance has posed a safety risk for all users for some time. However during 2011 this was compounded by the sites directional one way system being reversed and the general traffic build up in the area resulting in poor visibility for pedestrians using the area.

The area now has:

- Dedicated transport cage holding area; removing items away from the entrance/exit giving better visibility in the area
- A safe marked pedestrian route from the entrance/exit past the Renal Department out on to Wigginton Road
- Bollards around the pedestrian crossing keeping delivery vehicles out of the area providing better visibility for pedestrians for oncoming vehicles
- Delivery bays for vehicles in order to keep them out of the pedestrian area again to improve visibility
- Better outside lighting to improve visibility for both users of the crossing as well as to aid drivers see pedestrians

#### **Strategy for 2012/13**

The vision for 2012/13 for the enlarged organisation following completion of the acquisition of SNEY by YTHFT is, *"to be a healthcare organisation that is recognised locally and nationally as delivering outstanding clinical services that meet the needs of its varied population and supports services that matter to patients."*

Significant for the future of the organisation is the need to understand and address the general and locality-specific health needs of the community the Trust will serve.

The strategy for the Trust has been determined by consideration of the context within which the enlarged organisation will work. In 2012/13 the Trust's strategic direction will continue to be comprised of four key drivers (the four strategic frames). The frames were reviewed as part of the acquisition process and have been designed to ensure there was a focus on the Trust's Mission of "To be trusted to deliver safe, effective and sustainable healthcare to our communities". These strategic 'frames' provided a focus for the Trust's emerging priorities and objectives, and assist in communication to staff, patients and other stakeholders. They are:

- Improving quality and safety
- Improving our effectiveness: capacity and capability
- Developing stronger citizenship through our work with partners and the broader community
- Improving our facilities and protecting the environment

Nationally the NHS will see significant change in the commissioning landscape in the coming years. The Board of Directors is aware of this dynamic and the Trust seeks to maximise opportunities to build new relationships with all new Clinical Commission Groups (CCGs) as they are formed.

#### 2012/13 financial outlook and principal risks

The national economic situation has led to the NHS being faced with the prospect of the most financially difficult times it has known, with the prospect of real terms reduction in income over the next three financial years, even though demand for services and patients' expectations continue to increase.

The Trust's main commissioner, NHS North Yorkshire and York (NHS NYY), remains financially challenged, and is under significant pressure from Yorkshire and Humber SHA (YH SHA) to set and deliver an affordable financial plan in 2012/13 clearing all historical debt prior to handover to the new CCG in April 2013.

The economic climate and financial situation of the Trust's main commissioner continues to require a more collaborative approach to contracting for 2012/13, building on the successes of the previous years' collaborative arrangements.

Looking internally the principal financial risk relates to delivering the resource management agenda. This is recognised as essential to the Trust's future financial stability.

A number of significant risks and assumptions in achieving the 2012/13 plans are set out below:

- Activity and income plans will be underpinned by the contractual arrangements with the Trust's commissioning PCTs
- The expenditure plans assume that any in-year overspending on operational budgets can be managed by directorates
- Further investment in NICE recommendations outside of the tariff is subject to securing specific agreement and income from commissioning PCTs. The plans assume that no unplanned investment will take place unless specific income is secured

- The plans assume a significant and challenging efficiency programme requiring full delivery in each of the three years

# Quality Report

## Part 1 – Overview

### Letter from the Chief Executive

The quality and safety of the care you receive continues to be our highest priority and drives all that we do. It is fundamentally part of everyone's job working throughout our growing organisation to ensure that you are cared for with dignity, respect and compassion and that you receive the best possible healthcare from all our staff wherever you are receiving care – from your home to our hospitals.

This year has been a challenging one, ensuring that we continue to drive up standards whilst also working with our colleagues at Scarborough and North East Yorkshire Healthcare NHS Trust (SNEY) in order to build on the case for integration of our services through acquisition. Moving forward into this next year we will continue to roll out the overall safety priorities embedded in both our organisations that are supported nationally. We will also work together with the public to ensure that local priorities and expectations of patients and families are recognised and supported.

The acquisition represents a colossal change for all of us, patients and public alike, and specifically to the way we have worked as independent providers of healthcare. It also gives us (working together with our communities) real opportunity for development, growth and stability.

We want you to feel both safe and cared for. By that, we mean that not only do we expect that the technical things we do to you will be the safest possible but the way in which we do them will make you feel cared for – as we would all expect for ourselves and our families.

We treat and hear from thousands of people every year who are pleased with the great care we are able to deliver yet there are occasions when we don't get it completely right and your views are important to us on this. We are working with our Governors to ensure that we are asking for feedback on our services and making changes where you and our staff have ideas for improving.

None of this care would be possible without every member of staff here having the right training to support them to do their jobs properly. Building on last year's efforts we will focus as priorities on delivering training which ensures that:

- Staff is confident and competent in managing some of our sickest patients and
- Staff understand how to demonstrate the caring attitude required for working across all our settings

This training supports our strategy for safer care and reducing mortality and is contained in the following pages.

At times of great change for healthcare it continues to be my job to ensure that we have the strategies, culture and will to change for the better – keeping your safe care at the top of all that we do.

To the best of my knowledge the information contained within this Quality Report is accurate.



**Patrick Crowley**  
**Chief Executive**  
**30 May 2012**

A handwritten signature in black ink that reads "Patrick Crowley". The signature is written in a cursive, flowing style.

## Statement of Directors' responsibilities in respect of the Quality Report

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

Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of Annual Quality Reports and on the arrangements that Foundation Trust Boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, Directors are required to take steps to satisfy themselves that:

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Report Manual 2011-12
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and paper for the period April 2011 to May 2012
  - Papers relating to Quality report to the Board over the period April 2011 to May 2012
  - Feedback from commissioners dated May 2012
  - Feedback from governors dated 23 May 2012
  - Feedback from LINKs dated 11 May 2012
  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated April 2012.
  - The national patient survey March 2012
  - The national staff survey March 2012
  - The Head of Internal Audit's annual opinion over the Trust's control environment dated May 2012
  - CQC quality and risk profiles dated March 2012
- The Quality Report presents a balanced picture of the York Teaching Hospital NHS Foundation Trust's performance over the period covered
- The performance information reported in the Quality Report is reliable and accurate
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations, published at

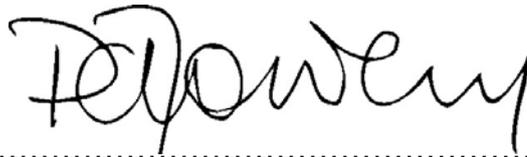
[www.monitor-nhsft.gov.uk/annualreportingmanual](http://www.monitor-nhsft.gov.uk/annualreportingmanual) ) as well as the standards to support data quality for the preparation of the Quality Report.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board



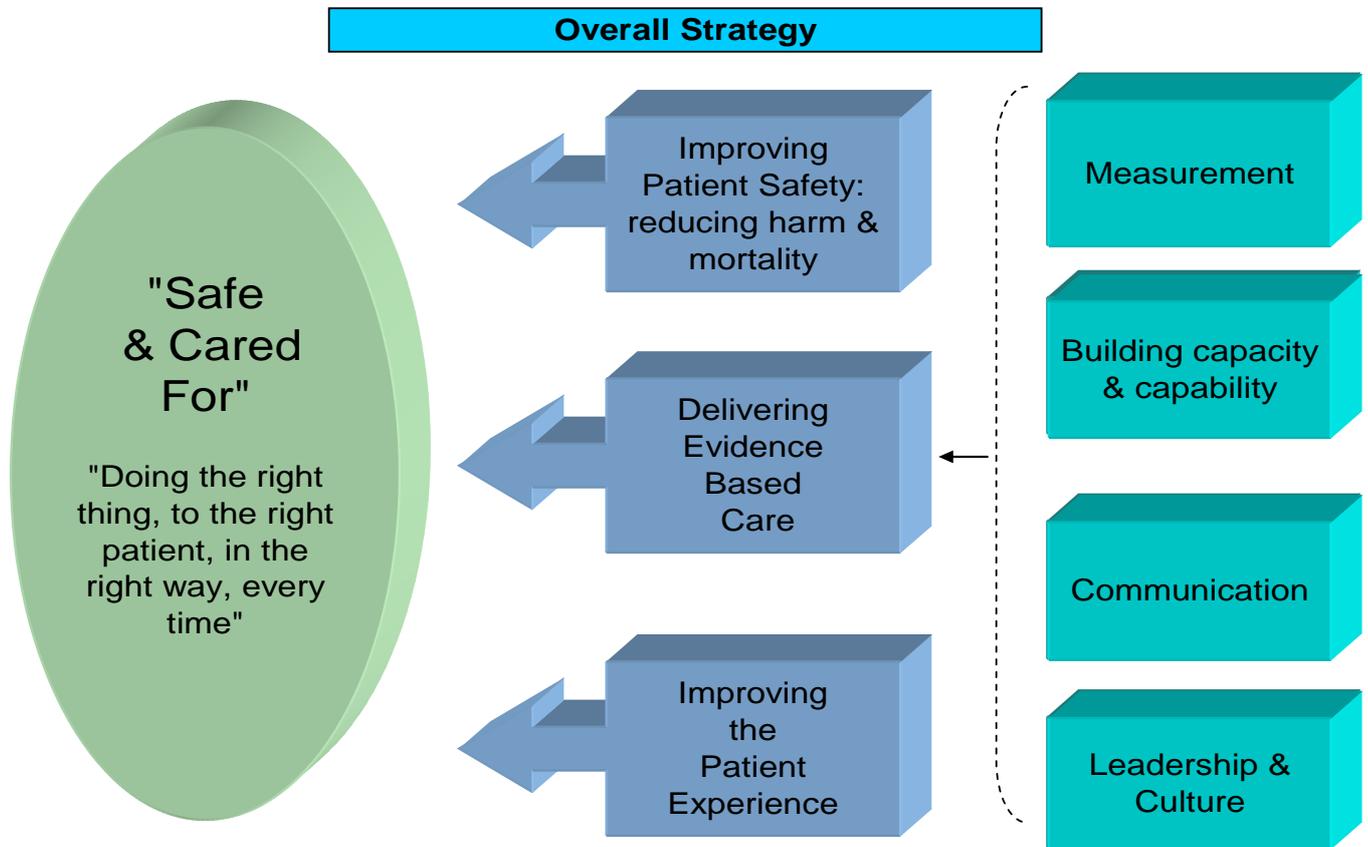
30 May 2012.....Date.....Chairman



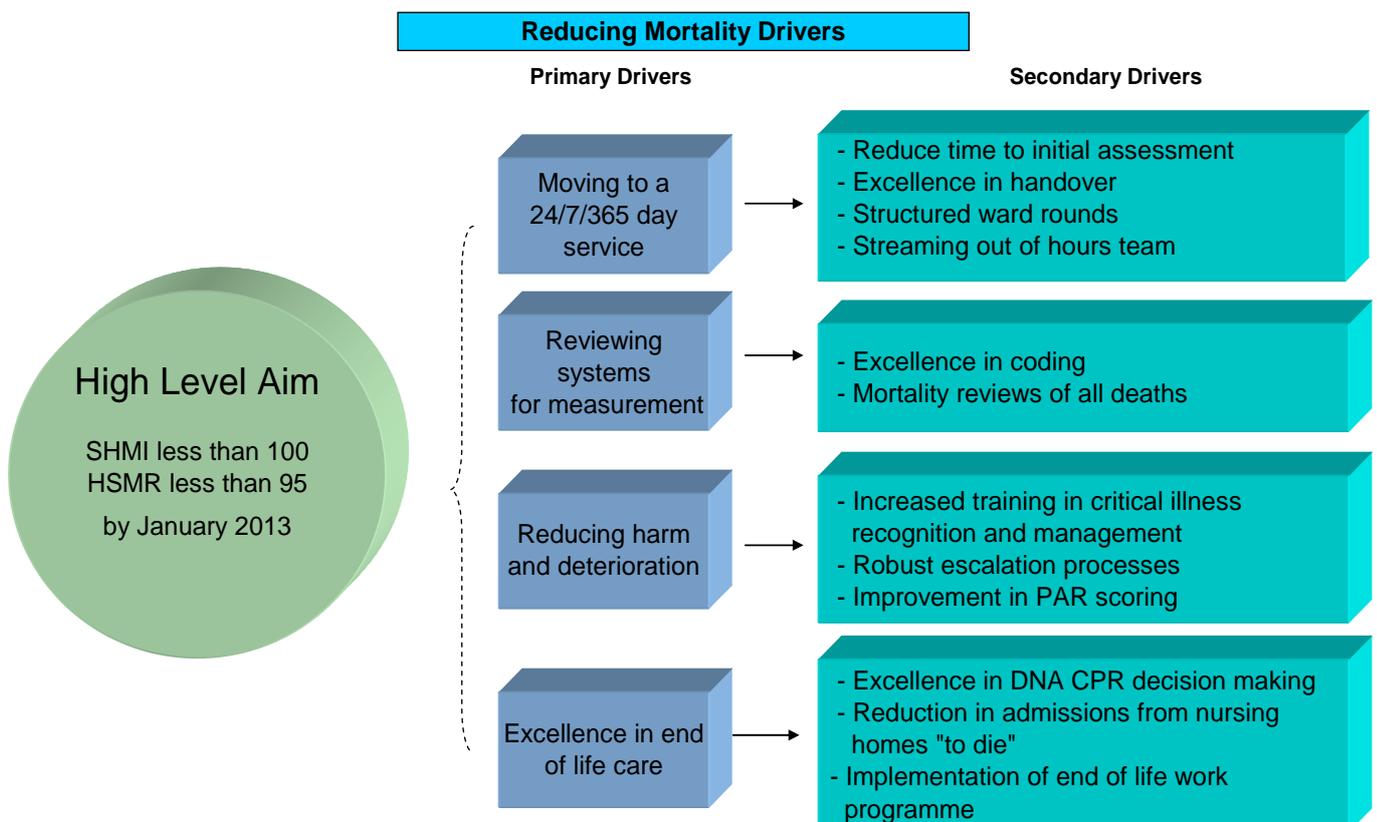
30 May 2012.....Date.....Chief Executive

## Our Quality and Safety Strategy

In May 2009 we launched our Quality and Safety Strategy. This strategy is about committing to action to improve both the reliability of our care for all our patients and the way in which we deliver it.



The strategy has recently been reviewed and updated and our priorities for the next 12 months are detailed below:



## Recognising excellence

The Trust holds an annual awards ceremony to recognise and reward individual and team key achievements and innovative ways of delivering great care. Awards are given in the following categories:

Award category	Winners
Excellence in team work – clinical	Medicine management technicians for their multidisciplinary approach to working with primary care and clinical ward staff to develop efficient and accurate discharge procedures
Excellence in team work – non clinical	The ward clerks in acute and general medicine who have changed their working patterns and improved their administrative systems.
Service award	The orthopaedic plaster room team – a highly skilled team who have sustained their excellent levels of service taking time to fund raise for equipment and special casts for children to reduce their stress levels.
Unsung hero award	For an individual working in patient access. Praised by many for going the extra mile, being well known as generous with her time, supportive to colleagues, enthusiastic and dedicated in her willingness to take on new challenges.
Volunteer of the year	Awarded to a committed and conscientious volunteer who brings valuable personal experiences to his work with cardiac rehabilitation patients. A reassuring person with a positive, willing and flexible approach to volunteering.
Innovations ward	Awarded to a consultant ophthalmologist who has been tenacious and persistent in ensuring the cataract electronic patient record system meets all the needs required by the department.
Efficiency award	Awarded to the diabetes administration team in conjunction with a data analyst who have reduced 'did not attend' rates improving the efficiency of diabetes clinics and produced cost savings.
Chairman's award – community engagement	Awarded to the North Yorkshire Retinal Screening Service who have overcome enormous obstacles to develop the service which is highly regarded locally and nationally.

The Florence Nightingale Award	The winner of the award was a Ward Sister on an acute surgical ward. The individual embodies the values and behaviours we would all wish to see, feel and hear as patients and colleagues.
The Chief Executive's Award	Awarded to the vascular team for development of exemplar services.
The lifetime achievement award	Awarded both to the Head of Midwifery and Chair of Staff Side for dedicated service over a long career.

In addition to the annual awards, the Trust awards a monthly 'star performer' to members of staff or volunteers who have made a special contribution to the delivery of services. These nominations can be received from service users or staff.

### National recognition:

	The Quality and Safety Team were highly commended in the Nursing Times Awards 2011 in the patient safety improvement category for our pressure ulcer reduction initiative
	The Bereavement Suite at York Hospital won the award for best interior design at the Building Better Healthcare Awards 2011
	The recruitment team won the Innovation award HPMA for HCA recruitment process. The judges who made the award liked the way the project was highly focused on patient care and the quality of staff, and thought the compulsory elements were a great innovation.
	<p>The NHS Sport and Physical Activity Challenge was launched in September 2010 and has seen NHS organisations working hard to help NHS staff become more physically active.</p> <p>The Trust has been successful in achieving Gold Level accreditation for the above challenge and will be presented with the certificate by David Nicholson on 21 June in Manchester.</p>



An Olympic and Paralympic first, the London 2012 Inspire programme enables non-commercial organisations across the UK to link their events and projects to the London 2012 Games in an official scope.

The Trust obtained the inspire mark by linking to the NHS Sport and Physical Challenge which promotes a healthy lifestyle and encourages NHS staff to become more physically active. The NHS Challenge offers tangible opportunities to staff to challenge each other and themselves by increasing their involvement in fun and physical activity and improve their health and wellbeing.

### Other key achievements:

- The Board of Directors affirms its commitment to patient safety and patient experience by placing at the top of the agenda of any meeting and devoting time to hear patients' stories, both positive and negative, of their experiences while in our care.
- Our annual point prevalence for pressure ulcers has continued to drop year on year. In addition, a member of our staff designed a trolley to transport mattresses for cleaning safely and effectively which has now gone into national production.
- After significant focussed work from our critical care team, the longest period of time between patients experiencing a central line infection on the Intensive care unit was 284 days. It is also over 190 days since one of our patients experienced a ventilator acquired pneumonia.
- The Trust continues to undertake patient safety leadership walk rounds led by senior managers, directors and non executives, ensuring that each ward/department is visited at least once a year. We have maintained this standard for the last 4 years.
- The Trust has achieved over 90% compliance with venous thromboembolism (VTE) assessment *and* prophylaxis - introducing a computerised system, establishing a VTE Committee at Strategic level and improving the guidelines and training for staff.
- The Trust has worked with its partners in an extensive review of the emergency care pathway during 2011/12. This has resulted in the integration of pathways and services for the urgent treatment of minor injury and illness for the Selby and York locality.

## Part 2 – In more detail

### Performance for the last 12 months

A review of last year' priorities against our Quality & Safety Strategy

<b>Key</b>	<b>Green</b>	Target achieved	<b>Amber</b>	Reaching target	<b>Red</b>	Target not achieved
------------	--------------	-----------------	--------------	-----------------	------------	---------------------

Green = The target specified has been achieved

Amber = More than 50% progress towards meeting the target has been made

Red = Less than 50% progress has been made towards achieving the target

The following performance results are taken up to February 2012 and not March 2012 because of the requirements of Monitor's reporting deadline.

### Our safety priorities

<b>We said:</b>	<b>We did:</b>	<b>Achievement of target</b>
<b>Pressure ulcer prevention in acute and community hospitals</b>		<b>Green</b>
No more than 4 patients will acquire a category 4 pressure ulcer after admission to the trust	2 patients in our care developed category 4 pressure ulcers. Both of these patients had plaster casts in place. This has led to a focussed piece of work around caring for patients with limb fractures.  Our annual prevalence audit has also demonstrated a further reduction in the overall number of pressure ulcers developed while in our care.	
<b>Keeping acutely ill and deteriorating patients safe</b>		<b>Amber</b>
We will reduce our crash call rate by 10% from April 2011 baseline	We have seen a reduction in our crash call rate and a significant improvement in how staff appropriately escalate issues of patient deterioration. However we have changed the way that we collect and analyse crash data and this means that we cannot compare the data from the beginning of the year to the end.	
<b>Keeping patients safe from hospital acquired infections</b>		<b>Green</b>
We will achieve 100% compliance with aseptic non touch technique (ANTT)	ANTT is now a recognised technique throughout the organization; it is promoted and reinforced via mandatory training sessions and is utilized by nursing, medical and ancillary staff. Compliance in the last quarter of the year was 98%.	

## Ensure compliance with the WHO surgical safety checklist

Amber

We will achieve 100% compliance with the checklist by the end of March 2012

Over the year a multidisciplinary team has undertaken an improvement project to establish the checklist in our *acute* theatre as a priority achieving 80% compliance. The target was not consistently achieved in other theatres, and the Trust remains committed to improve.

## Our clinical outcome measures

**We said:**

**We did:**

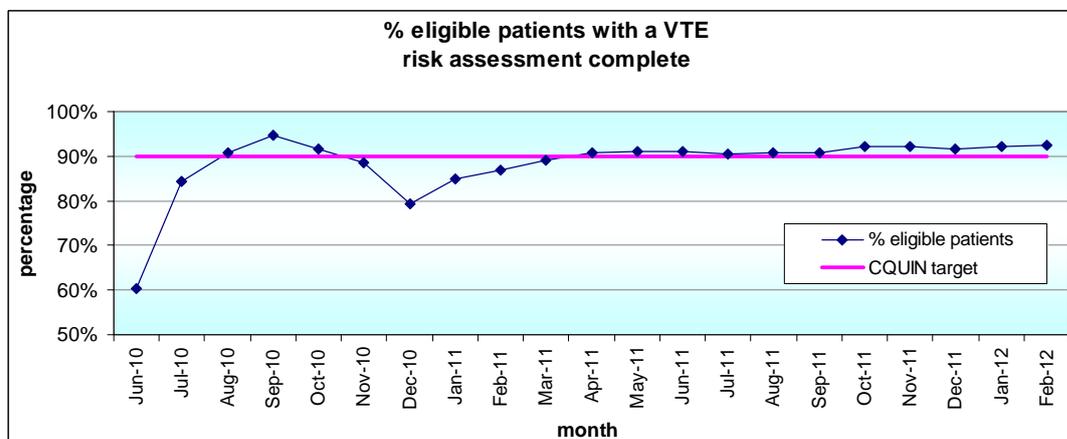
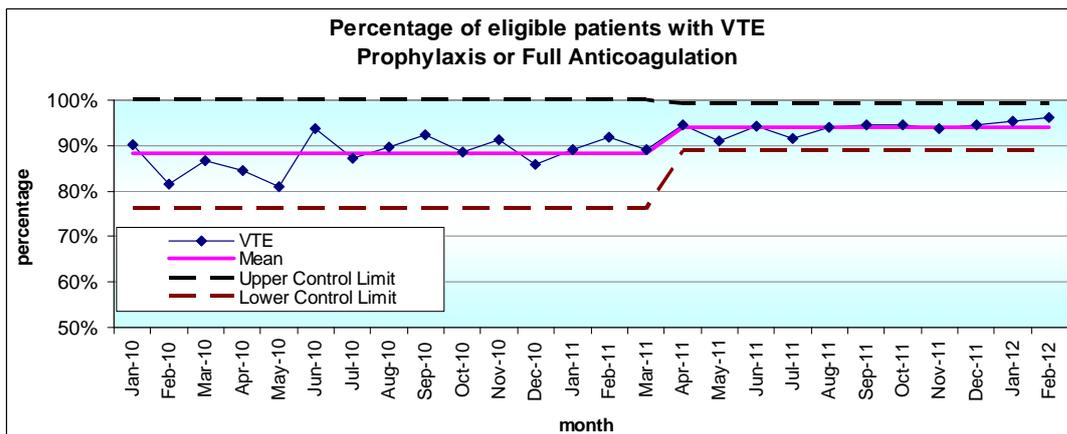
**Achievement of target**

## Ensure compliance with contractual & safety targets to reduce occurrence of Venous Thromboembolism VTE

Green

We will maintain compliance with both VTE assessment and VTE prophylaxis

Compliance of over 90% for both assessment and prophylaxis achieved for each month to date



**We said:**

**We did:**

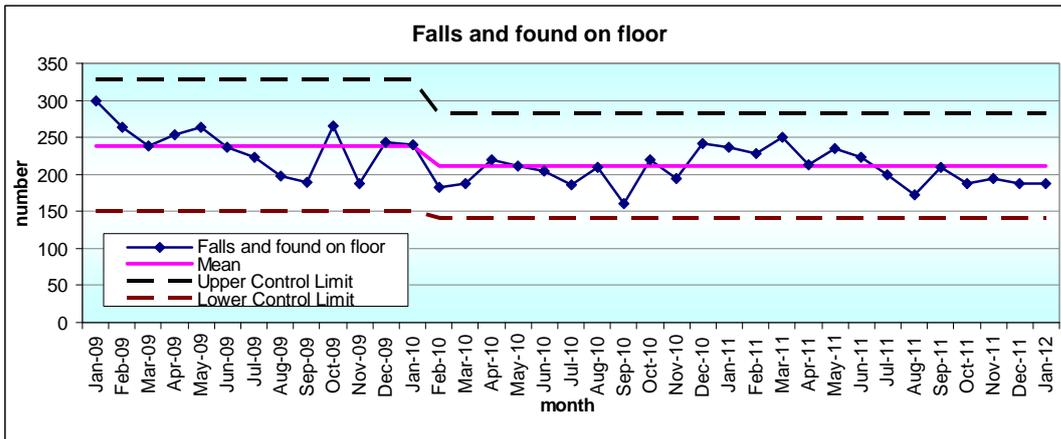
**Achievement of target**

**Reduce avoidable falls in acute and community hospitals**

**Green**

We would reduce avoidable slips, trips, falls and found on floor by 20%

From July 2011 we have begun to see significant reduction in falls of 9.9% over the year and are committed to keeping this high on our patient safety agenda.



**Continue to reduce errors in prescribing and administration of medicines**

**Amber**

We would reduce missed doses of critical medicines by 20%

We have achieved an 18% reduction in missed doses. We are committed to improving this even further over the next year.

**Our patient experience measures**

**Increase the percentage of patients who would recommend the hospital**

**Red**

We would increase the percentage to 95%

Our national in-patient survey tells us that 89.6% of patients would recommend the hospital. This is below where we aspire to be and are committed to making further improvements this year.  
Our national out-patient survey tells us that patient experience is better at 94.3%.

**Improve the scores on the national in-patient survey in response to the question 'were you asked your views on the quality of care?'**



We would increase the percentage by 20%

Our survey results tell us that there has been no real change in the response score for this question. We are committed to making real improvements in this area although we ask this question on a regular basis through our nursing care indicators.

**Reduce the number of complaints where poor attitude is an issue**



We would reduce the percentage by 20%

Staff attitude is still one of our key themes for improvement and we have planned focussed work on this issue. During the year we have improved the way we have measured the affect of key interventions on attitude and as such do not have comparable data. This will be available in the following year

The outpatient experience measures will continue to be monitored and reported in 2012/13.

**Priorities for quality and safety for 2012/13**

Patient Safety	Keeping acutely ill and deteriorating patients safe
	Improve the care of patients with dementia
	Improve access to food and fluids in hospital
Clinical Effectiveness and Outcomes	Ensure our patients come to no harm while in our care
	Reduce avoidable falls in hospital
	Continue to reduce errors in prescribing and administration of medicines
Patient Experience	Increase the percentage of patients who would recommend the hospital to family/friends Improve communication with patients, carers and relatives by
	<ul style="list-style-type: none"> <li>• Improving discharge information and</li> <li>• Seeking patients views</li> </ul>

The data reviewed covers the three dimensions for quality which are patient safety clinical effectiveness and patient experience. However, there are a number of indicators where a change in methodology during 2011/12 has prevented comparative data from being available.

## **In more detail - Patient safety**

### **1. Keeping acutely ill and deteriorating patients safe**

**We will** Reduce our mortality measures

**By how much** Reduce our SHMI to below 100  
Reduce our HSMR to below 95

**By when** By the end of March 2013

**Progress and plans for this year** **Progress**

- We have again improved the data collection and analysis processes around crash calls
- We have developed an in-house electronic system to record patient observations
- We have established a multidisciplinary 'Deteriorating Patient Group'
- We have embarked on a comprehensive acute illness recognition and patient observations training
- We have recruited a clinical nurse educator to focus on the work of the deteriorating patient
- We have introduced a system of mortality reviews for every death in our care, carried out by each consultant
- We have improved compliance with DNACPR processes to the point where we have achieved full compliance by the CQC
- We have introduced post-admission ward round checklists in one directorate to standardise and improve decision making

#### **Priorities for the next twelve months**

- We have committed to our 'reducing mortality programme' supported by NHS Quest
- We will test and roll out electronic patient observations this year
- 'Acute illness recognition and management training' and 'patient vital signs training' will be rolled out throughout the acute hospital over the coming year
- We will introduce daily safety briefings for our Critical care Outreach team and our Crash Call Team
- We will review and revise our escalation protocols to ensure the most appropriate professional responds to the patient in the most appropriate time frame

## 2. Improve the care of patients with dementia

**We will** Assess all patients over the age of 75 (admitted acutely) for signs of dementia

**By how much** 90% compliance

**By when** By the end of March 2013

**Progress and plans for this year** **Progress**

- We have established a dementia operation group to ensure all aspects of our dementia strategy are developed and embedded
- We have developed an electronic dementia assessment in order to increase the number of assessments and develop a robust way of measuring compliance

### **Priorities for the next twelve months**

- Our electronic assessment will be rolled out across the hospital over the year
- We will develop and embed robust referral procedures to specialist services for those patients with dementia

## 3. Improve access to food and fluids in our acute and community hospitals

**We will** Ensure compliance with 'intentional rounding' in all our acute and community hospitals

**By how much** 95% compliance

**By when** By the end of March 2013

**Progress and plans for this year** **Progress**

- 'Intentional rounding' (called comfort rounds in our Trust) is well evidenced as a way to improving patient care, particularly around access to food and fluids
- We have rolled out 'comfort rounding' to all our in-patient acute wards as a priority
- Over the year we have developed our tool to enable it to be adapted to the patient's needs and also to ensure the continuation of our work on falls and pressure ulcers
- We have introduced volunteer 'Dining Companions' as a trial to on of our wards. This has been evaluated extremely well and our plans to roll this initiative out further are well developed
- We have tested out a 'red jug' system to alert staff to those patients who are at risk of dehydration or who may need support to drink

## Priorities for the next twelve months

- Roll out the dining companion to more in-patient wards
- Roll out the 'red jug' system to all care of the elderly wards
- Include collection of compliance with comfort rounds to our monthly nursing care indicators
- Develop a comprehensive training programme on fluid management to prevent patient deterioration
- We will standardise all nursing documentation with regards to nutritional assessment, care plans, referrals, etc over our new wider organisation
- We will employ a Nurse Specialist for Nutrition

## Clinical outcome measures

### 1. Ensure our patients come to no harm while in our care

<b>We will</b>	Introduce the 'Safety Thermometer' onto all our in-patient wards, acute and community hospitals. This measures the number of 'harms' suffered by our patients while in our care. These harms are: pressure ulcers, falls, catheter associated urinary infections and VTE.
<b>By how much</b>	80% harm free care (as defined by an absence of those 4 harms)
<b>By when</b>	By the end of March 2013
<b>Progress and plans for this year</b>	<b>Progress</b> <ul style="list-style-type: none"><li>• We have developed an advanced electronic version of the thermometer which enables easier data collection. This is linked to our electronic in-patient care record</li><li>• We have developed a programme to support and develop the ward sister role to ensure patient care standards are raised and sustained</li></ul>

## Priorities for the next twelve months

- We will roll out 'harm free care' in May using rapid spread methodology across our acute and community sites
- We will roll out our 'It's My Ward' senior leadership programme
- We will develop a 'ward' accreditation program to reward and recognise excellence in patient care standards and leadership

## 2. Reduce avoidable falls in acute and community hospitals

**We will** Reduce avoidable slips, trip, falls and patients found on the floor

**By how much** Further 20% reduction

**By when** By the end of March 2013

**Progress and plans for this year** **Progress**

- We have worked with experts from the NPSA to critically evaluate our falls assessment tool in order to make the most appropriate use of in our most vulnerable patients
- This has led to a rewrite of our assessments and approach and a decrease in our falls
- We have introduced 'intentional rounding' to all in-patient acute wards

### **Priorities for the next twelve months**

- Roll out 'intentional rounding' to all community hospitals

## 3. Continue to reduce errors in prescribing and administration of medicines

**We will** Reduce the number of missed doses of critical medication

**By how much** 20% reduction

**By when** By the end of March 2013

**Progress and plans for this year** **Progress**

- We have reviewed and updated our 'medicines code', introducing a special section on critical medicines
- We have introduced an ongoing audit of missed doses to understand progress and barriers
- We have collaborated with Parkinson's UK to improve the timely access to medicines for those patients with Parkinson's disease
- We have made progress towards improved 'self medication in hospital' practice
- We have improved our training around insulin management
- We have established a new forum for analysing and sharing the learning from adverse incidents involving critical medicines

### **Priorities for the next twelve months**

- We have added 'missed doses of medicines' to our monthly safety thermometer to ensure ownership of data and improvement at ward level

- We will improve our processes around escalation in relation to missed doses of medicines
- We have recruited a Lead Nurse for Medicines Management to work strategically to improve the processes and standards in medication administration
- We will roll out the medicines module of 'releasing time to care (productive ward)' to all clinical areas over the year
- We will increase the training and assessment of competency of staff around self-medication of medicines
- We will increase the number of patients assessed and able to administer their own medications while in hospital
- We will improve access to medicines information and improve our discharge procedures in relation to medicines

## **Patient experience**

### **1. Increase the percentage of patients who would recommend the hospital to family/friends**

**We will** Increase the percentage of patients who would recommend the hospital to family/friends

**By how much** To 95%

**By when** By the end of March 2013

### **2&3. We will improve communication with our patients**

**We will** Improve communication with our patients in two specific areas:

- Access to information on discharge
- Seeking their views

**By how much** Improve by 10%, the scores on the National In-patient Survey in responses to questions:

- Before you left hospital, were you given any written or printed information about what you should or should not do after leaving hospital?
- Were you asked for your views on the quality of care?

**By when** By the end of March 2013

**Progress and plans for this year for improving patient experience**

#### **Progress**

- We have appointed a Lead Nurse for Patient Experience who has been working on improving our processes around complaint management as a priority
- Our complaint officers have been working with our

directorates to review, support and deliver action plans to improve the patient experience

- We have established a 'Patient Experience Steering Group' to develop and lead the patient experience agenda at strategic level
- We have developed a 'patient information booklet' for all in-patient beds covering a wealth of information to inform patients during their stay, this includes seeking their views

### **Priorities for the next twelve months**

- We will integrate our 'patient experience annual work plan' into our new Quality of Care Strategy
- We will update our 'learning from listening' training DVD, using our patients enabling staff to model 'getting it right' for patients
- We will roll out our 'patient information booklet' to all in-patient beds throughout the year
- We will actively seek qualitative patient experience information by seeking their views on a monthly basis as part of our nursing care indicators
- We will ensure we are compliant with the NICE quality standards for patient experience
- We will work more closely with our Governors, LINKs, Community and Voluntary sector organisations to gather/provide patient feedback
- We increase the regularity of seeking patients views on the CQUIN patient experience questions, developing actions plans for improvement where required
- We will develop a process system to capture patient experience when staff is treated as patients

**Full details of the latest Inpatient Survey Results can be found at**

**<http://www.cqc.org.uk/public/reports-surveys-and-reviews/surveys/inpatient-survey-2011>**

## **Part 3 – Regulatory requirements and assurance from the Board**

### **The Regulations**

The Government introduced a specific set of regulations that Foundation Trusts are required to address as part of the Quality Report. These requirements are included in the assurance statements made by the Board of Directors.

### **Assurance from the Board**

As part of the authorisation to be a Foundation Trust, the Trust agrees a number of mandatory services that will be provided. These are referred to as 'NHS services'. During 2011/12 the York Teaching Hospital NHS Foundation Trust provided and/or subcontracted 36 NHS services.

The Board of Directors and Council of Governors have during the year reviewed data related to the quality of care. The Board of Directors at every meeting and the Council of Governors at the public meetings receives details from the Medical Director and/or Chief Nurse on the quality of care in the organisation. York Teaching Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in 36 of these NHS services.

As part of the preparation work for the proposed acquisition of SNEY, the Trust undertook a full review of the quality governance in York and SNEY. This review provided the evidence required to demonstrate if the two Trusts were fully compliant with the Quality Governance Framework. Some gaps were identified and are being addressed as part of the integration work and completion of the action plan that was developed as part of the Quality Governance Plan.

The income generated by the NHS services reviewed in 2011/12 represents 100 percent of the total income generated from the provision of NHS services by York Teaching Hospital NHS foundation Trust for 2011/12. The income generated has been received from services commissioned by North Yorkshire and York Primary Care Trust (NYY PCT) and East Riding of Yorkshire PCT (ERYPCT).

A proportion of York Teaching Hospital NHS Foundation Trust income in 2011/12 was conditional upon achieving quality improvement and innovation goals agreed between York Teaching Hospital NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework (CQUIN).

The financial value of the scheme is set at 1.5% of the contract (0.3% national and 1.2% local indicators). This equates to £3.8m in total.

The CQUIN goals are managed through our internal processes and cover a significant number of areas. They fall into two areas:

- National - Venous thromboembolism Risk Assessment, Responsiveness to personal needs from the Adult Inpatient Survey

- Local - Patient Experience, End of Life Care, Nutrition in Elderly Care, Supporting Effective and proactive discharges, Reducing the degree of harm through improved identification and response to deterioration in condition in Adults and children, Referring consenting pregnant women to smoking cessation service, Appropriate prophylaxis for Venous thromboembolism patients, Dementia care plans

The Trust has received full payment for each quarter. Further details of the agreed goals for 2011/12 and for the following 12 month period are available on request from the Deputy Director of Finance.

York Teaching Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is 'Registered without conditions'.

York Teaching Hospital is not subject to periodic review by the Care Quality Commission. The Trust is fully registered with the Care Quality Commission and has no conditions attached to our registration.

The Trust also has full registration on Healthcare Associated Infections for 2011/12. The CQC has not taken enforcement action against us during of the reporting year 2011/12. The Trust has not been involved in any special reviews during 2011/12. The CQC did review the Trust during the year and found some major, moderate and minor concerns which have been fully addressed by the Trust. The CQC has undertaken a follow-up visit and have confirmed that they have no concerns about the Trust.

Regular engagement meetings have taken place with the CQC local Inspector of Compliance during 2011/12. These meetings have focused primarily on the integration of community services with the Acute Trust and the CQC Quality Risk Profile. The Care Quality Commission's view is that the Trust has a 'healthy' Quality Risk Profile with no significant risks being identified.

Reliable information is fundamental in supporting the Trust to achieve its goals. The Trust recognises that all the decisions, whether clinical, managerial, operational or financial need to be based on information which is of the highest quality. The Trust recognises the importance of reliable information and views Data Quality as critical to the delivery of better healthcare.

The Trust continually strives to improve its data quality by constantly reviewing the data in conjunction with clinical and operational teams and its main commissioner. This may result in changes to systems and processes. Like every other Trust YTH submits records to the Secondary Uses Service for inclusion in the Hospital Episode Statistics. The percentage of records in the published data, which included the valid NHS Number were:

99.4 % for admitted patient care

99.6 % for out patient care

95.3 % for accident and emergency care

• which included the patient's valid General Medical Practice Code was:

100% for admitted patient care

100% for out patient care

100% for accident and emergency care

The Trust's score for 2011/12 relating to compliance with Information Governance Standards, assessed using the information Governance Toolkit, was 87%, which gives an overall RAG rating of Green.

York Teaching Hospital NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2011/12 by the Audit Commission

Monitor introduced a 'Quality Governance Framework' in 2010/11. The Trust has undertaken an analysis against this framework and has assured itself that it is compliant with the framework. The Trust has developed a significant action plan that will ensure the enlarged organisation is fully integrated.

## Part 4 – Clinical audit

### National clinical audits and National Confidential Enquiries

York Teaching Hospital NHS Foundation Trust is committed to the delivery of best practice and to ensure continuous quality improvement through clinical audit.

The Trusts Clinical Standards Committee continually reviews the quality of:

- National clinical audit
- Local clinical audit
- National confidential enquiries

This includes the monitoring of action plans resulting from national and local clinical audits. This enables a systematic process to address risks and to provide assurance to the Trust, commissioners and monitoring bodies.

### Financial year 2011/12

- Forty five (45) national clinical audits and four national confidential enquiries covered NHS services that the Trust provides
- The Trust participated in 89% of national clinical audits and 100% of national confidential enquiries which it was eligible to participate in
- The national clinical audits and national confidential enquiries that the Trust was eligible to participate in are listed in table one
- The reports of five national clinical audits were reviewed by the Trust and it intends to take the actions listed in table two to improve the quality of healthcare provided
- The reports of 136 local clinical audits were reviewed by the Trust and it intends to take the actions listed in table three to improve the quality of healthcare provided

**Table One – National Clinical Audits and Confidential Enquiries**

<b>Audit Title</b>	<b>Compliance with Audit Terms</b>
<b>1. Peri-and Neo-natal</b>	
Perinatal mortality	100%
Neonatal intensive and special care	100%
<b>2. Children</b>	
Paediatric pneumonia	Did not participate
Paediatric asthma	Did not participate

Pain management	100%
Childhood epilepsy	77%
Diabetes	100%

<b>Audit Title</b>	<b>Compliance with Audit Terms</b>
--------------------	------------------------------------

<b>3. Acute care</b>	
Emergency use of oxygen	100%
Adult community acquired pneumonia	Closes 31/05/12
Non invasive ventilation –adults	Closes 31/05/12
Pleural procedures	Closes 31/05/12
Cardiac arrest	Did not participate
Severe sepsis & septic shock	100%
Adult critical care	100%
Potential donor audit	100%
Seizure management	Did not participate

<b>4. Long term conditions</b>	
Diabetes	100%
Heavy menstrual bleeding	100%
Chronic pain	100%
Ulcerative colitis and Crohn's disease	Awaiting national report
Parkinson's disease	Did not participate
Adult asthma	100%
Bronchiectasis	Awaiting national report

<b>5. Elective procedures</b>	
Hip, knee and ankle replacements	90%
Elective surgery – hip	80%
Elective surgery – knee	81%
Elective surgery - varicose veins	64%
Elective surgery – hernia	75%
Coronary angioplasty	100%
Peripheral vascular surgery	100%
Carotid interventions	100%

<b>6. Cardiovascular disease</b>	
Acute Myocardial Infarction and other ACS	100%
Heart failure	100%
Acute stroke	100%

<b>7. Renal disease</b>	
Renal replacement therapy (renal registry)	100%

<b>8. Cancer</b>	
Lung cancer	100%
Bowel cancer	100%
Head & neck cancer	Awaiting national report
Oesophago-gastric cancer	100%

<b>9. Trauma</b>	
Hip fracture	100%
Severe trauma	100%

<b>10. Blood transfusion</b>	
------------------------------	--

Bedside transfusion	100%
Medical use of blood	Awaiting national report

<b>Audit Title</b>	<b>Compliance with Audit Terms</b>
11. Health promotion	
Risk factors	100%
12. End of life	
Care of dying in hospital	100%

<b>National Confidential Enquiries</b>	<b>Compliance with Audit Terms</b>
NCEPOD Enquiries	
Paediatric Surgery	100%
Peri-Operative Care	100%
Cardiac Arrest	100%
Bariatric Surgery	100%

**Table Two – Trust Reviewed National Clinical Audits and Actions**

<b>Audit Title</b>	<b>Actions to be taken</b>
Hip Fracture	<ul style="list-style-type: none"> <li>• Provide Consultant review by Geriatrician on call so that all hip fracture patients will be seen by a senior medic promptly after admission</li> <li>• Improve daily co-ordination between surgeons, anaesthetists and geriatricians</li> </ul>
Potential donor audit	<ul style="list-style-type: none"> <li>• Introduce the Organ and Tissue Donation Policy</li> </ul>
Lung cancer	<ul style="list-style-type: none"> <li>• Raise awareness of importance of recording histology at Castle Hill Hospital for surgical patients</li> <li>• Compare previous years results and discuss low numbers of small cell lung cancer receiving chemo at business meeting</li> </ul>
Neonatal intensive and special care	<ul style="list-style-type: none"> <li>• Introduce proforma in case notes to improve the number of documented consultations with parents/carers</li> <li>• Breast milk to babies rates will improve year on year with the work currently ongoing for the baby friendly initiative</li> </ul>
Adult asthma	<ul style="list-style-type: none"> <li>• Raise awareness of importance of documenting written plans</li> <li>• Discuss asthma discharge planning and organisation from the emergency department and the wards</li> </ul>

**Table Three – Local Clinical Audits and Actions**

<b>No of Local Clinical Audits</b>	<b>Actions to be taken</b>
30	Improve documentation
29	Change process
47	Re-audit
34	Additional training
18	Improve communication
7	Other e.g. additional equipment

## **Research and development**

The number of patients receiving NHS services provided or subcontracted by York Teaching Hospital NHS Foundation Trust that were recruited during that period to participate in research approved by a research ethics committee was 2783.

## Part 5 – New initiatives, targets and trajectories

<b>National targets and regulatory requirements</b>	<b>2011/12 Target</b>	<b>2011/12 actual</b>	<b>Target achieved</b>	<b>Target and trajectories 2012/13</b>
Clostridium difficile year on year reduction	55	34	✓	27
MRSA – maintaining the annual number of MRSA. MRSA bloodstream infections at less than half the 2003	6	6	✓	6
Maximum waiting time of 31 days from decision to first treatment	96%	98.7%	✓	96%
Maximum waiting time of 31 days for second or subsequent treatment for all cancers – anti cancer drugs	98%	99.5%	✓	98%
Maximum waiting time of 31 days for second or subsequent treatment for all cancers – surgery	94%	95.7%	✓	94%
Maximum waiting time of 62 days from all referrals to treatment for all cancers – urgent GP referral	85%	87.3%	✓	85%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers – screening	90%	95.2%	✓	90%
Maximum waiting time of 14 days from referral to first seen for all urgent cancers	93%	94.7%	✓	93%
Maximum waiting time of 14 days from referral to first seen for breast symptomatic breast patients	93%	94.8%	✓	93%
Admitted patients –18-week maximum wait from point of referral to treatment	90%	90.15%	✓	90%
Non-admitted patients – 18-week maximum wait from point of referral to treatment	95%	98.16%	✓	95%
Maximum time of 18 weeks from point of referral to treatment – patients on an incomplete pathway				92%
Maximum waiting time of four hours in A & E from arrival to admission, transfer or discharge	95%	97.02%	✓	95%
Data completeness: community services referral to treatment*				50%
Data completeness: community services – referral Information*				50%
Data completeness: community services – treatment activity information*				50%

Data completeness: community Services – patient identifier information*				50%
Data completeness: community Services – patients dying at home/care home*				50%
Certification against compliance with requirements regarding access to healthcare for people with learning disabilities**			✓	Required to meet the six criteria for meeting the needs of people with learning disabilities. Please see below for the six criteria.

\*Data collection for community

Data relating to community services has been under development during 2011/12 and has been collected in shadow format from Quarter 3 and 4 of 2011/12. This will be collected throughout 2012/13.

\*\*Criteria for meeting the needs of people with learning disabilities

- 1 Does the Trust have a mechanism in place to identify and flag patients with learning disabilities and protocols that pathways of care are reasonably adjusted to meet the health needs of these patients?
- 2 Does the Trust provide readily available and comprehensible information to patients with learning disabilities about the following criteria?
  - Treatment options
  - Complaints procedures
  - appointments
- 3 Does the Trust have protocols in place to provide suitable support for family carers who support patients with learning disabilities?
- 4 Does the Trust have protocols in place to routinely include training on providing healthcare to patients with learning disabilities for all staff?
- 5 Does the Trust have protocols in place to encourage representation of people with learning disabilities and their family carers?
- 6 Does the Trust have protocols in place to regularly audit its practices for patients with learning disabilities and to demonstrate the findings in routine public reports?

## **Part 6 – Statements from the Primary Care Trust, Local Involvement Networks (LINKs) and Council of Governors**

### **Statement from NHS North Yorkshire and York**

NHS North Yorkshire and York is the lead commissioner for York Teaching Hospital NHS Foundation Trust and we are pleased to be able to review and comment on their Quality Account for 2011/12 in conjunction with our Associate Commissioner, NHS East Riding of Yorkshire.

Over the past 12 months we have worked hard together as commissioners and providers to improve the quality of patient services for the residents of York and the East Riding. Through the contract management process the Trust has provided assurance to us as commissioners, by sharing a range of data and quality metrics which have assured us of the quality of patient services.

The Quality Account for York Teaching Hospital NHS Foundation Trust provides a clear, accurate, and open story of the quality of patient care provided. We are especially pleased to note the following achievements:

- The Quality and Safety Team were highly commended in the Nursing Times Awards 2011 for their work on pressure ulcer reduction
- Significant reduction in the number of patient falls since July 2011
- The Board of Directors affirms its commitment to patient safety and experience by listening to patient stories, both positive and negative, at their meetings
- The Trust continues to undertake patient safety leadership walk rounds by senior managers, directors and non-executives to wards and departments
- The appointment of a Lead Nurse Patient Experience who will focus on improving processes around complaint management and sharing lessons learnt
- The introduction of 'Intentional rounding' to improve patient care around access to food and fluids
- The introduction of 'Dining Companions' on in-patient wards

York Teaching Hospital NHS Foundation Trust has also demonstrated significant improvements across the CQUIN indicators for 2011/12. Indicators for 2012/13 are currently being agreed for both Acute and Community CQUINS with the Trust and Vale of York CCG colleagues.

The priorities identified in the Quality Account for 2012/13 clearly identify the three elements of quality i.e. patient safety, clinical effectiveness and patient experience and have a real synergy with what we are seeking to achieve across the whole health economy and focus on:

## Patient Safety

- Keeping acutely ill and deteriorating patients safe
- Improving the care of patients with dementia
- Ensure compliance with 'intentional rounding' in all settings
- Improving patient access to food and fluids in hospital
- Ensuring complete engagement with the WHO Checklist
- Achieve this year's demanding target for C.difficile infections

## Clinical Effectiveness

- Ensure patients come to no harm while in hospital
- Continue to reduce the number of avoidable falls in hospital
- Reduction in the number of errors in prescribing and administration of medicines

## Patient Experience

- Reduce Complaints where poor attitude is an issue
- Increase the percentage of patients who would recommend York Teaching Hospital NHS Foundation Trust to family and friends
- Improve communications with patients, carers and relatives by:
  - improving discharge information
  - seeking patients views on their care

In July 2012, the Trust will merge with Scarborough and North East Yorkshire Healthcare NHS Trust and it is important that during this transition, both organisations continue to rollout the agreed Quality Account priorities and engage with the public to ensure that local priorities and expectations of patients and their families are recognised and supported.

As a commissioner we commend this Quality Account for its accuracy, honesty, and openness. We recognise that York Teaching Hospital NHS Foundation Trust delivers good quality patient care, and we look forward to working with the Trust and colleagues from the Vale of York Clinical Commissioning Group to bring about further improvements in quality during 2012/13.

## **Statement from the Council of Governors**

A small group of Governors, on behalf of the whole Council of Governors, met with the Trust to discuss the draft Quality Report.

Last year the Governors were asked to identify an area to be reviewed by the External Auditors and we choose Venous Thrombo-embolism (VTE) assessment. The Governors noted, in the report for this year, that significant progress has been made over the last 12 months and that the Trust is now recognised as a centre of excellence for VTE assessment. This year the Council of Governors has chosen the World Health Organisation (WHO) surgical checklist usage to be reviewed by the External Auditors. The Governors are aware the Trust has been working hard to achieve the target set, but there is still more work to do to achieve the standard of excellence expected by the Governors and the Trust. Over the next 12 months we will continue to ask for updates.

The Governors were delighted to see that dementia care has been included by the Trust as one of the priorities for 2012/13. The Governors believe this to be a very important area. Feedback to Governors from their constituencies demonstrates that proper

management and referral of patients improves the quality of care for this group of patients and their families. The Governors will continue to seek assurances during the year that progress is being made against this priority.

The Governors agreed that the report was truly reflective of the work that has been undertaken in the Trust during 2011/12 and that the priorities set for 2012/13 are the correct ones. The Governors also noted that there were some areas where targets had not been reached during the last 12 months, but, through the Governor groups and the Council of Governor meetings in public, we will look for assurance from the Trust that progress is being made against these outstanding targets.

The Governors also look forward to seeing that the priorities identified in the Scarborough Quality Account are being successfully implemented by the Trust following completion of the acquisition.

### **Statement from York LINK**

Thank you for giving York LINK the opportunity to comment on your Quality Report for 2011/12. We welcome this document which we are sure will be useful in assisting us in our work during the coming year.

In the time available the Steering Group have read the report carefully and do appreciate it being much more accessible than previous quality reports. We would like to commend you for producing a very open and honest report.

The LINK is particularly pleased with the emphasis you have placed on patient experience and welcome the appointment of the lead nurse on patient experience. We very much look forward to continuing our good working relationship with the Trust during the coming year.

## Glossary

Aseptic Non Touch Technique (ANTT)	Aseptic technique is a method that is designed to reduce the risk of microbial contamination in a vulnerable body site. This may include such procedures as undertaking a wound dressing or performing an invasive procedure such as inserting a urinary catheter or preparing an intravenous infusion.
Board of Directors	Individuals appointed by the Council of Governors and Non-executive Directors. The Board of Directors assumes legal responsibility for the strategic direction and management of the Trust.
C-difficile (C-Diff)	Clostridium difficile is a species of Gram-positive bacteria of the genus Clostridium that causes severe diarrhoea and other intestinal disease when competing bacteria in the gut flora are wiped out by antibiotics.
Care Quality Commission (CQC)	The Care Quality Commission regulates care provided by the NHS, local authorities, private companies and voluntary organisations. They aim to make sure better care is provided for everyone – in hospitals, care homes and people’s own homes. We also seek to protect the interests of people whose rights are restricted under the Mental Health Act.
Carotid endarterectomy	is a surgical procedure used to prevent stroke, by correcting stenosis (narrowing) in the common carotid artery. Endarterectomy is the removal of material on the inside ( <i>end-</i> ) of an artery. The common carotid artery is an artery that supplies the head and neck with oxygenated blood; it divides in the neck to form the external and internal carotid arteries.
CQC Quality Risk Profile (QRP)	<p>QRPs are an essential tool for providers, commissioners and our own staff in monitoring compliance with the essential standards of quality and safety.</p> <p>They help in assessing where risks lie and can play a key role in providers’ own internal monitoring as well as informing the commissioning of services.</p>
Commissioning for Quality and Innovation payment framework (CQUIN)	The Commissioning for Quality and Innovation (CQUIN) scheme was announced in <i>High Quality Care for All</i> (2008) and introduced through the new standard NHS contracts and the NHS Operating Framework for 2009/10. It is a key element of the NHS Quality Framework, introducing an approach to incentivising quality improvement. CQUIN schemes were mandated for acute contracts from 2009/10.

Council of Governors	<p>Every NHS Foundation Trust is required to establish a Council of Governors. The main role of the Council of Governors is threefold:</p> <ul style="list-style-type: none"> <li>• <b>Advisory</b> – to advise the Board of Directors on decisions about the strategic direction of the organisation and hold the Board to account.</li> <li>• <b>Strategic</b> - to inform the development of the future strategy for the organisation</li> <li>• <b>Guardianship</b> – to act as guardian of the NHS Foundation Trust for the local community.</li> </ul> <p>The Chair of the Council of Governors is also the chair of the NHS Foundation Trust. The Council of Governors does not “run” the Trust, or get involved in operational issues.</p>
Crash calls	<p>A crash call is a cardio-respiratory arrest requiring resuscitation to sustain life.</p>
Department of Health	<p>The Department of Health is a government department with responsibility for government policy for health and social care matters and for the (NHS) in England. It is led by the Secretary of State for Health.</p>
Do Not Attempt Cardiopulmonary Resuscitation	<p>If someone’s heart or breathing stops suddenly, the brain can only live for about three to four minutes before death could result. When this happens it may be possible to try to restart the heart and breathing with emergency treatment called CPR or cardiopulmonary resuscitation. All healthcare organisations will routinely attempt Cardiopulmonary resuscitation (CPR) on any individual where cardiac or respiratory function ceases, unless there is direct and written order not to attempt CPR, a “DNACPR” decision.</p>
Financial Risk Rating (FRR)	<p>Financial risk ratings are allocated using a scorecard which compares key financial information across all foundation Trusts. A rating of 5 reflects the lowest level of financial risk and a rating of 1 the greatest.</p>
Global Trigger Tool (GTT)	<p>The use of “triggers,” or clues, to identify adverse events (Aes) is an effective method for measuring the overall level of harm in a health care organisation. The Global Trigger Tool for Measuring Aes provides instructions for reviewers and methods for conducting a retrospective review of patient records using triggers to identify possible Aes. The tool includes a list of known AE triggers as well as instructions for selecting records, training information, and appendices with references and common questions. The tool provides instructions and forms for collecting the data you need to track three measures:</p> <ul style="list-style-type: none"> <li>• Adverse Events per 1,000 Patient Days</li> <li>• Adverse Events per 100 Admissions</li> </ul>

Hospital Standardised Mortality Ration (HSMR)	The HSMR is an overall quality indicator and measurement tool that compares a hospital's mortality rate with the overall average rate. It has been used by many hospitals worldwide to assess and analyze mortality rates and to identify areas for improvement. The HSMR is calculated as the ratio of the actual number of deaths to the expected number of deaths among hospital patients. It is adjusted for other factors affecting mortality such as age, sex, and length of hospital stay.
Information Governance Toolkit	The Information Governance Toolkit is a performance tool produced by the Department of Health (DH). It draws together the legal rules and central guidance set out above and presents them in one place as a set of information governance requirements. The organisations described below are required to carry out self-assessments of their compliance against the IG requirements.
Intentional rounding	This involves health professionals carrying out regular checks with individual patients at regular intervals. The process helps nurses focus on clear measurable aims for undertaking the round. It helps front line teams to organise workloads on the wards. Rounding can reduce adverse incidents, offers patients greater comfort, and ease their anxiety.
Medicines code	Document that provides guidance to all staff who may be involved in the prescribing and administration of medicines.
Monitor	<p>Monitor were established in January 2004 to authorise and regulate NHS foundation Trusts. They independent of central government and directly accountable to Parliament. There are three main strands to their work:</p> <ul style="list-style-type: none"> <li>• Determining whether NHS Trusts are ready to become NHS foundation Trusts</li> <li>• Ensuring that NHS foundations Trusts comply with the conditions they signed up to – that they are well-led and financially robust</li> <li>• Supporting NHS foundation Trusts development</li> </ul>
MRSA	<p>Methicillin-resistant Staphylococcus aureus (MRSA) is a bacterium responsible for several difficult-to-treat infections in humans. It may also be called multidrug-resistant Staphylococcus aureus or oxacillin-resistant Staphylococcus aureus (ORSA).</p> <p>MRSA is, by definition, any strain of Staphylococcus aureus that has developed resistance to beta-lactam antibiotics which include the penicillin (methicillin, dicloxacillin, nafcillin, oxacillin, etc) and the cephalosporins.</p>
NHS Litigation Authority	<p>The NHS Litigation Authority is a special health authority of the National Health Service (NHS). It is responsible for handling negligence claims made against NHS bodies in England. In addition it:</p> <ul style="list-style-type: none"> <li>• Has developed an active risk management programme to raise NHS standards and reduce incidence of negligence</li> <li>• Monitors human rights case law on behalf of the NHS</li> </ul>

	<ul style="list-style-type: none"> <li>• Co-ordinates claims for equal pay in the NHS</li> <li>• Handles Family Health Service appeals (i.e. disputes between doctors, dentists, opticians and pharmacists and NHS PCTs, since April 2005).</li> </ul>
National Patient Safety Agency (NPSA)	The NPSA leads and contribute to improved, safe patient care by informing, supporting and influencing organisations and people
National clinical audits	The National Clinical Audit and Patient Outcomes Programme (NCAPOP) is a set of centrally-funded national projects that provide local Trusts with a common format by which to collect audit data. The projects analyse the data centrally and feed back comparative findings to help participants identify necessary improvements for patients. Most of these projects involve services in England and Wales; some also include services from Scotland and Northern Ireland.
National confidential enquires (NCEPOD)	NCEPOD promote improvements in health care. They are published by the NPSA. The distinctive feature of NCEPOD's contribution is the critical examination, by senior and appropriately chosen specialists, of what has actually happened to the patients.
NICE quality standards	National Innovation and Clinical Excellence (NICE) quality standards are a set of specific, concise statements that act as markers of high-quality, cost-effective patient care, covering the treatment and prevention of different diseases and conditions. Derived from the best available evidence such as NICE guidance and other evidence sources accredited by NHS Evidence, they are developed independently by NICE, in collaboration with the NHS and social care professionals, their partners and service users, and address three dimensions of quality: clinical effectiveness, patient safety and patient experience. This work is central to supporting the Government's vision for an NHS focussed on delivering the best possible outcomes for patients.
Patient at risk (PAR) scoring	The Patient at Risk Score (PARS) is designed to enable health care professionals to recognize "at risk" patients and to trigger early referral to medical staff, so that early intervention can help to prevent deterioration.
Patient and Public Involvement Strategy (PPI)	The involvement of patients and the public is core to healthcare reform and to a "patient led NHS". As a healthcare organisation the Trust needs to listen, understand and respond to patient and public needs, perceptions and expectations ensuring patients' experiences and preferences inform continuing improvement. Evidence demonstrates that effective patient and public involvement leads to increased patient satisfaction, more positive outcomes and improved professional/patient relationships. Creating such partnership encourages patients to take more responsibility for their personal healthcare and supports the most effective use of resources.

Pressure Ulcers	<p>Pressure ulcers or decubitus ulcers, are lesions caused by many factors such as unrelieved pressure, friction, humidity, shearing forces, temperature, age, continence and medication to any part of the body, especially portions over bony or cartilaginous areas such as sacrum, elbows, knees, and ankles.</p> <p>Pressure ulcers are graded from 1 to 4 as follows:</p> <ul style="list-style-type: none"> <li>• In Grade 1 Pressure Ulcers there is no breakdown to the skin surface</li> <li>• Grade 2 pressure ulcers present as partial thickness wounds with damage to the epidermis and/or dermis. Skin can be cracked, blistered and broken</li> <li>• Grade 3 pressure ulcers develop to full thickness wounds involving necrosis of the epidermis/dermis and extend into the subcutaneous tissues</li> <li>• Grade 4 pressure ulcers present as full thickness wounds penetrating through the subcutaneous tissue</li> </ul>
Productive ward	<p>The Productive Ward focuses on improving ward processes and environments to help nurses and therapists spend more time on patient care thereby improving safety and efficiency.</p>
Quality Governance Framework	<p>Quality governance refers to the Board’s leadership on quality and their ability to understand the relative quality of services their Trust provides, identify and manage risks to quality, act against poor performance and implement plans to drive continuous improvement.</p>
RAG rating	<p>A form of risk rating using Red Amber Green as measure.</p>
Red jugs	<p>The Trust has introduced ‘red jugs’ on the wards for patient. They are used to help identify those people who may need more support in terms of remaining hydrated - they are a reminder to staff, patients and relatives that hydration is a key issue and the individual may need some assistance with their fluid intake</p>
Root cause analysis (RCA)	<p>This is a system of problem solving methods aimed at identifying the root causes of problems or events. The practice of RCA is predicated on the belief that problems are best solved by attempting to address, correct or eliminate root causes, as opposed to merely addressing the immediately obvious symptoms. By directing corrective measures at root causes, it is more probable that problem recurrence will be prevented. However, it is recognised that complete prevention of recurrence by one corrective action is not always possible. Conversely, there may be several effective measures (methods) that address the root cause of a problem. Thus, RCA is often considered to be an iterative process, and is frequently viewed as a tool of continuous improvement.</p>

Safety thermometer	The NHS safety thermometer is an electronic data collection system to collect evidence of 4 particular patient harms. These harms are VTE, pressure ulcers, falls and catheter related urinary tract infections. Data is collected at the point of care by healthcare professionals one day per month and entered into the instrument. The system allows assessment of 'harm free care'.
Summary Hospital-level Mortality Indicator (SHMI)	<p>SHMI shows whether the number of deaths linked to a particular hospital is more or less than expected, and whether that difference is statistically significant. It covers all English acute non-specialist providers.</p> <p>The dataset used to calculate the SHMI includes all deaths in hospital, plus those deaths occurring within 30 days after discharge from hospital. The expected number of deaths is calculated from a risk-adjustment model developed for each diagnosis grouping that accounts for age, gender, admission method and co-morbidity.</p>
Venous thromboembolism (VTE)	Venous thromboembolism (VTE) is a condition in which a blood clot (thrombus) forms in a vein. Blood flow through the affected vein can be limited by the clot, and may cause swelling and pain. Venous thrombosis occurs most commonly in the deep veins of the leg or pelvis; this is known as a deep vein thrombosis (DVT). An embolism occurs if all or a part of the clot breaks off from the site where it forms and travels through the venous system. If the clot lodges in the lung a potentially serious and sometimes fatal condition, pulmonary embolism (PE) occurs. Venous thrombosis can occur in any part of the venous system. However, DVT and PE are the commonest manifestations of venous thrombosis. The term VTE embraces both the acute conditions of DVT and PE, and also the chronic conditions which may arise after acute VTE-such as post thrombotic syndrome and pulmonary hypertension-both problems being associated with significant ill-health and disability.
World Health Organisation (WHO)	World Health Organisation is the directing and coordinating authority for health within the United Nations system. It is responsible for providing leadership on global health matters, shaping the health research agenda, setting norms and standards, articulating evidence-based policy options, providing technical support to countries and monitoring and assessing health trends.
YTH	York Teaching Hospital

# Performance Report

## Performance Report

### Key facts

The Trust has a comprehensive range of acute services including a maternity unit, adult critical care unit, emergency department, and a coronary care unit. The Trust provides acute services for approximately 350,000 people living in and around York and also a range of specialist services over a wider catchment area of around 500,000 people in North Yorkshire. At the beginning of 2011/12 the Trust assumed responsibility for community services in the York and Selby area. The Trust was also asked to 'host' the community services in Whitby, Scarborough and Ryedale.

### Principal activities of the Trust

The principal purpose of the Trust is the provision of goods and services for the purpose of the health service in England.

### Patient care

#### Patient safety

As an organisation the Trust is firmly committed to reducing harm and mortality.

The organising principles of the Trust's patient strategy of safe, effective and personal care ensures that staff do the right thing to the right patient in the right way, every time. We have committed to action to improve both the reliability of our care for our patients and the way in which we deliver it.

In latter months we have been revising our Patient Safety Strategy to ensure we have real engagement, determination and action. The strategy will describe a three year plan around 3 specific areas:

1. Developing a 24 hour seven day a week service
2. Reviewing our systems of measurement, coding and documentation and
3. Reducing harm and mortality.

The Board of Directors affirms its commitment to patient safety and patient experience by placing at the top of the agenda of any meeting and devoting time to hear patient's stories of their experiences while in our care.

Excellent progress has been made in the following areas:

- The Trust continues to undertake patient safety leadership walk rounds ensuring that each ward/department is visited at least once a year. We have maintained this standard for the last four years
- The annual point prevalence for pressure ulcers has continued to drop year on year and the Trust was highly commended in the Nursing Times Awards 2011 in the patient safety improvement category for our pressure ulcer reduction initiative

- The Trust has achieved over 90% compliance with venous thromboembolism (VTE) assessment and prophylaxis - introducing a computerised system, establishing a VTE Committee at Strategic level and improving the guidelines and training for staff
- After significant focussed work from our critical care team, it is over 400 days since one of our patients experienced a central line infection on the Intensive care unit. It is also over 190 days since one of our patients experienced a ventilator acquired pneumonia
- Deteriorating patient subgroup established with plans for electronic monitoring of observations
- The Trust has embarked on a comprehensive acute illness recognition and patient observations training
- The Trust has recruited a clinical nurse educator to focus on the work of the deteriorating patient
- The Trust has rolled out 'comfort rounding' (intentional rounding) to all our in-patient acute wards as a priority
- The Trust has been able to maintain our strong record with regard to infection prevention, and continue to be among the best nationally in this area
- Weekly mortality reviews are well established
- Anti non-touch technique (ANTT) is now a recognised technique throughout the organization; it is promoted and reinforced via mandatory training sessions and is utilized by nursing, medical and ancillary staff. Compliance in the last quarter of the year was 98%
- The Trust has introduced volunteer 'Dining Companions' as a trial to one of our wards. This has been evaluated extremely well and our plans to roll this initiative out further are well developed
- The Trust has developed a programme to support and develop the ward sister role to ensure patient care standards are raised and sustained
- The Trust has worked with experts from the NPSA to critically evaluate our falls assessment tool in order to make the most appropriate use of in our most vulnerable patients. This has led to a rewrite of our assessments and approach and a decrease in our falls
- The Trust has collaborated with Parkinson's UK to improve the timely access to medicines for those patients with Parkinson's disease
- The Trust has improved our training around insulin management
- The Trust has established a new forum for analysing and sharing the learning from adverse incidents involving critical medicines

Our most recent Dr Foster report and initial SHMI highlighted above expected rates of mortality, and we know that much of this was associated with poor data capture and attribution and some of the findings of the CQC's most recent inspection include a failure to document important aspects of the care we provide. We have sought further assurance by undertaking case note reviews and peer reviews.

## Listening, involving, responding

We want patients to receive the best possible care and treatment at York Teaching Hospital NHS Foundation Trust and are committed to improving the experiences of our patients and their families when they access our services. To help us achieve this, we take every opportunity to listen to what people say about services and standards of care and to involve them in new developments.

Listening, involving and responding to patients, carers and their families allows us to focus on providing services which are responsive to their needs. We want everyone who accesses our services to have a high quality, positive experience

## Complaints and compliments

Complaints and compliments provide us with a valuable insight into the experience of patients at the Trust and enable us to make improvements to our services. It also enables us to feedback to staff when they are providing an excellent service. Patients, their families and visitors are encouraged to share any concerns or suggestions they have with us so that their comments and suggestions can be investigated and responded to, and so that we can learn lessons from their experiences.

The Trust has an established Concerns and Complaints Policy and Procedure. Complaints can be made in person, by letter, email or telephone. All complainants receive an acknowledgement letter detailing who will investigate the complaint, their contact details and when to expect a response. The acknowledgement letter explains the role of the Independent Complaints Advocacy Service (ICAS) and an ICAS leaflet is enclosed. If other kinds of support are required, the complaints team liaises with appropriate specialists, for example, Acute Liaison Lead Nurse, Specialist Nurse for patients with Learning Disabilities. The Trust can arrange a local resolution meeting with the appropriate staff if the complainant finds this helpful, as we usually find that they are beneficial to everyone.

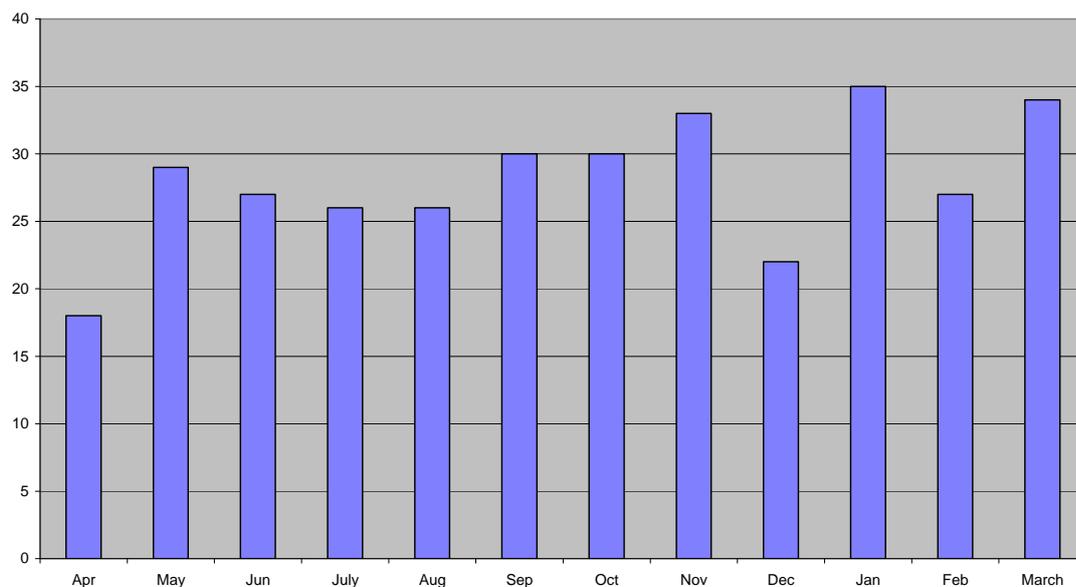
Our Complaint Correspondence also includes details of how to contact the Care Quality Commission, the independent regulator of all health and social care services in England

Guidance and individual training is provided by the Patient Experience Team for all staff who undertake complaint investigations. The team also deliver more general patient experience training as part of the Trust induction for new Staff Nurses and Health care Assistants.

Between 1 April 2011 and 31 March 2012 the Complaints Team registered 331 complaints, compared to 308 in 2010/11. Although it is disappointing to note that complaint figures in 2011/2012 have increased by 23, we are delighted that people are taking the time to provide feedback.

Each complaint received a written response from the Chief Executive. 62 complaints were resolved outside the complaints procedure in accordance with the regulations.

Complaints by month (April 2011 to March 2012)



Of the 331 registered complaints received in 2011/12, 181 (of the 271 completed complaints) generated actions for improvement. Actions taken as a result of complaints include:

- A standard letter used to invite a patient to attend for a procedure advised the patient to fast, even though this was not necessary as the procedure required a local anaesthetic. The letter was adapted to prevent a recurrence
- A relative felt communication was poor during the process of discharge and transfer home. A new transfer summary was introduced to document all decisions and conversations relating to patients and their families
- A patient complained he had not been contacted to arrange an appointment as promised during his consultation. As a result the administration process was changed to ensure patients are contacted by the department directly

The Head and Neck Directorate have a Quarterly Action Plan Review Meeting with the Complaints Officers to discuss any issues arising from the handling of complaints. This also enables the Directorate to evidence how they have implemented actions that have been identified from complaints. The Directorate is proactive in responding to patient feedback and is successful in resolving concerns promptly outside of the Complaints procedure.

In 2012 we want to replicate this good practice across other directorates.

In 2011/2012 17 complaints in total were referred to the Health Service Ombudsman, this compares with 12 in 2010/11. Of the 17 complaints, none were upheld; and four were referred back to the Trust for further local resolution.

A total of 3957 positive patient feedback were received between 1 April 2011 to 31 December 2011 (nine months of data), in the form of letters, cards and emails. The following comments are typical of those expressed by many patients:

*A patient wrote "I just wanted to say a big thank you for all the care that I received whilst at York Hospital. I think the staff are extremely dedicated and go about their work in a very professional manner. I feel very fortunate to have been hospitalised in York."*

Another patient wrote “We need to broadcast the good things that happen day after day in the NHS so people realise that it is still the best and the envy of the world”.

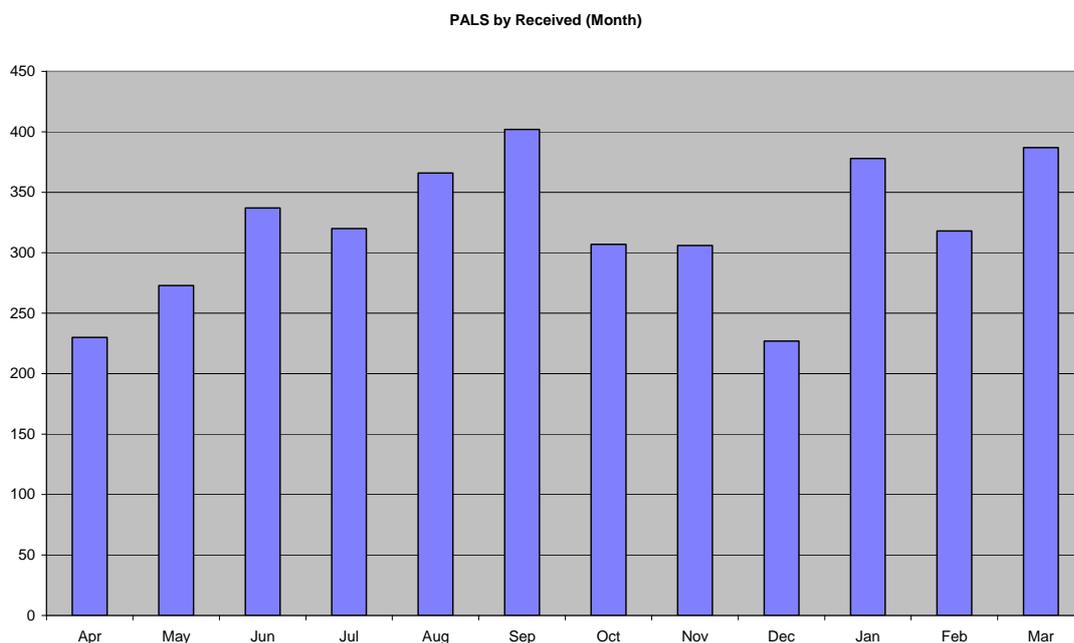
A patient and his wife wrote “In this time of critical media coverage concerning Hospital standards and treatment we can only say how excellently your staff treated my mother and ourselves. Please can you express our sincere thanks and gratitude to all staff who were involved in the treatment of our mother”.

### Patient Advice and Liaison Service (PALS) Team

The PALS service is a single point of contact for any Trust related enquiries from patients and their relatives. PALS Advisors listen to suggestions or queries and help resolve concerns quickly. They provide information, advice and support to patients, their families and carers. Patients and their families can telephone, write, or email for help or advice in relation to Trust services. Patient information leaflets explaining the services PALS offer are available throughout the Trust. Information is also available on the Trust’s website.

A number of the cases dealt with by PALS are resolved either immediately or within 24 hours. PALS liaise closely with directorates to ensure that patient feedback reaches the appropriate service.

In 2011/2012 PALS dealt with 3851 patient contacts, compared with 3649 patient contacts in 2010/2011.



Actions taken as a result of PALS contacts include:

- PALS were able to arrange a car parking refund for parents who were staying overnight with their child
- The wording of a Patient Information Leaflet is being revised to address concerns raised through PALS

## National Patient Survey

The Health Survey for England (HSE) comprises a series of annual surveys. These surveys are commissioned and published by The NHS Information Centre. It is designed to provide regular information on various aspects of the nation's health.

### In patient survey 2011

Each year, every NHS hospital trust in England carries out the Survey of Adult In patients in the NHS as part of a national programme led by the Care Quality Commission, the regulator of health and social care services.

The questions within the survey cover the patient's pathway from when they are admitted to our hospital; the treatment and care they receive whilst they are in hospital. It additionally focuses on the quality of how we communicate with our patients and the information that we provide, through to the point at which they are discharged from our hospital.

The results of the Inpatient survey highlight many positive aspects of patient experience in York, with the majority of patients reporting that:

	2010	2011
Overall: rating of care was good/excellent	91%	90%
Overall: doctors and nurses worked well together	91%	89%
Doctors: always had confidence and trust	83%	84%
Hospital: room or ward was very/fairly clean	92%	95%
Hospital: toilets and bathrooms were very/fairly clean	91%	94%
Hospital: hand-wash gels visible and available for patients and visitors to use	96%	93%
Care: always enough privacy when being examined or treated	89%	88%

The results also highlight where improvements are needed and the Trust will now consider how we take forward these key findings from the survey to ensure that we improve on these areas in future

### Out patient survey 2011

The National Adult Outpatient Survey, like the Inpatient survey, shows that we have continued to perform well with the majority of patients reporting that their care was good, very good or excellent with 91% feeling they were treated with respect and dignity *all the time* when they attended our Outpatient Department.

However, we need to consider and act upon why patients have reported that they were not fully involved in decisions about the best medication – with this rising from 29% (2009) to 48% in 2011 and why patients report that they did not have enough time to fully discuss health or medical problems with the doctors 18% (2009) 24% in 2011. It is concerning that prior to treatment, patients reported that the risks or benefits were not explained in a way that they could understand 17% (2009) rising to 29% in 2011.

Our new car park has had the effect we strived for; with patients and their families/friends now more able to find a convenient place to park at York Hospital. We

know that this issue is so important to patients when they come for their appointment or visit their loved ones. There has been a reduction from 34% in 2009 to 14% in 2011 of patients and visitors reporting that they could not find a convenient place to park.

### Service led surveys

Across the Trust we utilise different methodologies for capturing patient feedback to enable us to really understand what matters to patients. We use real-time electronic tablets to carrying out our Nursing Care Indictors which allows us to gain feedback from patients whilst they are accessing our services. A number of surveys have been carried out locally which have utilised on-line surveys, whilst other mechanisms include sharing patient stories, observations within a service area and focus groups have also been carried out across the Trust.

Our directorates actively encourage feedback from patients and staff, and all undertake surveys each year to fully understand how patients experience the services delivered.

Three examples are detailed below, where directorates have worked closely with the Patient Experience Team, to carry out surveys:

### Critical Care: Relatives Experience of Critical Care

Dr Paw wanted to understand the experience of relatives of patients staying within Critical Care. A questionnaire carried out over three months captured the experience of 140 relatives who took the time to take part in the survey. The feedback was gained by utilising two electronic standpoint machines which allowed us to capture the responses at the time the relative was experiencing their family member being cared for within Critical Care.

The questions covered areas including:

- Were the current visiting time for Critical Care convenient
- Were relatives involved in decisions about the care and treatment of the patient
- Were staff welcoming and approachable
- When relatives had important questions to ask were they able to discuss these with staff
- Were relatives treated with respect and dignity

Relatives also were asked '*what one thing did we do that made your experience of Critical Care more bearable for you as a relative*' and also '*what do you think we can do to improve your experience*'. The following quotes are from relatives:

*"The nurses on ICU explained everything so clearly, we always knew what was happening – they were all very kind."*

*"They were always very polite and said hello when we were visiting."*

*"Everyone is so professional it gave me considerable confidence."*

*"Listened and gave us time to let bad news sink in."*

Relatives told us that:

- They were treated with kindness and understanding whilst visiting the ICU/HUD (98%)

- They found visiting times convenient (93%)
- They were given enough privacy when discussing your loved one's condition or treatment (92%)
- They found ICU/HDU nurses welcoming and approachable (96%)
- They would recommend this hospital to your family and friends (96%)
- They would like to have a Critical Care Information leaflet that set out what they can expect to happen and the 'norms' of ICU/HDU.
- They were appreciative of the relative's room but would welcome access to magazines and newspapers whilst visiting their relative

### Emergency Department: Patient and Public Engagement in the Emergency Department

This year saw plans for the Emergency Department at York Hospital to undergo a re-design of how patients accessed the service with plans to create an Urgent Care Centre.

At present, patients in York Hospital's emergency department with minor illness and injury are seen and treated in the same space and by the same team as the 'major' patients (i.e. those with a serious medical condition or serious injury). By streaming patients with minor illness and injury to an urgent care centre within the emergency department, the space in the main emergency department will be used solely by the 'major' patients. This will enable the emergency department team to better co-ordinate care and concentrate resources for these patients which will help reduce waits and improve patient experience for this group. The Walk in Centre has transferred to the Urgent Care Centre which will be located within the current Emergency Department.

It was important for us to gain the views of both patients and the public on their experience of accessing the Emergency Department in order to re-design the service based on what our patients were telling us. We wanted to utilise a number of methods to help us understand:

- What is the current experience of patients using the ED
- What needs to be done to redesign the ED to help improve those experience

We did this by seeking, how both the environment and the journey through the Emergency Department could be improved. We advertised for people who had attended the department over the past year to take part in a focus group. We were then able to encourage and support people to tell us their stories and then use these stories to pinpoint the parts of the care pathway where the users' experience is most powerfully shaped.

Additionally, four Hospital Governors and four York LINKs members carried out observation sessions within the ED covering a 24 hour period of time over five days. Observation was felt to be a powerful tool which would help us to understand things from a different perspective.

Recommendations were then determined by the findings from the project and are currently being implemented, one of which involves the re-design and relocation of the reception desk.

## Eye Clinic Partnership Group

The Ophthalmology directorate wanted to ensure that they understand their patients' experience when they came into the department. In 2011, an Eye Clinic Partnership group was set up, chaired by the Ophthalmology Operational manager. The group, which meets quarterly, is made up of current service users and a cross section of staff from within Ophthalmology and the Patient Experience Team. It has developed its own programme of work for the year based on feedback from the Patient Advice and Liaison Service, Complaints and the findings from national outpatient surveys as well as developing a patient experience survey which was carried out within the Eye Clinic.

Other Service-Led Patient Experience Surveys include:

Emergency Department  
Orthodontics  
Ophthalmology  
Diabetes  
Health Care at Home Pharmacy  
Critical Care  
Respiratory Medicine  
Maternity Services

User and Support Group within the Trust, include:

Renal Patient and Carer Reference group  
Maternity Services Liaison group  
Eye Clinic Partnership group  
York District Cancer Partnership group  
Older People's Liaison group  
Stroke Patient and Carer group  
York Limbless Support group

## LINKs

We believe that having effective stakeholder relations is crucial in developing high quality services. During the year we have continued to develop close working relationships with our Local Involvement Network (LINKs).

LINKs actively works with communities to provide the opportunity for people to influence and have a say on health and social care locally. Made up of individuals from the local community, voluntary and community groups, LINKs supports people to become involved in how services are developed and ran. LINKs is responsible for ensuring the community's voice is fed back to both health and social care commissioners and providers.

The new Health and Social Care Bill means that LINKs will change and become a Local HealthWatch. Locally, HealthWatch will continue to provide the 'consumer voice' of the local population but their function will change from that of an advisory role to taking a representative and influencing role on the new Local Authority Health and Wellbeing Board. LINKs will continue to make sure that local people have a voice on health and social care issues whilst preparing to handover to Local HealthWatch in April 2013; later

than had previously been expected due to delays in the Health and Social Care Bill being passed.

York LINKs' Work-plan for the year has seen them working closely with the Trust on many areas of work. Such work has included:

#### Access to food in hospital (Enter and View visits)

LINKs has a statutory power that entitles authorised representatives to be able to 'Enter and View' services as they are being provided, making observations and talking to people who are using the services. Each year York LINKs develops their work-plan which is developed by its members and focuses on the issues raised by our local communities.

Following the CQC National Dignity and Nutrition inspection programme in April 2011, LINKs decided to carry out their own visit. During October 2011, York LINKs Members visited six wards (Wards 32, 14, 23, 37, 29 and 24).

The visit took place over a period of two days where LINKs spoke to patients and staff with regard to nutritional standards and looked at nutritional assessment documents. Members of the Enter and View team observed protected mealtimes on the wards and looked at services at the point of delivery.

The Trust is very encouraged by the findings contained in the 'Access to Food in Hospital Report' (March 2012) which states that the LINK Steering Group were impressed by the measures we had put in place to improve access to food in hospital for patients. LINKs recommend that Volunteer Dining Companions, which the Trust piloted this year, be increased throughout the hospital.

#### Services for people with long term neurological conditions in York

Services for people with long term neurological conditions also formed part of LINKs work-plan in 2010 and continued into 2011. A number of recommendations were made by LINK, two of which was the development of a Health Passport and a York Neurology group.

The Trust, LINKs and others voluntary and statutory organisations worked in partnership to develop a Health Passport for patients with Neurological Conditions following this recommendation. This is now being piloted with a small number of patients receiving treatment at York hospital and is being evaluated by St Johns University. Additionally, York LINK has developed a Neurological group, which expanded into the North Yorkshire and York Regional Neurological Alliance.

### **Community services**

Over the last twelve months we have worked to develop a vision for integrated care with our partners from Clinical Commissioning Groups, Local Authorities and also through engagement with practitioners and clinicians. In developing and delivering the new model of integrated care we will ensure that this is aligned with our vision. Our vision for integrated care is:

## **Right care, right place, first time, with joined up services that enable people to regain and keep their optimal health, well-being and independence**

The landscape has been changing over the last twelve to eighteen months, we have moved from one PCT acting as a commissioner and provider of community services being replaced by three shadow clinical commissioning groups and the community services for Selby, York Scarborough, Whitby and Ryedale being transferred to this Trust. The financial challenge at our two local authorities (City of York Council and North Yorkshire County Council) has meant that they have had to examine their investment in adult health and social care and this has further enhanced the commitment to the integration agenda.

The Independent Review of NHS North Yorkshire and York which was published in 2011 is a whole system transformational programme which identified five key work streams:

- The development of Integrated Models of Care
- Reducing the bed base as a result of making improvements to the care and treatment of patients with long term conditions and urgent care
- Reducing commissioning demand of elective care activity
- Reducing and rationalising the health and social care estate
- Reviewing the transport implications (both 999 blue light and patient transport)

To ensure that we develop a comprehensive plan to deliver integrated care for our population we have engaged with all of the key stakeholders. The stakeholders we have identified include:

- Adult and Social Care (Commissioning)
- Clinical Commissioning Groups (Commissioning)
- Secondary Care (Providers)
- Community Services (Providers)
- Mental Health (Providers)
- Voluntary sector (Providers)
- Ambulance Service (Providers)
- Local Authority (Providers)
- General Practitioners (Providers)
- Patient representatives (Service Users)

The integrated care programme is a large scale transformation project and is expected to deliver over a three to four year timeline.

In the first year (2011/12) we have delivered the following high-level changes:

- Identified and developed a shared understanding of the challenge facing all stakeholders in delivering integrated care and gained full organisational buy-in
- Developed a shared vision
- Agreed the broad outline and implementation plan for each locality
- Agreed the specification for services to be provided by the Neighbourhood Care Teams and the implementation plan

- Introduced a Single Point of Co-ordination for the Scarborough and Ryedale Localities
- Implemented an Intermediate Tier Team
- Development of Enhanced Community Team

The key service developments/changes are summarised below:

**Neighbourhood Care Teams:** The Neighbourhood Community Teams will remodel community health, social and primary care services to deliver a more integrated, effective and efficient community system. To do this, the teams will be redesigned and integrated within the community and the lessons learnt will support the future commissioning of services to provide treatment, care and rehabilitation in the most appropriate setting for individuals.

It is expected that the NCT's will help us to reduce acute hospital admissions, reduce length of stay and the accompanying excess bed days; develop alternatives to acute hospital admission and provide appropriate community capacity to facilitate early discharge.

**Single Point of Co-ordination:** There are currently numerous points of contact for the various areas of health and social care creating confusion amongst users and leading to a fragmented service. To ensure timely delivery of health and social care it is essential that access to the appropriate service is clear, simple and reduces the delay in clients accessing the appropriate service.

A single point of co-ordination (SPoC) has been introduced, initially on a locality basis, centred on Ryedale and Scarborough.

The aims of the SPoC are:

- To promote, implement and deliver education for to enable patients to manage their own conditions
- To provide timely access to high quality, evidence based care within the community setting
- To prevent unnecessary admissions
- To facilitate earlier discharge where possible following levels of care principles
- To reduce delays in discharge from the acute setting
- To reduce follow up appointments by utilisation of telehealth and/or appropriate specialist support.

**Integrated Tier Team:** Following a number of audits of patients in the hospital, discussions with the PCT and Local Authorities identified an opportunity to establish an enhanced community service, resourced from "re-ablement" funding which has been allocated to local authorities via PCTs. At the same time, the local authority is redesigning their intensive support and assessment team and re-ablement service to "dove tail" into the new health provision.

This exciting initiative is aimed at reducing admissions and helping to support discharge from hospital. The current funding from City of York Council will resource a team with capacity to care for 30 patients at any time

**Enhanced Community Team:** Using the re-ablement monies allocated by North Yorkshire County Council to the Scarborough, Whitby and Ryedale localities we are developing an Integrated Community Care Team to reduce admissions and hospital attendances, support early discharge from acute hospital and provide intermediate care within the community hospitals or within patients home. The development of the CCTs will:

- Be driven by measured outcomes
- Respond to different neighbourhoods priorities- local services for local communities
- Ensure local responsiveness to health priorities
- Ensure local empowerment and decision making
- Promote locality/neighbourhood based services
- Developing and implementing integrated pathways

**York Children’s Services:** In York the Health Visiting service was transferred, because of the close links to the local authority, the part that transferred is co-terminus with the City of York Council. This Health visiting service now sits within Child Health alongside other children’s services that were already provided within the community i.e. the children’s outreach team and the School health service

## Review of Financial performance

### Fair view of the Trust

The table below provides a high level summary of the Trust’s financial results for 2011/12:

### Summary income and expenditure 2011/12

	Plan	Actual	Variance
	£million	£million	£million
Clinical income	252.1	257.5	5.4
Non-clinical income	32.0	38.9	6.9
Total income	284.1	296.4	12.3
Pay spend	-186.4	-191.2	-4.8
Non-pay spend	-93.6	-100.9	-7.7
Total spend before dividend, and interest	-280.0	-292.5	-12.5
Operating surplus	4.1	3.9	-0.2
Dividend, finance costs and interest	-3.4	-3.5	0.1
Net surplus/deficit	0.7	0.6	-0.1
Financial risk rating	3	3	

At the end of the financial year, the Trust reported an income and expenditure surplus of £0.6m, compared with a planned surplus of £0.7m.

### Accounting policies

The Trust has adopted international financial reporting standards (IFRS), to the extent that they are applicable under the Annual Reporting Manual.

### Income from Activities

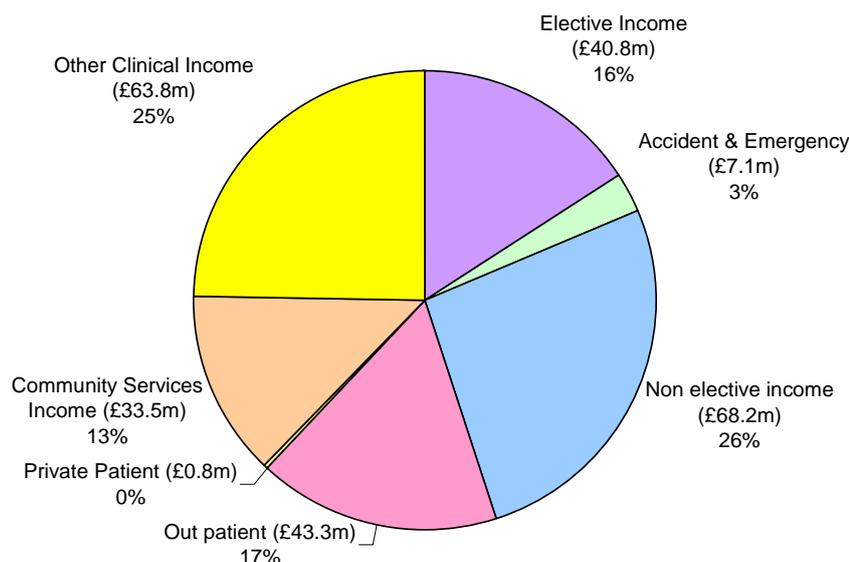
Income from clinical activities totalled £257.5m, and arose mainly from contracts with NHS NYY and other local Primary Care Trusts (£255.7m), with the balance of £1.8m from other patient-related services, including private patients and personal injury cases.

### Income generated from non-healthcare activities

Other income totalling £38.9m comprised funding for education and training, for research and development, and for the provision of various non-clinical services to other organisations and individuals.

Cash - The Trust had a cash balance at the end of the year of £7.6m.

### Income from activities 2011/12



### Monitoring Risk Rating

The Trust achieved a financial risk rating of 3 in 2011/12, as planned. Financial risk is assessed on a scale of 1 (high risk) to 5 (low risk). The Trust is forecasting a similar medium risk score of 3 for 2012/13.

### Private patient income

Under the terms of authorisation, the proportion of private patient income to the total patient related income of the Foundation Trust should not exceed its 2002/3 proportion of 0.8%. Actual private patient income for 2011/12 totalled £0.8m and represented 0.3% of total patient-related income. The Trust is therefore compliant with this obligation.

### Value for money

The Trust has a proven record of implementing resource management cost improvement programmes aimed at delivering efficiencies, to support the Trust in making outstanding use of its available money, staff, equipment and premises. Good resource management provides clarity of focus and is usually linked to improved patient care. The work involves linking across the Trust to identify and promote efficient practices.

In 2011/12 the Trust was required to deliver an efficiency target of £14.2m. This was devolved to directorates based on their available budgets. Managers were given freedom to consider how these savings were delivered and this year over 200 successful ideas were implemented. Schemes included generating additional income, reducing staff costs, negotiating reduced prices for supplies and improving the utilisation of beds, theatres and clinics. The amount achieved in 2011/12 was £15.3m; £1.1m above plan.

### Going concern

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

### Political and charitable donations

No political or charitable donations were made during the year.

### Accounting policies for pensions and other retirement benefits

Past and present employees are covered by the provisions of the NHS pension scheme. The scheme is accounted for as a defined contribution scheme. Further details are included in the accounting policies notes to the Trust's annual accounts.

### Significant events since balance sheet date

There is one material post balance sheet event. During 2012/13, the Trust is planning to take responsibility for the provision of services currently provided by the Scarborough and North East Yorkshire NHS Trust. This will be treated as a merger for accounting purposes. The assets to be transferred were valued at £68.0m at the end of March 2012, and the expected annual turnover is £125m.

### The development and performance of the Trust during the year

The past year has been busy and challenging. The Trust has again met all its key access targets, with the exception of referral to treatment 18-week target. The Trust did not achieve this target in one quarter during the year. This Trust planned to breach this target so that it could ensure patients who had been waiting longer than 18-weeks were seen and treated. This strategy was agreed with by Monitor and the North Yorkshire and York PCT. The Trust has worked closely with the System Management Executive (SME) during the year, which has provided support to managing the health economy in the region. The Trust has for the fourth year running experienced a significant increase in demand for services throughout the year.

The Trust has continued to build on the work strengthening its ability to deliver the demands of the community by recruiting additional consultants and providing additional clinical alliances with other Trusts. At the beginning of April 2011, under the Transforming Community Services agenda, the Trust took over responsibility for the delivery of healthcare in the community for Selby and York and Scarborough, Whitby and Ryedale community areas, pending the potential acquisition of Scarborough and North East Yorkshire Healthcare NHS Trust. This allowed the Trust to continue to maintain its aim to deliver healthcare as close to patients' homes as possible.

### Borrowing limits

The Trust has a total borrowing limit of £42.9m, set by Monitor. This is the amount of money the Trust can borrow, based upon a detailed financial risk assessment.

## Capital investment

During 2011/12, the Trust capital investment totalled £4.5m. Capital schemes included:

- Road works associated with the on site multi-storey car park scheme for patients and visitors
- Reconfiguration of the Emergency Department to incorporate the Walk in Centre transfer from Monkgate
- A new build facility to provide a second MRI scanning facility on the York Hospital site to increase scanning capacity
- The continuation of the phased programme of lift upgrades
- Refurbishing wards and departments

In addition, the Trust continued its programme of enhancing and replacing medical and IT equipment and plant through a combination of purchasing and lease finance.

At the end of the year, the Trust's land and buildings were re-valued by the Valuation Office Agency, on the basis of depreciated replacement cost, for a modern equivalent asset and increased in value by £5.6m.

## Planned capital investment

Capital investment plans for 2012/13 include:

- The demolition of the Bootham Park Court building in preparation for a future clinical development
- Replacing one of the York Hospital CT Scanning Units
- Completion of the lift replacement programme

Following the planned integration with Scarborough and North East Yorkshire Trust, a three year programme of work will commence to provide new paediatric and other wards to replace the current nightingale wards on the Scarborough site, with new wards and refurbished support accommodation.

## Land interests

There are no significant differences between the carrying amount and the market value of the Trust's land holdings.

## Investments

The Trust made no investments through joint ventures or subsidiary companies, and no other financial investments were made. No financial assistance was given or received by the Trust.

## **Regulators**

### Care Quality Commission (CQC)

The Trust places a significant emphasis on its working relationship with its regulators. Regular engagement meetings take place with the local Care Quality Commission

inspectorate and these are used as an information sharing forum where a focus is placed on the review of the Trust Quality Risk Profile. The Trust has been subject to a number of inspections over the year, which are listed, along with their outcomes in the table below. Of note, York Hospital was selected as one of the Trusts who were spot checked on the Dignity and Nutrition Review Programme. A planned but un-announced inspection of the Trust took place in July 2011, which resulted in some compliance actions which have now been cleared. The Trust values the independent review of the Care Quality Commission and responds positively and promptly to all recommendations that are made.

The Trust also has sound working relationships with other regulators such as the Health and Safety Executive, The Medicines and Healthcare Products Regulatory Agency, Environment Agency where it is subject to periodic review. We consider all regulatory reviews and their findings important to us as an external review of the governance processes that are in place. Any action plans associated with visits are monitored and completed within the specified timescale.

#### Visits from CQC

The Trust received an unannounced special review of dignity and nutrition visit on 19 April 2011. The visit was held at York Hospital and reviewed Outcome 5 – meeting nutritional needs. They confirmed to the Trust that it was fully compliant with all outcome standards.

The Trust received an unannounced inspection in July 2011. The visit was held at York Hospital, White Cross Court and St Helen’s rehabilitation Hospitals. This inspection reviewed the following outcomes:

#### **Summary of inspection for York Hospital (July 2011)**

<b>Outcome</b>	<b>Result of the inspection and follow up action at York Hospital</b>
<p><b>2: Consent to care and treatment</b> Before people are given any examination, care, treatment or support, they should be asked if they agree to it.</p>	<p>Compliance Action</p> <p>The CQC returned to the Trust for a further review on 27 February 2012 and the Trust was confirmed as fully compliant with the outcome.</p>
<p><b>4: Care and welfare of people who use services</b> People should get safe and appropriate care that meets their needs and supports their rights.</p>	<p>Fully compliant</p> <p>The Trust was subject to a further inspection on 15 March 2012. The Trust was fully compliant with this outcome at that visit.</p>

<b>Outcome</b>	<b>Result of the inspection and follow up action at York Hospital</b>
<p><b>5: Meeting nutritional needs</b> Food and drink should meet people's individual dietary needs.</p>	<p>Compliance Action</p> <p>The CQC returned to the Trust for a further review on 27 February 2012 and the Trust was confirmed as fully compliant with the outcome.</p> <p>The Trust was subject to a further inspection on 15 March 2012. The Trust was fully compliant with this outcome at that visit.</p>
<p><b>7: Safeguarding people who use services from abuse</b> People should be protected from abuse and staff should respect their human rights.</p>	<p>Fully compliant</p>
<p><b>8: Cleanliness and infection control</b> People should be cared for in a clean environment and protected from the risk of infection.</p>	<p>Improvement Action</p> <p>The Trust has completed the work required to satisfy the improvement action.</p> <p>The Trust was subject to a further inspection on 15 March 2012. The Trust was fully compliant with this outcome at that visit.</p>
<p><b>9: Management of medicines</b> People should be given the medicines they need when they need them, and in a safe way.</p>	<p>Compliance action</p> <p>The CQC returned to the Trust for a further review on 27 February 2012 and the Trust was confirmed as fully compliant with the outcome.</p>
<p><b>10: Safety and suitability of premises</b> People should be cared for in safe and accessible surroundings that support their health and welfare.</p>	<p>Fully Compliant</p>
<p><b>13: Staffing</b> There should be enough members of staff to keep people safe and meet their health and welfare needs.</p>	<p>Fully Compliant</p>

<b>Outcome</b>	<b>Result of the inspection and follow up action at York Hospital</b>
<b>17: Complaints</b> People should have their complaints listened to and acted on properly.	Fully Compliant
<b>21: Records</b> People's personal records, including medical records, should be accurate and kept safe and confidential.	Improvement Action  The CQC visited the Trust on the 21 March 2012. The Trust has completed the work required to satisfy the improvement action

### **Summary of inspection for White Cross Court Rehabilitation Hospital (July 2011)**

<b>Outcome</b>	<b>Result of the inspection and follow up action at White Cross Court</b>
<b>2: Consent to care and treatment</b> Before people are given any examination, care, treatment or support, they should be asked if they agree to it.	Fully compliant
<b>4: Care and welfare of people who use services</b> People should get safe and appropriate care that meets their needs and supports their rights.	Fully compliant
<b>5: Meeting nutritional needs</b> Food and drink should meet people's individual dietary needs.	Fully compliant
<b>7: Safeguarding people who use services from abuse</b> People should be protected from abuse and staff should respect their human rights.	Fully compliant
<b>8: Cleanliness and infection control</b> People should be cared for in a clean environment and protected from the risk of infection.	Compliance Action  The CQC returned to the Trust for a further review on 5 January 2012 and the Trust was confirmed as fully compliant with the outcome.

<b>Outcome</b>	<b>Result of the inspection and follow up action at York Hospital</b>
<b>9: Management of medicines</b> People should be given the medicines they need when they need them, and in a safe way.	Improvement Action  The Trust has completed the work required to satisfy the improvement action
<b>10: Safety and suitability of premises</b> People should be cared for in safe and accessible surroundings that support their health and welfare.	Fully Compliant
<b>13: Staffing</b> There should be enough members of staff to keep people safe and meet their health and welfare needs.	Improvement Action  The Trust has completed the work required to satisfy the improvement action
<b>17: Complaints</b> People should have their complaints listened to and acted on properly.	Fully Compliant
<b>21: Records</b> People's personal records, including medical records, should be accurate and kept safe and confidential.	Improvement Action  The Trust has completed the work required to satisfy the improvement action

### **Summary of inspection at St Helen's Rehabilitation Hospital (July 2011)**

<b>Outcome</b>	<b>Result of the inspection and follow up action at White Cross Court</b>
<b>2: Consent to care and treatment</b> Before people are given any examination, care, treatment or support, they should be asked if they agree to it.	Compliance Action  The CQC returned to the Trust for a further review on 27 February 2012 and the Trust was confirmed as fully compliant with the outcome.
<b>4: Care and welfare of people who use services</b> People should get safe and appropriate care that meets their needs and supports their rights.	Fully compliant

<b>Outcome</b>	<b>Result of the inspection and follow up action at York Hospital</b>
<b>5: Meeting nutritional needs</b> Food and drink should meet people's individual dietary needs.	Fully compliant
<b>7: Safeguarding people who use services from abuse</b> People should be protected from abuse and staff should respect their human rights.	Fully compliant
<b>8: Cleanliness and infection control</b> People should be cared for in a clean environment and protected from the risk of infection.	Improvement Action  The Trust has completed the work required to satisfy the improvement action
<b>9: Management of medicines</b> People should be given the medicines they need when they need them, and in a safe way.	Compliance Action  The CQC returned to the Trust for a further review on 27 February 2012 and the Trust was confirmed as fully compliant with the outcome.
<b>10: Safety and suitability of premises</b> People should be cared for in safe and accessible surroundings that support their health and welfare.	Fully Compliant
<b>13: Staffing</b> There should be enough members of staff to keep people safe and meet their health and welfare needs.	Improvement Action  The Trust has completed the work required to satisfy the improvement action
<b>17: Complaints</b> People should have their complaints listened to and acted on properly.	Fully Compliant
<b>21: Records</b> People's personal records, including medical records, should be accurate and kept safe and confidential.	Improvement Action  The Trust has completed the work required to satisfy the improvement action

## Health and Safety Executive Visit January 2011 – Latex, Dermatitis and Sharps Management

During January 2011 Health and Safety Executive (HSE) Inspectors visited York Hospital to examine how the Trust managed the use of sharps and how it managed skin conditions like dermatitis.

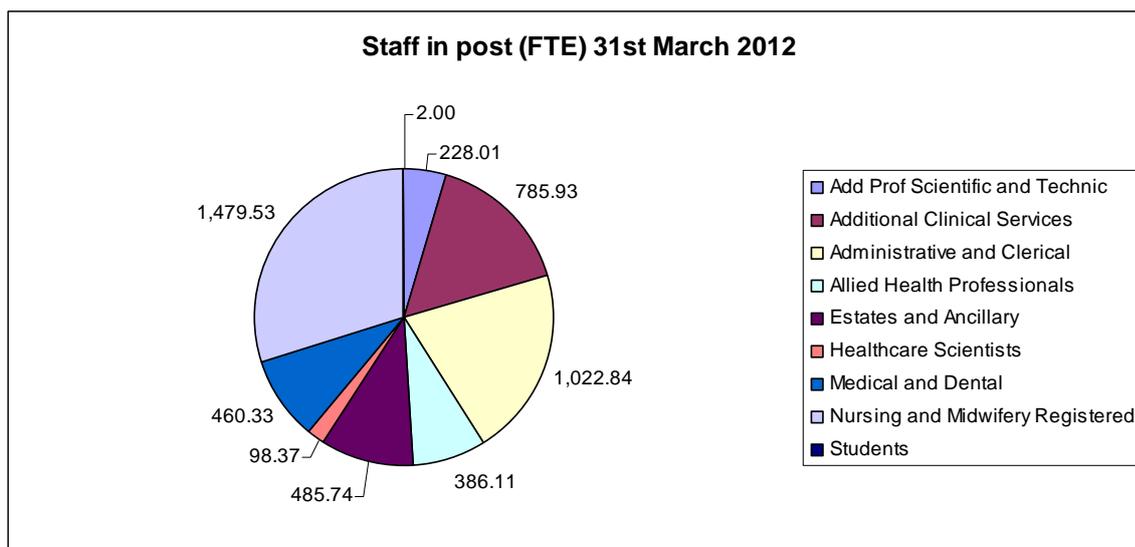
As a result of the visit, a number of issues were raised by the Inspectors which resulted in an action plan being produced work toward implementing a series of improvements. The HSE Inspectors were kept informed of the progress being made by the Trust towards its goals and the work should conclude April 2012.

Improvements made to date include:

- The Trust making the commitment to aspire to be latex free, the main contributing factor being the changeover of latex free gloves
- Improved risk assessment documentation
- Improved COSHH assessment documentation
- Production of a hand washing/hand hygiene video which can be viewed during Induction Training and Statutory/Mandatory training as well as viewed on the Trust Intranet site, Horizon
- Glove selection posters to ensure users wear the correct level of protection for the task they are performing
- Improved health surveillance monitoring skin condition and needle stick/ sharps incidents
- Improved links between the Occupational Health and Infection Prevention Control departments

## **Our staff**

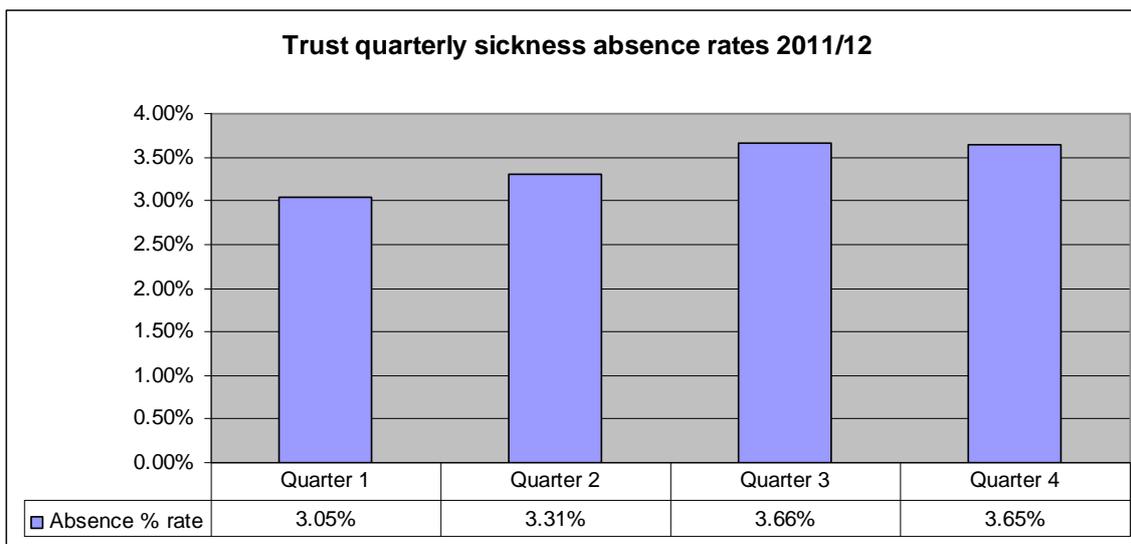
The tables below show the number of staff we have in post and the levels of sickness during the year in the Trust:



The figures included in the chart above do not include bank or agency staff

## Staff sickness

The quarterly sickness figures for the year are:



Absence rates for the Trust now include absences amongst staff working in community services whose employment transferred to the Trust in April 2011.

The effective management of sickness absence and reducing levels of sickness absence has been a major focus of work within the Trust for a number of years since the start of an attendance project in 2008.

Now at the end of the fourth year of the project, results in terms of absence rates for staff within the acute setting continue to be very positive, exceeding key targets set by the project group.

Of particular note is a further reduction in the annual absence rate from 3.43% at the end of March 2011 to 3.15% at the end of March 2012. The annual absence rate at the start of the project in 2008 was 4.50% which means that in the last four years, the Trust has achieved a 30% reduction in absence rates.

The Trust reviews absence rates for staff in the acute setting separately to rates for staff in community services, in order to continue to monitor the results of the attendance project (data shown in the graph above is for overall absence rates, i.e. acute setting and community staff).

Analysis of sickness trends and data show that absence within community services for both localities is significantly higher than in the acute setting. However the policy and procedure for absence management that have been implemented within the acute setting have now also been rolled out across community services and targets are being agreed for reducing absence rates within these areas.

The work taking place to improve absence rates is just one of a number of initiatives in place at the Trust aimed at improving the health and wellbeing of all staff. The Trust has recently been awarded Gold Level accreditation in the NHS Sports and Physical Activity Challenge as a result of the work being undertaken as part of the health and wellbeing agenda.

## **Research and Development**

During this year, research activity in the Trust continued to grow:

- 86 studies began in the Trust (28% increase on 2010)
- 250 studies were running in the Trust (12.6% increase on 2010)
- 63 % of active studies were on the National Institute for Health Research (NIHR)Portfolio (compared with 52% in 2010)
- 18% of active studies were commercially funded
- 4 studies were granted sponsorship by the Trust, including a clinical trial of an investigational medicinal product and a medical device study

The Trust continued to host the North and East Yorkshire and Northern Lincolnshire Comprehensive Local Research Network (NEYNL-CLRN) on behalf of its member trusts across the region. As one of the member organisations, the Trust continued to benefit from significant NEYNL-CLRN investment of 'service support costs' for specific research projects, funded staff posts and consultant sessions.

With support from NEYNL-CLRN funding the Trust's Lead Research Nurse Coordinators made great progress in developing the Trust's research nursing workforce as a cohesive and well-trained group with professional management and supervision.

## **Corporate learning and development**

The Applied Learning and Research (ALAR) directorate is responsible for providing support for staff in all elements of enquiry, education and training, learning and development.

The last twelve months has challenged the directorate to integrate learning provision for community based staff as well as identifying opportunities for further integration with Scarborough Hospital learning and research functions.

A directorate wide implementation plan has been completed which maps expected activity for the next three to five years.

# Governance Report

## **Governance Report**

### **NHS Foundation Trust Code of Governance**

Monitor published the code of governance 2011/12. The code was released on a 'comply or explain' basis. The Trust reviewed its governance arrangements in light of the code and makes the following statement:

#### Directors

The Trust is headed by a Board of Directors that ensures it exercises its functions effectively, efficiently and economically. The Board is a unitary board consisting of a Non-executive Chairman, six Non-executive Directors and five Executive Directors. The Board of Directors provides active leadership within a framework of prudent and effective controls and ensures it is compliant with its Terms of Authorisation. The Board of Directors meets a minimum of 11 times a year so that it can regularly discharge its duties.

The Non-executive Directors scrutinise the performance of the management, monitor the reporting of performance, and satisfy themselves as to the integrity of financial, clinical and other information and that financial and clinical quality controls and that systems of risk management are robust and defensible. The Non-executive Directors fulfil their responsibility for determining appropriate levels of remuneration of Executive Directors.

Annually the Board of Directors reviews the strategic aims after consultation with the Council of Governors and takes responsibility for the quality and safety of the healthcare services, education, training and research. Day-to-day responsibility is devolved to the Executive Directors and their teams. The Board of Directors is committed to applying the principles and standards of clinical governance set out by the Department of Health and the Care Quality Commission. As part of the planning exercise the Board of Directors reviews its membership and undertakes succession planning on an annual basis.

The Board of Directors and Council of Governors hold joint meetings at least once a year to discuss the development of strategy.

The Board of Directors has reviewed its values and standards to ensure they meet the obligations the Trust has to its patients, members, staff and other stakeholders.

The appointment of the Chairman and Non-executive Directors is detailed in the Trust's annual report. Each year the Chairman and Non-executive Directors receive an appraisal which is reviewed by the Council of Governors.

A clear statement outlining the division of responsibility between the Chairman and the Chief Executive has been approved by the Board of Directors.

## Governors

The Trust has a Council of Governors who are responsible for representing the interests of the members of the Trust, partner and voluntary organisations within the local health economy. The Council of Governors holds the Board of Directors to account for the performance of the Trust including ensuring the Board of Directors acts within its Terms of Authorisation. Governors' feed back information about the Trust to members through a regular newsletter and information placed on the Trust's website.

The Council of Governors consists of elected and appointed governors. More than half the governors are public governors elected by community members of the Trust. Elections take place once every 3 years, or on other occasions, if required due to vacancies or a change in our constitution.

## Information, development and evaluation

The information received by the Board of Directors and Council of Governors is timely, appropriate and in a form that is suitable for members of the Board and Council to discharge their duty.

The Trust runs a programme of development throughout the year for Governors and Non-executive Directors. All Governors and Non-executive Directors are given the opportunity to attend a number of training sessions during the year.

The Council of Governors has agreed the process for the evaluation of the Chairman and Non-executive Directors and the process for appointment or re-appointment of the Non-executive Directors.

The Chairman with the support of the other Non-executive Directors reviews the performance of the Chief Executive.

The Chief Executive evaluates the performance of the Executive Directors on an annual basis and the outcome is reported to the Chairman.

## Attendance of Non-executive Directors at the Council of Governors

All Non-executive Directors have an open invitation to attend the Council of Governors meetings. Non-executive Directors do attend on a regular basis.

## Directors' remuneration

The Remuneration Committee meets, as a minimum, once a year to review the remuneration of the Directors. Details of the work of the Remuneration Committee can be found on page 104. The Council of Governors has a Nominations/Remuneration Committee which has met during the year. Details of the Nominations/Remuneration Committee can be found on page 121.

## Accountability and audit

The Board of Directors has an established Audit Committee that meets on a quarterly basis, as a minimum. A detailed report on the activities of the Audit Committee is on page 101.

## Relations and stakeholders

The Board of Directors has ensured that there is satisfactory dialogue with its stakeholders during the year.

## Compliance with the Code of Governance

The Trust is able to comply with the code in all areas except the following:

Requirements	Explanation
<p><u>Paragraph A.3.1:</u> The board of directors should identify in the annual report each non-executive director it considers to be independent. The board should determine whether the director is independent in character and judgements and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgements. The board should state its reasons if it determines that a director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, including if the director:</p> <p>Has received or receives additional remuneration from the NHS foundation trust apart from a director's fee, participates in the NHS foundation trust's performance-related pay scheme, or is a member of the NHS foundation trust's pension scheme.</p>	<p>The Trust does not operate a performance related pay scheme. The non-executive and executive directors' remuneration is set annually by the remuneration committee</p>
<p><u>Paragraph C.2.1:</u> Approval by the board of governors of the appointment of a chief executive should be a subject of the first general meeting after the appointment by a committee of the chairman and non-executive directors. Re-appointment by the non-executive directors followed by re-approval by the board of governors thereafter should be made at intervals of no more than five years. All other executive directors should be appointed by a committee of the chief executive, the chairman and non-executive directors.</p>	<p>The CE and EDs have their performance reviewed on an annual basis as part of the annual evaluation/ appraisal system. The remuneration committee will consider the issue of 5-year contracts. However, it could take on board that EDs hold substantive contracts and are not subject to reappointment at 5 year periods for the following reasons:</p> <p>(a) EDs are subject to regular review of performance and existing procedures allow for appointments to be terminated if the performance is not satisfactory without the need for formal re appointment.</p> <p>(b) The scope for refreshing the board exists as executive director posts turnover. The board has the option of restructuring the executive director responsibilities through organisation change in accordance with local HR policies and procedures.</p> <p>(c) Fixed term appointment will create a short-term focus on the part of the executive directors, which in turn will create divergence between managerial and clinical perspective and could be detrimental to the engagement of</p>

Requirements	Explanation
	clinicians, which is vital to the success of any FT.
<p><u>Paragraph C.2.2:</u> Non-executive directors may serve longer than nine years (e.g. three three-year terms), subject to annual re-election. Serving more than nine years could be relevant to the determination of a non-executive director's independence (as set out in provision A.3.1).</p>	<p>To ensuring compliance with the Constitution no non-executive director should have more than two re-appointments or serve more than three terms for a maximum of three years each because of the need to maintain independence and refresh the skill set of the non-executive director. We do not intend to extend appointment beyond nine years on the basis of annual reappointment.</p>
<p><u>Paragraph E.1.1:</u> Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels. In designing schemes of performance-related remuneration, the remuneration committee should follow the following provisions:</p> <p>(i) The remuneration committee should consider whether the directors should be eligible for annual bonuses. If so, performance conditions should be relevant, stretching and signed to match the long term interest of the public. Upper limits should be set and disclosed.</p> <p>(iv) The remuneration committee should consider the pension consequences and associated costs to the NHS foundation trust of basic salary increases and any other changes in pensionable remuneration, especially for directors close to retirement.</p>	<p>The process of review of performance of executive directors provides a more than adequate approach for dealing with under performance with the possibility of terminating the employment if unsatisfactory performance persists.</p> <p>The Remuneration Committee will take the issues relating to pension consequences and associated costs into account as part of the discussion. The chairman of the Audit Committee is a member of the Remuneration Committee; therefore he will be able to advise if any matters that might arise should be referred to the Audit Committee.</p>

## Board of Directors

An effective Board of Directors should lead every NHS Foundation Trust as the Board is collectively responsible for the exercise of the powers and performance of the organisation.

The Board of Directors has a strategic focus – developing, monitoring and delivering plans. The Board members have collective responsibility for all aspects of the performance of the Trust including finance, performance, clinical and service quality including patient safety, management and governance.

The Board of Directors consists of a Chairman, Deputy Chairman/Senior Independent Director, Chief Executive, Non-executive Directors and Executive Directors. Its role includes:

- Providing active leadership of the Trust within a framework of prudent and effective controls which enables risk to be assessed and managed
- Ensuring compliance by the Trust with its terms of authorisation, its constitution, mandatory guidance issued by Monitor, relevant statutory requirements and contractual obligations
- Setting the Trust's strategic aims, taking into consideration the views of the Council of Governors, ensuring that the necessary financial and human resources are in place for the NHS Foundation Trust to meet its objectives and review management performance
- Ensuring the quality and safety of healthcare services, education, training and research delivered by the Trust and applying the principles and standards of clinical governance set out by the Department of Health, Monitor, the Care Quality Commission, and other relevant NHS bodies
- Ensuring that the Trust exercises its functions effectively, efficiently and economically
- Setting the Trust's values and standards of conduct and ensuring that its obligations to its members, patients and other stakeholders are understood and met
- Taking decisions objectively in the interests of the Trust
- Taking joint responsibility for every decision of the Board of Directors regardless of their individual skills or status
- Accepting the concept of the unitary Board refers to the fact that within the Board of Directors the Non-executive Directors and the Executive Directors share the same liability and have a responsibility to challenge constructively the decisions of the Board and improve proposals on strategy
- Setting targets, monitoring performance and ensuring the resources are used in the most appropriate way
- As part of their role as members of a unitary Board, Non-executive Directors have a particular duty to ensure such a challenge is made. Non-executive Directors should scrutinise the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves as to the integrity of financial, clinical and other information, and that financial and clinical quality controls and systems of risk management are robust and defensible. They are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary removing, Executive Directors, and in succession planning
- Being accountable for provided funds and how those public funds are used

- Having specific duties relating to audit, remuneration, clinical governance, charitable funds and risk assurance
- Working in partnership with the Council of Governors

The Board membership is as follows:

Alan Rose – Chairman  
 Patrick Crowley – Chief Executive  
 Philip Ashton – Non-executive Director and Chairman of the Audit Committee  
 John Hutton – Vice Chairman, Senior Independent Director and Non-executive Director  
 Lynda Palazzo – Non-executive Director  
 Libby Raper – Non-executive Director  
 Michael Sweet – Non-executive Director  
 Dianne Willcocks – Non-executive Director  
 Andrew Bertram – Executive Finance Director  
 Peta Hayward – Executive Director of HR  
 Elizabeth McManus – Executive Chief Nurse (Executive Director)  
 Alastair Turnbull – Executive Medical Director  
 Gordon Cooney – Director of Performance and Planning\*

\*Michael Proctor withdrew from being an executive member of the Board of Directors when he took up the role of Interim Chief Executive at Scarborough and North East Yorkshire Healthcare NHS Trust in March 2011. Gordon Cooney attended in his place. This ensured the Board received appropriate advice and information around the performance of the Trust. In accordance with the Trust's Standing Orders Gordon Cooney replaced Michael Proctor.

Attendance of Board members at Board of Directors meetings

Listed in the table below is the attendance of the members of the Board of Directors meeting held during the year.

<b>Member</b>	<b>Attendance record</b>
Alan Rose Chairman	13/13
Patrick Crowley Chief Executive	10/13
Philip Ashton Non-executive Director	13/13
John Hutton Non-executive Director, Vice Chairman and Senior Independent Director	13/13
Linda Palazzo Non-executive Director	11/13
Libby Raper Non-executive Director	10/13
Michael Sweet Non-executive Director	12/13

<b>Member</b>	<b>Attendance record</b>
Dianne Willcocks Non-executive Director	12/13
Andrew Bertram Director of Finance	12/13
Peta Hayward Director of HR	12/13
Elizabeth McManus Chief Nurse	12/13
Alastair Turnbull Medical Director	13/13

Gordon Cooney attended 12 out of 13 Board meetings in place of Michael Proctor. The Board meetings were also attended by a member of the Scarborough and North East Yorkshire Healthcare NHS Trust Board as part of the engagement with the Trust during the acquisition process. The individuals that attended were Sir Michael Carlisle (Chairman), Ms Debora McInerney (Non-executive Director) or Mr Robert Derri (Non-executive Director and Chairman of the Audit Committee). Michael Proctor has attended the Board meeting since March 2012 in his capacity as Interim Chief Executive for Scarborough and North East Yorkshire Healthcare NHS Trust as part of the integration of the two Trusts.

#### Directors' biographies

Under section 17 and 19 of Schedule 7 of the National Health Service Act 2006, the Chairman, Chief Executive, Executive and Non-executive Directors were appointed to the Board of Directors as follows:

#### **Chairman – Alan Rose**

**Initially appointed 1 March 2006 to 28 February 2010**

**Reappointed from 28 February 2010 to 31 March 2010 as Non-executive Director**

**Appointed from 1 April 2010 as Chairman to March 2013**

Alan has been a Non-executive Director at the Trust since 2006 and has over 25 years' experience in private sector business management and strategic consulting, mainly in the energy sector, with Shell and Booz Allen Hamilton. His focus has been on marketing, strategy, partnering and business development. Alan Chairs both the Board Of Directors and the Council of Governors. In these roles he has a special interest in the strategic development of the Trust in its mission of being trusted to deliver safe, effective and sustainable healthcare to our communities and in the enhancement of our community engagement as a Foundation Trust. He retains a linkage to the Orthopaedics and Trauma Directorate.

#### **Chief Executive – Patrick Crowley**

**Appointed June 2008**

Patrick is a Fellow of the Chartered Institute of Management Accountants (FCMA) and has worked with the Trust since 1991 in a variety of finance and performance management roles, and was appointed to the role of Director of Finance and

Performance in 2001. He became Interim Chief Executive in November 2007 and was appointed to the role permanently in June 2008. He previously worked for the Ministry of Defence financial management development unit in Bath and in the private sector.

**Non-executive Director – Philip Ashton**  
**Initially appointed September 2008 to September 2011**  
**Reappointed September 2011 to September 2014**

Born in Yorkshire and a graduate of Oxford University, Philip worked primarily in London before returning to the York area in 2003. During his years at PricewaterhouseCoopers he specialised in technical aspects of the audit practice, developing audit techniques and technology, particularly internal control and risk management. Philip was also involved in training and development, an area which continues to be of great interest to him. He was a founder member of the Auditing Practices Board, and more recently was a representative of the auditing profession on the International Auditing and Assurance Standards Board. Philip has special linkages with estates and the diagnostic areas of pathology, pharmacy, radiography and ophthalmology.

**Vice Chairman/Senior Independent Director – John Hutton**  
**Initially appointed December 2004**  
**Reappointed December 2008 to December 2011**  
**Reappointment to July 2012**

A Non-executive Director, Vice Chairman and Senior Independent Director since January 2005, his training is in economics, and his career has included periods in universities, local government and the private sector. His research has focused on the application of economic evaluation to health issues, especially the utilization of medical technologies. He is now Professor of Health Economics at the University of York and is also a Non-executive Director of Medipex, the NHS Innovation Hub for Yorkshire and Humberside. John has a special linkage with elderly medicine.

**Non-executive Director – Linda Palazzo**  
**Initially appointed 1 May 2006 to 31 April 2010**  
**Reappointed May 2010 to April 2013**

Linda has previously been employed in senior management positions in financial services and has been involved in various community groups and campaigns with significant experience in charitable fund-raising. Linda is Chairman of the Charitable Funds Committee. She was previously a Non-executive Director and Chair of a health authority in London prior to moving to Yorkshire five years ago. Linda is currently undertaking a part-time degree in Art History. Linda has special linkage to emergency medicine, anaesthetics and theatres. She is also Chairman of the Ethics Committee and Chairs the Organ Donation Ethics Committee.

**Non-executive Director – Libby Raper**  
**Initially appointed 1 August 2009 to 31 July 2012**

Libby joined the Board of Directors in 2009, and brings over 25 years' experience across the public, private and charitable sectors. At this Trust she has special links with a number of clinical directorates, serves on the Data Quality Audit subgroup, the Charity committee, and the Arts Committee, as well as providing a specific focus across our

communications activities. She is Chief Executive of the Design Dimension Educational Trust, and Vice Chair of Leeds City College.

**Non-executive Director – Michael Sweet**  
**Initially appointed 1 February 2010 to 31 January 2013**

The greater part of Mike's career has been in the commercial sector. In Unilever's Personal Products Division he held senior positions in planning and logistics where he describes himself as a "commissioner" of services. He became a "provider" following the acquisition of his business unit by an international logistics company. This resulted in board level experience in operational management, customer relations and business development and culminated in his appointment as the Chairman responsible for the integration and co-ordination of a 5 country Central European logistics business. After a period in logistics consultancy Mike has more recently concentrated his energies on the investigation of complaints involving children for a number of Social Service departments in Yorkshire. Prior to joining the Board of York Hospital he spent five years as a Non-executive Director of the Selby and York PCT and its successor the North Yorkshire and York PCT, during which time he was also a Governor of this hospital.

**Non-executive Director – Dianne Willcocks**  
**initially appointed – 1 May 2010 to 30 April 2013**

Professor Dianne Willcocks, Emeritus Professor at York St John University, is a leadership consultant, advocate and practitioner for socially inclusive citizenship. As former Vice Chancellor at York St John University, Professor Willcocks engages and publishes in contemporary debates around new learners and new learning styles in higher education and the distinctive role and contribution of church colleges and universities. A social scientist working across boundaries, Professor Willcocks' research is in the field of old-age. She encourages diverse audiences to recognise the significance of the creative/cultural economy. She also engages public policy and practice debates to secure health and wellbeing through social inclusion and cultural engagement.

**Executive Finance Director – Andrew Bertram**  
**Appointed January 2009**

Andrew Bertram took up the position of Finance Director for the Trust in January 2009. He has previously held a number of roles at the trust, first joining in 1991 as a finance trainee as part of the NHS graduate management training scheme. On qualifying as an accountant, he undertook a number of finance manager roles supporting many of the Trust's clinical teams. He then moved away from finance taking a general management role as directorate manager for medicine. Andrew then joined the senior finance team; firstly at York, subsequently at Harrogate and District NHS Foundation Trust as their deputy finance director and then returning to York to undertake his current role.

**Executive Director of HR – Peta Hayward**  
**Appointed July 2003**

Peta joined the Trust after working at Birmingham Heartlands and Solihull NHS Trust (Teaching) for seven years, and has over 15 years' experience in HR in the acute sector of the NHS. Her experience within HR is broad, covering a wide range of specialist and generalist issues with a particular interest in employment law matters supported by a

diploma in employment law and personnel practice. Peta has an honours degree in mathematics and economics and is a member of the Chartered Institute of Personnel and Development.

**Executive Chief Nurse – Elizabeth McManus  
Appointed June 2003**

“Libby” joined York as a Director in 2003. She has worked in the NHS for 27 years, mainly in acute hospitals, with a two year spell working nationally for the NHS Modernisation Agency. She trained and qualified as an RGN in Leeds, working predominantly in critical care and cardiothoracic surgery before pursuing a managerial role in hospitals. She had developed specific expertise in both improvement and patient safety through her involvement and delivery of national and international learning programmes. This supports her passion – to ensure that patients feel both safe and cared for.

She is the Executive Director responsible for infection prevention and control (DIPC) and Board lead for Safeguarding.

**Executive Medical Director – Alastair Turnbull  
Appointed January 2010**

Alastair was appointed Medical Director of the Trust in February 2010 having been a consultant in York since 1994. He trained at St Thomas's Hospital, London, with nutrition research in London and Boston USA, and higher training in Newcastle. He has worked in the NHS for 30 years. He is an active clinical Gastroenterologist with interests in liver and inflammatory bowel disease. He held the post of Clinical Director (medicine) for 6 years and has a special interest in patient safety. He is a member of the governance and strategy, infection control, art and environment, and trust drugs committees. Alastair chairs the clinical Quality and Safety group and is the Caldicott Guardian.

Register of Directors' Interests

The Trust holds a register listing any interest declared by members of the Board of Directors. They must disclose details of company directorship or other positions held, particularly if they involve companies or organisations likely to do business or possibly seeking to do business with the Trust. The public can access the register at [www.yorkhospitals.nhs.uk](http://www.yorkhospitals.nhs.uk) or by making a request in writing to:

The Foundation Trust Secretary  
York Teaching Hospital NHS Foundation Trust  
Wigginton Road  
York  
YO31 8HE

or by e-mailing [enquiries@york.nhs.uk](mailto:enquiries@york.nhs.uk)

As at 31 March 2012, the Board of Directors had declared these interests:

Directorships including non-executive directorships held in private companies or public limited companies (PLCs) with the exception of those of dormant companies

**John Hutton:**

Non-executive Director - MEDIPEX Ltd  
Executive Director - York Health Economics Consortium

**Dianne Willcocks:**

Director of London Metropolitan University

Ownership, part ownership or directorship of private companies business or consultancies likely or possibly seeking to do business with the NHS:

The directors did not make any declarations under this section.

Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS:

The directors did not make any declarations under this section.

A position of authority in a charity or voluntary organisation in the field of health and social care:

**Philip Ashton:**

Act as Trustee - on behalf of the York Teaching Hospital Charity  
Member of the Board of Governors - Archbishop Sentamu Academy Hull

**Andrew Bertram:**

Act as Trustee - on behalf of the York Teaching Hospital Charity

**Patrick Crowley:**

Act as Trustee - on behalf of the York Teaching Hospital Charity  
Trustee (and Hon. Treasurer) - York Peptic Ulcer Research Trust

**Peta Hayward:**

Act as Trustee - on behalf of the York Teaching Hospital Charity

**John Hutton:**

Act as Trustee - on behalf of York Teaching Hospital Charity  
Member - NICE Technology Appraisal Committee

**Elizabeth McManus:**

Act as Trustee - on behalf of the York Teaching Hospital Charity

**Linda Palazzo:**

Act as Trustee - on behalf of York Teaching Hospital Charity

**Alastair Turnbull:**

Act as Trustee - on behalf of the York Teaching Hospital Charity  
Board Member - York Peptic Ulcer Research Trust

**Libby Raper:**

Act as Trustee - on behalf of the York Teaching Hospital Charity

**Alan Rose:**

Act as Trustee - on behalf of York Teaching Hospital Charity

**Michael Sweet:**

Act as Trustee - on behalf of the York Teaching Hospital Charity

**Dianne Willcocks:**

Act as Trustee - on behalf of the York Teaching Hospital Charity

Trustee - Joseph Rowntree Foundation & Joseph Rowntree HSG Trust

Member - CoYC without walls Board

Chair - CoYC York at large (cultural arm)

Any connecting with a voluntary or other organisation contracting for NHS services or commissioning NHS services:

**John Hutton:**

Professor of Health Economics - University of York

**Libby Raper:**

Vice Chairman – Leeds City College

Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the NHS foundation Trust including but not limited to lenders or banks:

**Andrew Bertram:**

Member - NHS Elect Board as a member representative

Board sub-committees

The Board has three sub-committees that report on a regular basis:

- Audit Committee
- Remuneration Committee
- Acquisition Assurance Board

To support the work being undertaken on the development of the Trust, the Board has introduced a temporary sub-committee – the Acquisition Assurance Board.

The Audit Committee

The membership of the Audit Committee during 2010/11 consisted of:

Philip Ashton - Non-executive Director and Chairman of the Committee

John Hutton - Non-executive Director

Linda Palazzo - Non-executive Director

Michael Sweet - Non-executive Director

The Committee receives reports from Internal and External Auditors and undertakes detailed examinations of financial, value for money and clinical reports on behalf of the Board of Directors.

The Committee's terms of reference require the Committee to:

- Monitor the integrity of the financial performance of the Trust and any formal announcement relating to the Trust's financial performance
- Monitor governance and internal control
- Monitor the effectiveness of the internal audit function
- Review and monitor external audit's independence and objectivity and the effectiveness of the audit process
- Develop and implement policy on the employment of the external auditors to supply non-audit services
- Review standing orders, financial instructions and the scheme of delegation
- Review the schedule of losses and compensation
- Review the annual fraud report
- Provide assurance to the Board of Directors on a regular basis
- Report annually to the Board of Directors on its work in support of the Annual Governance Statement

The Committee has met six times during the year. Each meeting considers the business that will enable the Committee to provide the assurance to the Board of Directors that all systems and processes in operation within the Trust are functioning effectively.

Member	Attended
Philip Ashton, Chairman of the Committee	6/6
John Hutton, Non-executive Director	6/6
Lynda Palazzo, Non-executive Director	4/6
Mike Sweet, Non-executive Director	5/6

The list of activities below show some of the work the Committee has undertaken during the year:

- Considered 48 internal audit reports and reviewed the recommendations associated with the reports
- Reviewed the progress against the work programme for internal and external audit and the counter fraud service
- Considered the annual accounts and associated documents and provided assurance to the Board of Directors
- Considered and approved various ad hoc reports about the governance of the Trust
- Received the work of the Compliance Working Group and the Data Quality and Performance Working Group and cross related it to other Audit Committee information to ensure full assurance
- Considered various consultation documents released by Monitor
- Considered the external audit report, including interim and annual reports to those charged with governance and external assurance review of the quality report

## Compliance Work Group

The Compliance Work Group reports directly to the Audit Committee and addresses the issues relating to compliance. The aim of the group is to consider and test assurance processes on behalf of the Audit Committee and the Board in relation to all aspects of compliance.

Specifically to:

- Review the annual Compliance Unit work plan
- Review the register of external agency visits and the related actions
- Ensure internal policies are reviewed and updated in a timely manner
- Oversee the programme of internal compliance inspections.
- CQC. Handle the organisation's response to requests for documentation and oversee the development and management of action plans in response to compliance actions
- Undertake any work as directed by the Audit Committee

Membership of the work group comprises:

Michael Sweet – Non Executive Director and Chairman of the Group

Dianne Willcocks – Non Executive Director

Fiona Jamieson – Assistant Director of Healthcare Governance

Anna Pridmore – Foundation Trust Secretary

Internal audit and risk and legal services attend the work group as required.

Attendance at the meeting was as follows:

Members	Attendance
Michael Sweet, Non-executive Director	4/4
Dianne Willcocks, Non-executive Director	3/4
Fiona Jamieson, Assistant Director of Healthcare Governance	4/4
Anna Pridmore, Foundation Trust Secretary	2/4

## The Data Quality and Performance Work Group

The Data Quality and Performance Work Group have met 4 times during the year. The concentration of its work has been to continue to review the key data areas within the Trust including patient information, financial information, HR information and risk and legal services incident-type information. The group has made detailed enquires about these information systems and has gained a better understanding of these systems, and so been able to assure the Audit Committee of the robustness and effectiveness of the systems, their principles of control and the development objectives of the management leads.

The Group has also reviewed the internal audit work plan in the context of these areas of information provision and has been able to confirm to the Audit Committee that the Group could see a good and reasonably even spread of internal audit work covering all aspects of information sources.

The Group has also updated the Data Quality policy and ensured that an updated version is now in place in the Trust.

In future the Group will continue to consider specific data topics including HSMR/SHMI calculations, the data quality aspects of clinical coding and the service line management system, as well as maintain an overview of data quality with regard to the integration of community services and acute services acquired from Scarborough and NE Yorkshire Trust.

The membership of the Group comprises:

John Hutton - Non-executive Director  
 Libby Raper - Non-executive Director  
 Andrew Bertram - Executive Director of Finance  
 Sue Rushbrook - Director of Systems and Network Services  
 Fiona Jamieson - Assistant Director of Healthcare Governance  
 Helen Kemp-Taylor - Head of Internal Audit

Attendance at the meetings was as follows:

Members	Attendance
John Hutton, Non-executive Director	4/4
Libby Raper, Non-executive Director	4/4
Andrew Bertram, Executive Finance Director	4/4
Sue Rushbrook, Director of Systems and Network Services	3/4
Fiona Jamieson, Assistant Director of Healthcare Governance	3/4
Helen Kemp-Taylor, Head of Internal Audit	4/4

### Remuneration Committee

The Trust's Remuneration Committee comprises the full Non-Executive team and is chaired by the Trust Chairman. The Chief Executive and the Human Resources Director usually attend for parts of each meeting, depending upon the agenda items.

In 2011/12 the Committee met 4 times and considered the following issues:

- Benchmarking and remuneration of all the very senior management (VSM) group (currently the corporate director team), for whom remuneration is set outside the NHS Agenda for Change structure
- Portfolios, appraisals, objectives and development plans for each director (presented by the Chief Executive)
- The Chairman has decided to hold an appraisal of the Chief Executive in the next financial year, following the planned acquisition of Scarborough, so as to encompass this major strategic transition for the Trust, therefore no formal appraisal of the Chief Executive was performed in 2011/2012

- Appointment of the Finance Director as (interim) Deputy Chief Executive, following the secondment of the existing DCE to a senior role at Scarborough Hospital
- Early consideration of the impact of the planned acquisition of Scarborough on the size and complexity of the Directors' responsibilities and roles
- Agreeing the approach to discussions of succession planning for the Director team, to be held in 2012/13, and to be an ongoing part of the work of the committee

The remuneration levels for all Directors are reported at page 137 of this report.

Attendance at the committee during the year was as follows:

Members	Attendance
Alan Rose, Chairman	4/4
Phillip Ashton, Non-executive Director	3/4
John Hutton, Non-executive Director	4/4
Linda Palazzo, Non-executive Director	4/4
Libby Raper, Non-executive Director	4/4
Michael Sweet, Non-executive Director	4/4
Dianne Willcocks, Non-executive Director	4/4

Alan Rose  
Chairman

#### Resolution of disputes between the Council of Governors and the Board of Directors

The Code of Governance requires the Trust to hold a clear statement explaining how disagreements between the Council of Governors and the Board of Directors would be resolved.

The Board of Directors promotes effective communications between the Council of Governors and the Board of Directors.

The Chairman of the Trust also acts as Chairman of the Council of Governors. The Chairman's position is unique and allows him to have an understanding of a particular issue expressed by the Council of Governors. Where a dispute between the Council of Governors and the Board of Directors occurs, in the first instance, the Chairman of the Trust would endeavour to resolve the dispute.

Should the Chairman not be willing or able to resolve the dispute, the Senior Independent Director and the Lead Governor of the Council of Governors would jointly attempt to resolve the dispute.

In the event of the Senior Independent Director and the Lead Governor of the Council of Governors not being able to resolve the dispute, the Board of Directors, pursuant to section 15(2) of Schedule 7 of the National Health Service Act 2006, will decide the disputed matter.

## Board balance, completeness and appropriateness

As at year ending 31 March 2012 the Board of Directors for York Teaching Hospital NHS Foundation Trust comprised of five Executive Directors, six Independent Non-executive Directors and an Independent Non-executive Chairman.

Phillip Ashton was initially appointed a Non-executive Director in September 2008. He was reappointed for a second term of office which commenced on 1st September 2011.

The remainder of the composition of the Board of Directors has not changed during the financial year 2011/12.

The Chairman has conducted a thorough review of each Non-executive Director to assess their independence and contribution to the Board of Directors and confirmed that they are all effective independent Non-executive Directors. A programme of appraisals has been run during 2011/12 and all Non-executive Directors have undergone an annual appraisal as part of the review.

The Board of Directors maintains a register of interests as required by the constitution and Schedule 7 section 20 (1) National Health Service Act 2006.

The Board of Directors requires all Non-executive Directors to be independent in their judgement. The structure of the Board and integrity of the individual Directors ensures that no one individual or group dominates the decision-making process.

Each member of the Board of Directors upholds the standards in public life and displays selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Board, in relation to the appointment of Executive does not have a standing Nominations Committee but convenes an ad hoc Nominations Committee, as and when required.

Biographies for the Board of Directors can be found on page 96 of the Annual Report and Accounts 2011/12.

## Statement of the division of responsibility between the Chairman and the Chief Executive

### The Chairman

The Chairman is accountable for the Board of Directors and the Council of Governors.

The Chairman is responsible for ensuring that the Board of Directors operates as a unitary board and effectively develops and determines the Trust's strategy and overall objectives.

The Chairman is responsible for ensuring that the development of the business and the protection of the reputation of the Trust is maintained.

The Chairman is responsible for leadership of the Board of Directors and the Council of Governors, ensuring their effectiveness on all aspects of their role and setting their agenda.

The Chairman is responsible for ensuring that the Board of Directors and the Council of Governors receive accurate, timely and clear information that is appropriate for their respective duties. He is responsible for ensuring effective, prioritised meetings are held where actions are followed up and reported to the Council of Governors or Board of Directors as appropriate.

The Chairman ensures the Trust undertakes effective communication with patients, members, clients, staff and other stakeholders.

The Chairman also facilitates the effective contribution of all Executive and Non-executive Directors and ensures that constructive relations exist between the Executive and the Non-executive Directors, and between the Board of Directors and the Council of Governors.

The Chairman is not responsible for the executive and operational management of the Trust's business.

#### The Chief Executive

The Chief Executive reports to the Chairman and the Board of Directors.

The Chief Executive is the Accountable Officer for the Trust and in this regard is accountable to Parliament for the proper management of the public funds available to the Trust. He is responsible for the propriety and regularity of public finances within the Trust and for keeping proper accounts. He is responsible for prudent and economical administration, the avoidance of waste and extravagance and efficient and effective use of all the resources in his charge.

The Chief Executive has responsibility for the overall organisation, management and staffing of the Trust.

The Chief Executive is responsible for executive and operational management of the Trust's business, consistent with the strategy and business objectives agreed by the Board of Directors. All members of the executive team report either directly or indirectly to him.

The Chief Executive is responsible, working with the executive team, for researching, proposing and developing the Trust's strategy and overall business objectives, which is done in consultation with the Chairman.

The Chief Executive is responsible with the executive team for implementing the decisions of the Board of Directors and its Committees.

In delivering the Trust's strategic and business objectives the Chief Executive is responsible for the maintenance and protection of the reputation of the Trust.

## The operation of the Board of Directors and Council of Governors including high-level statement of decisions taken by each

The Board of Directors and the Council of Governors recognise the importance of the operational relationship of the two forums. The Board of Directors seeks the opinion of the Council of Governors on strategic issues affecting the Trust.

The scheme of delegation details the decisions that are taken by the Board of Directors.

### Appointment of the Chairman and Non-executive Directors

The Council of Governors is responsible for the appointment of the Chairman and the Non-executive Directors. The Governors have a standing Nominations and Remuneration Committee which takes responsibility for leading the process of appointment on behalf of the Council of Governors.

### The process for the appointment of the Non-executive Directors

Once it has been established that there is the need to appoint a Non-executive Director the Nomination/Remuneration Committee meets to agree the job description and criteria for the post. The post is advertised and a long process is completed. The Governors invite an external advisor to join the panel and review the applications and develop a shortlist. Shortlisted candidates are asked to complete a psychometric test in advance of the interviews. The Nominations/Remuneration Committee agrees which Governors will form the appointment panel and the panel undertakes the interviews. The panel develop a recommendation for approval by the Council of Governors following which the successful candidate is advised.

The appointment of the Chairman would follow the same process with the addition of an assessment centre.

## **Council of Governors**

Every NHS Foundation Trust is required to have a body of elected and nominated governors. York Teaching Hospital NHS Foundation Trust has a Council of Governors, which is responsible for representing the interests of NHS Foundation Trust members, patients and carers, staff members and partner organisations in the local health economy.

As a public benefit corporation the Trust is accountable to the local people and staff who have registered for membership and to those elected to seats on the Council of Governors.

The Council of Governors' roles and responsibilities are outlined in law and detailed in the Trust's constitution. The Council of Governors' prime role is to represent the local community and other stakeholders in the stewardship of the Trust. It has a right to be consulted on the Trust's strategies and plans and any matter of significance affecting the Trust or the services it provides.

The Council of Governors is specifically responsible for the:

- Appointment and removal of the Chairman and other Non-executive Directors
- Approval of the appointment of the Chief Executive
- Appointment and removal of the External Auditors

The Council of Governors considers and receives:

- The Annual Accounts, Auditors' Report and Annual Report
- Views from the membership on matters of significance affecting the Trust or the services it provides

The governors elected and appointed to the Council are required to act in the best interest of the NHS Foundation Trust and adhere to the values and code of conduct of the Trust.

The Council of Governors holds the Board of Directors to account for the performance of the Trust.

The Council of Governors has regularly received details of significant projects and strategies. Comments from the Council of Governors are included in any decision-making discussion held at the Board of Directors.

The Council of Governors works with the Board of Directors in an advisory capacity, bringing the views of staff and local people forward, and helping to shape the Trust's future. In addition to the formal responsibilities, its role includes:

- Representing the interests and views of local people
- Regularly feeding back information about the Trust, its visions and its performance to the communities they represent
- Attending meetings of the Council of Governors
- Receiving an annual report from the Board of Directors
- Monitoring performance against the Trust's service development strategy and other targets
- Advising the Board of Directors on its strategic plans
- Making sure the strategic direction of the Trust is consistent with its terms of authorisation as agreed by Monitor
- Being consulted on any changes to the Trust's constitution
- Agreeing the Chairman's and Non-executive Directors' remuneration
- Providing representatives to serve on specific groups and committees working in partnership with the Board of Directors
- Informing Monitor if the Trust is at risk of breaching its terms of authorisation, if the concerns cannot be resolved within the Trust

During the year a significant amendment was made to the current constitution. Additionally work was completed on the development of a revised constitution of use in the enlarged Trust following the proposed acquisition of Scarborough and North East Yorkshire Healthcare NHS Trust.

- There has been one amendment to the existing constitution which extended the period of notice for Governors from two years to two years and six months. This was necessary to ensure adequate governance during the transition period immediately following the planned acquisition of Scarborough and North East Yorkshire

Healthcare Trust (SNEY). The change was approved by the Council of Governors at their December 2011 meeting and at the Board of Directors at their January 2012 meeting. Monitor approval was received on 7 February 2012

In preparation for the proposed acquisition, and in consideration of an enlarged organisation, the constitution was reviewed by a small project team of Governors and then by the whole Council of Governors. The change was approved by the Council of Governors at their 12<sup>th</sup> October 2011 meeting and at the Board of Directors at their 26<sup>th</sup> October 2011 meeting. The revised constitution will take effect from the date of the acquisition. The main amendments include:

- A new Council of Governors membership structure
- Changes to the definition for staff constituencies
- Transitional arrangements relating to elections
- Changes to the eligibility and disqualification of Governors  
Some compliance issues have been addressed by the lawyers; most ensure that the practice adopted by the Trust is reflected properly in line with the legislation
- A change to the number of governors required to form a quorum  
Duplications within the document have been removed  
A sense check on the relationship between the Standing Orders and the Constitution, to ensure common language and that they reflect each other

The Council of Governors at York Teaching Hospital NHS Foundation Trust currently has 30 governor seats in the constitution:

Public Governors	Seventeen elected seats (two vacant)
Staff Governors	Five elected seats
Partner Governors: Primary Care Trust (PCT) Local Authorities Local Universities Voluntary groups	Eight appointed: <ul style="list-style-type: none"> <li>• Two seats (one vacant)</li> <li>• Four seats</li> <li>• One seat</li> <li>• One seat</li> </ul>

### Elections

The Trust has not held any elections during this reporting period.

The Trust has put in place plans to hold elections for the enlarged Trust in the coming reporting period post the acquisition date of 1 July 2012. The elections will aim to fill any outstanding vacancies and elect governors to the new constituencies being added by acquisition. The table below indicates the new Council of Governors constituencies post-acquisition, and the aim is to have this functioning in its new form from 1 October 2012:

Constituency	Seats
Public:	
York	5
Hambleton	1
Selby	2
Ryedale	3

Constituency	Seats
Whitby	1
Scarborough	2
Bridlington	2
Sub-total of public governors	16
Staff:	
York	2
Scarborough	2
Community Services	1
Sub-total of staff governors	5
Appointed governors:	
City of York Council	1
North Yorkshire County Council	1
East Riding of Yorkshire Council	1
PCT/GP Commissioning Groups	2
Voluntary Services	1
University of York	1
Sub-total appointed governors	7
Total membership of Council of Governors	28

The Chairman of the Trust also acts as Chairman of the Council of Governors.

## The Governors

Listed below are the Governors, either elected or appointed, currently serving on the Council of Governors:

Forename	Surname	Constituency	Initial Appointment Date	Date Appointed	Term of Office	End Of Term	Member of Sub-Committees
Alexander	Fraser	Partner: City of York Council	2006	01.04.10	3 yrs	31.03.13	CMEG
Alison	MacDonald	Staff: Nursing & Midwifery	2010	01.04.10	3 yrs	31.03.13	PFG
Anne	Penny	Staff: Nursing & Midwifery	2006	01.04.10	2 yrs	31.03.12	CMEG
Bob	Towner	Public: York	2006	01.04.10	2 yrs	31.03.12	
Brian	Thompson	Patient/Carer	2006	01.04.10	3 yrs	31.03.13	NRC PFG
Caroline	Patmore	Partner: North Yorkshire County Council	2005	01.04.10	3 yrs	31.03.13	
Catherine	Surtees	Partner: York CVS	2010	01.05.10	3 yrs	31.05.13	
David	Geddes	Partner: NYY PCT	2012	01.02.12	3 yrs	31.01.15	
David	Robson	Public: York	2010	01.05.10	2 yrs	31.03.12	CMEG
Diane	Rhodes	Public: Selby	2010	01.07.10	3 yrs	31.03.13	

Forename	Surname	Constituency	Initial Appointment Date	Date Appointed	Term of Office	End Of Term	Member of Sub-Committees
Geoffrey	Rennie	Patient/Carer	2006	01.04.10	2 yrs	31.03.12	PFG
Helen	Butterworth	Public: York	2010	01.04.10	2 yrs	31.03.12	PFG
Helen	Mackman	Public: York	2006	01.04.10	3 yrs	31.03.13	Lead Governor NRC
Jane	Dalton	Public: Hambleton	2008	01.04.10	3 yrs	31.03.13	Chair of CMEG NRC
James	Porteous MBE	Public: York	2006	01.04.10	3 yrs	31.03.13	NRC PFG
Jenny	Moreton	Patient/Carer	2006	01.04.10	2 yrs	31.03.12	PFG
Joseph	Riches	Partner: City of York Council	2011	27.05.11	3 yrs	26.05.13	
Lee	Bond	Staff: Consultant	2006	01.04.10	2 yrs	31.03.12	
Amanda	McGale	Staff: Other Staff Class	2006	01.04.10	2 yrs	31.03.12	NRC
Martin	Skelton	Staff: Clinical Staff	2006	01.04.10	3 yrs	31.03.13	PFG

Forename	Surname	Constituency	Initial Appointment Date	Date Appointed	Term of Office	End Of Term	Member of Sub-Committees
Nevil	Parkinson	Public: Selby	2006	01.04.10	3 yrs	31.03.13	
Paul	Baines	Public: York	2006	01.04.10	3 yrs	31.03.13	NRC
Phil	Chapman	Patient/Carer	2010	01.04.10	2 yrs	31.03.12	Chair of PFG CMEG
Robert	Thomas	Public: Selby	2009	Resigned March 2012			
Sian	Wiseman	Public: York	2010	01.04.10	2 yrs	31.03.12	CMEG
Stefan	Ruff	Public: York	2010	Resigned March 2011			
<p>Legend:</p> <p>NRC – Nominations and Remunerations Committee  PFG – Patient Focus Group  CMEG – Community and Member Engagement Group</p>							

## Council of Governors Meetings

The Council of Governors met seven times during this reporting period to discuss and comment on a number of aspects of the functioning of the Trust. Four of those meetings were in public, two were held in private with the Board of Directors and one was held in private with the Non-executive Directors.

## Attendance at Meetings

Attendees	Total
Paul Baines	7/7
John Batt	2/7
Lee Bond	7/7
Helen Butterworth	6/7
Phil Chapman	7/7
Jane Dalton	6/7
Alexander Fraser	6/7
David Geddes	0/7
Rowena Jacobs	1/7
Alison MacDonald	3/7
Helen Mackman	6/7
Mandy McGale	6/7
Jennifer Moreton	6/7
Nevil Parkinson	3/7
Caroline Patmore	6/7
Joseph Riches	3/7
Anne Penny	3/7
James Porteous	7/7
Geoffrey Rennie	7/7
Diane Rhodes	5/7
David Robson	7/7
Martin Skelton	7/7
Catherine Surtees	5/7
Bob Thomas	6/7
Brian Thompson	7/7
Bob Towner	7/7
Sian Wiseman	5/7

## Register of governors' interests

The Trust holds a register listing any interests declared by members of the Council of Governors. Governors must disclose details of company directorships or other positions held, particularly if they involve companies or organisations likely to do business, or possibly seeking to do business with the Foundation Trust.

The public can access the register at [www.yorkhospitals.nhs.uk](http://www.yorkhospitals.nhs.uk) or by making a request in writing to:

The Foundation Trust Secretary  
York Teaching Hospital NHS Foundation Trust

Wigginton Road  
York  
YO31 8HE

or by e-mailing [enquiries@york.nhs.uk](mailto:enquiries@york.nhs.uk)

The Council of Governors declared the following interests:

Directorships including non-executive directorships held in private companies or public limited companies (PLCs) with the exception of those of dormant companies:

**James Porteous:**

Directors – Notions Business and Marketing Consultants

**Brian Thompson:**

Directors – Thompson's of Helmsley Ltd

**Dianne Rhodes:**

Director and Company Secretary – Health and Safety Consultancy

Ownership part-ownership or directorship of private companies business or consultancies likely or possibly seeking to do business with the NHS

There were no declarations under this section

Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS

There were no declarations under this section

A position of authority in a charity or voluntary organisation in the field of health and social care

**Jane Dalton:**

Trustee and Director – North Yorkshire and York Forum

**Alexander Fraser:**

Appointee – City of York Council, non-voting participating observer on York CVS Trustees

**Nevil Parkinson:**

Director – West Riding Masonic Charities Ltd

**James Porteous:**

President – British Polio Fellowship – Yorkshire Region, Leeds and North Yorkshire

Chairman – Wheelchair Users Advisory Panel (Harrogate District Hospital NHS Foundation Trust)

**David Robson:**

Member of the Management Committee for York Blind or Partially Sighted Society

**Catherine Surtees:**

Partnership Manager – York CVS

**Bob Towner:**

Vice Chairman – York Older Peoples Assembly

Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services

**Alexander Fraser:**

Appointee – City of York Council, non-voting participating observer on York CVS Trustees

**Jennifer Moreton:**

Member – CQC Registration Involvement Group

Member – Ryedale LINK

Member – Ampleforth and Hovingham Surgeries Patient Reference Group

**Caroline Patmore:**

Councillor – North Yorkshire County Council

District Councillor – Hambleton District Council

**Bob Towner:**

Vice Chairman – York Older People's Assembly

Member – York Health Group Public and Patient Forum

**Geoff Rennie:**

Member – Ryedale LINK

**Sian Wiseman:**

Vice Chairman – CYC Overview and Scrutiny Committee

**Catherine Surtees:**

Partnership Manager – York CVS

**David Geddes:**

Medical Director – North Yorkshire and York Primary Care Trust

**Rowena Jacobs:**

Research Fellow, Centre for Health Economics, University of York

Any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the NHS foundation Trust including but not limited to, lenders or banks

**Jane Dalton:**

Researcher – Health and Social Care, University of York

**Jennifer Moreton:**

Researcher – Health and Social Care, University of York

**Caroline Patmore:**

Councillor – North Yorkshire County Council

**Sian Wiseman:**

Councillor – City of York Council

**Alexander Fraser:**

Councillor – City of York Council

**John Batt:**

Councillor – North Yorkshire County Council

**Joseph Riches:**

Councillor – City of York Council

**David Geddes:**

Medical Director – North Yorkshire and York Primary Care Trust

**Rowena Jacobs:**

Research Fellow, Centre for Health Economics, University of York

Governor expenses

Governors are not remunerated, but are entitled to claim expenses for costs incurred whilst undertaking duties for the Trust as a governor (i.e. travel expenses to attend the Council of Governors' meetings). The total amount of expenses claim during the year from 1 April 2011 to 31 March 2012 by governors was £3,551.80.

Related party transactions

Under International Accounting Standard 24 "Related Party Transactions", the Trust is required to disclose, in the annual accounts, any material transactions between the NHS Foundation Trust and members of the Council of Governors or parties related to them.

There were no such transactions for the period 1 April 2011 to 31 March 2012.

## Appointment of the Lead Governor

The Council of Governors appointed Helen Mackman as the Lead Governor of the Council of Governors in July 2010. The Governors' Nominations and Remuneration Committee, at their June 2011 meeting, agreed that a review of the role and the Lead Governor appraisal should be undertaken in line with the previous agreement that the appointment would be reviewed on an annual basis. The review was undertaken and Helen was confirmed as Lead Governor for a further 12 months.

## Lead Governor Annual Report

**A Foundation Trust's Lead Governor** is elected by the Council of Governors and is the key point of contact for discussions with Monitor on the occasion when an issue arises between the Trust and the Council of Governors that cannot be resolved.

Additionally, at York, the Lead Governor has the following key roles:

- To work with the Trust's Senior Independent Director to undertake the Chairman's appraisal and to report this to the Council of Governors.
- To sit on the Nomination and Remuneration Committee of the Council of Governors and to take the chair in the absence of the Chairman.
- To maintain an overview of the Council of Governors' activities and, with the Chairman and the Foundation Trust Secretary, undertake an annual effectiveness review of the work of this Council.
- To work with the Chairman in planning and reviewing the Council of Governors' agenda
- To work with the Chairman and the Foundation Trust Secretary to set the Council of Governors' objectives and maintain systems of accountability, including the various working groups of the Council of Governors.

The Lead Governor also liaises with officers of the Trust who support the effective running of the Council of Governors and ensures that key matters are taken forward effectively to the most appropriate forum.

**The Chairman and Non-executive Directors' appraisals:** The eight governors who serve on the Nomination and Remuneration Committee have carried out their key responsibilities to make recommendations to the Council of Governors about the effectiveness of the non-executive directors and the chairman, as well as recommending their level of remuneration.

An appraisal of the Chairman was carried out and a subsequent action plan agreed with him. This was ratified by the Council of Governors on the Nomination Committee's recommendation. A full appraisal that was carried out on all six non-executive directors, with input from governors, was approved by the Nomination Committee.

This year this committee has also supported an in-depth appraisal of the effectiveness of the Council of Governors. The result of this appraisal has illustrated that the Council of Governors has matured and achieved a greater depth of involvement since its formation, with good access to Trust leadership, data and information. The Chief Executive and Directors feel increasingly that the governors have a profound effect on how they work, the considerations they need to make as to what the governor view might be, and whether or not there is something they should share or consult on. The majority of governors are involved in projects and groups across the Trust and it is in this way that the membership and community can be assured that they are represented in decision-making that affects their healthcare. The appraisal has also highlighted that governors

need to continue to engage with the whole community and to understand the issues that are important to those who use this Trust's services. A clear work plan will be put in place for the coming year against which future reviews can measure the Council of Governors' continuing effectiveness.

**The Governors' Patient Focus Group** has continued to explore issues that affect patients and to make recommendations to management. I have been holding discussions with the Chief Nurse and the Patient Experience Team about enabling governors to have a stronger, more effective voice within the Trust. This has resulted in the establishment of a Trust Patient Experience Group with strong governor representation, a clear audit trail and accountability to the Trust Board. Governors will be able to add true value to the patient experience with this new level of involvement.

**Individual Governors** have continued to represent the Council of Governors on a variety of active groups across the Trust, providing an additional way for the voice of patients to be heard. These groups currently include nutrition and catering, transport, equality and diversity, sustainability, charitable funding, infection control, cancer strategy, arts strategy, the annual plan and quality report.

Foundation Trusts are required to be independently audited each year and governors are able to choose a quality performance indicator for this audit. Our governors' Quality Report group recommended the audit of this Trust's compliance with the World Health Organisation's Safer Surgery Checklist and this was ratified by the Council of Governors.

Governors have appreciated the opportunity to work on three particular projects in partnership with the Trust, including the Emergency Department re-design, the Catering project and the Vascular Imaging Development project. Each of these projects has resulted in important decision-making affecting services for patients.

**Community Services:** The Trust took over responsibility for Community Services from 1 April 2011 and the governing body has continued to seek assurance that strategies and processes are in place for the benefit of the whole community.

Through our attendance at the City of York Health Scrutiny Committee, we have been made aware of the impact of the PCT's withdrawal of some funds from the voluntary sector that supports patients, not just within York Hospital but as they continue to need care in the community. We have sought to learn more about the vital part that the voluntary sector plays in complementing the care provided by this Trust. We have used our good relationship with the Non-Executive Director Team to ensure that these issues are highlighted at Board level.

We have been striving to create good relationships with the Vale of York Clinical Commissioning Group and appreciate their intentions to involve the public and patients in future commissioning decisions.

We have been reaching out to both the York and North Yorkshire Local Involvement Network groups (LINKs), particularly as part of the wide public consultation about the proposed acquisition of Scarborough Trust. This has formed an important part of our role in encouraging members of the public to become members of this Trust and to think about becoming governors to represent the Ryedale and East Coast areas.

With the proposed acquisition of Scarborough Trust, governors have continued to challenge and question the rationale for this major development in York Trust's responsibilities for the future. At each of our Council of Governors meetings in public, we have raised strategy issues and have gained assurance, from the executive and non-executive teams, that services across the current York Hospital area have remained accessible and responsive to the needs of the local population. We will continue to do this as the Trust extends its services across Ryedale and the East Coast.

However, we are assured that its strong performance will not be compromised by integrating services with another Trust.

I am pleased to report that the Trust continues to listen to and act positively upon our views and recommendations for the benefit of those needing the care provided by this hospital.

**Helen Mackman, Lead Governor**

### Membership of the sub-committees and groups

The Council of Governors has delegated authority to a number of sub-committees and groups to address specific responsibilities of the Council of Governors. These are:

#### Nominations/Remuneration Committee

The Committee met four times during the year to address the appraisals of the Non-executive Directors and the Chairman.

The membership of the Committee is as follows:

James Porteous - Public Governor  
Brian Thompson - Public Governor  
Mandy McGale - Staff Governor  
Geoff Rennie - Patient/Carer Governor  
Jane Dalton - Public Governor  
Paul Baines - Public Governor  
Helen Mackman - Lead Governor  
Anna Pridmore - Foundation Trust Secretary  
Alan Rose - Chairman of the Trust and the Committee

During the year specific topics included:

- Discussing a paper which proposed a review to how to appraise the effectiveness of the Council of Governors
- Discussing the appointment of the Lead Governor
- Discussing the annual appraisal of the Chairman
- Discussing the annual appraisals of six Non-executive Directors
- Discussing the remuneration of the Non-executive Directors and Chairman
- Discussing the impact of the planned Scarborough Acquisition on the Non-Executive Team
- Discussing the process for the recruitment of Non-Executive Directors
- Conducting an annual review of the Committee's Terms of Reference

On all of the above topics, recommendations were made to the full Council of Governors, as appropriate.

It was agreed that in the next year, in addition to the annual actions, the committee will:

- Review the role description of the Non-Executive Directors (to improve the recruitment process further);
- Review the competency and other profiles of the existing Non-Executive team (to improve the recruitment process further).

**Alan Rose, Chairman of the Committee**

## Community and Member Engagement Group (CMEG)

The CMEG met four times during the year. The purpose of the Group is to help with the effective delivery of the Trust's strategy in relation to community and membership engagement.

Membership:

Jane Dalton (Chair & public governor)  
Phil Chapman (public governor)  
Sandy Fraser (City of York Council governor)  
Anne Penny (staff governor)  
David Robson (public governor)  
Bob Thomas (public governor)  
Sian Wiseman (public governor)  
Lucy Brown (Head of Communications)  
Penny Goff (Membership Development Manager)  
Libby Raper (Non-executive Director)  
Heather Millard (Communications Assistant)

During the year, the following areas of work were addressed:

- The content and timing of YorkTalk presentations
- Implementation of the Trust's membership strategy and analysis of membership report
- Development of calendar of engagement events
- East Coast Membership development
- Workshop to enable Governors to handle anecdotal feedback from the public
- Identifying new engagement and networking opportunities

All discussions and recommendations were communicated to the full Council of Governors, as appropriate.

The plan of work over the next year will include discussion on the following:

- Development of East Coast membership and engagement
- Continued awareness-raising amongst existing constituencies in relation to the proposed acquisition
- Transferring best practice to future membership development and engagement
- Develop more regular and richer communication between Governors and the community
- Maintain a log of networking and engagement opportunities

**Jane Dalton, Chairman of the Group**

## Patient Focus Group (PFG)

This group is a formal sub group of the Council of Governors. The membership is as follows:

Phil Chapman - Patient/carer Governor (Chair)  
Alison McDonald - Staff Governor  
Brian Thompson - Patient/carer Governor  
Geoff Rennie - Patient/carer Governor  
Helen Butterworth - Public Governor  
Jenny Morton - Patient/carer Governor  
Jim Porteous - Public Governor  
Martin Skelton - Staff Governor

In addition to this sub-group, the PFG have invited other Governors, NEDs and Trust staff to join the group in their discussions. The group covered a wide range of topics during the year including:

### Emergency Department Observation Project

Members took part in observing the ED department over a 24 hour period, together with members of York LINKs, to produce a report which contributed to the changes proposed and now being implemented within the department. It is proposed that the members will repeat the observation process again in 12 months, to determine the effectiveness of the changes.

### Mobile Equipment Policy

Following feedback from patients regarding the nuisance created by the use of mobile phones in wards, the group have discussed the how they can both provide patients the ability to use this equipment as a link to the outside world while respecting those patients who may be disturbed by their use. The PFG had an open meeting with Governors and NEDs, together with the authors of the "Mobile Communications Equipment Policy", and an improved draft has now been proposed. This policy includes Smart Phones, Laptops and other mobile technology.

### Patient experience

The Group have supported and worked closely with the hospital's Patient Experience Team. This has included regular discussion of hot topics raised to the PALS service together with general feedback from patients and visitors. The PFG have now been formally invited to provide a number of Governors to represent the PFG on the new Patient Experience Steering Group.

### PEAT Visits

Governors are invited to participate in these visits and the PFG are working on how their participation and feedback can be promoted and encouraged.

**Phil Chapman, Chair of the Group**

### Contact with the Governors

Members wishing to contact governors can do so through the Trust by sending an email to [yhs-tr.yorkhospitalgovernors@nhs.net](mailto:yhs-tr.yorkhospitalgovernors@nhs.net) or by contacting the Trust's Membership Manager Penny Goff at [penny.goff@york.nhs.uk](mailto:penny.goff@york.nhs.uk) or by telephone on 01904 725233.

All emails will be passed on to the governor concerned.

## **Foundation Trust membership**

### Introduction

This section of the annual report will focus on membership of the Foundation Trust. The following issues will be covered:

- The current constituency areas and populations and how this will change with the integration of Scarborough & North East Yorkshire Healthcare NHS Trust (SNEY)
- Breakdown of the current membership numbers and our future recruitment targets

- How we have recruited members to the Foundation Trust
- How we engaged with our members
- Our future actions to increase and develop membership

### Our current catchment area

The Trust has three constituencies – public, patient/carer and staff.

The public constituency is defined as “those people (aged 16 and over) living in specific wards of local authorities within the North Yorkshire and York Primary care Trust area



York – all wards

Selby – all wards

Hambleton – the wards of Easingwold, Helperby, Huby and Sutton, Skipton, Stillington and Tollerton

The Trust has co-terminosity with York City Council, Selby District Council, Hambleton District Council and North Yorkshire County Council.

Around 95% of the patients treated as inpatients, day cases and outpatients live in these areas. The hospitals they attend include the following:

- The York Hospital (general acute hospital)
- The New Selby War Memorial Hospital (community hospital)
- St Monica’s Hospital (community hospital in Easingwold)
- Archways (rehabilitation hospital in York)
- St Helen’s (rehabilitation hospital in York)
- White Cross Court (rehabilitation hospital in York)

The patient/carer constituency comes from residents living in the outskirts of the above locations (mainly the Ryedale area) but who look to York Hospital Foundation Trust for their treatment.

We also have an affiliate category of membership for those people living outside of our catchment area but who are not patients or carers.

Over and above these hospital facilities, in April 2011 the Trust was awarded the contract for the Community Health Services in the York, Selby, Scarborough, Whitby and Ryedale areas and is also responsible for:

- Malton, Norton and District Hospital (community hospital)
- Whitby Hospital (community hospital)

Following the proposed acquisition of Scarborough & North East Yorkshire Healthcare NHS Trust (SNEY) in July 2012 the facilities will include:

- Scarborough & District Hospital (general acute hospital)
- Bridlington Hospital (general hospital)

The map below indicates the seven public communities we will be serving after the acquisition.

The patient/carer constituency will no longer exist as those members will become public members. We will continue to maintain affiliate members but this is expected to become a much smaller group given the extension of our catchment boundaries.

**The York and Scarborough catchment area**



We have defined the constituency boundaries to fit as far as possible with clearly defined local authority boundaries and “natural” communities. Each of the seven constituencies contains at least one hospital facility run by the proposed enlarged Trust – places that the local population clearly identify with and care much about; in our experience this is a key issue for membership.

We are taking the opportunity to extend the catchment boundaries of York, Selby and Hambleton in wards where we have significant clusters of patient/carer members.

The Hambleton, York, Selby and Ryedale communities are already well-developed in membership terms. The total public membership in these areas is over 11,000 of an eligible 330,000 population, with penetration ranging from 2.8- 6%, averaging 3.5%. The three new constituencies on the east coast: Whitby, Scarborough and Bridlington, will add another approximately 150,000 eligible population.

Membership numbers for our current constituencies:

Public constituency	2011/2012	Population
As at start (April 1)	9,610	
New Members	345	
Members leaving	151	
At year end (Mar 31)	9,804	276,739
Nett gain/loss	+194	

Patient constituency	2011/2012
At start (April 1)	2,388
New Members	51
Members leaving	76
At year end (Mar 31)	2,363
Nett gain/loss	-25

Staff constituency	2011/2012
As at start (April 1)	4843
Opt outs	21
At year end (Mar 31)	6244
Nett gain/loss	+1374 *

\* Staff transferred to the Trust from Community Services

Affiliate members	2012/2012
As at start (April 1)	447
New Members	788
Members leaving	0
At year end (Mar 31)	1235
Nett gain/loss	+788

**Total Membership at April 1 2011 = 17,288**

**Total Membership at March 31 2012 = 19,646**

Note that this affiliate category is growing as we have already started the recruitment of new members from the East coast. At the point of completion of the acquisition with Scarborough, most affiliates will become public members in the new constituencies.

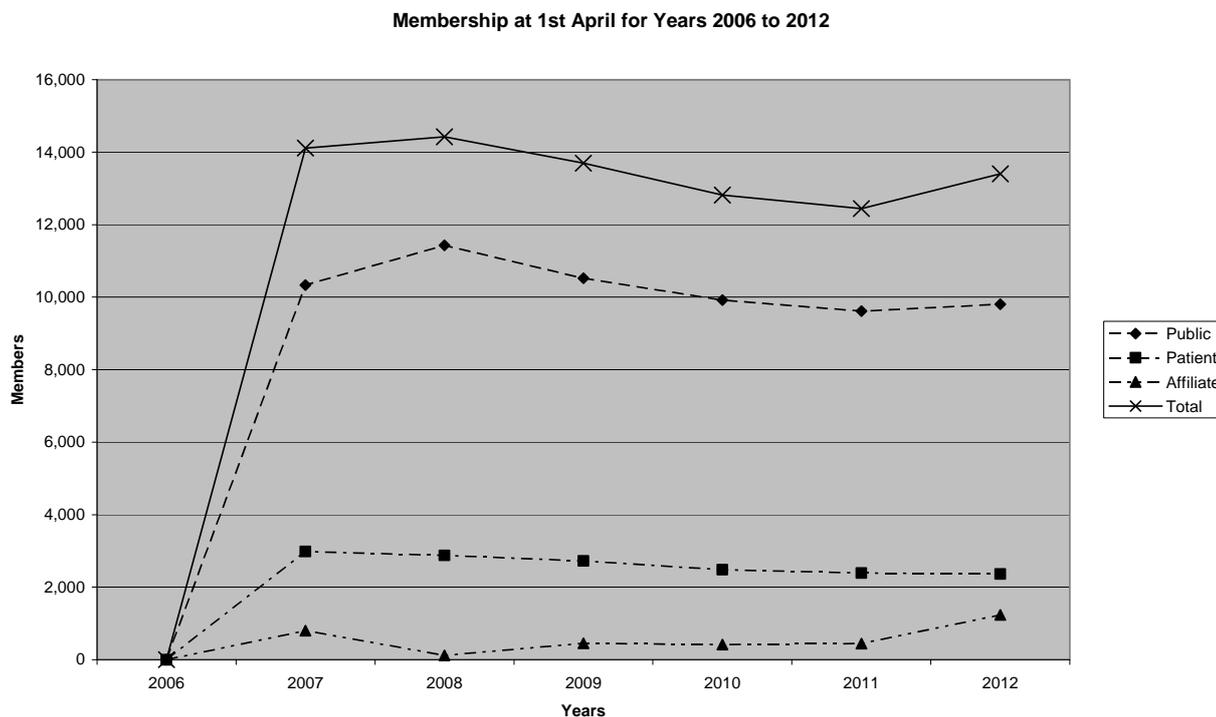
Membership numbers using our proposed constituencies (excluding staff):

Public constituency	2011/2012
At start (April 1)	9,610
New Members	1,741
Members leaving	151
At year end (March 31)	12,580
Net gain/loss	+2970
Patient constituency	2011/2012
As at start (April 1)	2,388
New Members	51
Members leaving	2,439
At year end (March 31)	0
Net gain/loss	-2,388
Affiliate Members	2011/2012
As at start (April 1)	447
At year end (March 31)	822
Net gain/loss	+375
Totals	
Total at 1 April	12,445
Total at 31 March	13,402
Net gain/loss	+957

Public	Proposed Catchment
York	7,274
Selby	2,021
Hambleton	733
Ryedale and East Yorkshire	1,888
Bridlington	245
Scarborough	252
Whitby	167
Affiliate Members	822
<b>Total</b>	<b>13,402</b>

Data relating to the age, gender and ethnicity representation and social-economic grouping of our current patient constituency is available upon request.

The trend in our membership from pre FT authorisation in 2006 to the present day is shown below:



### Membership recruitment targets

One of the Trust's main objectives in 2011/12 has been to develop the membership in the new constituency areas. This has been largely successful having achieved a membership pool in all the new constituencies in order to hold contested elections in July/August 2012. This will continue until we have achieved 5% of the eligible population across the seven constituency areas.

Public membership targets (excludes affiliates)

Constituency	Eligible Pop.	Current Membership	% of eligible pop.	Target 1% (July 12)	Target 1.5% (Dec 12)	Target: 2.5% (July 13)	Target 5%
York	174,420	7,274	4.1%	achieved	achieved	achieved	8,721
Hambleton	14,381	733	6.0%	achieved	achieved	achieved	720
Selby	71,703	2,021	2.8%	achieved	achieved	achieved	3,585
Ryedale & East Yorks	73,143	1,888	2.6%	achieved	achieved	achieved	3,657
Whitby	21,681	167	c 0.8%	250	400	542	1084
Scarborough	70,537	252	c 0.4%	500	1000	1763	3526
Bridlington	59,107	245	c 0.4%	450	1000	1476	2953
<b>Total</b>	<b>484,972</b>	<b>12,580</b>	<b>2.4%</b>	<b>1200</b>	<b>2,400</b>	<b>5,610</b>	<b>24,246</b>

Staff membership targets (c 99% of staff):

At April 1 2011 -York Hospital FT	4,843
- Community: York, Selby, Scarborough	1,282
At July 2012 - Scarborough & Bridlington Hospitals	2,500
<b>Total</b>	<b>8,625</b>

Membership recruitment activity during 2011/12

The Membership Development Manager has planned and attended over 70 different events since April, in order to raise awareness of the Trust, to recruit new members and to engage with existing members. These events have resulted in nearly 1000 new members. The events have ranged from agricultural shows, community fairs, LINKs/Age Concern/other stakeholder groups, supermarkets, local authority public forums, schools, colleges and universities.

During the past 12 months we have held seven public meetings in Scarborough, Whitby, Bridlington, Malton and York at which the Deputy Chief Executive presented updates on the acquisition of SNEY, formally consulted on the dissolution of SNEY and answered questions from members of the public.

Membership stands have been purchased and set up in each of the seven main hospital locations, for the display of information and application forms. Local arrangements are in place for them to be maintained with leaflets The Membership Manager visits each site regularly to directly promote the benefits of membership to patients, visitors and staff.

We also promoted these stands to the public with a press release and photographs which were published in the York Press, Whitby Gazette, Scarborough Evening News, Bridlington Free Press, Selby Times, Selby Post and the Easingwold Advertiser. Additionally we took out a paid advertorial in the Whitby Gazette with a tear-out application form. This only generated five new members so we did not repeat this with publications in other new communities.

The Council of Governors effectiveness review completed in autumn 2011 highlighted that Governors have struggled to establish themselves as links between the membership and the Board. Their presence at membership recruitment events has been limited to only a few interested individuals. The Hambleton governor has been actively promoting membership by writing a regular

news article for local community newspapers and magazines. We need to strengthen these links in 2012 and encourage more Governors to become more active in the communities they serve.

### Membership engagement activities during 2011/12

On 14 September, the Trust once again threw open its doors to welcome visitors at the annual open event at York. Around 1,500 people attended, to take part in behind-the-scenes tours, presentations and displays on a range of topics. Members of the public were able to meet managers, Governors and front-line staff, as well as attend the Annual General Meeting of the Trust.

The YorkTalk presentations are also an important way for the Trust to engage with members, by offering a range of short information sessions delivered by our staff. During the summer of 2011 we held these at 5.30 pm rather than at 12.30 to try to boost attendance. Despite more initial interest and pre-bookings from members, the actual attendances did not increase significantly, so we reverted back to lunchtime sessions for the winter months. The topics have included ophthalmology, retinal screening, Age Concern services and stroke services.

In April 2011, it was decided to change the YorkTalk newsletter to a Chairman's letter, in order to release funds to develop a staff magazine. The Chairman's letter was mailed (post/email) to each member household in April, August and February.

In June 2011, we wrote to all our members from the Selby constituency to invite them to a preview tour of the New Selby War Memorial Hospital. With a maximum of 50 places available due to time and space constraints, this event was well over-subscribed but was very much appreciated by those who attended.

### Actions to increase and develop membership during 2012/2013

The proposed acquisition has led the Trust to develop membership in the east coast. The Trust has created three new constituencies and has prioritised gaining members in those areas for 2011/12. Due to resource constraints the aim has been to continue to find better ways of engaging with the existing membership, to educate and inform them, to seek their participation in events and to obtain their feedback has had to be put onto a back burner. In the new constituencies we have set a target of 2.5% penetration to match that of our existing areas and we assess that it will take up to and possibly beyond July 2013 to achieve this target. The strategy for the coming year is to once again focus on these recruitment targets as a priority and the actions highlighted below are set to deliver these targets.

- Maintaining +3% of population as members - In our "mature" constituencies of York, Hambleton, Selby, and Ryedale we will continue a conservative, but steady programme of topping-up our membership to ensure our engagement with the communities stays fresh and that the "natural wastage" of members dying or moving away is replaced. We aim to keep our level of penetration at around the 2.5-5% level of the eligible population (this varies by specific local area)
- Increasing membership in the new localities - In the new constituencies of Whitby, Scarborough, and Bridlington, we are building from a low base, so will continue to employ a busier set of recruiting activities focussing on achieving a membership that is representative of the communities and delivers 2.5% penetration of the local populations
- Socio-economic groupings – We recognise that people from certain socio economic groupings are not well represented in the membership. We will continue to plan recruitment events to ensure a balance exists across all groupings

<b>Socio-economic groupings:</b>	<b>Number of members</b>	<b>Public Total</b>
ABC1	7,762	114,935
C2	1,323	36,034
D	332	34,597
E	340	32,420
Unknown	47	

- Age/gender – The Trust has more female members than male members and a higher proportion of members aged over 50. We will consider these issues when planning events during the coming year

<b>Age(years):</b>	<b>Number of members</b>	<b>Public Total</b>
0 – 16	1	3,329
17 – 21	89	19,396
22+	9,362	254,014
Unknown	352	

<b>Gender:</b>	<b>Number of members</b>	<b>Public Total</b>
Female	5,315	142,777
Male	4,218	133,829
Unknown	271	

**Breakdown by age/gender in each catchment area at 31 March 2012:**

<b>Age(years):</b>	<b>City of York</b>	<b>Hambleton</b>	<b>Selby</b>	<b>Total</b>
0 – 16	1	0	0	1
17 – 21	53	2	34	89
22+	6,797	665	1900	9,362
Unknown				352

<b>Gender:</b>	<b>City of York</b>	<b>Hambleton</b>	<b>Selby</b>	<b>Total</b>
Female	3,828	394	1,093	5,315
Male	3,076	283	859	4,218
Unknown	238	14	19	271

- Ethnicity – The Trust continues to need to encourage and increase BME (black minority ethnic) membership from all local communities. We are mindful of the large influx of individuals from Eastern Europe to the area since the 2001 census so the ethnicity data for the area will remain unreliable until the 2011 census data is released. We are aware of the longstanding presence in the Scarborough area of a large and community motivated population from the Philippines. We have made contact with this group and plan to undertake engagement activity during the coming year. Additionally we are planning to repeat events with medical students from HYMS and other further education establishments

<b>Ethnicity</b>	<b>Number of Members</b>	<b>Public Total</b>
White	3,173	272,035
Asian	23	1,486
Black	4	395
Mixed	10	1,490
Other	1	1,235
Unknown	6,593	

#### **Breakdown by ethnicity in each catchment area at 31 March 2012**

<b>Ethnicity</b>	<b>City of York</b>	<b>Hambleton</b>	<b>Selby</b>	<b>Total</b>
White	2,302	264	607	3,173
Asian	18	1	4	23
Black	4	0	0	4
Mixed	9	1	0	10
Other	0	1	0	1
Unknown	4,809	424	1,360	6,593

- Constituency meetings (local health events) – Local constituency meetings enable direct consultation and debate with the membership on topical issues. We plan to establish and develop constituency meetings in all seven areas and we see them being attended by the governors, representative from the Board, local Trust members and members from Health watch/other stakeholder groups
- The website – the existing websites of York and Scarborough Trusts will be rebuilt during 2012 as a new integrated site with membership featuring prominently on this. The scope of this is already being broadened to include social media tools
- Annual health events – responsibility for organising the annual large scale Open Day event at York Hospital has transferred in 2012 from the Membership Manager to the HR/Events management team. In the past this has been the core awareness event for our members and has been highly successful. Decisions will be made post acquisition on how to replicate such an event for members in the other localities.
- Staff – In July 2012 (following completion of the proposed acquisition) the Trust will increase our staff numbers by approximately 2,500 as we acquire Scarborough Trust. We will aim to have 0% opt out of membership by promoting the benefits of membership and the staff governor role. Additionally we plan to run a staff incentive scheme whereby a prize will be awarded the individual at each of the new 3 hospital sites who recruits the highest number of new members from their family and friends networks

- Membership application form – The membership form and accompanying leaflet will be redesigned during 2012/13 to reflect the enlarged Trust and changes to the Council of Governors
- Membership discount scheme – The current member discount scheme needs updating to include discounts and offers relevant to the members in the new constituencies. It is hoped that the HR /Staff Benefits team will build this into their work plan for 2012/13
- Membership engagement and mechanisms for reviewing membership plans – It is hoped that improved member involvement will continue to feature as an area for discussion with Governor groups as part of the new look Council of Governors. Reports on membership recruitment and development are submitted on a regular basis to the Board and the Council of Governors and the current Community Membership Engagement group monitors the delivery of membership activity

# Statutory information

## **Statutory information**

### **Directors**

The Trust has a Board of Directors including the Chairman, six other Non-executive Directors, and five Executive Directors (including the Chief Executive).

#### Non-executive Directors

The Chairman is Alan Rose

The six other Non-executive Directors are Professor John Hutton (who is also the Vice Chairman and the Senior Independent Director), Phillip Ashton, Linda Palazzo, Libby Raper, Michael Sweet and Professor Dianne Wilcocks.

#### Executive Directors

Executive Directors are Patrick Crowley (Chief Executive), Dr Alastair Turnbull (Medical Director), Andrew Bertram (Finance Director), Peta Hayward (Human Resources Director), Elizabeth McManus (Chief Nurse).

### **Brief history of the Trust**

In 1976, York District Hospital came into being. The scale of the hospital, with 812 beds in 30 wards, was at the time, larger than anything ever seen in York. It replaced a total of nine hospitals: York County Hospital, York City Hospital, Military Hospital, Fulford Hospital, Acomb Hospital, Poppleton Gate, Deighton Grove, Fairfield Hospital and Yearsley Bridge Hospital. Princess Alexandra came to officially open it on 28 July 1977.

The new hospital cost £10.5m to build and a further £2m to equip. It occupied 20 out of the 22 acres on the site and accommodated over 1,600 staff.

In 1981, a scheme commenced to house maternity services at the main site. A delivery suite and special care baby unit were built and existing wards were converted to antenatal and postnatal wards and a new maternity entrance was created.

York Health Authority became a single district Trust in April 1992, known as York Health Services NHS Trust.

The development of the Selby and York Primary Care Trust had major implications for York Health Services NHS Trust, as it had provided secondary care and community services since 1992. Community and mental health services in Selby and York were taken over by the PCT and the function of York Health Services NHS Trust now centred on secondary acute care. In 2003 the main hospital changed from York District Hospital to York Hospital and became York Hospitals NHS Trust.

Having achieved a three star performance rating in 2005, the Trust applied to become a NHS Foundation Trust in 2006. Monitor approved the application and York Hospitals NHS Foundation Trust began life on 1 April 2007. The attainment of this target was a great tribute to the hard work of staff throughout the organisation and is recognition that we are one of the top performing organisations in the country. Being a Foundation Trust means we can manage our own budgets

and are able to shape our services to reflect local needs and priorities whilst remaining fully committed to the core principles of the National Health Service.

The Trust then decided to adopt 'Teaching' into the name. This was as a result of our increasing involvement with Hull York Medical School (HYMS), our ever-strengthening links with York's universities and other higher and further education establishments and the recognition of our commitment to continued learning, training and development for our staff. Our decision to change our name was approved by Monitor, the Foundation Trust regulator, and came into effect from 1 August 2010.

In April 2011 we took over the management of some community-based services in Selby, York, Scarborough, Whitby and Ryedale. This included some community nursing and specialist services as well as Archways in York, St Monica's in Easingwold, The New Selby War Memorial Hospital, Whitby Hospital and Malton Hospital.

Our main site is The York Hospital which offers a range of inpatient and outpatient services. With our two community rehabilitation hospitals at St Helen's and White Cross Court we have over 700 beds.

We provide some more specialist services from other sites, including renal dialysis in Easingwold and Harrogate, and sexual health services in Monkgate Heath Centre in York.

We also work collaboratively in certain specialties through our clinical alliance with Harrogate and District NHS Foundation Trust, and we are working ever closer with Scarborough and North East Yorkshire Healthcare Services NHS Trust and Hull Teaching Hospital NHS Trust to strengthen the delivery of services across North and East Yorkshire.

## **Environmental matters**

In 2009, the Trust committed to embracing the NHS Carbon Reduction Strategy. Over the financial year 2011/12 the Trust is forecasting an annual energy related carbon emissions reduction of 6.2%.

All staff are encouraged to help cut carbon emissions and reduce energy bills by taking simple steps to be more energy efficient. See the Sustainability/Climate Change section for more detailed information.

## **Financial information**

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware.

The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Better Payment Practice Code – Measure of Compliance**

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust operates its Better Payment Policy with a five day allowance for goods to be dispatched and received in the Trust.

Number Value

		£000
Total Non-NHS trade invoices paid in the year	61,758	74,886
Total Non-NHS trade invoices paid within target	50,912	61,758
Percentage of Non-NHS trade invoices paid within target	82.5	79.8
Total NHS trade invoices paid in the year	2,705	26,476
Total NHS trade invoices paid within target	1,672	16,564
Percentage of NHS trade invoices paid within target	61.8	62.6

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance'

### External Audit

The External Auditors employed by the Trust are Grant Thornton UK LLP No.1 Whitehall Riverside, Whitehall Road, Leeds LS1 4BN.

The total cost of audit services for the year was £78,000 inclusive of VAT for the statutory audit of accounts and an external assurance audit for the Quality Account, for the 12 months ending 31 March 2011. Grant Thornton have not provided any non-audit services during the year.

## **Remuneration Report**

### The Remuneration Committee

The Trust has two Remuneration Committees. One is made up of a group of Governors to determine the appropriate remuneration for Non-executive Directors, including the Chairman. This Committee reports to the Council of Governors and details of the Committee can be found on page 121 of this report.

The second Committee has delegated authority from the Board of Directors to make decisions in respect of salary and conditions of service for the executive directors, and is made up of the non-executive directors of the Trust. More detail about the Remuneration Committee can be found on page 104.

During the financial year 2011/12 the Committee met on four occasions. The Remuneration Committee was attended by the Non-executive Directors. The Chief Executive also attended all three meetings. The Chief Executive and the Director of HR attended to provide professional advice and information and were not part of the decision making process.

### Remuneration of the Chief Executive and Executive Directors

The membership of the Remuneration Committee for the remuneration of the Chief Executive and other Executive Directors is the Non-executive Director cohort including the Chairman.

### Remuneration of the Chairman and Non-executive Directors

During 2011/12 the remuneration of the Chairman and the Non-executive Directors was considered by the full Council of Governors. The governors agreed that the Chairman and Non-executive Directors would receive an increase inline with the benchmarking data used. For 2011/12 it was agreed that the Council of Governors would review the remuneration for the Chairman and Non-executive Directors following completion of the acquisition of Scarborough

and North East Yorkshire Healthcare NHS Trust to take into account the additional complexities of the enlarged organisation.

### Remuneration policy

With the exception of the Chief Executive, Executive Directors, Corporate Directors and medical staff, all employees of the Trust, including senior managers, are remunerated in accordance with the national NHS pay structure, Agenda for Change. It is the Trust's policy that this will continue to be the case for the foreseeable future. The remuneration of the Chief Executive and four other Executive Directors and four Corporate Directors is determined by the Board of Directors' Remuneration Committee.

The Chief Executive and the two whole-time Executive Directors (Director of Finance and Chief Nurse) are paid a flat rate salary within the range determined by the Remuneration Committee. The part-time Executive Directors (Medical Director and Director of HR) are paid a flat rate within the range determined by the Remuneration Committee. For the Medical Director this is separate from his salary as a medical practitioner.

In reviewing remuneration, the Committee has regard for the Trust's overall performance, the delivery of the agreed corporate objectives for the year, the pattern of executive remuneration among Foundation Trusts and the wider NHS, and the individual director's level of experience and development in the role. The Remuneration Committee does not review the pension arrangements; they are agreed nationally within the NHS.

There is no performance-related element, but the performance of the Executive Directors is assessed at regular intervals and unsatisfactory performance may provide ground for termination of contract. The Executive Directors do not have fixed term contracts and the Non-executive Directors all have service contracts that are a maximum length of three years. Details of terms of office of the Non-executive Directors are available on request from the Foundation Trust Secretary at enquiries@york.nhs.uk

### Salaries and pension entitlements of senior managers

#### a) Salaries:

Name and title	2011/12			2010/11		
	Salary (exc non-consol perf pay) (bands of £5000) £000	Non-Consolidated Performance Pay (bands of £5000) £000	Benefits in kind (to nearest £100) £	Salary (exc non-consol perf pay) (band of £5000) £000	Non-Consolidated Performance Pay (band of £5000) £000	Benefits in kind (to nearest £100) £
<b><u>Executive Directors</u></b>						
Mr P Crowley Chief Executive	160-165	-	4,600	155-160	-	4,000
Mr A Bertram Director of Finance Deputy Chief	115-120	-	3,800	105-110	-	3,800

Executive

Mr M Proctor Deputy Chief Executive (Seconded from 7 March 2011)	-	-	-	115-120	-	6,000
Ms E McManus Chief Nurse	105- 110	-	-	95-100	-	2,700
Dr A Turnbull Medical Director	210- 215	5-10	-	220-225	-	-
Ms P Hayward Director of HR	90-95	-	-	75-80	-	-

<b>Non-executive Directors</b>						
	2011/12			2010/11		
Name and title	Salary (exc non-consol perf pay)	Non-Consolidated Performance Pay	Benefits in kind	Salary (exc non-consol perf pay)	Non-Consolidated Performance Pay	Benefits in kind
	(bands of £5,000) £000	(bands of £5,000) £000	(to nearest £100) £	(band of £5000)	(band of £5000)	(to nearest £100) £
Mr A Rose Chairman	45-50	-	-	45-50	-	-
Professor J Hutton Non-executive Director and Vice Chairman	10-15	-	-	10-15	-	-
Mr P Ashton Non-executive Director	15-20	-	-	10-15	-	-
Professor D Willcocks Non-executive Director	10-15	-	-	-	-	-
Mrs L Palazzo Non-executive Director	10-15	-	-	10-15	-	-
Ms L Raper Non-executive Director	10-15	-	-	5-10	-	-
Mr M Sweet Non-executive Director	10-15	-	-	10-15	-	-
Mr Philip Ashton was reappointed as a Non-executive Director from 1 September 2011 for a further 3-year term.						

	<b>2011-12</b>	<b>2010-11</b>
Band of the highest paid director's total salary (£'000)	215-220	220-225
Median Total Remuneration	25,611	25,225
Remuneration Ratio	8.5	8.8

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

The banded remuneration of the highest paid director in York Teaching Hospital NHS Foundation Trust in the financial year 2011-12 was £210-215k (2010-11 £220-225k). This was 8.3 times (2010-11 8.8) the median remuneration of the workforce, which was £25,611k (2010-11 £25,235k).

In 2011-12 NIL (2010-11, 1) employees received remuneration in excess of the highest paid director. Remuneration ranged from £1,159 to £218,260 (2010-11, £1,554 to £243,428).

Employees receiving remuneration of less than £1,000 or have nil basic pay and nil whole time equivalent have been excluded from the calculations as these relate to one-off individual payments and would distort the overall figures.

Payments made to agency staff have also been excluded as these mainly relate to payments made to cover long term absence of existing employees whose whole time, full year equivalent remuneration is already included in the calculation. To include the payments made to agency staff would also distort the overall figures.

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

#### b) Pensions

	<b>Total accrued pension at age 60 at 31 March 2012</b>	<b>Total accrued pension lump sum at age 60 at 31 March 2012</b>	<b>Real increase in pension at age 60</b>	<b>Real increase in pension lump sum at age 60</b>	<b>Cash Equivalent Transfer Value at 31 March 2011</b>	<b>Cash Equivalent Transfer Value at 31 March 2012</b>	<b>Real Increase in Cash Equivalent Transfer Value</b>
<b>Name</b>	<b>Bands of £5000</b>	<b>Bands of £5000</b>	<b>Bands of £2500</b>	<b>Bands of £2500</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Mr P Crowley Chief Executive	45-50	140-145	2.5-5.0	7.5-10.0	820	949	104
Mr A Bertram Director of Finance	25-30	85-90	0.0-2.5	5.0-7.5	306	411	96
Ms E McManus Chief Nurse	30-35	90-95	0.0-2.5	5.0-7.5	371	479	97
Dr A Turnbull Medical Director	50-55	160-165	0.0-2.5	5.0-7.5	906	1046	112
Ms P Hayward Director of HR	20-25	60-65	2.5-5.0	7.5-10.0	201	291	85

As Non-executive Directors do not receive pensionable remuneration, there are no entries in respect of pensions for Non-executive Directors.

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 pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to

transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and the other pension details, include the value of any pension benefits in another scheme or arrangement, which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

A handwritten signature in black ink, appearing to read 'P. Crowley', written in a cursive style.

**Patrick Crowley**  
**Chief Executive**  
30 May 2012

## Sustainability

In March 2009, The Trust Board approved a Sustainable Development Statement committing the organisation to continuous improvement in minimising the impact of its activities on the environment and becoming a good corporate citizen. The Sustainable Development Statement was endorsed by the Trust Board of Governors in June 2010 together with strategic delivery proposals.

Three specific delivery proposals were reported last year and remain largely unchanged. For information the proposals are presented for information below together with progress reports of work undertaken over the last twelve months:

- A Sustainable Development Steering Group has been established consisting of Senior Trust Managers with membership provision for Staff Representatives and external Strategic Partners

Progress Report: The Sustainable Development Steering Group has now completed its first full year including four scheduled meetings. The Terms of Reference of the Group has been established and forms the basis of future strategy development.

- The Sustainable Development Steering Group has been tasked with creating a Sustainable Development Management Plan to embrace the Trust's commitment to the NHS Carbon Reduction Strategy. The Sustainable Development Management is required to establish Specific, Measurable, Achievable and Realistic objectives set within short term, medium term and long term deliverable Timescales

Progress Report: The Sustainable Development Steering Group has commenced the development of a draft Sustainable Development Management Plan incorporating specific sections covering:

- Our Sustainable Development Commitment
  - Sustainable Development and Our Values
  - Our Commitment to the NHS Route Map
  - Our Commitment to Compliance with Relevant Environmental Legislation and Regulatory Requirements
  - Our Commitment to the Good Corporate Citizenship Assessment Model
  - Our Commitment to the NHS Carbon Reduction Strategy
  - Our Commitment to Adaptation
- The Sustainable Development Steering Group has been tasked with adopting the Good Corporate Citizenship Assessment Model. The Model is to provide a Sustainable Development road map enabling the Trust to embrace NHS Sustainable Development Unit targets and to demonstrate progress by routinely undertaking the NHS Sustainable Development Unit on line self assessment exercise

Progress Report: During the year, the Trust has completed two Good Corporate Citizenship Assessment Model on line self assessment exercises and HAS adopted and is reporting against the NHS Sustainable Development Unit targets.

## Summary performance

Area		Non Financial Data (Applicable Metric)	Non Financial Data (Applicable Metric)		Financial Data (k£)	Financial Data (k£)
		2010/11	2011/12		2010/11	2011/12
Waste Minimisation and Management	Absolute values for total amount of waste produced by the Trust Methods of disposal (optional)	1,068 tonnes	872 tonnes	Expenditure on waste disposal	331.4	308.0
	Water	136,834 cu m	156,038 cu m	Water	211.5	238.0
Finite Resources	Electricity	50,357 G joules	48,142.3 G joules	Electricity	1,092.2	1,234.2
	Gas	114,142 G joules	100,887.2 G joules	Gas	797.6	820.6
	Other Energy Consumption	645.3 G joules	1094.5 G joules	Other Energy Consumption	15.9	20.1

### Summary performance comment:

Waste Management information is based on validated invoiced data from suppliers with an element of profiled assessment pending finalised supplier submissions.

Water, Electricity, Gas and Other Energy Consumption are based on validated invoice data from suppliers with an element of profiled assessment pending finalised supplier submissions.

Year on year, electricity consumption remains relatively unchanged and broadly in line with expectations. Increase in electricity charges incurred through higher commodity prices and increased distribution costs.

Once again, a welcome reported reduction in gas consumption aided in part by some favourable weather conditions experienced over the duration of the financial year. Increase in gas charges incurred through higher commodity prices.

Increase in Other Energy Consumption is the result of a restoration of routinely running main boilers at York Hospital on fuel oil as an integral element of validating emergency preparedness in the event of a major gas supply outage.

### Future priorities and targets

Over the next twelve months, the Trust's Sustainable Development Steering Group seeks to complete its Sustainable Development Management Plan and extend its sustainable aspirations into a wider audience consisting of staff, patients and visitors.

The Sustainable Development Management Plan will continue to embrace the Trust's carbon reduction targets for energy, transport and procurement in line with the NHS Carbon Reduction Strategy. The Plan has been developed to identify and programme short, medium and long term objectives to be coordinated and communicated throughout all areas of the Trust.

The Sustainable Development Commission Good Corporate Citizenship Assessment Model continues to be embraced by the Trust and the third and fourth "on line" completions will be undertaken during financial year 2012/13. Progress towards achieving the Good Corporate Citizenship Assessment Model targets recommended by the NHS Sustainable Development Unit will continue to be reported annually.

## Equality Report

The Trusts Director of Estates and Facilities is the lead for Equality and Diversity and Chair of the Equality and Diversity Committee which leads the Trusts work on addressing equality and diversity issues.

In 2006 the Trust developed an Inclusivity Scheme (a single equality scheme) setting out how the Trust will promote diversity, equality and human rights in the way we work, the actions the Trust plans to take to improve inclusivity and how the Trust plans to carry out its legal responsibilities. A new Equality and Diversity Strategy is currently being developed incorporating our equality objectives. Our equality objectives will be published in April 2012.

Every year Human Resources produce equality and diversity workforce monitoring information and the Equality and Diversity Committee monitor progress of the action plan from the Inclusivity Scheme.

### Workforce profile

	Staff 2010/11	%	Staff 2011/12	%
<b>Age</b>				
0 -16	0	0	0	<b>0</b>
17-21	89	1.83	107	<b>1.71</b>
22+	4767	98.17	6148	<b>98.29</b>
Unknown	0	0	0	<b>0</b>
<b>Ethnicity</b>				
White	4495	92.57	5715	<b>91.36</b>
Mixed	65	1.34	63	<b>1.0</b>
Asian or Asian British	132	2.72	167	<b>2.66</b>
Black or Black British	57	1.17	54	<b>0.86</b>
Other	107	2.20	256	<b>4.09</b>
<b>Gender</b>				
Male	1083	22.30	1221	<b>19.52</b>
Female	3773	77.70	5034	<b>80.47</b>
Not stated	0	0	0	<b>0</b>
Trans-gender	0	0	0	<b>0</b>

	Staff 2010/11	%	Staff 2011/12	%
<b>Recorded disabilities</b>				
Yes	20	0.41	51	<b>0.81</b>
No	305	6.28	1990	<b>31.81</b>
Not stated	0	0	491	<b>7.84</b>
Unknown	4531	93.31	3723	<b>59.52</b>

The Trust has a policy where all staff are automatically made a member of the Foundation Trust unless they choose to opt out. Currently only 22 members of staff have opted out of membership. Collection of membership details for staff has not been collected in the breakdown categories.

### Equality Act 2010

The Equality Act 2010 has replaced previous anti-discrimination laws with a single Act thereby simplifying the law, removing inconsistencies and making it easier for people to understand and comply with.

The Act has introduced a new Public Sector Equality Duty which has two parts; the General Duty and the Specific Duties.

The General Equality Duty has three aims requiring due regard to the need to:

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

Due regard means that the Trust consciously thinks about the three aims of the duty as an integral part of our decision making process, we consider the needs of all individuals in our day to day work, in shaping policy, in delivering services and in relation to our staff.

The Specific Duties are legal requirements designed to help meet the General Equality Duty i.e. the Trust is required to publish:

- By 31 January 2012 and at least annually thereafter to publish relevant and proportionate information demonstrating compliance with the Equality Duty
- By 6 April 2012 and at least every four years thereafter Equality Objectives

The Trust achieves this by:

- Lead and steer from the Equality and Diversity Committee
- Embedding the aims of the Equality Duty into Business Case and Board Paper proforma
- Equality analysis – (formerly equality impact assessment) using equality information to help identify practical steps to tackle any negative effects or discrimination, to advance equality and to foster good relations.
- Engagement and consultation
- Monitoring take up of our services

- Monitoring satisfaction of services for example feedback from PAL's surveys and results of consultation
- Regular updates to our website and use of annual report and other publications to demonstrate compliance
- Implementation of the NHS Equality Delivery System

### The Equality Delivery System (EDS)

To measure our Equality and Diversity performance, in November 2012 the Board of Directors agreed to implement the Equality Delivery System (EDS) which is a quality assurance framework developed by the Department of Health Equality and Diversity Council to establish a consistent framework for the NHS drive up equality performance and allow sharing of good practice.

The EDS is a set of 18 outcomes grouped into four goals:

1. Better health outcomes for all
2. Improved patient access and experience
3. Empowered, engaged and included staff
4. Inclusive leadership at all levels

This is a shift in Equality and Diversity for our Trust from an inclusive and process driven approach to a focus on outcomes and performance.

The Trust is using the emerging priorities from the EDS grading day 9 March 2012 to develop its equality objectives.

### Progress

- Commenced implementation of Equality Delivery System
- Developed new Equality and Diversity area on the Trust website
- Introduced "big word" as our single translation service rolling out training to all departments. This has improved service quality for staff and patients whilst saving costs
- Board awareness training
- The Chaplaincy has commenced an outreach programme to establish links with other faiths in the community
- Finalised business case for construction of a "Changing Places" facility for use by profoundly disabled visitors and their carers
- Hosted an art exhibition "living your life" which centred on transgender issues.
- Pilot site for Innov8 which aims to reshape how senior managers spot, appreciate and develop diverse talent in the Yorkshire and Humber Strategic Health Authority

### Next steps

- Continue implementation of Equality Delivery System
- Development of Equality and Diversity Strategy
- Continuous improvement of data capture and equality analysis
- Develop links with local groups other public sector organisations
- Review the role of the Equality and Diversity Committee and ensure it aligns to work in Scarborough

Further information about Equality and Diversity is available on our Trust website <http://www.yorkhospitals.nhs.uk> in the "about us" section.

## Staff Survey

This year's staff survey report included a score for staff engagement. This score was calculated based on responses to the individual questions which made up key findings 31, 34 and 35. These key findings relate to the following aspects of staff engagement: staff members' perceived ability to contribute to improvements at work, their willingness to recommend the Trust as a place to work or receive treatment and the extent to which they feel motivated and engaged with their work. The score range was from 1 to 5, with 1 indicating that staff are poorly engaged and 5 indicating that staff are highly engaged. The Trust's score of 3.66 was unchanged from the score in the previous year and was above (better) than the average score for acute trusts which was 3.62.

### Summary of performance

	2010/11		2011/12		Trust improvement/ deterioration
	Trust	National average	Trust	National average	
Response rate	63%	52%	60%	52%	Deterioration of 3%
Top 4 ranking scores	Trust	National Average	Trust	National Average	
<b>Key Finding 18</b> Percentage of staff suffering work related stress in last 12 months	25%	28%	22%	29%	No statistically significant change
<b>Key Finding 25</b> Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	11%	15%	11%	15%	No statistically significant change
<b>Key Finding 26</b> Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 month	14%	15%	12%	16%	No statistically significant change
<b>Key Finding 33</b> Staff intention to leave jobs	2.33	2.53	2.40	2.59	No statistically significant change
Bottom 4 ranking scores	Trust	National average	Trust	National average	
<b>Key Finding 12</b> Percentage of staff appraised in last 12 months	74%	78%	70%	81%	No statistically significant change
<b>Key Finding 14</b> Percentage of staff appraised with personal development plans in last 12 months	66%	66%	59%	68%	Statistically significant deterioration
<b>Key Finding 31</b> Percentage of staff able to contribute towards improvements at work	60%	62%	57%	61%	No statistically significant change
<b>Key Finding 10</b> Percentage of staff feeling there are good opportunities	42%	41%	34%	40%	Statistically significant deterioration

to develop their potential at work					
------------------------------------	--	--	--	--	--

Taking forward the actions from the staff survey results is fundamental to ensure improvements can be made. Directorates will be provided with their results and will be responsible for identifying specific actions required for their areas, supported by HR. The directorates will manage their action plans and ensure that staff is engaged in the implementation of actions. A corporate action plan will focus on addressing the bottom four ranked scores listed above and will include any other key corporate actions identified via directorate level action plans. The corporate action plan will be developed and managed through the HR team to ensure corporate implementation. The action plans will be monitored through the workforce performance improvement meetings and the Executive Board.

## Regulatory ratings

### Explanation of ratings

Monitor uses a combination of financial information and performance against a selected group of national measures as the primary basis for assessing the risk of trusts breaching their Authorisation. Monitor’s risk-based framework assigns two risk ratings financial and governance to each NHS foundation trust on the basis of its annual plan and in-year performance against that plan.

Monitor uses these ratings to guide the intensity of monitoring and to signal to the NHS foundation trust Monitor’s degree of concern with specific issues identified and the risk of breach of the Authorisation. Where issues arise, Monitor may wish to test the basis of board statements made. Monitor may take into account the findings, judgement and/or guidelines of any relevant third party in determining risk ratings and/or whether a breach of the Authorisation has occurred. Monitor expects NHS foundation trusts to respond to any such issues.

### Financial risk rating

When assessing financial risk, the Foundation Trust regulator Monitor will assign a risk rating using a scorecard that compares key financial metrics on a consistent basis across all NHS foundation trusts. The risk rating is intended to reflect the likelihood of a financial breach of the Terms of Authorisation. The financial indicators used to derive the financial risk rating incorporating individual ratings which are each rated from 1 (high risk) to 5 (low risk).

### Governance risk rating

Monitor assigns a governance risk rating to reflect the quality of governance at a trust. Higher levels of governance risk may serve to trigger greater regulatory action and, ultimately, consideration as to whether an NHS foundation trust should be escalated. The governance risk rating is not designed to capture every potential indicator of governance risk. Monitor may therefore adjust the rating where other governance concerns come to light. Typical examples are set out later in this chapter. Monitor includes five elements within the governance risk rating:

- Service performance
- Third parties
  - Mandatory services
  - Other certification failures
- Other factors

Monitor rates governance risk using a graduated system of green, amber/green, amber/red and red, where green indicates low risk and red indicates high risk.

### Summary of performance

In 2011/12 the plan was for the Trust to maintain a green governance rating throughout the year. The Trust was rated green for governance for three quarter submissions of the year. The Trust did vary from plan in quarter three and was given an amber-red rating following a Care Quality Commission visit. The Care Quality Commission undertook a routine visit at the York Hospital, St Helen's Rehabilitation Unit and White Cross Court Rehabilitation Unit. The visit identified some concerns with the set outcomes and as a result the Care Quality Commission required the Trust to address some major, moderate and minor concerns. The Care Quality Commission returned to the Trust three months later and confirmed that the Trust had addressed all its concerns. Monitor was advised of the concerns raised and as a result adjusted the Trust's governance rating to amber-red.

The Trust planned to achieve an overall financial risk rating of three for each quarter of 2011/12. The Trust actually achieved a financial risk rating of three for three out of four quarters. Monitor changed the parameters for the financial risk rating in quarter two as a result of a technical change in year around accounting for donated assets.

	<b>Annual Plan 2011/12</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Finance risk rating	3	3	3	3	3
Governance risk rating	Green	Green	*Adjusted to 2 Amber -red	Amber-red	Amber -green
	<b>Annual Plan 2012/13</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Finance risk rating	3	3	3	3	3
Governance risk rating	Green	Green	Green	Green	Green

## **Public Interest Disclosures**

### Equality and Diversity

Equality and diversity is embedded into all our employee policies and processes. Our policies aim to ensure that no job applicant or employee receives less favourable treatment where it cannot be shown to be justifiable on the grounds of age, disability, race, sexual orientation, gender, religion, gender re-assignment, marriage and civil partnership, pregnancy and maternity in relation to recruitment, promotion, training, discipline, grievance and all terms of conditions of employment.

We recognise the important role we play as an active and socially responsible member of the local community and that our patients, clients and staff represent the community we serve.

We know that having a committed and motivated workforce depends on staff feeling that they are treated with fairness, respect and dignity and that they have equal opportunities for self-development. We want to ensure that our staff are not discriminated against, or harassed, on the grounds of any of the protected characteristics detailed in the Equality Act 2010. Equally, if this happens, we want staff to feel confident about using our policies to raise concerns and to have them addressed. For more detail please refer to the Equality Report on page 144 of this report.

## Occupational Health performance

The principal aim of the Occupational Health Department is to help the Trust meet its responsibilities towards staff and others affected by its activities.

Occupational Health is vital in aiding the organisation to promote and maintain the health and wellbeing of its workforce.

Over the last year the service has continued to grow – in 2011/12, 5,709 activities were undertaken by Occupational Health staff providing services to the Trust and a number of other organisations. The Centre for Occupational Health and Wellbeing also delivers a wide range of professional services to a number of public and private sector organisations throughout North Yorkshire, including local authorities, higher education institutes, further education colleges and sectors including construction, manufacturing, distribution, care and food.

All prospective staff are required to complete a pre-placement health screening questionnaire to establish their fitness to undertake the job they have been offered based on the information provided.

In 2011/12, a total of 4,529 pre-placement health questionnaires were screened and 56 pre-placement appointments were undertaken by the Occupational Health Department to obtain further information about the fitness of staff for work.

In addition, 2,641 management referrals/reviews were undertaken in 2011/12. Line managers continue to be the main source of referrals, requesting Occupational Health assistance with the management of sickness absence, rehabilitation and performance issues.

The Foundation Trust's Sickness Absence initiative saw HR and the Occupational Health team, working in partnership with Executive team sponsorship, achieving dramatic results – a 70% reduction in long term sickness absence against 2008 figures.

## Counter-fraud policies and procedures

The Foundation Trust's counter fraud arrangements are in compliance with the Secretary of State's Directions on countering fraud and the requirements specified in the NHS Counter Fraud and Corruption Policy. These arrangements are underpinned by the appointment of accredited local counter fraud specialists and the introduction of a Trust-wide countering fraud and corruption policy. An annual plan identifying the actions to be undertaken to create an anti-fraud culture, deter, prevent, detect and, where not prevented, investigate suspicions of fraud is produced and approved by the Trust's Audit Committee.

# Finance

## Annual Governance Statement

### 1 Scope of responsibility

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

There are arrangements in place for sharing views and working with other organisations. Those operating at Chief Executive level are as follows:

- Yorkshire & Humberside Chief Executive Forum
- Health Scrutiny Committees
- North Yorkshire Chief Executive Forum
- North Yorkshire Community Review
- Yorkshire Cancer Network
- National Programme for Information Technology (NPfIT) Information Management & Technology (IM&T) Programme Board
- HYMS North Yorkshire Local Steering Group
- Healthy City Board
- Foundation Trust Network (FTN) Chairs and Chief Executives meeting
- York St John University and York College
- System Management Executive
- Yorkshire and Humber Learning Education and Training Board (LETB)

There are similar arrangements in place for working with partner organisations that operate at director level for finance, HR, business and service planning, clinical alliance, clinical governance and risk management.

In April 2011 the Trust took responsibility for Community Services across York and Selby. The Trust also was asked to 'host' the Community Services at Whitby, Ryedale, and Scarborough; this arrangement was put in place for the financial year 2011/12.

In October 2010 Scarborough and North East Yorkshire Healthcare NHS Trust (SNEY) approached the Board of Directors at York Teaching Hospital NHS Foundation Trust and asked if the Trust would consider acquiring SNEY. York has been working closely with SNEY over the last 18 months in preparation for the acquisition being effective from 1 July 2012. As part of this work senior managers and Directors have worked across both organisations.

### 2 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 York Teaching Hospital NHS Foundation Trust.
- 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 York Teaching Hospital NHS Foundation Trust for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts.

### 3 Capacity to handle risk

The Chief Executive has overall responsibility for the management of risk. Other members of the Corporate Director Team exercise lead responsibility for the specific types of risk as follows:

- |  |  |
|--|--|
| • Clinical risk                        | Executive Medical Director/<br>Executive Chief Nurse |
| • Financial risk                       | Executive Director of Finance                        |
| • Workforce risk                       | Executive Director of HR                             |
| • Non-Clinical and organisational risk | Director of Estates and<br>Facilities                |
| • Environmental risk                   | Director of Estates and<br>Facilities                |
| • Corporate learning and development   | Director of Corporate<br>Development                 |
| • Operational risk                     | Director of Operations                               |
| • IT risk                              | Director of Systems and<br>Network                   |
| • Strategic risk                       | Chief Executive                                      |

All Directors ensure that appropriate arrangements and systems are in place to achieve:

- Identification and assessment of risks and hazards;
- Compliance with internal policies and procedures, and statutory and external requirements;
- Integration of functional risk management systems and development of the assurance framework.

These responsibilities are managed operationally by managers supporting the Executive Directors.

The internal systems include a corporate induction and statutory and mandatory training, both for new starters to the Trust and existing staff, this training ensures staff are informed about the systems and processes relating to risk management.

Staff are equipped to manage risk at strategic and operational levels and programmes include:

- Formal in-house training for staff as a whole in dealing with specific everyday risks, e.g. fire safety, health and safety, moving and handling, infection control, security and Statutory and Mandatory training.

- Training and induction in incident investigation, including documentation, root cause analysis, serious untoward incidents and steps to prevent or minimise recurrence and reporting requirements.
- Developing shared understanding of broader financial, non-clinical, organisational and clinical risks through collegiate clinical, professional and managerial groups (such as Clinical Risk Group, Executive Board and Nursing Board) and sharing good practice with other peer Foundation Trusts through appropriate forums such as the Foundation Trust Network.

As part of the preparation work being undertaken around the acquisition of SNEY, York Teaching Hospital NHS Foundation Trust commissioned three due diligence exercises:

- Financial due diligence undertaken by Ernst and Young
- Legal due diligence undertaken by Beachcroft
- Clinical due diligence undertaken by the Trust supported by Ernst and Young

The results of the due diligence have been shared with the Board of Directors. The Board of Directors considered the risks that were identified from the due diligence exercises and has taken them into account when considering the impact of the transaction on the Trust. The Board of Directors recognised that some of the risks are significant, but not sufficiently significant to prevent the transaction from being completed. Scarborough and North East Yorkshire Healthcare NHS Trust has approved at a public Board meeting that the Trust will be dissolved. The Trust has on 23<sup>rd</sup> May 2012 approved the acquisition of Scarborough and North East Yorkshire Healthcare NHS Trust following receipt of the governance and financial risk rating from Monitor and subject to satisfactory execution of the transaction agreement.

## **4 The risk and control framework**

### Risk Management

The Trust has a Risk Management policy and procedure document in place, which is reviewed annually and endorsed by the Board. The policy is kept under review during the year to ensure that it is fully embedded into the day-to-day management of the organisation and conforms to best management standards. It also sets out the Trust's approach to the identification, assessment, scoring, treatment and monitoring of risk.

The Trust uses an Adverse Incident Reporting System (AIRs) for the reporting of incidents. Use of the system provides evidence that the Trust has an open and fair reporting culture that is integral to the way it operates.

Every Directorate has its own risk register which is reviewed twice a year by the Corporate Risk Team; the highest rated risks are taken to every Executive Performance Management Meeting for review and consideration of action plans and the implementation of those plans.

The Trust has an active Corporate Risk Register which is reviewed on a quarterly basis by the Corporate Directors and the Risk and Assurance Committee, Audit Committee and Board of Directors.

The department responsible for risk provides regular communications to staff through newsletters and synopses of serious untoward incidents to ensure there is learning throughout the organisation.

On a weekly basis a meeting is held with the Medical Director, Chief Nurse, Head of Risk and Assistant Director of Healthcare Governance to review all the deaths in the organisation over the previous week, any significant AIRs, Complaints, Claims, Inquests, serious untoward incidents (SUI's), Infection rates, Never Events, clinical alerts (CAS) and anything else that has come to light as a potential risk to the organisation. This information is then fed to Corporate Directors the following day.

The Board of Directors is responsible for the management of key risks in the organisation. The Board has a number of tools it uses to consider the management of risk including the Assurance Framework, the Corporate Risk Register. The Trust's risk management system requires all the directorates to hold local risk registers that are updated on locally by the managers and directorates.

The Corporate Risk Register and Assurance Framework are considered in detail by the Risk and Assurance Committee (RAC). The Assurance Framework and corresponding Corporate Risk Register are forwarded to the Audit Committee with a recommendation and summary of the deliberations from the RAC. The Audit Committee considers the recommendations made and the process used to review and update the Corporate Risk Register and Assurance Framework. The Audit Committee also monitors the most serious risks facing the Trust in the achievement of its principal objectives and the sources of assurance currently available, both internal and external; the classification of principal risk which identifies the lead responsibilities within the Trust; how the risks are being mitigated; or any gaps in sources of assurance and the actions and timescales for addressing gaps.

The Audit Committee, a committee of the Board of Directors makes a recommendation to the Board of Directors taking into account the comments received by the RAC and its own deliberations. The Board of Directors considers the changes and the recommendations made and approves the documents.

The Board of Directors addresses the risks reported in the quarterly self-assessment document submitted to Monitor. This arrangement ensures the Board of Directors understands the strategic risks to the Trust in the context of the Trust's strategic direction.

As part of the preparation work undertaken for acquisition, the Trust has reviewed the committee structures and governance arrangements in detail so that it is assured that on completion of the acquisition appropriate governance arrangements will be in place. The Trust will continue to keep the committee structures and governance arrangements under review in order that they remain appropriate structures and valid and relevant assurance is received by the Board on a regular basis.

The Board of Directors during the 2011/12 had four committees in place, the Audit Committee, Remuneration Committee, Acquisition Assurance Board and the Integration Board. The Board of Directors also receives reports from the Executive lead of the Efficiency Committee. The Audit Committee has two work groups reporting to it directly, the Compliance Work Group and the Data Quality and Performance Work Group. Two of the committees were specifically introduced to provide assurance to the Board of Directors on the acquisition and integration processes and requirements.

As part of the review of the committee structures undertaken for acquisition the Board of Directors has introduced three new committees – the Clinical Quality and Safety Committee the Finance and Performance Committee and the Workforce Committee.

## Audit Committee

The Audit Committee is chaired by a Non-executive Director and membership consists of three other Non-executive Directors, Executive Directors attend the meeting as required by the Audit Committee.

The Audit Committee Chairman is a member of the Clinical Quality and Safety Committee – a committee chaired by the Medical Director. The Chairman of the Audit Committee reports back to the Audit Committee on the Clinical Quality and Safety Committee meetings.

The Audit Committee undertakes the following roles:

- Consideration of financial risk management.
- Consideration of the annual accounts
- Soundness of overall system of internal control.

The Board of Directors delegated authority to the Audit Committee for the development of working groups. The Audit Committee has two working groups, the Compliance Work Group and the Data Quality and Performance Work Group. Both of these groups are time limited work groups with specific remits decided by the Audit Committee. Each group reports to the Audit Committee at each meeting.

### Compliance Work Group

The Compliance Work Group was tasked with investigating and understanding the systems and processes involved in ensuring the Trust maintains compliance with all regulators such as the Care Quality Commission and the NHS Litigation Authority and provide assurance to the Audit Committee.

### Data Quality and Performance Work Group

The Data Quality and Performance Work Group was tasked with investigating and understanding the systems and processes involved in ensuring the Trust maintains appropriate and relevant systems for data quality such as HR, patient and financial information. The group then provides assurance to the Audit Committee at each meeting.

### Remuneration Committee

- Review of the Directors' Remuneration package and reviews succession planning for the Board of Directors.

### Acquisition Assurance Board

- Responsible for reviewing in detail the acquisition aspects of the transaction with Scarborough and North East Yorkshire NHS Trust
- Providing assurance to the Board of Directors on the activities in the transaction
- Providing an overview of the progress of the acquisition

### The Integration Board

The Board of Directors identified the need for the dedicated time to be spent considering the impact of the integration of Scarborough and North East Yorkshire Healthcare NHS Trust and community services in the business of York Teaching Hospital NHS Foundation Trust. As a result the Board developed a separate committee to consider the detailed issues including

- Oversight of the integration of the community services and the acquisition of Scarborough and North East Yorkshire NHS Trust and consideration of key risks as they materialise.
- Progress of the integration and implementation of the plans and risks as they materialise.

As the transaction is concluded the Board of Directors has disbanded the Integration Board and instigated a standing item on the Board agenda on the integration work and completion of the implementation plans.

### Efficiency Committee

The Board of Directors is assured by the Executive Directors on the achievement of the efficiency agenda through the Efficiency Committee. This Committee is executive led and monitors progress on the achievement of the cost improvement plan. The Trust has also introduced a dedicated team of staff to support the directorates in achieving the cost improvement programme initiatives.

The Efficiency Committee replaced the Resource Management Committee and is led by the Chief Executive.

The committee:

- supports the development of the annual cost improvement plan
- generates, develops and reviews efficiency initiatives both corporately and in specific areas
- monitors progress against plan
- champions and challenges key corporate efficiency projects

### The Risk and Assurance Committee

The Risk and Assurance Committee is an executive committee chaired by the Chief Executive, and membership of the committee includes the Executive Directors and attendance from the Chairman of the Trust.

The Committee reports to the Board of Directors through the Audit Committee. The Board of Directors receives the minutes from the Committee.

The Risk and Assurance Committee has responsibility to ensure through its review and redesign of management systems and processes that all key and significant risks have been identified and addressed by the risk management processes and mechanisms as detailed in the Risk Management Policy and Procedure document. and ensures that the Executive Board is informed of any key or significant risks which impact on the organisation.

The Committee has a number of committees and groups that report to it on an adhoc basis for any significant and emerging risks and at least once a year with an annual report.

During 2011/12 the Board of Directors have received reports from various sources containing assurances including a monthly finance report, Medical Director Reports, Chief Nurse Reports, monthly performance report and internal audit reports.

The Trust employs numerous systems and processes to review and consider quality governance. The Clinical Quality and Safety Committee review the evidence of Quality Governance Framework on a quarterly basis. The Compliance Committee reviews compliance with the Care Quality Commission (CQC) outcomes.

## The Clinical Quality and Safety Committee

- SUI committee Chaired by the Medical Director
- Information Governance and Records Committee chaired by the Deputy Director of performance
- The Risk Register Committee chaired by Head of Risk and Legal Services
- Clinical Assurance Committee chaired by the Medical Director. (This committee was disbanded)
- York and Selby Research Committee chaired by a lay chairman
- Hospital Infection Control Committee chaired by the Chief Nurse
- Health and Safety and Non-clinical Risk chaired by the Deputy Chief Executive or Director of Finance. (During the year this Committee revised its terms of reference to include Non-clinical Risk.
- Non Clinical Assurance Committee chaired by the Finance Director (during the year this committee was disbanded and replaced by the Health and Safety and Non-clinical Risk Committee

Each committee reports issues of exception that require further debate and consideration by the Executive Directors and Chairman of the Trust.

Risks are identified by the Directorates and recorded in their risk registers. Risks are also identified as a result of an Adverse Incident Report (AIRs) or incident forms and are entered onto the DATIX database along with the directorate risk registers. The Directorates review their risks using a trained risk reviewer linked to the area and the central support team with the Risk register Committee and the directorate Clinical Governance Committee are now reviewing the registers on a regular basis.

As part of the preparation work and follow on from the Clinical due diligence exercise the Trust prepared a Quality Governance Plan that describes the current quality governance framework in use in the Trust and those at SNEY. The document also describes the quality governance framework for the enlarged organisation and has an implementation plan.

## Trust key risks

The Trust's strategic direction comprises four key drivers, designed to ensure the Trust focuses on its Mission of "being trusted to provide safe, effective healthcare for the communities we serve". These strategic 'frames' provide a focus for our emerging priorities and objectives, and assist in their communication to staff, patients and other stakeholders. They are:

- Improving quality and safety - To provide safe and quality services to all patients underpinned by the specific steps set out in the driver diagram as part of the Quality and Safety Strategy. This includes developing and learning from performance indicators (eg Patient Reported Outcome Measures (PROMs), Nursing Care Indicators (NCI) etc). Ensuring compliance with national requirements - NPSA, NICE and implementation of results of clinical audit strategies and ensuring consultation and engagement of patients, visitors and staff.
- Developing stronger citizenship through our work with partners and the broader community - To be an exemplar organisation that is responsive to the local and broader community needs and is recognised and trusted. To engage fully in all aspects of community discussion relating to health and provide expert advice and leadership as required. To work with other groups to support the adoption of a consistent approach in the community and demonstrate that the Trust is a community orientated organisation able to achieve and deliver all local and national outcomes.

- Improving our effectiveness: capacity and capability - To provide excellent healthcare with appropriate resources, strong productivity measures and strong top quartile performance being indicative of this. The service will be based on 'needs based care' and staff understand how they contribute to the Trust's successes.
- Improving our facilities and protecting the environment- To provide a safe environment for staff, patients and visitors, ensuring that all resources are used as efficiently as possible

The table below identifies our key risks related to each strategy heading.

Strategic frame	In-year and future risks	Management and mitigation	Outcomes to addressing risk
Improve quality and safety	<p>Not maintaining and improving quality and safety across the whole organisation and ensuring a consistent approach to quality and safety over the enlarged organisation</p> <p>Not developing the most effective and efficient systems that will support the enlarged organisation to deliver quality and safety.</p> <p>Not reacting to evidence of weaknesses in the systems and processes that manage quality and safety across the organisation</p>	<p>Implementation of the Quality Governance Framework and clinical Quality and Safety Strategy across the enlarged organisation.</p> <p>Detailed implementation plans have been developed which are being reviewed by the Board on a monthly basis</p> <p>Use of the Assurance Framework and governance systems to check developments</p> <p>Self checking of systems and benchmarking against other Trusts</p>	<p>Consistent effective quality and safety systems and strategy in place</p> <p>The plans are both corporate and clinical and provide the steps needed to ensure there is satisfactory integration of community services and Scarborough and North East Yorkshire Healthcare NHS Trust</p> <p>Implementation of the Quality Governance Framework for the enlarged organisation resulting in system providing a successful whole system approach.</p> <p>Assurance of self checking system and excellent comparison of benchmarking. Becoming an exemplar Trust.</p>

Strategic frame	In-year and future risks	Management and mitigation	Outcomes to addressing risk
Develop stronger citizenship through our work with partners and the broader community	Not identifying key parties to engage in the development of services to support the broader community including the integration of the enlarged organisation.	Confirmation of parties involved, ensuring Trust maintains open debate with all parties.	Successful identification of appropriate parties to discuss developments with.
Improve our effectiveness, capacity and capability	Not identifying key service developments that would improve the overall capacity and capability of the enlarged Trust across the North Yorkshire patch.	Use of existing internal systems to confirm effective use of capacity and capabilities. Maintaining dialogue with key stakeholder	Strong controls in place
Improve our facilities and protect the environment	Not maintaining a safe environment and infrastructure resulting in non-compliance with legislative standards.	Regular audits and completion of work. Updating legislative requirements	Improvement in the environment and infrastructure so supporting the delivery of quality and safe services for all.

### Stakeholder Involvement

A number of forums exist that allow communication with stakeholders, the forums provide a mechanism for risk identified by stakeholders that affects the Trust to be discussed and where appropriate action plans can be developed to resolve any issues.

Examples of the forums and methods of communication with stakeholder are as follows:

#### Council of Governors

The Council of Governors has a formal role as a stakeholder body for the wider community in the governance of the Trust. The Council of Governors during 2011/12

- Held 6 number of meetings
- Held working groups to consider issues such as patient experience
- Ensured there was communication with members through a regular newsletter and open events including the annual open event and the Annual General Meeting.

#### Staff

- Raising concern policy
- Regular newsletter
- Staff meetings and team briefings
- Staff surveys

### Public and service users

- Patient surveys
- Patient Advisory Liaison (PALs) service
- Patient forum
- Meetings with the Friends of York Hospitals and self-help groups
- Local Involvement Networks (LINKs)

### Other organisations

- Other health and social care communities
- Clinical and professional network groups in North Yorkshire
- North Yorkshire and York City Council Health Overview and Scrutiny Committees

### Changes to the Board during the year

There has been one change to the Board of Directors during the year.

- As a result of Mr Proctor taking up the role of Acting Chief Executive at SNEY Mr Gordon Cooney Director of Performance has been formally acting as a member of the Board of Directors in line with paragraph 3.11 of the Standing Orders and has attended the Board of Director meetings.

The Board has continued to review the additional work involved in the acquisition of SNEY and has put controls in place in order to ensure the level of senior management time spent on Scarborough matters does not impact on the running of York Teaching Hospital NHS Foundation Trust.

### Compliance with equality, diversity and human rights legislation

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 included in the Management of Policies policy a detailed requirement to undertake equality impact assessments as part of the formulation of any new or updated policy. The Trust takes into account equality issues during the development of any service or change to service. The Trust has not routinely published equality impact assessments but will put in place procedures to ensure publication does occur. The Trust is developing a system where appropriate papers prepared for corporate committees will include an impact assessment routinely.

### Compliance with NHS pension scheme regulations

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 in to 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.

### Climate change and adaptation requirements under the Climate Change Act 2008

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

## Information governance assurance programme

Information Governance and Information Security are covered within the Statutory and Mandatory Training Programme, and all staff have confidentiality statements within their contracts. This is supported by a well developed set of policies and procedures which are underpinned by a series of staff guides. This includes an Information Security Policy.

The Medical Director is the Trust's Caldicott Guardian. The Finance Director is the Senior Information Risk Owner (SIRO) for the Trust. The SIRO takes ownership of the Trust's information risk policy, acts as advocate for information risk on the Board, and provides written advice to the Accounting Officer on the content of our Annual Governance Statement in regard to information risk. The SIRO provides an annual report to the Risk and Assurance Committee on the overview of the information governance activities and the outcome of the Information Governance Toolkit Scores. The Risk and Assurance Committee will receive adhoc reports when a significant issue is identified.

The Caldicott Guardian is responsible for protecting the confidentiality of patient and service-user information and enabling appropriate information-sharing. The Guardian plays a key role in ensuring that the NHS, Councils with Social Services responsibilities and partner organisations satisfy the highest practicable standards for handling patient identifiable information.

The Trust takes data security and management very seriously. The Trust has put in place a number of systems to ensure data security and management is maintained at all times.

Over the past 12 months the Trust has undertaken a gap analysis on policies to ensure there is consistency between the policies in the community services, the Trust and SNEY. This work will be completed once the transaction with SNEY has been completed

The organisation has a well tested disaster recovery plan for data which aims to ensure that data, and access to data is not compromised or vulnerable at a time of any unexpected system downtime.

The Chief Executive has overall responsibility for all aspects of information management, including security and governance, and is accountable to the Board of Directors.

In accordance with the requirements of the Information Governance Toolkit, the Trust has developed an approach of undertaking a regular review of arrangements that are in place to ensure the safe management and control of data. This approach is detailed in the Trust's Information Risk Handbook, and nominated officers are required to undertake information risk assessments, develop a resultant treatment plan and then escalate any significant risks to the information risk register. These assessments are reviewed twice a year with the results being fed back to the organisation's Senior Information Risk Owner.

The Assistant Director of Healthcare Governance acts as the Trust's Data Protection Officer. The Director for Systems and Network has operational responsibility for information management.

Information Governance risks are managed in accordance with compliance with the standards contained within the Information Governance Toolkit, and, where appropriate, recorded on and information risk register.

All staff are governed by the NHS code of confidentiality, and access to data held on IT systems is restricted to authorised users. Information governance training is incorporated into the statutory/mandatory training programme and supplemented as appropriate in all IT training sessions. The corporate induction process has a dedicated IG session.

No information security breaches occurred during the year which was of a scale or severity to require a report to the Information Commissioner.

The Trust complies and has attained level 2 or greater, with all the requirements of version 9 of the Information Governance Toolkit.

## **5 Review of economy, efficiency and effectiveness of the use of resources**

During the year the Board of Director has received regular reports informing of the economy, efficiency and effectiveness of the use of resources. The reports provide detail on the financial and clinical performance of the Trust during the previous period and highlight any areas where there are concerns.

The Efficiency Committee, an Executive Committee, is managed by the Chief Executive and was introduced to ensure there was careful management of the efficiency agenda. The membership of the committee includes all the Corporate Directors.

Internal Audit have reviewed the systems and processes in place during the year and published reports detailing the required actions within specific areas to ensure economy, efficiency and effectiveness of the use of resources is maintained, the outcome of these reports are graded according to the level of remaining risks within the area.

The Board of Directors has also received assurances on the use of resources from agencies outside the Trust including Monitor. Monitor requires the Board of Directors to self assess on a quarterly basis. Monitor scores the assessment on a traffic light system.

The CQC undertook a number of visits in the Trust during the year. The first was an unannounced special review of dignity and nutrition visit on 19<sup>th</sup> April 2011. The visit was held at York Hospital and reviewed Outcome 5 – meeting nutritional needs. They confirmed to the Trust that it was fully compliant with all outcome standards.

The CQC undertook a schedule annual compliance visit in July 2011 and visited the following sites York Hospital, St Helen's Rehabilitation Hospital and White Cross Court Rehabilitation Hospital. The CQC found some outcome standards were not met.

- Outcome 2 Consent to Care and treatment - major concern
- Outcome 5 Meeting nutritional needs - moderate concern
- Outcome 8 Cleanliness and infection – minor concern
- Outcome 9 Management of medicines – moderate concern

As a result of the concerns raised by the CQC, the Trust was issued with an amber-red governance rating from Monitor for quarter 2 and 3.

The Trust developed a comprehensive action plan that addressed all the issues identified from the CQC visit. In February 2012 the CQC undertook a follow up compliance visit and they have confirmed that the Trust is compliant with all standards.

The CQC have held two further visits in the Trust this year, both at York Hospital. The first was on 15<sup>th</sup> March 2012 as an unannounced inspection reviewing outcome standards 4,5 and 8. The Trust was found to be fully compliant and a report was published in April 2012. The other visit was on 21<sup>st</sup> March 2012, again an unannounced inspection reviewing outcome 21, the Trust was found to be fully compliant and a report was published in April 2012.

The Trust further obtains assurance of its systems and processes and tests its benchmarking through the Foundation Trust network where other Foundation Trusts share good practice.

## 6 Annual Quality Report

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

The Trust has appointed the Medical Director and the Chief Nurse to jointly lead and advise the Board of Directors on all matters relating to the preparation of the Trust's annual Quality Report.

To ensure that the Trust's Quality Report present a properly balanced picture of its performance over the year we have put in place a Non-executive Director lead.

The Trust's Clinical Quality and Safety Strategy is in place and is updated on an annual basis. The Strategy identifies the key goals and objectives that will be achieved during the year including the introduction of new and revised systems to support the delivery of the Clinical Quality and Safety Strategy and to ensure a continuation of the delivery of high quality safe clinical care.

As part of the work undertaken for the acquisition of Scarborough and North East Yorkshire Healthcare NHS Trust, the Trust completed a clinical due diligence exercise which supported the review of compliance with the Quality Governance Framework in York and Scarborough. Following from this review a Quality Governance Plan was developed which has a detailed action plan which will ensure the enlarged organisation will fulfil the Quality Governance Framework requirements.

The Board has reviewed the draft versions of the annual Quality Report and has considered on going compliance with the priorities identified in the Quality and Safety dashboard and quarterly report presented during the year.

The Chief Nurse has presented the proposed priorities to the Council of Governors and formed a small working group of Governors to work with the Chief Nurse and Medical Director in finalising the development of the annual Quality Report. The Council of Governors choose the World Health Organisation (WHO) checklist compliance to be reviewed as part of the External Audit assurance review audit. The working group of Governors have reviewed the final draft of the Quality Report and provided commentary on the document.

During 2011/12 the Trust did not fully achieve all the objectives set as priorities in the Quality and Safety Strategy and Quality Report. The Trust has considered the reasons for not fully achieving the set priorities and described the reasons in the Quality Report. The priorities that were not achieved will continue to be addressed by the trust and managed by the Clinical Quality and Safety Committee during 2012/13.

The Clinical Quality and Safety strategy identifies the organisational priorities. Implementation of the strategy is managed through a robust and embedded performance management framework, with a monthly dashboard and a fuller quarterly report being presented to the Board of Directors and the Council of Governors.

The Trust has invested in teams of staff to undergo additional training in support of the implementation of the strategy, specifically Global Trigger Tool and rapid improvement methodologies.

The Quality Report is a product of the Trust's implementation of the Quality and Safety Strategy. The Quality and Safety Strategy is evidenced by the presentation at the Board of Directors of the monthly Quality and Safety dashboard and a quarterly report. The Board of Directors uses these

reports as part of their assurance about the systems and processes that have been implemented as a result of the introduction of the Quality and Safety Strategy.

## **7 Review of effectiveness**

As Accounting 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 internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust that have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me.

My review is also informed by comments made by the external auditors in their Reports to those Charged with Governance (Interim & Annual). I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, the Audit Committee, Risk and Assurance Committee and the Clinical Quality and Safety Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The level of assurance has been enhanced during the year through continued development and refining of the collection and use of data.

During the year the Trust identified a developing concern with maintaining the achievement of the standards associated with the 18-week referral to treatment target. The Trust discussed the concerns with the commissioners -North Yorkshire and York PCT and Monitor. It was agreed that Trust would fail to achieve the target in quarter 4 of the financial year (January- March 2012) resulting in an amber-green governance rating being recorded on Monitor's system.

The Head of Internal Audit Opinion 2011/12 cited some areas of weakness in the design and/or inconsistent application of controls as follows:

Safeguarding Children: There was an improvement action plan in place, but further work was necessary to improve compliance with CQC requirements related to training attendance levels. This work is being undertaken.

CQUIN Data Collection and Monitoring: CQUIN has been included in light of the increasing financial importance of the system and because operational systems and processes were still under development. A new performance management system has been put in place which includes the introduction of a management group specifically to ensure delivery of CQUIN indicators and targets.

Despite the weaknesses identified in the system by internal audit, the CQUINs targets were delivered in full under the current performance management process.

When Internal Audit provide an assurance report to the Board of Directors that shows only limited assurance can be obtained from the systems and processes in use, I meet with Internal Audit, the Directors and Managers responsible for the system. The objective of the meeting is to ensure there is clarity around the weaknesses in the systems and the actions being taken to address those systems.

My opinion is also informed by:

Maintained accreditation of the Trust granted in March 2010 for NHSLA at level one for general standards;

- Maintained accreditation granted in March 2010 at level one of the CNST maternity standards;
- Achieving Practice Plus accreditation for Improving Working Lives
- External Audit interim report;

- Head of internal audit opinion;
- The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission
- Confirmation by Monitor, through quarterly monitoring, that the Trust is compliant with Monitor's regime.
- Overall the SHA is confident that students\trainees receive teaching training in a supportive environment.
- Recent MHRA inspection demonstrated significant assurance with regard to research governance processes.

Contracts with commissioners for 2011 /12 were agreed in a cooperative and collaborative manner through the Trust's engagement with the Systems Management Executive (SME). This engagement has been with NHS NYY, NHS Yorks & Humber and other local trusts in North Yorkshire. The objective of the work is to ensure the financial viability of the North Yorkshire health community going forward and particularly to agree transparent and equitable financial risk management arrangements to deal with contract variations. This engagement has continued throughout the year and has resulted in reduced contract risks and a shared understanding of respective financial positions. All parties have committed to continuing engagement in the SME going forward. The SME provides for collaborative thinking about the financial viability of the service provision in North Yorkshire. As PCTs are disbanded and replaced by the commissioning groups, the members of the SME are ensuring they are holding discussions with the local commissioning groups as they are formed.

The Board of Directors receive a monthly report from the Medical Director, Chief Nurse, Chief Executive and Finance Director which provides the Board of Directors with assurance about the clinical and corporate issues within the Trust. The performance report is also presented on a monthly basis to the Board of Directors by the Director of performance. During the year the Trust continues to refine the levels of assurance available to the Board of Directors. The Board of Directors receives information about patient experience at each Board meeting. This entails the Board listening to a complaint and compliment that has been received by the Trust, or receiving information about a specific aspect of patient experience given by a member of staff. A robust system is applied to the management of complaints and this has been discussed with the Board of Directors and Council of Governors during the year.

The Medical Director report includes a dashboard that identifies the maintained effectiveness of the systems and areas for improvement. The dashboard includes a number of local and national target measures that the Trust benchmarks against. The performance report also provides additional assurance on the achievements of the Trust during the year. The quarterly report provides an overview of the achievements and challenges identified in the period.

The Audit Committee has received a number of audit reports from internal audit at each meeting. The Audit Committee reviews the reports and discusses the recommendations made. The Audit Committee has reviewed and contributed to the development of the Clinical Quality and Safety Committee of which the chairman of the Audit Committee is a member. The minutes of the Clinical Quality and Safety Committee are also provided to the Audit Committee for information.

The Risk and Assurance Committee reviews the Assurance Framework and Corporate Risk Register and make recommendations to the Audit Committee. The Audit Committee considers the recommendations of the Risk and Assurance Committee on the Assurance Framework and Corporate Risk and makes further appropriate recommendations to the Board of Directors. The Audit Committee considers all the Internal Audit reports and the assurance levels along with the recommendation. The Audit Committee receives assurance from Internal Audit on the completion of the recommendations through regular Internal Audit Reports. The Audit Committee will identify and escalate any concerns around assurance to the Board of Directors through the presentation of the minutes from the Audit Committee.

The Trust continues to receive approval from the SHA about the delivery of the Learning and Development agreement. The Trust also hosted three quality monitoring visits, from the Yorkshire and Humber Deanery for medical specialties, from the North Yorkshire and East Coast Foundation School for Foundation doctors and a General Medical Council (GMC) visit to look at overall quality management within the region. All reinforced the quality of the current processes in place for supporting doctors in training and that they are robust and responsive to needs. Several areas of notable practice were identified within Postgraduate processes and in wider departmental teaching and the trainees interviewed gave a high satisfaction rating for their training experience.

The Trust has a Clinical Audit Strategy and Policy in place, which outlines the systems and processes to monitor clinical audit undertaken by the Trust. This enables a systematic process to address risks and to provide assurance to the Trust, Commissioners and monitoring bodies.

All clinical audit activity should be registered with the Effectiveness Team and is collated on the Effectiveness Project and Clinical Audit Database. The Effectiveness Team follow up on all reports/briefcases (summary report) and action plans. These are attached to the Database to evidence changes to practice.

A Clinical audit report evidencing key performance indicators and Briefcases are presented to the Clinical Standards Committee every two months. The Clinical Standards Committee is a formal sub committee of and is accountable to the Clinical Quality & Safety Committee.

The Risk and Assurance Committee regularly reviewed compliance with the Care Quality Commission and NHSLA and other regulatory and colleges requirements.

Internal Audit is an independent service who has a risk based plan agreed with the Audit Committee for the year. The plan includes areas where controls within the systems and process maybe improved or enhanced. Internal Audit presents their findings to the Audit Committee and the Board of Directors through the Audit Committee minutes on a quarterly basis (as a minimum). The Head of Internal Audit Opinion is written as a summary of the findings of all the Audits held.

From the Audit reports presented to the Trust during the year there were no significant areas of concern raised.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the committees identified above, by the Board's monitoring of corporate and directorate performance, by the publication of audit reports in line with their work programme by internal audit during the year, and by the evidence of the assessment of the Trust and the capacity and capability of the Board by Monitor in relation to its financial management, governance arrangements and risk management systems, the Board's self-certification to Monitor.

## **8 Conclusion**

I am satisfied that no significant internal control issues have been identified.



**Patrick Crowley – Chief Executive**

**Date 30<sup>th</sup> May 2012**

# Annual Accounts

# Annual Accounts



**2011/12**

**York Teaching Hospital NHS Foundation Trust**

<b>Index</b>	<b>Page</b>
Statement of Chief Executive's Responsibilities	171
Independent Auditor's Report to the Board	172
Foreword to the Accounts	175
Statement of Comprehensive Income	176
Statement of Financial Position	177
Statement of Changes in Taxpayers Equity	178
Statement of Cash Flows	179
Notes to the Accounts	180

## Statement of the Chief Executive's responsibilities as the accounting officer of York Teaching Hospital NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Service Act 2006, Monitor has directed the York Teaching Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of York Teaching Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS foundation trust Annual Reporting Manual and in particular to:

- Observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on a going concern basis.

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

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

Signed:



Chief Executive

Date 30<sup>th</sup> May 2012

## **Independent auditor's report to the Council of Governors and Board of Directors of York Teaching Hospital NHS Foundation Trust**

We have audited the accounts of York Teaching Hospital NHS Foundation Trust ('the Trust') for the year ended 31 March 2012 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flow, the statement of changes in taxpayers' equity and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual issued by Monitor, the Independent Regulator of NHS Foundation Trusts.

We have also audited the information in the Remuneration Report that is subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes
- the table of pension benefits of senior managers and related narrative notes
- the table of pay multiples and related narrative notes.

This report is made solely to the Council of Governors and Board of Directors of York Teaching Hospital NHS Foundation Trust, as a body, in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Governors and Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust, the Trust's Governors as a body and the Trust's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of accounting officer and auditor**

As explained more fully in the Chief Executive's Statement, the Chief Executive as Accounting Officer is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The Accounting Officer is responsible for the maintenance and integrity of the corporate and financial information on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of the accounts and other information included in annual reports may differ from legislation in other jurisdictions.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law, the Audit Code for NHS Foundation Trusts issued by Monitor, and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the financial position of York Teaching Hospital NHS Foundation as at 31 March 2012 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual.

## **Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts**

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with paragraph 25 of Section 7 of the National Health Service Act 2006 and the NHS Foundation Trust Annual Reporting Manual 2011-12 issued by Monitor
- the information given in the annual report for the financial year for which the accounts are prepared is consistent with the accounts.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual or is misleading or inconsistent with information of which we are aware from our audit
- we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources
- the Trust's Quality Report has not been prepared in line with the requirements set out in the NHS Foundation Trust Annual Reporting Manual or is inconsistent with other sources of evidence.

**Certificate**

We certify that we have completed the audit of the accounts of York Teaching Hospital NHS Foundation Trust in accordance with the requirements of paragraph 4 of Schedule 10 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

A handwritten signature in black ink that reads "Graham Nunns". The signature is written in a cursive style with a long horizontal stroke at the end.

Graham Nunns  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP

No 1 Whitehall Riverside  
Leeds  
LS1 4BN

30 May 2012

## Foreword to the Accounts

### YORK TEACHING HOSPITAL NHS FOUNDATION TRUST

These accounts for the year ended 31 March 2012 have been prepared by York Teaching Hospital NHS Foundation Trust under paragraphs 24 and 25 of schedule 7 of the Health and Social Care (Community Health and Standards) Act 2006 in the form which Monitor has, with the approval of the Treasury, directed.

York Teaching Hospital NHS Foundation Trust Annual Report and Accounts are presented to Parliament pursuant to Schedule 8, paragraph 11(3) of the Health and Social Care (Community Health and Standards) Act 2006.

Signed

A handwritten signature in black ink, appearing to read 'P. Crowley', written in a cursive style.

Patrick Crowley – Chief Executive

## Statement of Comprehensive Income for the Year ending 31 March 2012

	Notes	2011/12 £000	Restated 2010/11 £000
Operating income	2	296,435	247,781
Operating expenses	3	(292,456)	(245,121)
<b>Operating Surplus</b>		<b>3,979</b>	<b>2,660</b>
<b>Finance Costs</b>			
Finance income	5	163	99
Finance expense – financial liabilities	6.1	(241)	(155)
Finance expense – unwinding of discount		(21)	(17)
PDC Dividends Payable		(3,233)	(3,171)
<b>Net Finance Costs</b>		<b>(3,332)</b>	<b>(3,244)</b>
<b>SURPLUS/DEFICIT FOR THE YEAR</b>		<b>647</b>	<b>(584)</b>
<b>Other comprehensive income and expense</b>			
Impairments		(168)	(1,797)
Revaluation gains on property, plant and equipment		5,573	2,968
<b>Total Comprehensive Income/(Expense) for the Year</b>		<b>6,052</b>	<b>587</b>

The notes on pages 180 form part of these accounts.

All income and expenditure is derived from continuing operations.

As part of the national "Transforming Community Services" initiative the NHS Foundation Trust successfully tendered to provide a range of community services for the York & Selby and Scarborough, Whitby & Ryedale areas that historically were provided by the NHS North Yorkshire and York PCT (NY&Y PCT). The contract for providing these additional services commenced on 1 April 2011. The NHS Foundation Trust's 2011/12 accounts include the income from this contract, and the associated expenditure for the additional services provided. However the prior year comparators (2010/11) included throughout these accounts do not include income or expenditure associated with the contract as stipulated by the Monitor FT ARM, the value of these contracts was £33.5m in 2011/12.

Under Transfer of Undertakings Protection of Employment (TUPE) NY&Y PCT transferred 1,413 employees to the NHS Foundation Trust on 1 April 2011.

The NHS Foundation Trust has not received any property, plant or equipment to provide the additional services as ownership of the assets remains with NY&Y PCT.

**STATEMENT OF FINANCIAL POSITION**  
**31 MARCH 2012**

	Notes	31 March 2012 £000	Restated 31 March 2011 £000	Restated 1 April 2010 £000
<b>Non- current assets</b>				
Intangible assets	8	1,160	1,212	787
Property, plant and equipment	9.1	102,720	97,779	97,350
Trade and other receivables	11.1	870	898	860
<b>Total non- current assets</b>		<b>104,750</b>	<b>99,889</b>	98,997
<b>Current assets</b>				
Inventories	10	3,582	3,882	3,352
Trade and other receivables	11	15,553	11,764	9,708
Cash and cash equivalents	18	7,624	4,655	4,565
<b>Total current assets</b>		<b>26,759</b>	<b>20,301</b>	17,625
<b>Current Liabilities</b>				
Trade and other payables	12	(21,463)	(15,809)	(18,178)
Borrowings	13	(622)	(625)	0
Provisions	16	(60)	(60)	(70)
<b>Total current liabilities</b>		<b>(22,145)</b>	<b>(16,494)</b>	(18,248)
<b>Total Assets less Current liabilities</b>		<b>109,364</b>	<b>103,696</b>	98,374
<b>Non current liabilities</b>				
Trade and other payables	12	0	0	(55)
Borrowings	13	(6,210)	(6,637)	(1,755)
Provisions	16	(708)	(665)	(757)
<b>Total Non current liabilities</b>		<b>(6,918)</b>	<b>(7,302)</b>	(2,567)
<b>Total Assets Employed</b>		<b>102,446</b>	<b>96,394</b>	95,807
<b>Financed by (Taxpayers equity)</b>				
Public Dividend Capital		65,293	65,293	65,293
Revaluation Reserve	17	22,841	17,436	18,875
Income and expenditure reserve		14,312	13,665	11,639
<b>Total Taxpayers equity</b>		<b>102,446</b>	<b>96,394</b>	95,807

The financial statements on pages 178 to 206 were approved by the Board of Directors on 30 May 2012 and signed on its behalf by:

Signed:  (Chief Executive)

Date: 30<sup>th</sup> May 12

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2012**

	<b>Total £000</b>	<b>Public Dividend Capital £000</b>	<b>Revaluation Reserve £000</b>	<b>Donated Assets Reserve £000</b>	<b>Income and Expenditure Reserve £000</b>
<b>Taxpayers' equity at 1 April 2010</b>	<b>95,807</b>	65,293	18,875	771	10,868
Prior Period Adjustment*	<b>0</b>	0	0	(771)	771
<b>Taxpayers' equity at 1 April 2010 - restated</b>	<b>95,807</b>	65,293	18,875	0	11,639
Deficit for the year	<b>(584)</b>	0	0	0	(584)
Revaluation gains and losses and impairment losses on property, plant and equipment	<b>1,171</b>	0	1,171	0	0
Other transfers between reserves	<b>0</b>	0	(2,610)	0	2,610
<b>Taxpayers' equity at 31 March 2011</b>	<b>96,394</b>	65,293	17,436	0	13,665
Surplus for the year	<b>647</b>	0	0	0	647
Revaluation gains on property, plant and equipment	<b>5,573</b>	0	5,573	0	0
Impairment losses	<b>(168)</b>	0	(168)	0	0
<b>Taxpayers' equity at 31 March 2012</b>	<b>102,446</b>	65,293	22,841	0	14,312

\*From 2011/12, the accounting treatment for donated assets has changed. NHS Foundation Trusts now account for donated assets as follows:

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

This new approach represents a change in accounting policy and Foundation Trusts are required to apply the new policy retrospectively, through a prior period adjustment, in accordance with IAS 8.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
31 MARCH 2012**

	2011/12 £000	Restated 2010/11 £000
<b>Cash flows from operating activities</b>		
<b>Operating surplus/(deficit)</b>	<b>3,979</b>	2,660
<b>Non Cash Income and Expense</b>		
Depreciation and amortisation	5,349	5,487
Impairments	210	2,146
Reversal of Impairments	(406)	(782)
Profit/loss on disposal of assets	(11)	0
Income for donated asset additions	(258)	(324)
(Increase) in Trade and other Receivables	(3,767)	(2,372)
(Increase) /Decrease in Inventories	300	(530)
(Decrease) /Increase in Trade and other Payables	6,199	(2,303)
(Decrease) in Other Liabilities	(33)	0
Increase / (Decrease) in Provisions	39	(102)
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>11,601</b>	3,880
<b>Cash flows from investing activities</b>		
Interest received	163	99
Purchase of intangible assets	(279)	(609)
Purchase of Property, Plant and Equipment	(4,688)	(9,489)
Sales of Property, Plant and Equipment	16	4,219
<b>Net cash used in investing activities</b>	<b>(4,788)</b>	(5,780)
<b>Cash flows from financing activities</b>		
Loans received	205	5,038
Loans repaid	(510)	(12)
Capital element of finance lease rental payments	(107)	(50)
Interest paid	(222)	(88)
Interest element of finance lease	(14)	(7)
PDC Dividend paid	(3,196)	(2,891)
<b>Net cash generated from/(used in) financing activities</b>	<b>(3,844)</b>	1,990
<b>Increase in cash or cash equivalents</b>	<b>2,969</b>	90
<b>Cash and cash equivalents at 1 April</b>	<b>4,655</b>	4,565
<b>Cash and cash equivalents at 31 March</b>	<b>7,624</b>	4,655

## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2011/12 NHS Foundation Trust Annual Reporting Manual issued by Monitor - the Independent Regulator of Foundation Trusts. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Joint operations

Joint operations are activities which are carried on with one or more other parties but which are not performed through a separate entity. The NHS Foundation Trust includes within its financial statements its share of the activities, assets and liabilities.

#### 1.2 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the NHS Foundation Trust is contracts with commissioners in respect of healthcare services.

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

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

#### 1.3 Expenditure on employee benefits

##### Short term employee benefits

Salaries, wages and employment-related payments 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.

#### 1.4 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.

## 1.5 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 NHS Foundation Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- individually has a cost of at least £5,000; or
- collectively has a cost of at least £5,000 and individually has a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

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

### Valuation

Land and buildings used for the NHS Foundation Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the Statement of Financial Position date. Fair values are determined as follows:

- Specialised buildings – depreciated replacement cost based on modern equivalent assets
- Land and non specialised buildings – existing use value
- Non-operational properties (including surplus land) – existing use value

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. The NHS Foundation Trust has applied this basis of valuation from 1 April 2009. A full revaluation was carried out at 31 March 2012 to reflect the changes in building values throughout the year.

Valuations are carried out by professionally qualified valuers, external to the Trust, in accordance with the Royal Institute of Chartered Surveyors (RICS) *Appraisal and Valuation Manual*.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not

borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Increases arising on revaluation are taken to the revaluation reserve except when it reverses a revaluation decrease for the same asset previously recognised in the Statement of Comprehensive Income, in which case it is credited to the Statement of Comprehensive Income to the extent of the decrease previously charged there. A revaluation decrease is charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the Statement of Comprehensive Income.

### **Impairments**

In accordance with the Foundation Trust Annual Reporting Manual, impairments that are due to a loss of economic benefits or 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 the operating expenses; and
- (ii) the balance in the revaluation reserve attributable to that asset before impairment.

An impairment arising from a loss of economic benefit or 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 income 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. Reversal of 'other impairments' are treated as revaluation gains.

### **Depreciation**

Items of Property, Plant and Equipment are depreciated over their remaining useful economic 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.

The standard economic lives of Property, Plant and Equipment assets are as follows:

- Buildings	20 to 60 years
- Engineering and fixed plant	5 to 50 years
- Medical equipment and engineering plant and equipment	5 to 15 years
- Transport	3 to 7 years
- Mainframe information technology installations	5 to 8 years
- Furniture and Fittings	5 to 10 years
- Office and information technology equipment	3 to 5 years
- Set up costs in new buildings	10 years

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

### **De-recognition**

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made.

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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

### **Donated, government grant and other 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 the other items of property, plant and equipment.

## **1.6 Intangible assets**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS Foundation 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 NHS Foundation Trust and where the cost of the asset can be measured reliably. They are only capitalised when they have a cost of at least £5,000. Intangible assets acquired separately are initially recognised at fair value.

The NHS Foundation Trust does not recognise any internally generated assets, associated expenditure is charged to the statement of comprehensive income in the period in which it is incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Following initial recognition, intangible assets are carried at amortised replacement cost as this is not considered to be materially different from fair value.

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

## **1.7 Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

When the NHS Foundation Trust acts as a lessee, the following applies:-

- Amounts held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments using the interest rate implicit in the lease. The asset is recorded as Property, Plant and Equipment, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Income.
- Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.
- Contingent rentals are recognised as an expense in the period in which they are incurred.

When the NHS Foundation Trust acts as a lessor, the following applies:-

- Rental income from operating leases is recognised on a straight-line basis over the term of the lease.

## **1.8 Inventories**

Inventories are valued at the lower of cost and net realisable value. Inventories are valued at actual cost and this is considered to be a reasonable approximation to current cost due to the high turnover of stocks. Partially completed contracts for patient services are not accounted for as inventories, but rather as receivables.

## **1.9 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 three 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.

Cash and bank balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book. These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see "third party assets" below). Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

### **1.10 Provisions**

The NHS Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure 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 rate of 2.2% in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 2.8% in real terms.

### **1.11 Contingencies**

Contingent liabilities are provided for where a transfer of economic benefits is probable. Otherwise, they are not recognised, but are disclosed in a note 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.

### **1.12 Clinical negligence costs**

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to operating expenses. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 16.

### **1.13 Non-clinical risk pooling**

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

## 1.14 Financial instruments

Financial assets and financial liabilities are initially recognised at fair value. This is determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active markets are determined with reference to quoted market prices.
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instrument.

### Financial assets

Financial assets are classified into the following categories:

- financial assets 'at fair value through profit and loss'
- 'held to maturity investments'
- 'available for sale' financial assets
- 'loans and receivables'

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

The NHS Foundation Trust's financial assets all fall under the category 'loans and receivables'.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classed as 'loans and receivables'. They are measured at amortised cost using the effective interest method less any impairment; Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

Receivables are assessed for indicators of impairment at each Statement of Financial Position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for financial assets other than trade receivables, where the carrying amount is reduced through an allowance for irrecoverable debts, changes in which are recognised in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income to the extent that the carrying amount of the

receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

## **Financial liabilities**

Financial liabilities are classified into the following categories:

- 'financial liabilities at fair value through profit and loss'
- 'other financial liabilities'.

The NHS Foundation Trust's financial liabilities all fall under the category 'other financial liabilities'.

Other financial liabilities including borrowings are initially measured at fair value, less transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense.

### **1.15 Value Added Tax**

Most of the activities of the NHS Foundation 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.

### **1.16 Foreign currencies**

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the Statement of Comprehensive Income. At the Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the Statement of Financial Position date.

### **1.17 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. Details of third party assets are given in note 24 to the accounts.

### **1.18 Public Dividend Capital (PDC) and PDC dividend**

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 original NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the forecast cost of capital utilised by the NHS Foundation Trust, is paid over as PDC dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held with the Government Banking Service, excluding cash balances held in GBS accounts that relate to short-term working capital facility. Average relevant net assets are calculated as a simple average of opening and closing relevant net assets.

## 1.19 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 each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the Statement of Comprehensive Income on an accruals basis, including losses which would have been made good through insurance cover had the NHS Foundation Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which is prepared on a cash basis.

## 1.20 Corporation Tax

The NHS Foundation Trust has determined that it has no corporation tax liability.

## 1.21 Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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) Full actuarial (funding) valuation**

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

The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision. Employer and employee contribution rates are currently being determined under the new scheme design.

## **b) Accounting valuation**

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal valuation now exceeds four years, the valuation of the scheme liability as at 31 March 2012, is based on detailed membership data as at 31 March 2010 updated to 31 March 2012 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

## **c) Scheme provisions**

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80<sup>th</sup> for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60<sup>th</sup> for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties or regular employment effectively through illness or infirmity. A death gratuity of twice their final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

## 2. Segmental Analysis

All income and activities are for the provision of health and health related services in the UK. The Trust reports revenues on a Trust wide basis in its internal reports and therefore deems there to be a single segment, healthcare.

<b>2.1 Operating Income (by classification)</b>	<b>2011/12</b>	<b>2010/11</b>
<b>Income from Activities</b>	<b>£000</b>	<b>£000</b>
Elective income	<b>40,842</b>	40,942
Non elective income	<b>68,162</b>	67,145
Outpatient income	<b>43,253</b>	38,497
A & E income	<b>7,142</b>	6,085
Other NHS clinical income	<b>62,817</b>	54,833
Community income	<b>33,485</b>	0
Private patient income	<b>832</b>	880
Other non protected clinical income	<b>1,020</b>	1,330
<b>Total Income from Activities</b>	<b>257,553</b>	<b>209,712</b>
<b>Other Operating Income</b>		
Research and development	<b>6,972</b>	7,500
Education and training	<b>9,481</b>	9,418
Charitable and other contributions to expenditure	<b>404</b>	399
Non-patient care services to other bodies	<b>16,220</b>	14,112
Profit on disposal of other tangible fixed assets	<b>15</b>	21
Income in respect of staff costs	<b>1,949</b>	2,261
Reversal of impairments of property plant & equipment	<b>406</b>	782
Other	<b>3,435</b>	3,576
<b>Total Other Operating Income</b>	<b>38,882</b>	<b>38,069</b>
<b>TOTAL OPERATING INCOME</b>	<b>296,435</b>	<b>247,781</b>

Included within income, £255,701k has arisen from mandatory services and £1,852k has arisen from non-mandatory services as set out in the NHS Foundation Trust's Terms of Authorisation.

As part of the national "Transforming Community Services" initiative the NHS foundation trust successfully tendered to provide a range of community services for the York & Selby and Scarborough, Whitby & Ryedale areas, which historically were provided by the NHS North Yorkshire and York PCT (NY&Y PCT). The contract for providing these additional services commenced on 1 April 2011. The NHS foundation trusts 2011/12 accounts include the income from this contract, and the associated expenditure for the additional services provided. However the prior year comparators (2010/11) included throughout these accounts do not include income or expenditure associated with the contract. The value of these contracts was £33.5m in 2011/12.

<b>2.2 Private patient income</b>	<b>2011/12</b>	<b>2010/11</b>	<b>Base year</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Private patient income	<b>832</b>	880	900
Total patient related income	<b>257,553</b>	209,172	113,162
<b>Proportion (as percentage)</b>	<b>0.32%</b>	0.42%	0.80%

Section 44 of the 2006 Act requires that the proportion of private patient income to the total patient related income of NHS Foundation Trusts should not exceed its proportion whilst the body was an NHS Trust using 2002/03 as the base year.

<b>2.3 Operating Lease Income</b>	<b>2011/12</b>	<b>2010/11</b>
	<b>£000</b>	<b>£000</b>
Rents recognised as income in the period	<b>314</b>	280
<b>Total operating lease income</b>	<b>314</b>	280
Future minimum lease payments due on leases of buildings expiring:		
- Not later than one year	<b>91</b>	117
- Later than one year and not later than five years	<b>327</b>	318
- Later than five years	<b>890</b>	810
<b>Total operating lease income</b>	<b>1,308</b>	1,245
<b>2.4 Operating Income (by type)</b>	<b>2011/12</b>	<b>2010/11</b>
	<b>£000</b>	<b>£000</b>
<b>Income from Activities</b>		
Primary Care Trusts	<b>255,701</b>	207,502
Non NHS: Private patients	<b>803</b>	843
Non NHS: Overseas patients (non-reciprocal)	<b>29</b>	37
NHS injury scheme (was RTA)	<b>870</b>	1,077
NHS other	<b>94</b>	0
Non NHS: Other	<b>56</b>	253
<b>Total Income from Activities</b>	<b>257,553</b>	209,712
<b>Other Operating Income</b>		
Research and development	<b>6,972</b>	7,500
Education and training	<b>9,481</b>	9,418
Charitable and other contributions to expenditure	<b>404</b>	399
Non-patient care services to other bodies	<b>16,220</b>	14,112
Profit on disposal of other tangible fixed assets	<b>15</b>	21
Income in respect of staff costs	<b>1,949</b>	2,261
Reversal of impairments of property plant & equipment	<b>406</b>	782
Other	<b>3,435</b>	3,576
<b>Total Other Operating Income</b>	<b>38,882</b>	38,069
<b>Total Operating Income</b>	<b>296,435</b>	247,781
<b>Analysis of Other Operating Income: Other</b>	<b>2011/12</b>	<b>2010/11</b>
	<b>£000</b>	<b>£000</b>
Car parking	<b>1,047</b>	977
Staff accommodation rentals	<b>105</b>	100
Catering	<b>1,249</b>	1,399
Property rentals	<b>146</b>	180
Other	<b>888</b>	920
<b>Total</b>	<b>3,435</b>	3,576

From 1 April 2011 under Transforming Community Services ,the Trust took over responsibility for community services for the York & Selby and Scarborough, Whitby & Ryedale areas from North Yorkshire and York PCT. The value of these contracts was £33.5m in 2011/12.

### 3.1 Operating Expenses (by type)

	2011/12	2010/11
	£000	£000
Services from NHS Foundation Trusts	727	76
Services from NHS Trusts	2,446	1,667
Services from PCTs	601	408
Services from other NHS Bodies	13	0
Purchase of healthcare from non NHS bodies	3,336	3,548
Employee expenses - Executive directors costs	868	1,123
Employee expenses - Non-executive directors costs	137	132
Employee expenses - Staff	190,165	156,914
Drug costs	23,552	20,417
Supplies and services - clinical (excluding drug costs)	30,617	26,110
Supplies and services - general	5,160	4,573
Establishment	3,920	2,709
Research and development	4,248	4,933
Transport	897	662
Premises	11,703	7,589
Change in Bad Debt Expense	(132)	142
Depreciation on property, plant and equipment	5,004	5,165
Amortisation on intangible assets	345	322
Impairment of property	210	2,160
Audit fees - statutory audit	78	60
Audit remuneration – other services	0	18
Clinical negligence	4,514	4,097
Loss on disposal of other property, plant and equipment	4	26
Legal fees	317	445
Consultancy costs	1,272	225
Training, courses and conferences	599	573
Patient travel	67	68
Redundancy	70	107
Hospitality	18	16
Insurance	354	339
Losses, ex gratia & special payments	219	63
Other	1,127	434
<b>Total Operating Expenses</b>	<b>292,456</b>	<b>245,121</b>

### 3.2 Arrangements containing an operating lease

	2011/12	2010/11
	£000	£000
Minimum lease payments	5,730	3,826
<b>Total Lease Payments</b>	<b>5,730</b>	<b>3,826</b>

<b>3.3 Arrangements containing an operating lease</b>	<b>31 March 2012 £000</b>	31 March 2011 £000
Total future minimum lease payments due:		
- not later than one year;	<b>5,258</b>	3,883
- later than one year and not later than five years;	<b>10,550</b>	8,322
- later than five years	<b>1,591</b>	1,658

<b>4.1 Employee Expenses</b>	<b>2011/12</b>			<b>2010/11</b>		
	<b>Total £000</b>	Perm £000	Other £000	Total £000	Perm £000	Other £000
Salaries and wages	<b>156,668</b>	144,352	12,316	128,356	120,714	7,642
Social security costs	<b>12,101</b>	11,146	955	9,947	9,210	737
Pension costs - defined contribution plans - Employers contributions to NHS Pensions	<b>18,940</b>	17,446	1,494	15,332	14,196	1,136
Termination benefits	<b>70</b>	70	0	107	107	0
Agency/contract staff	<b>3,889</b>	0	3,889	5,039	0	5,039
<b>Total Staff Costs</b>	<b>191,668</b>	173,014	18,654	158,781	144,227	14,554
of which						
Costs capitalised as part of assets	<b>(565)</b>	(565)	0	(637)	(637)	0
<b>Total employee benefits excl. capitalised costs</b>	<b>191,103</b>	172,449	18,654	158,144	143,590	14,554

<b>4.2 Average number of employees (WTE basis)</b>	<b>2011/12</b>			<b>2010/11</b>		
	<b>Total Number</b>	Perm Number	Other Number	Total Number	Perm Number	Other Number
Medical and dental	<b>452</b>	247	205	<b>416</b>	235	181
Administration and estates	<b>1,005</b>	946	59	<b>894</b>	852	42
Healthcare assistants and other support staff	<b>732</b>	715	17	<b>445</b>	435	10
Nursing, midwifery and health visiting staff	<b>1,882</b>	1,842	40	<b>1,482</b>	1,459	23
Scientific, therapeutic and technical staff	<b>816</b>	784	32	<b>672</b>	638	34
Bank and agency staff	<b>130</b>	0	130	<b>194</b>	0	194
<b>Total average numbers</b>	<b>5,017</b>	4,534	483	<b>4,103</b>	3,619	484
of which						
WTE employees engaged on capital projects	<b>18</b>	18	0	<b>18</b>	18	0

### 4.3 Exit Packages

During 2011-12 the Trust provided the following exit packages to staff under nationally agreed arrangements.

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
< £10,000	1	3	5	4	6	7
£10,001 - £25,000	0	3	6	3	6	6
£25,001 - £50,000	0	2	4	2	4	4
£50,000 - £100,000	1	0	1	0	2	0
<b>Total number of exit packages by type</b>	<b>2</b>	<b>8</b>	<b>16</b>	<b>9</b>	<b>18</b>	<b>17</b>
<b>Total resource cost (£000)</b>	<b>70</b>	<b>107</b>	<b>313</b>	<b>138</b>	<b>383</b>	<b>245</b>

### 4.4 Employee benefits

	2011/12	2010/11
	£000	£000
<b>Total spend on employee benefits</b>	<b>188</b>	<b>207</b>

### 4.5 Early retirements due to ill health

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year.

During 2011/12 there were 8 early retirements (4 in 2010/11) from the Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £554k (£123k in 2010/11). This information has been supplied by NHS Pensions and the cost of these ill-health retirements will be borne by the NHS Business Services Authority Pensions Division.

### 5. Finance income

	2011/12	2010/11
	£000	£000
Interest on loans and receivables	<b>163</b>	99

### 6.1 Finance costs - interest expense

	2011/12	2010/11
	£000	£000
Interest on loan from the Foundation Trust Financing Facility	<b>227</b>	150
Interest on Finance Leases	<b>14</b>	5
	<b>241</b>	155

### 7. Losses and special payments

	2011/12		2010/11	
	Number	Value £000	Number	Value £000
Losses	<b>36</b>	<b>17</b>	38	6
Special Payments	<b>109</b>	<b>138</b>	107	62
	<b>145</b>	<b>155</b>	145	68

<b>8. Intangible assets</b>	<b>Total</b>	Software licences
	<b>£000</b>	£000
<b>Gross cost at 1 April 2010</b>	<b>1,753</b>	1,753
Reclassifications	<b>138</b>	138
Additions - purchased	<b>609</b>	609
Disposals	<b>(28)</b>	(28)
<b>Gross cost at 31 March 2011</b>	<b>2,472</b>	2,472
<b>Amortisation at 1 April 2010</b>	<b>966</b>	966
Provided during the year	<b>322</b>	322
Disposals	<b>(28)</b>	(28)
<b>Amortisation at 31 March 2011</b>	<b>1,260</b>	1,260
<b>Net book value</b>		
NBV - Purchased at 1 April 2010	<b>787</b>	787
NBV - Purchased at 31 March 2011	<b>1,212</b>	1,212
<b>Gross cost at 1 April 2011</b>	<b>2,472</b>	2,472
Additions - purchased	<b>236</b>	236
Additions-donated	<b>14</b>	14
Reclassified	<b>43</b>	43
<b>Gross cost at 31 March 2012</b>	<b>2,765</b>	2,765
<b>Amortisation at 1 April 2011</b>	<b>1,260</b>	1,260
Provided during the year	<b>345</b>	345
<b>Amortisation at 31 March 2012</b>	<b>1,605</b>	1,605
<b>Net book value</b>		
NBV - Purchased at 1 April 2011	<b>1,212</b>	1,212
NBV Donated at 1 April 2011	<b>0</b>	0
NBV - Purchased at 31 March 2012	<b>1,146</b>	1,146
NBV Donated at 31 March 2012	<b>14</b>	14
	<b>1,160</b>	1,160

## 9.1 Property, plant and equipment

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2010</b>	<b>117,931</b>	8,410	79,079	95	3,223	20,542	363	6,197	22
Additions - purchased	9,839	0	7,388	0	491	366	4	1,564	26
Additions - donated	324	0	212	0	0	112	0	0	0
Impairments	(1,398)	0	(1,364)	(20)	(14)	0	0	0	0
Reclassifications	(138)	0	2,822	0	(3,041)	60	0	21	0
Revaluation reductions	(1,777)	0	(1,777)	0	0	0	0	0	0
Disposals	(6,317)	(590)	(3,519)	(75)	0	(1,980)	(87)	(66)	0
<b>Cost or valuation at 31 March 2011</b>	<b>118,464</b>	<b>7,820</b>	<b>82,841</b>	<b>0</b>	<b>659</b>	<b>19,100</b>	<b>280</b>	<b>7,716</b>	<b>48</b>
<b>Accumulated depreciation at 1 April 2010</b>	<b>20,581</b>	0	186	0	0	15,965	306	4,109	15
Provided during the year	5,165	0	3,082	1	0	1,216	26	837	3
Impairments	(2,968)	0	(2,967)	(1)	0	0	0	0	0
Revaluation reductions	0	0	0	0	0	0	0	0	0
Disposals	(2,093)	0	0	0	0	(1,940)	(87)	(66)	0
<b>Accumulated depreciation at 31 March 2011</b>	<b>20,685</b>	<b>0</b>	<b>301</b>	<b>0</b>	<b>0</b>	<b>15,241</b>	<b>245</b>	<b>4,880</b>	<b>18</b>
<b>Net book value</b>									
NBV - Owned at 1 April 2010	96,579	8,410	78,559	95	3,223	4,144	57	2,084	7
NBV – Finance Leased at 1 April 2010	0	0	0	0	0	0	0	0	0
NBV - Donated at 1 April 2010	771	0	334	0	0	433	0	4	0
<b>NBV total at 1 April 2010</b>	<b>97,350</b>	<b>8,410</b>	<b>78,893</b>	<b>95</b>	<b>3,223</b>	<b>4,577</b>	<b>57</b>	<b>2,088</b>	<b>7</b>
NBV - Owned at 31 March 2011	96,359	7,820	82,039	0	659	3,422	35	2,354	30
NBV – Finance Leased at 31 March 2011	480	0	0	0	0	0	0	480	0
NBV - Donated at 31 March 2011	940	0	501	0	0	437	0	2	0
<b>NBV total at 31 March 2011</b>	<b>97,779</b>	<b>7,820</b>	<b>82,540</b>	<b>0</b>	<b>659</b>	<b>3,859</b>	<b>35</b>	<b>2,836</b>	<b>30</b>

## 9.1 Property, plant and equipment (continued)

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation at 1 April 2011</b>	<b>118,464</b>	<b>7,820</b>	<b>82,841</b>	<b>0</b>	<b>659</b>	<b>19,100</b>	<b>280</b>	<b>7,716</b>	<b>48</b>
Additions - purchased	4,148	0	1,347	0	1,409	594	0	797	0
Additions - donated	244	0	27	0	0	182	0	35	0
Impairments	(210)	(111)	(99)	0	0	0	0	0	0
Reversal of Impairments	406	0	406	0	0	0	0	0	0
Reclassifications	(43)	0	(11)	0	(153)	116	0	6	0
Revaluation	2,286	(168)	2,454	0	0	0	0	0	0
Disposals	(1,075)	0	0	0	(1)	(984)	(90)	0	0
<b>Cost or valuation at 31 March 2012</b>	<b>124,220</b>	<b>7,541</b>	<b>86,965</b>	<b>0</b>	<b>1,914</b>	<b>19,008</b>	<b>190</b>	<b>8,554</b>	<b>48</b>
<b>Accumulated depreciation at 1 April 2011</b>	<b>20,685</b>	<b>0</b>	<b>301</b>	<b>0</b>	<b>0</b>	<b>15,241</b>	<b>245</b>	<b>4,880</b>	<b>18</b>
Provided during the year	5,004	0	3,129	0	0	1,016	14	842	3
Reclassifications	0	0	(4)	0	0	4	0	0	0
Revaluation reductions	(3,119)	0	(3,119)	0	0	0	0	0	0
Disposals	(1,070)	0	0	0	0	(980)	(90)	0	0
<b>Accumulated depreciation at 31 March 2012</b>	<b>21,500</b>	<b>0</b>	<b>307</b>	<b>0</b>	<b>0</b>	<b>15,281</b>	<b>169</b>	<b>5,722</b>	<b>21</b>
<b>Net book value</b>									
NBV - Owned at 1 April 2011	96,359	7,820	82,039	0	659	3,422	35	2,354	30
NBV – Finance Leased at 1 April 2011	480	0	0	0	0	0	0	480	0
NBV - Donated at 1 April 2011	940	0	501	0	0	437	0	2	0
<b>NBV total at 1 April 2011</b>	<b>97,779</b>	<b>7,820</b>	<b>82,540</b>	<b>0</b>	<b>659</b>	<b>3,859</b>	<b>35</b>	<b>2,836</b>	<b>30</b>
NBV - Owned at 31 March 2012	101,272	7,541	86,109	0	1,914	3,235	21	2,425	27
NBV – Finance Leased at 31 March 2012	373	0	0	0	0	0	0	373	0
NBV - Donated at 31 March 2012	1,075	0	549	0	0	492	0	34	0
<b>NBV total at 31 March 2012</b>	<b>102,720</b>	<b>7,541</b>	<b>86,658</b>	<b>0</b>	<b>1,914</b>	<b>3,727</b>	<b>21</b>	<b>2,832</b>	<b>27</b>

Included within the net book value of £102.72m is £0.373m (2010 £0.480m) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under finance agreements is £0.107m (2010 £0.053m).

**Note 9.2 Analysis of property, plant and equipment**

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Net book value</b>									
NBV - Protected assets at 31 March 2011	<b>79,137</b>	5,225	73,912	0	0	0	0	0	0
NBV - Unprotected assets at 31 March 2011	<b>18,642</b>	2,595	8,628	0	659	3,859	35	2,836	30
<b>Total at 31 March 2011</b>	<b>97,779</b>	<b>7,820</b>	<b>82,540</b>	<b>0</b>	<b>659</b>	<b>3,859</b>	<b>35</b>	<b>2,836</b>	<b>30</b>
<b>Net book value</b>									
NBV - Protected assets at 31 March 2012	<b>82,989</b>	5,064	77,925	0	0	0	0	0	0
NBV - Unprotected assets at 31 March 2012	<b>19,731</b>	2,477	8,733	0	1,914	3,727	21	2,832	27
<b>Total at 31 March 2012</b>	<b>102,720</b>	<b>7,541</b>	<b>86,658</b>	<b>0</b>	<b>1,914</b>	<b>3,727</b>	<b>21</b>	<b>2,832</b>	<b>27</b>

### 9.3 Property, plant and equipment (continued)

The total at 31 March 2012 included land valued at £1,750,000 open market value. There were no buildings or dwellings valued at open market value.

<b>10. Inventories</b>	<b>31 March</b>	31 March
	<b>2012</b>	2011
	<b>£000</b>	£000
Drugs	<b>1,184</b>	1,256
Consumables	<b>2,316</b>	2,551
Energy	<b>82</b>	75
	<b>3,582</b>	3,882
	<b>31 March</b>	31 March
	<b>2012</b>	2011
	<b>£000</b>	£000
<b>11.1 Trade receivables and other receivables</b>		
<b>Current</b>		
NHS Receivables - Revenue	<b>9,779</b>	4,589
Other Receivables with related parties - Revenue	<b>1,405</b>	71
Provision for impaired receivables	<b>(169)</b>	(372)
Prepayments	<b>1,499</b>	1,310
Accrued income	<b>1,383</b>	4,335
Other receivables	<b>1,656</b>	1,831
<b>Total current trade and other receivables</b>	<b>15,553</b>	11,764
<b>Non-Current</b>		
NHS Receivables	<b>967</b>	998
Provision for impaired receivables	<b>(97)</b>	(100)
<b>Total non-current trade and other receivables</b>	<b>870</b>	898
<b>11.2 Provision for impairment of receivables</b>	<b>2011/12</b>	2010/11
	<b>£000</b>	£000
<b>At 1 April</b>	<b>472</b>	836
Increase in provision	<b>106</b>	259
Amounts utilised	<b>(74)</b>	(506)
Unused amounts reversed	<b>(238)</b>	(117)
<b>At 31 March</b>	<b>266</b>	472

	<b>31 March 2012 £000</b>	31 March 2011 £000
<b>11.3 Analysis of impaired receivables</b>		
<b>Ageing of impaired receivables</b>		
0-30 days	0	0
30-60 days	0	0
60-90 days	0	65
90-180 days	0	0
Over 180 days	266	407
<b>Total</b>	<b>266</b>	<b>472</b>
<b>Ageing of non-impaired receivables past their due date</b>		
0-30 days	760	878
30-60 days	732	77
60-90 days	637	76
90-180 days	58	175
Over 180 days	400	666
<b>Total</b>	<b>2,587</b>	<b>1,872</b>
	<b>31 March 2012 £000</b>	31 March 2011 £000
<b>12. Trade and other payables</b>		
<b>Current</b>		
Receipts in advance	22	111
NHS payables - revenue	2,433	1,380
Amounts due to other related parties – revenue	2,420	1,953
Trade payables - capital	414	997
Other trade payables - revenue	3,713	1,854
Other taxes	3,878	3,207
Other payables	1,669	1,569
Accruals	6,881	4,738
PDC Dividend payable	33	0
<b>Total current trade and other payables</b>	<b>21,463</b>	<b>15,809</b>
	<b>31 March 2012 £000</b>	31 March 2011 £000
<b>13. Borrowings</b>		
<b>Current</b>		
Loans from Foundation Trust Financing Facility	493	493
Other Loans	25	25
Obligations under finance leases	104	107
<b>Total current borrowings</b>	<b>622</b>	<b>625</b>
<b>Non-current</b>		

Loans from Foundation Trust Financing Facility	<b>5,921</b>	6,202
Other Loans	<b>37</b>	61
Obligations under finance leases	<b>252</b>	374
<b>Total non-current borrowings</b>	<b>6,210</b>	<b>6,637</b>

<b>14. Finance Lease Obligations</b>	<b>31 March 2012</b>	31 March 2011
	<b>£000</b>	£000
<b>Gross lease liability</b>	<b>390</b>	542
Of which liabilities are due		
- not later than one year	<b>107</b>	120
- later than one year and not later than five years	<b>283</b>	422
- later than five years	<b>0</b>	0
Finance charges allocated to future periods	<b>(34)</b>	(61)
Net lease liability	<b>356</b>	481
<b>Net lease liability</b>		
- not later than one year	<b>104</b>	107
- later than one year and not later than five years	<b>252</b>	374
- later than five years	<b>0</b>	0

## 15. Prudential Borrowing Limit

The Trust is required to comply with, and remain within, a total borrowing limit. This is made up of two elements.

- The maximum cumulative amount of long term borrowing. This is set by reference to the five ratio tests set out in the Prudential Borrowing Code for NHS Foundation Trusts. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long term borrowing limit; and

- the amount of any working capital facility approved by Monitor

Further information on the Prudential Borrowing Code for NHS Foundation Trusts and the Compliance Framework can be found on Monitor's website.

The Trust had a prudential borrowing limit of £42.9m in 2011/12. During this period the Trust borrowed an additional £205k from the FT Financing Facility to fund the last phase of the construction of the new multi storey car parking facility.

The Trust had a £22.8m approved working capital facility in place although this was unused during the year. The renewal date of this facility is May 2013.

<b>Financial ratio</b>	<b>Actual 2011/12</b>	<b>Approved 2011/12</b>	<b>Actual 2010/11</b>	<b>Approved 2010/11</b>
Maximum debt/capital	0.6	0.6	0.7	0.6

Minimum dividend cover	2.90	3.13	3.04	3.79
Minimum interest cover	39.13	43.57	62.19	78.22
Minimum debt service cover	12.39	11.74	57.72	78.22
Minimum debt service to revenue	0.00	0.00	0.00	0.00

<b>16. Provisions for liabilities and charges</b>	<b>Total</b>	<b>Pensions -</b>
	<b>£000</b>	<b>other staff</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 April 2011</b>	<b>725</b>	<b>725</b>
Change in the discount rate	6	6
Arising during the year	78	78
Utilised during the year	(62)	(62)
Reverse unused provisions	0	0
Unwinding of discount	21	21
<b>At 31 March 2012</b>	<b>768</b>	<b>768</b>
<b>Expected timing of cash flows</b>		
- not later than one year;	60	60
- later than one year and not later than five years;	226	226
- Later than five years.	482	482
	<b>768</b>	<b>768</b>

£19.524m (2010/11 - £16.608m) is included in the provisions of the NHS Litigation Authority at 31 March 2012 in respect of clinical negligence liabilities of York Teaching Hospital NHS Foundation Trust.

<b>17. Revaluation reserve</b>	<b>Revaluation</b>
	<b>Reserve</b>
	<b>£000</b>
<b>Revaluation reserve at 1 April 2010</b>	<b>18,875</b>
Revaluation gains/(losses) and impairment losses property, plant and equipment	1,171
Other transfers between reserves	(2,610)
<b>Revaluation reserve at 31 March 2011</b>	<b>17,436</b>
Impairments	(168)
Revaluation gains/(losses) on property, plant and equipment	5,573
<b>Revaluation reserve at 31 March 2012</b>	<b>22,841</b>

<b>18. Cash and cash equivalents</b>	<b>2011/12</b>	<b>2010/11</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 April</b>	<b>4,655</b>	<b>4,565</b>

Net change in year	<b>2,969</b>	90
<b>At 31 March</b>	<b>7,624</b>	4,655
Broken down into:		
Cash at commercial banks and in hand	<b>73</b>	82
Cash with the Government Banking Service	<b>7,551</b>	4,573
<b>Cash and cash equivalents as in SoFP</b>	<b>7,624</b>	4,655
Bank overdraft	<b>0</b>	0
<b>Cash and cash equivalents as in SoCF</b>	<b>7,624</b>	4,655

## 19. Capital Commitments

Commitments under capital expenditure contracts at 31 March 2012 were £1.576m (31 March 2011 £0.74m )

## 20. Contingent Liabilities

There are no contingent liabilities identified for this financial year.

## 21. Post Balance Sheet Events

The Trust is assuming responsibility for the services currently provided by the Scarborough and North East Yorkshire Trust, with effect from July 2012. The expected value of these services is £114m with an associated asset value of £95.6m which will transfer to the Trust at no cost and the transaction will be reflected in the 2012/13 accounts using a merger accounting basis. As part of the preparation for the transaction the Trust, in conjunction with external specialists, has performed extensive due diligence reviews covering the financial, legal and clinical areas associated with the merger to highlight the challenges that will arise from a transaction of this nature. Following the due diligence findings, action plans have been put in place and financial support provided, to mitigate the risks and support delivery of the expected benefits

## 22. Related Party Transactions

York Teaching Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members, members of the Council of Governors or members of the key management staff or parties related to them has undertaken any material transactions with York Teaching Hospital NHS Foundation Trust

The Department of Health is regarded as a related party. During the year York Teaching Hospital NHS Foundation Trust has had a significant number of material

transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

In addition, the Trust has had a number of material transactions with other English government departments and other central and local government bodies. Most of these transactions have been in the course of the latter's business as government agencies.

For those entities where significant transactions have occurred during the year, details of income and expenditure and balances receivable and payable are listed below. Transactions are considered significant, if income or expenditure for the year exceeds £1.7m.

The Trust has also received revenue and capital payments from the York Health Services General Charity, the Trustee for which is the York Teaching Hospital NHS Foundation Trust.

	Balances		Income	Expense
	Receivables	Payables		
	£000	£000	£000	£000
Barnsley PCT	0	139	1,519	0
Department of Health	0	13	6,761	139
East Riding of Yorkshire PCT	669	0	15,237	15
Harrogate & District Foundation Trust	374	222	2,021	1,713
HM Revenue & Customs	0	3,878	0	45,051
Hull & East Yorks NHS Trust	6	43	31	1,846
Leeds PCT	121	0	2,449	1
Leeds Teaching Hospital NHS Trust	82	410	188	2,102
Leeds & York Partnership NHS FT	235	32	1,755	239
National Blood Authority	0	9	24	1,551
NHS Litigation Authority	10	0	10	4,669
NHS Pension Scheme	0	2,427	0	28,405
North Yorkshire & York PCT	6,371	1,790	240,405	1,365
Scarborough & N East Yorks NHS Trust	1,376	178	3,138	2,143
SHA Yorkshire & The Humber	243	9	9,454	17
Other	3,442	211	4,675	3,063
<b>TOTAL</b>	<b>12,929</b>	<b>9,361</b>	<b>287,667</b>	<b>92,319</b>

### 23. Financial Instruments

IAS 32, 39 and IFRS 7 regarding Financial Instruments, require disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with local Primary Care Trusts

and the way those Primary Care Trusts are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IAS 32, 39 and IFRS 7 mainly apply.

### Liquidity Risk

The NHS Foundation Trust's net operating costs are incurred under annual service agreements with local Primary Care Trusts, which are financed from resources voted annually by Parliament. York Teaching Hospital NHS Foundation Trust is not generally exposed to significant liquidity risks.

### Interest Rate Risk

The NHS Foundation Trust's financial assets and financial liabilities carry nil or fixed rates of interest. York Teaching Hospital NHS Foundation Trust is not, therefore, exposed to significant interest-rate risk.

### Credit Risk

The NHS Foundation Trust receives the majority of its income from Primary Care Trusts and Statutory Bodies, the credit risk is therefore generally negligible.

### Foreign Currency Risk

The NHS Foundation Trust carries out a minimal amount of foreign currency trading therefore the foreign currency risk is negligible.

<b>23.1 Financial assets by category</b>	<b>Loans and receivables £000</b>
<b>Assets as per SoFP</b>	
Trade and other receivables excluding non financial assets	11,247
Cash and cash equivalents (at bank and in hand)	4,655
<b>Total at 31 March 2011</b>	<u>15,902</u>
Trade and other receivables excluding non financial assets	<b>14,924</b>
Cash and cash equivalents (at bank and in hand)	<b>7,624</b>
<b>Total at 31 March 2012</b>	<u><b>22,548</b></u>
<b>23.2 Financial liabilities by category</b>	<b>Other financial liabilities £000</b>
<b>Liabilities as per SoFP</b>	
Borrowings	6,781
Obligations under finance leases	481
Trade and other payables excluding non financial liabilities	12,491
Provisions under contract	0
<b>Total at 31 March 2011</b>	<u>19,753</u>
Borrowings	<b>6,476</b>

Obligations under finance leases	356
Trade and other payables excluding non financial liabilities	17,542
Provisions under contract	0
<b>Total at 31 March 2012</b>	<u>24,374</u>

### 23.3 Fair Values

York Teaching Hospital NHS Foundation Trust has carried all financial assets and financial liabilities at fair value for the year 2011/12.

### 24. Third Party Assets

The Trust held £2k cash at bank and in hand at 31 March 2012 (31 March 2011 - £2k) which relates to monies held by the NHS Foundation Trust on behalf of patients.

