

PUBLIC MEETING OF THE COUNCIL OF GOVERNORS
will be held at 1pm on Tuesday 6 July 2021
via Zoom

A G E N D A

LEAD

- | | | |
|-----------|---|---|
| 1 | Welcome and introductions (verbal) | Prof Sue Proctor |
| 2 | Sharing Stories | |
| | 2.1 Service experience during the pandemic - Learning Disability Services (presentation) | Lyndsey Charles
Ruth Berry
Sarah Russo
Christina Edwards |
| 3 | Apologies for absence (verbal) | Prof Sue Proctor |
| 4 | Changes to any declaration of interests and declaration of any conflicts of interest in respect of agenda Items (verbal) | Prof Sue Proctor |
| | 4.1 Declarations of interests for the Council of Governors (paper to read) | Kerry McMann |
| 5 | Minutes | Prof Sue Proctor |
| | 5.1 Minutes of the public Council of Governors' meeting held on the 4 May 2021 (paper to read) | |
| 6 | Matters arising (verbal) | Prof Sue Proctor |
| 7 | Cumulative Action Log – actions outstanding from previous public meetings (paper to read) | Prof Sue Proctor |
| 8 | Chair's Report (paper to read) | Prof Sue Proctor |
| 9 | Chief Executive Report (paper to read - slides) | Dawn Hanwell |
| 10 | Lead Governor Report (verbal) | Peter Webster |
| 11 | Quarterly Quality and Performance Update Report (paper to read) | Andy Weir |
| 12 | Financial Update (paper to read) | Dawn Hanwell |
| 13 | Audit Committee Annual Report 2020/21 (paper to read) | Helen Grantham |

14 Auditor's Report on the Annual Accounts (papers to read and presentation)

Rashpal
Khangura

The next public meeting of the Council of Governors will be held
on 2 November 2021 at 1pm – Venue TBC

* Questions for the Council of Governors can be submitted to:

Name: Cath Hill (Associate Director for Corporate Governance / Trust Board Secretary)

Email: chill29@nhs.net

Telephone: 0113 8555930

Name: Prof Sue Proctor (Chair of the Trust)

Email: sue.proctor1@nhs.net

Telephone: 0113 8555913

**AGENDA
ITEM**

4.1

MEETING OF THE COUNCIL OF GOVERNORS

NAME OF PAPER:	Declarations of interests for the Council of Governors
DATE OF MEETING:	6 July 2021
PRESENTED BY: (name and title)	Kerry McMann, Acting Head of Corporate Governance & Deputy Trust Board Secretary
PREPARED BY: (name and title)	Kerry McMann, Acting Head of Corporate Governance & Deputy Trust Board Secretary

THIS PAPER SUPPORTS THE TRUST'S STRATEGIC OBJECTIVE/S (please tick relevant box/s)		
SO1	We deliver great care that is high quality and improves lives	
SO2	We provide a rewarding and supportive place to work	
SO3	We use our resources to deliver effective and sustainable services	✓

EXECUTIVE SUMMARY

All members of the Council of Governors are required to complete a declaration of interest form annually. Declaration forms were sent out to all Governors with a request to declare interests as at 1 April 2021. Completed forms are held on file by the Corporate Governance Team. They are a matter of public record and are available for inspection should such a request be made.

Whilst these forms are required to be completed as part of an annual declaration process, Governors are reminded that should any change occur they are required to submit an updated form to the Corporate Governance Team, and inform the Council at its next meeting. For clarity, because a declaration has been made this does not mean that it constitutes a conflict of interest.

The attached declarations matrix has been updated with any declarations made since the May meeting including those made by any newly elected or appointed governors.

It should be noted that a declaration form for 2021/22 has not yet been received from two governors as listed on the attached document. Governors are asked to return these outstanding forms to the Corporate Governance Team as soon as possible and these will be reported to the Council at the next meeting in November 2021.

Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?	State below 'Yes' or 'No'	If yes please set out what action has been taken to address this in your paper
	No	

RECOMMENDATIONS
<p>The Council of Governors is asked to receive and note all interests declared by governors as at the 1 April 2021.</p>

Declarations of Interests for the Council of Governors

Name	Directorships, including Non-executive Directorships, held in private companies or PLCs (with the exception of those of dormant companies).	Ownership, or part-ownership, of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.	Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS.	A position of authority in a charity or voluntary organisation in the field of health and social care.	Any connection with a voluntary or other organisation contracting for NHS services.	Any substantial or influential connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust, including but not limited to lenders or banks.	Any other commercial or other interests you wish to declare.	Declaration on behalf of Spouse / co-habiting partner / close family member
ELECTED GOVERNORS								
Ian Andrews	Technical Services and Deputy Procurement Director NHS North of England Commercial Procurement Collaborative	None.	None.	None.	None.	None.	None.	None.
Caroline Bentham	None.	None.	None.	None.	None.	None.	None.	None.
Mark Clayton	None.	None.	None.	Director Talking Sheds	Volunteer Age UK Leeds Volunteer Touchstone	None.	None.	None.
Rita Dawson	None.	None.	None.	Trustee and Chair of Older People's Engagement Group Age UK Leeds	Volunteer Age UK Leeds	None.	None.	None.

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Name	Directorships, including Non-executive Directorships, held in private companies or PLCs (with the exception of those of dormant companies).	Ownership, or part-ownership, of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.	Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS.	A position of authority in a charity or voluntary organisation in the field of health and social care.	Any connection with a voluntary or other organisation contracting for NHS services.	Any substantial or influential connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust, including but not limited to lenders or banks.	Any other commercial or other interests you wish to declare.	Declaration on behalf of Spouse / co-habiting partner / close family member
Kirsty Lee	None.	None.	None.	None.	None.	None.	None.	Employee Bradford District Care Foundation Trust
Ivan Nip	None.	None.	None.	Trustee Advonet	Trustee Advonet	Trustee Advonet	None.	None.
David O'Brien	None.	None.	None.	None.	None.	None.	Associate Director Yorkshire Ambulance Service NHS Trust	None.
Sally Rawcliffe-Foo	None.	None.	None.	None.	None.	None.	None.	None.
Joseph Riach	None.	None.	None.	None.	None.	None.	None.	None.
Bryan Ronoh	Trustee African Diaspora Workers Union UK	None.	None.	None.	None.	None.	None.	None.
Nicola Swan	None.	None.	None.	None.	None.	None.	None.	None.
Peter Webster	Non-executive Director Compass UK	None.	None.	Non-executive Director Compass UK	None.	None.	None.	None.

Name	Directorships, including Non-executive Directorships, held in private companies or PLCs (with the exception of those of dormant companies).	Ownership, or part-ownership, of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.	Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS.	A position of authority in a charity or voluntary organisation in the field of health and social care.	Any connection with a voluntary or other organisation contracting for NHS services.	Any substantial or influential connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust, including but not limited to lenders or banks.	Any other commercial or other interests you wish to declare.	Declaration on behalf of Spouse / co-habiting partner / close family member
APPOINTED GOVERNORS								
Helen Kemp	None.	None.	None.	Chief Executive Officer Leeds Mind. Trustee Leeds Survivor Led Crisis Service. Trustee Volition Leeds Trustee Phoenix Health & Wellbeing. Director Mind matters	Chief Executive Officer Leeds Mind.	None.	None.	Employee KPMG.
Anna Perrett	None.	None.	None.	Project Manager Kyra Women's Project.	None.	Councillor City of York Council.	Councillor City of York Council.	Councillor City of York Council.
Sue Rumbold	Director Children and Families Programme West Yorkshire and Harrogate ICS	None.	None.	Trustee and Vice Chair Martin House Children's Hospice	Trustee and Vice Chair Martin House Children's Hospice	None.	None.	None.

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**Minutes of the Public Meeting of the Council of Governors
held on Tuesday 4 May 2021 at 1pm via Zoom**

PRESENT:

Professor Sue Proctor – Chair of the Trust (Chair of the meeting)

Public Governors

Les France
Steve Howarth
Ivan Nip
David O'Brien
Niccola Swan
Peter Webster
Kirsty Lee

Appointed Governors

Helen Kemp
Sue Rumbold

Executive Directors

Joanna Forster Adams
Chris Hosker
Sara Munro

Staff Governors

Andrew Johnson

Carer Governors

Caroline Bentham
Mark Clayton

Service User Governors

Rita Dawson
Peter Holmes

Non-Executive Directors

Prof John Baker
Cleveland Henry
Helen Grantham
Andrew Marran
Sue White
Martin Wright

IN ATTENDANCE:

Rose Cooper – Corporate Governance Officer
Robin Ellis – Clinical Engagement, Access and Inclusion Co-ordinator (agenda item 2)
Amy Harker – People Engagement Practitioner (agenda item 12)
Lucy Heffron – Organisational Development Lead (agenda item 12)
Cath Hill – Associate Director for Corporate Governance / Trust Board Secretary
Balvinder Dosanjh – Clinical Engagement, Access and Inclusion Co-ordinator (agenda item 2)
Bea King – Corporate Governance Assistant
Kerry McMann – Corporate Governance Team Leader
Tracey Needham – Head of People Engagement (agenda item 12)
Sharon Prince – Consultant Clinical Psychologist (agenda item 2)
Tim Richardson – Head of Operations: Children and Young People (agenda item 8)
Keir Shillaker – Programme Director: Mental Health, Learning Disability and Autism (agenda item 13)
Wendy Tangen – Clinical Services, Inclusion Lead (agenda item 2)

Action

21/019 Welcome and introductions (agenda item 1)

Professor Sue Proctor opened the meeting at 1.00pm and welcomed everyone.

21/020 Sharing Stories: Equality and Diversity - inside and outside of the organisation
(agenda item 2.1)

Wendy Tangen, Clinical Services Inclusion Lead, delivered a detailed presentation on equality, diversity and inclusion in the Trust and in particular the ongoing work to tackle health inequalities. Wendy discussed initiatives happening inside and outside of the organisation which included the reciprocal mentoring and leadership programmes specifically for ethnic minority groups, staff networks such as the Workforce Race Equality Network (WREN) and wider partnership working across the West Yorkshire and Harrogate region. Wendy also invited governors to join a reciprocal mentoring webinar in October of this year and asked for the details of this to be circulated in due course.

RC

Sharon Prince then introduced the work of the Synergi Collaborative which was a national programme that focused on developing knowledge around ethnic inequalities in mental health. She explained that Leeds, like other cities across the UK, had an overrepresentation of people from black, Asian and minority ethnic (BAME) groups detained on our inpatient wards and they had approached the Synergi Collaborative to help them address this issue. Together they had identified the need to bring diverse voices front and centre to help co-curate services and develop a whole system approach. Following on from this they had formed a network called Synergi Leeds which brought people together from different areas across the city to act as a catalyst for change to reduce mental health inequalities for minority ethnic groups.

The Council discussed the underrepresentation of young BAME people in children and young people's mental health services and Sharon advised that they had received funding for a temporary post within Synergi Leeds to look specifically at this issue. The Council then discussed the role of key figures in Leeds to contribute to this work and Sara Munro noted that following the election of the Mayor of West Yorkshire conversations were happening about physical and mental health becoming an integrated part of the economic recovery of the city. Sara also noted that being inclusive and tackling discrimination of all forms was the shared responsibility for the whole Trust and highlighted the importance of embedding this within the core operating model for each of our services.

It was agreed that Sharon Prince would bring an update on the work of Synergi Leeds to the Council before the end of the year. Cath Hill would add this to the forward plan for the November 2021 meeting.

CHi

21/021 Apologies (agenda item 3)

Apologies were received from the following governors: Sally Rawcliffe-Foo (Clinical Staff Governor), Sophia Bellas (Service User Governor) and Anna Perrett (Appointed Governor). The meeting was quorate.

The following Executive Directors had also given their apologies for the meeting: Dawn Hanwell, Chief Financial Officer and Cathy Woffendin, Director of Nursing Quality and Professions.

21/022 Changes to any declaration of interests and declaration of any conflicts of interest in respect of agenda items (agenda item 4)

No governor indicated a change to their declared interests or declared any conflicts of interest in respect of agenda items.

21/023 Non-executive Directors' Annual Declarations of Interests, Independence, and Fit and Proper Person (agenda item 4.1)

The Council **noted** the declarations of interests as per the attached matrix, **noted** that all directors had been judged and declared themselves to be fit and proper, and **noted** that all non-executive directors had declared that they were independent.

21/024 Annual Declarations for Governors (agenda item 4.2)

Peter Webster reminded any governors that had yet to declare to do so as soon as possible.

The Council **noted** all interests declared by governors as at the 1 April 2021.

21/025 Minutes of the public Council of Governors' meeting held on the 2 February 2021 (agenda item 5.1)

The minutes of the public Council of Governors' meeting that was held on the 2 February 2021 were **approved** as a true record.

21/025 Matters arising (agenda item 6)

There were no matters arising.

21/026 Cumulative action log – actions outstanding from previous public meetings (agenda item 7)

Sue Proctor presented the cumulative action log and the Council noted and agreed the actions reported as completed. Regarding action number 20/049, Niccola Swan requested a follow up on the review of service users detained under the Mental Health Act for over five years that was scheduled for the next Joint Finance and Performance, Quality and Workforce Committee meeting in November. The Council agreed to reopen this action on the log.

RC

The Council **received** the updates on the cumulative action log and was **assured** that progress was being made.

21/026 Update on the Child and Adolescent Mental Health Service (CAMHS) transfer (agenda item 8)

Tim Richardson, Head of Operations for Children and Young People, delivered a presentation to the Council on the transfer of the Child and Adolescent Mental Health Service (CAMHS) from Leeds Community Healthcare to the Trust on 1 April 2021. He also provided an update on the new build at St Mary's Hospital in Armley named Red Kite View where the service would be relocated by the end of this year.

Tim explained that Red Kite View would sit within the West Yorkshire Provider Collaborative and would contribute to its overarching aims which were to ensure that young people were treated as close to home as possible, to reduce admissions to inpatient hospitals and to reduce length of stay. Tim also explained that, in line with the national direction of travel, these services would be referred to as Children and Young People's Mental Health Services going forward.

Tim noted that they were working closely with community CAMHS as part of the Provider Collaborative and were developing step down services to support people's transition back into the community. He also noted that while developing the clinical model for Red Kite View they had established positive co-working relationships across the region and across disciplines such as the third sector, social care, and housing.

Peter Webster asked about level of involvement young people had in the look and feel of the inside of the Red Kite View building. Tim responded that they had been involved in all elements of the project, and that it had been a priority that the décor was as comfortable, flexible and inclusive as possible for all young people.

Nicola asked how the number of 22 beds at Red Kite View was reached and what would happen if this capacity did not meet the demand. Tim explained that the bed numbers were based a piece of work done by NHS England to scope out what inpatient service provision was needed for young people in West Yorkshire. Tim acknowledged that the number was ambitious when compared against the recent out of area placement figures which were relatively high, but added that the impact of Covid-19 needed to be taken into consideration when looking at the current demand. He explained that the six Psychiatric Intensive Care Unit (PICU) beds would help the flow of young people through the General Adolescent Inpatient Unit (GAU), and it was hoped that the development of the community services would allow young people to be more easily diverted from inpatient care and more quickly discharged back into the community. Nicola Swan referred to the number of young people currently placed out of area and asked that this data was incorporated into future performance reports so that it could be tracked as the new CAMHS unit became operational.

JFA

Sue Rumbold added that she was working closely with Keir Shillaker on the Mental

Health, Learning Disability and Autism programme to ensure that there was the right community provision and support in schools for young people across the West Yorkshire Integrated Care System (ICS) footprint. Sue Rumbold noted that this early intervention support was particularly important given the numbers of children that had developed significant emotional and mental health issues during the pandemic. Sue Rumbold also reiterated the importance of monitoring the provision of PICU and GAU beds across the ICS.

It was agreed that there would be an update on CAMHS and the Red Kite View new build at the Board to Board in September. Cath Hill would add this to the forward plan.

CHi

The Council **received** the presentation and thanked Tim Richardson for the updates.

21/027 Chair's Report (agenda item 9)

Sue Proctor presented the Chair's Report and welcomed Sue Rumbold, Programme Director for Children and Families within the West Yorkshire and Harrogate Integrated Care System (ICS), as a new appointed governor on the Council. Sue noted that sadly Peter Chapman had recently stepped down as a service user governor on the Council and unfortunately Adam Seymour had also stepped down because of new work commitments which meant he no longer had the time to fulfil his role as a staff governor. Sue had been in communication with both of them and had thanked them for their contributions to the Council.

Sue also informed the governors that Claire Holmes had stepped down as the Director of Organisational Development and Workforce, and the Trust would be welcoming an Interim Director of Human Resources on the 10 May 2021 whilst they planned for permanent recruitment.

The Council **received** and **noted** the contents of the report.

21/028 Chief Executive Report (agenda item 10)

Firstly, Sara Munro shared an update on the Trust's vaccination programme with 88% of staff having now received their first dose; the team had also administered the vaccine to almost 2000 service users and citizens, and roving vaccination buses were travelling out in the community to protect people in low uptake areas of Leeds.

Sara also noted that with support from the Workforce Race Equality Network she had written to all colleagues last week acknowledging the devastating effects of Covid-19 in India and the impact this had on colleagues, service users and our local communities. The Council also heard that a minutes silence had been held on the 17 April to mark the first anniversary of the death of a much loved colleague Khuli Nkala and a special bench had been placed at the Newsam Centre to commemorate him.

Sara then explained that over the coming weeks staff were working together to reshape what the Trust's working practices and arrangements would look like longer term as part of the reset and recovery planning. Sara also provided an update on partnership working and explained that the West Yorkshire Integrated Care System (ICS) would become a statutory organisation in April 2022 and Clinical Commissioning Groups would no longer exist. Sara explained the role of the Integrated Care Partnership (ICP) within the ICS which would lead and govern health and care services in each 'place' and the Trust was actively involved in shaping the future ways of working with our partners in Leeds.

Ivan Nip asked about for more information about the reset and recovery work and Sara explained that teams were in the process of evaluating what their future operating model needed to look like and this would be reported back to the Board in due course. The Council noted that a stock take of this, plus interrelated issues such as workforce and outcome measures, and the wider context across Leeds and West Yorkshire, would come to the Board to Board in September for a joint discussion and shared ownership of some of these longer term strategic matters. Cath Hill would add this to the forward plan.

CHi

Nicola Swan noted Claire Holmes' resignation and hoped there would be a smooth transition to the new Interim Director of Human Resources without losing the momentum of the good progress made so far. Sara agreed and explained that she had met with members of the team to help them to focus on key priorities and also to offer support during the transition and added that the Workforce Committee continued to have oversight of important matters at this time.

The Council **received** the Chief Executive Report and **noted** its contents.

21/029 Lead Governor Report (agenda item 11)

Peter Webster presented the Lead Governor report. He noted that the latest governor election results would be announced tomorrow and he looked forward to welcoming the new governors to the Council.

Peter also informed the Council that the appraisal season for non-executive directors and the Chair of the Trust was approaching, and reminded governors that this was an opportunity to be involved in setting the personal objectives of the non-executive directors. It was noted that Peter or Sue Proctor could be contacted directly with any informal feedback to be taken into consideration as part of the appraisals, and Sue would also be circulating a means of providing written feedback closer to the time.

The Council **received** the verbal update.

21/030 NHS Staff Survey 2020 – Initial Results (agenda item 12)

Lucy Heffron, Organisational Development Lead, introduced the paper which

summarised the results and outcomes of the 2020 Staff Survey, which included Bank Staff, and showed how the Trust's results compared to those of 2019 and highlighted any emerging themes.

Peter Webster asked how staff redeployment due to the pandemic had affected the results of the survey and Lucy explained that due to the confidential nature of the survey they were unable to access specific data relating to redeployed staff but they had been able to gather their views via the Your Voice Counts platform last year and the results of this were considered by the Redeployment Group.

David O'Brien asked about figures relating to musculoskeletal (MSK) problems as a result of work activities and wondered if staff working from home was contributing to this. Lucy outlined what initiatives had been brought in to tackle this problem, such as extra training for anyone undertaking additional duties and providing staff with the correct equipment for home working with regular wellbeing assessments carried out to ensure that staff were fully supported.

Helen Kemp and Niccola Swan noted the high percentage of Bank Staff experiencing physical violence at work and Tracey Needham responded that there were occasions when Bank Staff were put onto night shifts and observations with challenging service users who were not familiar to them, but that this issue would form part of the discussions with the Bank Forum going forward. Andy Johnson added that the wearing of face coverings as part of PPE regulations could also act as a barrier to building relationships between temporary staff and service users.

Helen Grantham then provided some assurance regarding how the Workforce Committee was responding to the results of the Staff Survey. She explained that common organisational-wide themes would inform the reset of the priorities in the Trust's People Plan and assured the Council that the Committee would get ongoing assurance on individual services' Staff Survey action plans.

The Council **received** and **noted** the outcome of the 2020 National Staff Survey results and was encouraged by the positive results in what had been a difficult year.

21/031 Integrated Care Systems (ICS) briefing (agenda item 13)

Keir Shillaker, Programme Director, outlined the aims of the West Yorkshire and Harrogate Mental Health, Learning Disability and Autism (MHLDA) programme and discussed the agreed collaborative priorities and the next phase of the programme development. Keir also explained what the Integrated Care System (ICS) becoming formalised meant for West Yorkshire and Harrogate.

Ivan Nip asked what the expectation of the Trust was as a partner in the ICS and Keir explained that there was an expectation for all trusts to identify where they could support one another. For example, this organisation would play a role in supporting the development of community mental health provision in ways such as helping to upskill other partners in the region.

Sue Rumbold referred to the children and young people's mental health work that Keir discussed and explained that this was linked into the Children and Young People's Programme in the West Yorkshire ICS and partnership working across the two programmes was going well. She also discussed their work on trauma informed practice and highlighted the importance of ensuring that staff were trained to work with adults as parents and to understand the impact that their mental health condition might be having on their family.

Niccola asked what the new infrastructure meant for the constituent trusts and in particular what the impact might be for this Trust and its autonomy over time. Sara responded that the NHS White Paper was not proposing any significant changes to foundation trusts and, in terms of the structure of the ICS, it was clear that we would continue to work in the collaborative place-based way that we were currently. This was the same for the provider collaboratives and discussions were taking place to ensure that as we moved from being commissioned by Clinical Commissioning Groups (CCGs) to the ICS those key programmes that supported the delivery of our services were resourced. Sara added that they were still waiting on national guidance to formalise the new structures of the ICS but anticipated that this would be out by the autumn and so suggested that this was looked at by the Board to Board in September. Cath Hill would add this to the forward plan.

CHi

It was also agreed that the details of the next West Yorkshire Mental Health, Learning Disability and Autism Collaborative non-executive director and governor event on the 11 June would be shared with the Council.

RC

The Council **received** the presentation and thanked Keir Shillaker for the updates.

21/032 Quarterly Quality and Performance Update Report (agenda item 14)

Due to time constraints, the Council was asked to submit any questions on the Quarterly Quality and Performance Update Report outside of the meeting and answers would be provided as an addendum to the minutes at the next meeting.

The Council **received** the report.

21/033 Report from the Chair of the Finance and Performance Committee (agenda item 15)

Due to time constraints, the Council was asked to submit any questions on the Report from the Chair of the Finance and Performance Committee outside of the meeting and answers would be provided as an addendum to the minutes at the next meeting.

The Council **received** the annual report from the Chair of the Finance and Performance Committee which summarised the work of the Committee for the

period 1 April 2020 to 31 March 2021.

21/034 Arrangements for the Annual Members' Meeting (agenda item 16)

Cath Hill explained that the Trust was still waiting to find out the date that the annual report and accounts would be laid before Parliament and the report would not be available in the public domain until that had occurred. Cath expected that it would be scheduled before the Parliament's summer recess. She noted that the current Annual Members' Meeting date would be kept in the diary and she would confirm the arrangements, including whether it would be face to face or virtual, in due course.

CHi

The Council **noted** the verbal update.

The Chair of the meeting closed the public meeting of the Council of Governors of Leeds and York Partnership NHS Foundation Trust 3.15pm. She thanked governors and members of the public for their attendance.

Signed (Chair of the Trust)

Date

Council of Governors' Meeting
4 May 2021
Quarterly Performance and Quality Update Report

Question: Section 136 assessment in three hours: the figures are going in the wrong direction and achievement is as low as 2.2%. Three hours already seems quite a long time for somebody in severe distress to be waiting. What is the plan here?

Answer: There are on-going issues which we are specifically considering and responding to. In particular we are looking to measure our performance against best practice rather than the current arbitrary, and disputed, standard. The results of this will be shared in the very near future so that we can monitor our performance and aim for best practice.

Question: Out of Area Placements: there is a sizeable increase in numbers and days. What is the explanation for this and what is the plan?

Answer: The report to the May meeting contains performance information to the end of February and Quality and Workforce information to the end of January 2021.

For this it might be helpful to understand that our discussions at Board are dynamic and that they happened at the height of the impact of the second wave of Covid-19. This meant that our discussions at Board and in Board sub committees reflected the significant disruption to our services as a result of the number of inpatients affected by Covid-19 and by the significant impact of workforce absence.

In particular it is worth noting that in contrast to the very small numbers of patients with Covid-19 in December and January (2 and 4 respectively); this rose to 43 in February and impacted significantly on our ability to admit patients. Consequentially, following a relatively stable period of low numbers of out of area placements this resulted in significantly higher numbers through February and March. This position is now much improved as we have had a sustained period of no patients being Covid-19 positive and therefore wards have been able to reopen to admissions.

It is also important to recognise the significant work done during the period of the second wave where the Infection, Prevention and Control team, clinical and operational staff constantly reviewed our ward and bed configuration so that we could reduce the impact of outbreaks and aimed to enable admissions and care as safely as possible within Leeds.

As a Board we also focused on our workforce issues with Covid-19 related absence rising from 917 days in December to 2446 in January and 2820 days in February – again compounded by the need for additional staffing to support periods of isolation in our inpatient wards. This meant that for a period of time we increased our reliance on redeployed staff. Far from ideal but necessary in the very challenging circumstances. This position has now similarly improved with no staff now redeployed as a result of Covid-19 pressures. (It should be noted that this level of absence does not include “other leave” including carers leave where there was a similar increase due to the closure of schools and wider disruption in health and care services).

Question: Vacancies: there are 36 vacancies for medical roles and 58 vacancies for band 5 inpatient roles. These numbers feel high. How does the team feel about this and what is the plan?

Answer: Recruitment into psychiatry has been challenging over recent years. We have had little success in recruiting substantively into certain consultant psychiatry posts. These include those within the Forensic Service, Working Age Acute and the Connect Eating Disorder Services. At the same time we have expanded our clinical scope of responsibility and have created new posts in Complex Rehab and our Children and Young Person's Services. The latter posts have attracted a lot of interest and there is a high degree of confidence that they will be recruited to. The overall consultant psychiatry vacancy picture remains largely stable therefore and we continue to explore ways of improving recruitment to the difficult to recruit to areas.

The trainee psychiatrist context has been more challenging. For several years, national recruitment into the most junior psychiatry positions has not been sufficient to fill all the national posts. That national picture has been mirrored in Leeds and vacancy gaps have become common place. Very recently, the situation has improved with national recruitment improving considerably. This has however come too late to prevent the gaps in the junior psychiatry posts, translating into gaps in higher training posts. We are now experiencing this in Leeds with an increased vacancy rate in the more senior higher training posts. While I am confident that this does not impact on safety it does impact on our ability to fill consultant posts as the gaps move through the training journey. It is however positive that the vacancy rate is improving at junior level.

Answer: Some of the 58 vacancies are been held for our third year students who qualify later this year [these are currently been covered by additional bank staff shifts to ensure service delivery is not compromised]. The third year students have expressed their preference of where they wish to work within the organisation and this will leave 24 remaining vacancies which are been actively recruited to. We also have four nursing associates who are undertaking their conversion to a band 5 qualified nursing post and have an active pipeline of nursing associates and healthcare support workers who we support to undertake training as part of our nursing strategy of growing our own and facilitating professional development opportunities. In addition to this, as a Leeds system we are looking at ways to increase the number of student nurses we train to address and minimise the future vacancy gap.

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Cumulative Action Report for the Public Council of Governors' Meeting

OPEN ACTIONS

ACTION (INCLUDING THE TITLE OF THE PAPER THAT GENERATED THE ACTION)	PERSON LEADING	COUNCIL MEETING TO BE BROUGHT BACK TO / DATE TO BE COMPLETED BY	COMMENTS
<p>21/034 - Arrangements for the Annual Members' Meeting (May 2021 - agenda item 16)</p> <p>Cath Hill would confirm the arrangements for the Annual Members' Meeting, including whether it would be face to face or virtual, in due course.</p>	<p>Cath Hill</p>	<p>6 July 2021</p>	<p>Cath Hill will raise this under Any Other Business at the July Council of Governors' meeting.</p>

ACTION (INCLUDING THE TITLE OF THE PAPER THAT GENERATED THE ACTION)	PERSON LEADING	COUNCIL MEETING TO BE BROUGHT BACK TO / DATE TO BE COMPLETED BY	COMMENTS
<p>20/049 - Report from the Chair of the Mental Health Legislation Committee (November 2020 - agenda item 11)</p> <p>Niccola Swan enquired about two service users who had been detained for over five years. Sue Proctor advised that the chairs of the sub-committees were having a joint meeting on the 10 November, and suggested this issue could be raised at that meeting.</p>	Rose Cooper	Management Action	<p>This was due to be discussed at the Joint Finance and Performance, Quality and Workforce Committee on the 16 March 2021 but this meeting was cancelled. It has been added to the forward plan for the next joint committee meeting on the 9 November 2021 and governors will be updated on the outcome of this discussion afterwards.</p>
<p>21/020 - Sharing Stories: Equality and Diversity - inside and outside of the organisation (May 2021 - agenda item 2.1)</p> <p>Wendy Tangen invited governors to join a reciprocal mentoring webinar in October of this year and asked for the details of this to be circulated.</p>	Rose Cooper	Management Action	<p>The details of this event will be shared with the governors in due course.</p>

ACTION (INCLUDING THE TITLE OF THE PAPER THAT GENERATED THE ACTION)	PERSON LEADING	COUNCIL MEETING TO BE BROUGHT BACK TO / DATE TO BE COMPLETED BY	COMMENTS
<p>21/026 - Update on the Child and Adolescent Mental Health Service (CAMHS) transfer (May 2021 - agenda item 8)</p> <p>Niccola Swan referred to the number of young people currently placed out of area and asked that this data was incorporated into future performance reports so that it could be tracked as the new Child and Adolescent Mental Health Service (CAMHS) unit became operational.</p>	<p>Joanna Forster Adams</p>	<p>Management action</p>	<p>This request has been passed to the Performance Team and they are aiming to incorporate this tracking information from the autumn and will align it to the implementation of the Provider Collaborative.</p>
<p>21/026 - Update on the Child and Adolescent Mental Health Service (CAMHS) transfer (May 2021 - agenda item 8)</p> <p>It was agreed that there would be an update on CAMHS and the Red Kite View new build at the Board to Board in September. Cath Hill would add this to the forward plan.</p>	<p>Cath Hill</p>	<p>Board to Board – 20 September 2021</p>	<p><u>COMPLETE</u></p> <p>This has been added to the forward plan for the September Board to Board.</p>

ACTION (INCLUDING THE TITLE OF THE PAPER THAT GENERATED THE ACTION)	PERSON LEADING	COUNCIL MEETING TO BE BROUGHT BACK TO / DATE TO BE COMPLETED BY	COMMENTS
<p>21/028 - Chief Executive Report (May 2021 - agenda item 10)</p> <p>Sara Munro explained that teams were in the process of evaluating what their future operating model needed to look like as part of the Trust's reset and recovery work. The Council noted that a stock take of this, plus interrelated issues such as workforce and outcome measures, and the wider context across Leeds and West Yorkshire, would come to the Board to Board in September for a joint discussion and shared ownership of some of these longer term strategic matters. Cath Hill would add this to the forward plan.</p>	Cath Hill	Board to Board – 20 September 2021	This has been added to the forward plan for the September Board to Board.

ACTION (INCLUDING THE TITLE OF THE PAPER THAT GENERATED THE ACTION)	PERSON LEADING	COUNCIL MEETING TO BE BROUGHT BACK TO / DATE TO BE COMPLETED BY	COMMENTS
<p>21/031 - Integrated Care Systems (ICS) briefing (May 2021 - agenda item 13)</p> <p>Sara Munro explained that they were still waiting on national guidance to formalise the new structures of the ICS but anticipated that this would be out by the autumn and so suggested that this was looked at by the Board to Board in September. Cath Hill would add this to the forward plan.</p>	Cath Hill	Board to Board – 20 September 2021	<p><u>COMPLETE</u></p> <p>This has been added to the forward plan for the September Board to Board.</p>
<p>21/020 - Sharing Stories: Equality and Diversity - inside and outside of the organisation (May 2021 - agenda item 2.1)</p> <p>It was agreed that Sharon Prince would bring an update on the work of Synergi Leeds to the Council before the end of the year. Cath Hill would add this to the forward plan for the November 2021 meeting.</p>	Cath Hill	2 November 2021	<p><u>COMPLETE</u></p> <p>This has been added to the forward plan for the November 2021 meeting.</p>

ACTION (INCLUDING THE TITLE OF THE PAPER THAT GENERATED THE ACTION)	PERSON LEADING	COUNCIL MEETING TO BE BROUGHT BACK TO / DATE TO BE COMPLETED BY	COMMENTS
<p>21/031 - Integrated Care Systems (ICS) briefing (May 2021 - agenda item 13)</p> <p>It was agreed that the details of the next West Yorkshire Mental Health, Learning Disability and Autism Collaborative non-executive director and governor event on the 11 June would be shared with the Council.</p>	Rose Cooper	Management action	<p><u>COMPLETE</u></p> <p>The details of this event were circulated to the governors.</p>

COMPLETED ACTIONS

ACTION (INCLUDING THE TITLE OF THE PAPER THAT GENERATED THE ACTION)	PERSON LEADING	COUNCIL MEETING TO BE BROUGHT BACK TO / DATE TO BE COMPLETED BY	COMMENTS
<p>20/032 - Increased risk of Covid-19 for BAME staff and service users (July 2020 - agenda item 14)</p> <p>Peter Webster asked if governors could receive cultural competency training as part of their development. Cath Hill responded that this was something they would look into and add to the governor training programme.</p>	Cath Hill	4 May 2021	<p style="text-align: center;"><u>CLOSED</u></p> <p>Wendy Tangen (Clinical Services Inclusion Lead) delivered a Sharing Stories session at the May meeting on her work to support equality and diversity in the Trust, alongside Sharon Prince (Consultant Clinical Psychologist) who talked about the Synergi Collaborative.</p>
<p>21/012 - Update on the outcome measures work (February 2021 - agenda item 14)</p> <p>It was agreed that Eli Joubert would deliver a progress update on the outcome measures work at the Board to Board in September. It was suggested that mHabitat was also invited to the Board to Board to join a discussion on digital inclusion. Cath Hill would add this to the forward plan.</p>	Cath Hill / Eli Joubert	Board to Board - 20 September 2020	<p style="text-align: center;"><u>COMPLETE</u></p> <p>This has been added to the forward plan for the September Board to Board.</p>

ACTION (INCLUDING THE TITLE OF THE PAPER THAT GENERATED THE ACTION)	PERSON LEADING	COUNCIL MEETING TO BE BROUGHT BACK TO / DATE TO BE COMPLETED BY	COMMENTS
<p>20/007 - Update on the Leeds Health and Care Academy (February 2020 - agenda item 15)</p> <p>It was agreed that Angela Earnshaw would give a further update on the Leeds Health and Care Academy at a future Council of Governors meeting.</p>	<p>Angela Earnshaw</p>	<p>2 November 2021</p>	<p><u>COMPLETE</u></p> <p>This agenda item has been added to the forward plan for the November 2021 meeting.</p>
<p>20/037 - Sharing Stories: Andrew Marran's experience of volunteering with the Trust during the Covid-19 pandemic (November 2020 - agenda item 2.1)</p> <p>It was agreed that Andrew would have a discussion with the Voluntary Service around creating an edited version of the presentation to use as promotion material for volunteering.</p>	<p>Andrew Marran</p>	<p>Management Action</p>	<p><u>CLOSED</u></p> <p>Andrew spoke with the Voluntary Service a few months ago and he remains committed to delivering future talks / presentations as required.</p>

CHAIR'S REPORT

**PUBLIC COUNCIL OF GOVERNORS' MEETING
HELD 6 JULY 2021**

Title:	Changes to the membership of the Council of Governors
Contributor:	Cath Hill
Status of item:	Standing item (for information)

Since the May meeting there have been the following changes to the membership of the Council of Governors:

- Sophia Bellas (Service User: York and North Yorkshire) stepped down as a governor in May 2021.

We would like to thank Sophia for her contribution to the work of the Council of Governors and also to the development of the services provided by the Trust.

We also concluded our latest round of elections on 6 May 2021 and the following governors were elected to the Council of Governors:

- Bryan Ronoh (Carer: Leeds)
- Rachel Gibala (Service user: Leeds)
- Joseph Riach (Service user: Leeds)
- Hazel Griffiths (Carer: York and North Yorkshire)
- Ivan Nip (Public Leeds)
- Ian Andrews (Staff: Non-clinical)
- Gail Harrison (Staff: Clinical)
- Oliver Hanson (Staff: Clinical)

We would like to congratulate all our new governors who have been elected and welcome them to the Council. We would also like to welcome Ivan back to the Council as he was re-elected for a second term of office. We very much look forward to working with all our governors.

Title:	Changes to the membership of the Board of Directors
Contributor:	Cath Hill
Status of item:	Standing item (for information)

Since the May Council of Governors' meeting there has been one change to the membership of the Board of Directors, Darren Skinner has been appointed as the Interim Director of HR. Darren took up his position on 10 May and will continue in post until a substantive appointment is made. We welcome Darren to the Board and governors will get the opportunity to meet him in coming meetings.

Title: Directors' attendance at Board meetings (rolling 12 months)
Contributor: Cath Hill
Status of item: Standing item (for information)

The Council of Governors is asked to note the attendance of directors at the Board of Directors' meetings, in particular attendance relating to the non-executive directors. This information will also be provided in the Trust's Annual Report for the relevant financial years. The shaded boxes show the meetings people were not eligible to be at due to either their start or finish date. Governors are asked to be aware that for the period of the management of COVID-19 Board meetings took place monthly this arrangement has been reviewed and with effect from January 2021 meetings have returned to being held bi-monthly.

Non-executive Directors

Name	30 July 2020	27 September 2020	29 October 2020	26 November 2020	28 January 2021	25 March 2021	29 April 2021 (Extraordinary)	20 May 2021	10 June 2021 (Extraordinary)
Sue Proctor (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓
John Baker	✓	✓	✓	✓	✓	✓	✓	✓	✓
Helen Grantham	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cleveland Henry	-	✓	✓	✓	✓	✓	✓	✓	✓
Andrew Marran	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sue White	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martin Wright	✓	✓	✓	✓	✓	✓	✓	✓	✓

Executive Directors

Name	30 July 2020	27 September 2020	29 October 2020	26 November 2020	28 January 2021	25 March 2021	29 April 2021 (Extraordinary)	20 May 2021	10 June 2021 (Extraordinary)
Sara Munro	✓	✓	✓	✓	✓	✓	✓	✓	✓
Joanna Forster Adams	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dawn Hanwell	✓	✓	✓	✓	✓	✓	✓	✓	✓
Claire Holmes	✓	✓	✓	✓	✓	✓	✓		
Chris Hosker		✓	✓	✓	✓	✓	✓	✓	✓
Darren Skinner								✓	✓
Cathy Woffendin	✓	-	✓	✓	✓	✓	-	✓	✓

Title: Attendance by non-executive directors at Council of Governors' meetings (rolling 12 months)
Contributor: Cath Hill
Status of item: Standing item (for information)

The Council of Governors is asked to note the attendance of non-executive directors at the Council of Governors' meetings. This information will also be provided in the Trust's Annual Report. Shaded boxes show those meetings that people were not eligible to be at due to their start or finish date.

Name	7 July 2020	5 November 2020	2 February 2021	4 May 2021
Non-executive directors				
Prof Sue Proctor	✓	✓	✓	✓
Prof John Baker	✓	✓	✓	✓
Helen Grantham	✓	✓	✓	✓
Cleveland Henry	✓	✓	-	✓
Andrew Marran	-	✓	✓	✓
Sue White	✓	✓	✓	✓
Martin Wright	✓	✓	✓	✓

Title: Attendance by governors at Council of Governors' meetings (rolling 12 months)
Contributor: Cath Hill
Status of item: Standing item (for information)

		COUNCIL BUSINESS MEETINGS ATTENDED			
Name	Appointed (A) or elected (E)	7 July 2020	5 November 2020	2 February 2021	4 May 2021
Marc Pierre Anderson	E	-			
Caroline Bentham	E		✓	✓	✓
Sophia Bellas	E		✓	-	-
Peter Chapman	E	✓	✓	-	
Rebecca Charlwood	A	-	-		
Mark Clayton	E	✓		✓	✓
Rita Dawson	E		✓	✓	✓
Les France	E	-	✓	✓	✓
Gill Galea	E	✓			
Ruth Grant	E	✓	✓	✓	-
Peter Holmes	E	✓	-	✓	✓
Steve Howarth	E	✓	✓	✓	✓
Andy Johnson	E	✓	✓	✓	✓
Mussarat Khan	E	-	✓	-	-
Helen Kemp	A	✓	✓	✓	✓
Sarah Layton	E	-	✓	-	
Kirsty Lee	E	✓	-	-	✓
Anna Perrett	A	✓	✓	✓	-
Ivan Nip	E	-	✓	✓	✓
David O'Brien	E		-	✓	-
Sally Rawcliffe-Foo	E	✓	-	✓	-
Sue Rumbold	A				✓
Adam Seymour	E	-	-	-	
Ann Shuter	E	✓	✓	-	
Nicola Swan	E	✓	✓	✓	✓
Tina Turnbull	A	✓	-	-	-
Peter Webster	E	✓	✓	✓	✓

The table above details the number of Council meetings that governors have attended. Governors are expected to attend Council meetings where ever possible, and it is recognised that there may be legitimate reasons why this is not possible. Attendance by governors is recorded in the minutes by the Corporate Governance Team. Any instance where a governor has missed two or more meetings per *financial year* is discussed by the Chair of the Trust and the Associate Director for Corporate Governance and if needed with the governor concerned. There is an assessment of the reason/s for absence from meetings and any extenuating circumstances. If, having reviewed attendance, there is a need for the Council to consider the matter of non-attendance for any governor a separate report will be made to the Council for consideration.

Title:	Non-executive Director and Governor service visits
Contributor:	Cath Hill
Status of item:	For noting

The Council of Governors is advised that following a successful pilot of virtual service visits the Corporate Governance Team have put together a programme of visits which will be undertaken by Non-executive Directors and Governors (see table attached to this report).

The Trust continues to look at how we can ensure the safety of our service users, staff and governors therefore we are currently not arranging face-to-face visits to sites. However, we continue to keep this situation under review and will be in a position to change any virtual visit to a face-to-face visit when we feel it is safe to do so.

The Corporate Governance Team continues to put together a schedule of visits.

Prof Sue Proctor
Chair of the Trust
June 2021

Table of Service Visits

The following table lists:

- Virtual visits scheduled for the next quarter of 2021, some of which have been rescheduled due to Covid-19 pressures earlier in the year (yellow shading)
- Forward plan of virtual visits (red shading)

Date of visit	Team / Service	In person / Virtual	Organised with	Non-Exec Director	Governor(s)
15 July 2021 9.15am	East North East Community Learning Disability Team Asket Croft	Virtual	Anne Nestorenko	Cleveland Henry	Rachel Gibala
21 July 2021 9.30am (rescheduled)	Complex Rehabilitation Team Ward 5 Newsam Centre	Virtual	Laura Wood	Sue White	Hazel Griffiths Bryan Ronoh
22 July / 4 August / 14 September 2021	South East / South West Community Mental Health Teams	Virtual	Josef Faulkner Julie Bailey	Helen Grantham	TBC
TBC (to be rescheduled)	Older People's Services at The Mount	Virtual	Eve Townsley	Helen Grantham	Rita Dawson

TBC	Catering and Domestic Services St Mary's Hospital	Virtual	Denise Lewis	TBC	Ian Andrews
TBC	Acute Liaison Psychiatry Service (ALPS)	Virtual	Laura McDonagh	TBC	David O'Brien
TBC	Perinatal Outpatient Team	Virtual	Laura McDonagh	Cleveland Henry	TBC
TBC	Liaison Outpatient Team	Virtual	Laura McDonagh	TBC	Gail Harrison
TBC	Older People's Service Community Team	Virtual	Claire Dinsdale	TBC	Rita Dawson Mark Clayon
TBC	Northern School of Child and Adolescent Psychotherapy (NSCAP)	Virtual	Ben Lloyd	Andrew Marran	Gail Harrison Rita Dawson
TBC	Child and Adolescent Mental Health Service (CAMHS)	Virtual	Tim Richardson	TBC	Sue Rumbold

Council of Governors

CEO Update

Dr Sara Munro, Chief Executive

6th July 2021



Vaccination Update 21st June Data

88.1 % of LYPFT staff have had their first vaccine and 82.3% their second dose

Our vaccination teams have now vaccinated over **2,900 members of the public** including service users on our wards, in the community and 1671 people via the roving vaccination buses which are travelling out to protect people in low uptake areas in Leeds.

Our vaccination team have given out approx **9000** jabs in total so far

Thank you to our teams supporting people to get their jabs

#thankyouNHS



Changes to Incident Response Governance

A cautious transition

- We made some changes in our incident response to a more normal way of working recognising that our management of covid is well embedded and we need to give sufficient oversight to business as usual and service pressures.
- At our Gold Command meeting in June we agreed to step down some of our current arrangements, with the last Silver Command meeting taking place on the 11th June.
- We are continuing a dedicated weekly briefing for staff and from July will relaunch the all staff zoom with a revised format.
- Plans are in place to enable incident response arrangements to be reintroduced should it be required and the executive team have a weekly review of the current risks, issues and arrangements.

Inpatient Visiting is Back on

- Following a successful pilot, visiting in designated areas of Trust premises has been rolled out
- To maintain everyone's safety and reduce the risk of covid visits are by **booking only** and one close family contact or somebody important to patient
- To arrange bookings visitors should contact 0113 85 55000, Patient Liaison Service or a direct line to the ward
- All visitors are required to take a **lateral flow test** on the day of their visit
- This is an important step for us and for our patients and their families and we will continue to monitor and flex our approach to get the balance right.

Some things haven't changed

Lateral Flow Testing for staff

- We need to ensure the continuation of routine lateral flow testing for staff who have direct and sustained contact with service users

PPE, social distancing and working from home – as important as ever!

- All strict guidance around PPE and infection, prevention and control measures **remain in place across all of our sites**
- Colleagues in **all roles** should be practising effective infection prevention measures including wearing face masks, hand hygiene and social distancing

Remember: Hands – Face – Space – Fresh Air!

Covid Data – 21st June

- The **rolling seven-day infection rate** in Leeds has risen again to 198.8 cases per 100,000 people. In York the rate has also increased to 89.7 for the same period.
- The Yorkshire and Humber rate is 94.6 and the national average 89.9.
- Rise in cases are mainly in unvaccinated age groups especially 18-24 years olds. Over 60s has increased slightly but overall is stable without any spike in admissions to date. This is being closely monitored and community based outbreak responses implemented to prevent further spread.
- People aged 18 and over are now being invited to receive their vaccine.
- Early discussions are underway nationally on a booster vaccine, the flu vaccination programme and whether to extend vaccination to 12-18 year olds.

Equality, Diversity and Inclusion

Pride Month 2021

- As I write these slides Colleagues across the Trust are celebrating Pride Month which includes promoting Pin your pronouns led by the fabulous Kate Ward.
- Check out Staffnet for full details including a series of webinars by the Yorkshire and Humber Public Health Network



Workforce Race Equality Network (WREN)

- The network had a Guest Speaker at the June meeting as part of Pride Month - Guest speaker, Marvinna Newton, Founding Executive Director at Black Allies Network.
- Safe space to reflect on the layering of discrimination experienced by people from culturally diverse ethnic groups who also identify as LGBTQ+



Reasons to be proud



Veterans Service Honoured

- Work across the Trust led by our veterans services has been recognised with the Trust being awarded accreditation as a Veteran Aware NHS organisation, by the [Veterans Covenant Healthcare Alliance](#) (VCHA).
- Huge credit to Dan Brookes, Lawrence Atkinson, David Rowley and all the team involved and we look forward to a visit by the Lord Lieutenant for West Yorkshire to be presented with the award.





And the winner is...



Ward 2 – The Mount

“I would like to nominate the Ward 2 Team for their relentless commitment to providing the best care over the course of the pandemic.”

“I am so proud to work within this team as I know that despite all the adversity they will continue to strive for the best care and demonstrate this comes from the heart.”

“They truly have made a difference to people’s lives over this very unusual and challenging year.”

- Nominator

“An inspiring submission that shows again how committed people are to those they care for.”

- Judge

**AGENDA
ITEM**

11

MEETING OF THE COUNCIL OF GOVERNORS

PAPER TITLE:	Quarterly Quality and Performance Update Report
DATE OF MEETING:	6 July 2021
PRESENTED BY: (name and title)	Andy Weir – Deputy Chief Operating Officer
PREPARED BY: (name and title)	Nikki Cooper – Head of Performance Management and Informatics Cathy Woffendin – Director of Nursing, Professions and Quality Darren Skinner – Interim Director of OD and Workforce Chris Charlton – Information Manager Performance & BI

THIS PAPER SUPPORTS THE TRUST'S STRATEGIC OBJECTIVE/S (please tick relevant box/s)			
SO1	We deliver great care that is high quality and improves lives		✓
SO2	We provide a rewarding and supportive place to work		✓
SO3	We use our resources to deliver effective and sustainable services		✓

EXECUTIVE SUMMARY

This paper is to highlight and outline the Trust's current performance over the last 3 months and provide an insight to the governors from recent Board discussions around performance. Please note the report reflects the data presented to the Board in May 2021.

Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?	State below 'Yes' or 'No'	If yes please set out what action has been taken to address this in your paper
	No	

RECOMMENDATION

The Council is asked to note the contents of the report.

COUNCIL OF GOVERNORS : QUARTERLY PERFORMANCE AND QUALITY UPDATE REPORT



- Performance and Quality metrics summary

- Trust Board Assurance: Key discussions, issues and actions

Please note that the latest information reported is March 21



Leeds and York Partnership
NHS Foundation Trust

Service Performance – Chief Operating Officer

Services: Access & Responsiveness: Our response in a crisis	Target	Jan-21	Feb-21	Mar-21
Percentage of crisis calls (via the single point of access) answered within 1 minute *	-	41.5%	44.1%	48.4%
Percentage of ALPS referrals responded to within 1 hour	90%	61.7%	67.4%	69.3%
Percentage of S136 referrals assessed within 3 hours of arrival	-	10.9%	2.2%	12.9%
Percentage of appropriate crisis referrals offered a face to face assessment within 4 hours of referral	Mar 90%	87.5%	64.3%	81.1%
Percentage of service users who stayed on CRISS caseload for less than 6 weeks	70%	93.4%	88.4%	85.0%
Percentage of service users seen or visited at least 5 times within first week of receiving CRISS support	50%	18.7%	30.8%	43.9%
Percentage of CRISS caseload where source of referral was acute inpatients	tba	24.6%	25.6%	25.0%
Services: Access & Responsiveness to Learning Disabilities, Regional and Specialist Services	Target	Jan-21	Feb-21	Mar-21
Gender Identity Service: Number on waiting list	-	2,793	2,839	2,847
Leeds Autism Diagnostic Service (LADS): Percentage starting assessment within 13 weeks (quarterly)	95%	-	-	20.5%
CAMHS inpatients: Proportion of people assessed within 7 days of admission (HoNOSCA / GBO) (quarterly)	100%	-	-	57.1%
Deaf CAMHS: average wait from referral to first face to face (inc. telemedicine) contact in days	-	69	89	64
Perinatal Community: Percentage waiting less than 48 hours for first contact (urgent/emergency) (quarterly)	-	-	-	57.1%
Perinatal Community: Percentage waiting less than 2 weeks for first contact (routine) (quarterly)	85%	-	-	29.2%
Perinatal Community: Total number of distinct women seen in rolling 12 months (quarterly)	Q4 547	-	-	382
Perinatal Community: Face to Face DNA Rate (quarterly)	-	-	-	5.3%
Community LD: Percentage of referrals seen within 4 weeks of receipt of referral	90%	75.0%	76.0%	69.7%
Community LD: Percentage of Care Plans reviewed within the previous 12 months **	90%	<i>to be developed in 21-22</i>		
Services: Our acute patient journey	Target	Jan-21	Feb-21	Mar-21
Number of admissions to adult facilities of patients who are under 16 years old	-	0	0	0
Crisis Assessment Unit (CAU) bed occupancy	-	29.0%	95.8%	6.5%
Crisis Assessment Unit (CAU) length of stay at discharge	-	6.4	7.8	13.0
Liaison In-Reach: attempted assessment within 24 hours	90%	76.4%	78.4%	75.6%
Bed Occupancy rates for (adult acute excluding PICU) inpatient services:	94-98%	94.5%	79.3%	90.6%
• Becklin – ward 1 (female)	-	93.0%	44.2%	90.2%
• Becklin – ward 3 (male)	-	94.4%	95.9%	96.3%
• Becklin – ward 4 (male)	-	94.6%	85.2%	85.2%
• Becklin – ward 5 (female)	-	100.3%	83.4%	85.6%
• Newsam – ward 4 (male)	-	90.2%	88.1%	96.0%
• Older adult (total)	-	79.1%	80.5%	78.5%
• The Mount – ward 1 (male dementia)	-	86.1%	98.9%	71.9%
• The Mount – ward 2 (female dementia)	-	70.5%	53.1%	66.9%
• The Mount – ward 3 (male)	-	72.4%	77.7%	86.4%
• The Mount – ward 4 (female)	-	85.8%	87.0%	82.2%

* A new SPA 0800 freephone number was introduced in Nov 20, overall call volumes have been refreshed to include the new number AND the old 0300 number, which is running concurrently until Feb 21. As a result there are some current issues with call response data, attributable to the automatic announcement of the number change which is affecting the local 1 min response target.

** Metric subject to redevelopment and report re-writing required.

Service Performance – Chief Operating Officer

Services: Our acute patient journey	Target	Jan-21	Feb-21	Mar-21
Percentage of delayed transfers of care	-	9.6%	7.8%	7.0%
Total: Number of out of area placements beginning in month	-	10	23	6
Total: Total number of bed days out of area (new and existing placements from previous months)	Mar 0	183	374	408
Acute: Number of out of area placements beginning in month	-	5	17	2
Acute: Total number of bed days out of area (new and existing placements from previous months)	-	92	212	209
PICU: Number of out of area placements beginning in month	-	5	3	4
PICU: Total number of bed days out of area (new and existing placements from previous months)	-	91	140	149
Older people: Number of out of area placements beginning in month	-	0	3	0
Older people: Total number of bed days out of area (new & existing placements from previous months)	-	0	22	50
Cardiometabolic (physical health) assessments completed: Inpatients (quarterly)	90%	-	-	28.0%
Services: Our community care	Target	Jan-21	Feb-21	Mar-21
Percentage of inpatients followed up within 3 days of discharge (Trust Level monthly local tracking)	-	86.7%	87.0%	86.2%
Percentage of inpatients followed up within 3 days of discharge (CCG commissioned services only)	80%	88.7%	85.9%	88.4%
Number of service users in community mental health team care (caseload)	-	4,498	4,459	4,519
Percentage of referrals seen within 15 days by a community mental health team	80%	66.5%	80.3%	80.9%
Percentage of referrals to memory services seen within 8 weeks (quarter to date)	90%	42.7%	40.1%	40.5%
Percentage of referrals to memory services with a diagnosis recorded within 12 weeks (quarter to date)	50%	55.3%	51.6%	48.9%
Early intervention in psychosis (EIP) or at risk mental state (ARMS): Percentage starting treatment within 2 weeks	60%	87.5%	76.5%	65.2%
Early intervention in psychosis (EIP) : Percentage of people with at least 2 outcome measures recorded at least twice *		to be developed in 21-22		
Early intervention in psychosis (EIP) : Percentage of people discharged to primary care (quarterly)	tbc	-	-	54.8%
Cardiometabolic (physical health) assessments completed: Early Intervention in Psychosis Service (quarterly)	90%	-	-	12.0%
Services: Clinical Record Keeping	Target	Jan-21	Feb-21	Mar-21
Data Quality Maturity Index for the Mental Health Services Dataset (MHSDS)	95%	OCT	NOV	DEC
		86.9%	86.8%	89.9%
Percentage of service users with NHS Number recorded	-	99.3%	99.3%	99.3%
Percentage of service users with ethnicity recorded	-	76.9%	76.5%	75.1%
Percentage of service users with sexual orientation recorded	-	21.5%	21.6%	21.3%
Percentage of in scope patients assigned to a mental health cluster	-	69.7%	70.2%	70.0%
Percentage of Care Programme Approach Formal Reviews within 12 months **	95%	to be developed in 21-22		
Timely Communication with GPs: Percentage notified in 7 days (CPA Care Plans only) (quarter to date) **	80%	to be developed in 21-22		
Timely Communication with GPs: Percentage notified in 24 hours (inpatient discharges only) (quarter to date) *	tba	to be developed in 21-22		

* Metric subject to redevelopment and report re-writing required. GP Comms reporting planned from Qtr2 21-22

** These metrics are based upon a service user being on CPA; from April onwards, CPA will no longer be contractually recognised; care plan based reporting and any linked metrics require review and definition

Quality and Workforce metrics: Tabular overview

Quality: Our effectiveness	Target	Jan-21	Feb-21	Mar-21
Number of healthcare associated infections: C difficile	<8	0	0	0
Number of healthcare associated infections: MRSA	0	0	0	0
Number of inpatients diagnosed positive with Covid19	-	4	43	5
Percentage of service users in Employment *	-	n/a**	n/a**	n/a**
Percentage of service users in Settled Accommodation *	-	n/a**	n/a**	n/a**
Quality: Caring / Patient Experience	Target	Jan-21	Feb-21	Mar-21
Friends & Family Test: Positive experience of care (total responses received) ^	-	(0)	(0)	77% (26)
Mortality:				
· Number of deaths reviewed (incidents recorded on Datix)**	Quarterly	-	-	70
· Number of deaths reported as serious incidents	Quarterly	-	-	2
· Number of deaths reported to LeDeR	Quarterly	-	-	0
Number of complaints received	-	10	12	18
Percentage of complaints acknowledged within 3 working days	-	100%	100%	100%
Percentage of complaints allocated an investigator within 3 working days	-	100%	83%	83%
Percentage of complaints completed within timescale agreed with complainant	-	100%	88%	96%
Number of enquiries to the Patient Advice and Liaison Service (PALs)	-	81	154	207

Please note that new metrics are only reported here from the month of introduction onwards.

* These metrics are based upon a service user being on CPA; from April onwards, CPA will no longer be contractually recognised; care plan based reporting and any linked metrics require review and definition

** All deaths reported via staff on the Trust's incident system, Datix, are reviewed; in addition to this any death for someone who has been a service user with us, previously identified via the NHS SPINE, is given a tabletop review and followed up in more detail if required.

^ FFT question changed from March 2021 to report positive experience of care via new Have Your Say patient feedback

Quality and Workforce metrics: Tabular overview

Quality: Safety	Target	Jan-21	Feb-21	Mar-21
Number of incidents recorded	-	1,029	760	928
Percentage of incidents reported within 48 hours of identification as serious	100%	100% (1)	100% (1)	- (0)
Number of Self Harm Incidents	-	102	115	161
Number of Violent or Aggressive Incidents	-	138	86	92
Number of never events	-	0	0	0
Number of physical restraints *	-	266	256	276
No. of patients detained under the MHA (includes CTOs/conditional discharges)	-	519	502	515
Adult acute including PICU: % detained on admission	-	54.0%	63.8%	57.7%
Adult acute including PICU: % of occupied bed days detained	-	78.0%	79.9%	82.2%
Number of medication errors	Quarterly	-	-	131
Percentage of medication errors resulting in no harm	Quarterly	-	-	92%
Safeguarding Adults: Number of advice calls received by the team	Quarterly	-	-	185
Safeguarding Adults: Percentage of advice calls to safeguarding that resulted in a referral to social care	Quarterly	-	-	18% (33)
Safeguarding Children: Number of advice calls received by the team	Quarterly	-	-	69
Safeguarding Children: Percentage of advice calls to safeguarding that resulted in a referral to social care	Quarterly	-	-	22% (13)
Number of falls	-	67	43	59
Number of Pressure Ulcers	-	0	0	0

Please note that new metrics are only reported here from the month of introduction onwards.

* Physical restraints only, excludes mechanical restraint, rapid tranquilisation and seclusion.

Quality and Workforce metrics: Tabular overview

Our Workforce	Target	Jan-21	Feb-21	Mar-21
Percentage of staff with an appraisal in the last 12 months	85%	58.5%	59.0%	59.6%
Percentage of staff with a wellbeing assessment completed	-	82.0%	82.3%	81.0%
Percentage of mandatory training completed	85%	84.9%	84.7%	84.5%
Safeguarding: Prevent Level 3 training compliance (quarter end snapshot)	85%	-	-	94.1%
Percentage of staff receiving clinical supervision	85%	65.8%	64.3%	63.8%
Staff Turnover (Rolling 12 months)	8-10%	8.9%	8.7%	7.9%
Sickness absence rate in month	-	5.3%	4.7%	4.5%
Sickness absence rate (Rolling 12 months)	4.9%	5.1%	5.1%	5.0%
Percentage of sickness due to musculoskeletal issues (MSK; rolling 12 months)	-	10.9%	10.3%	9.7%
Percentage of sickness due to Mental Health & Stress (rolling 12 months)	-	42.9%	42.9%	42.9%
Number of Covid19 related absences of staff, either through sickness or self-isolation (staff days)	-	2,446	2,820	3,552
Medical Consultant Vacancies as a percentage of funded Medical Consultant Posts (percentage)	-	16.6%	14.9%	16.9%
Medical Consultant Vacancies (number)	-	13.0	11.7	13.2
Medical Career Grade Vacancies as a percentage of funded Medical Career Grade Posts (percentage)	-	13.8%	10.5%	13.0%
Medical Career Grade Vacancies (number)	-	5.4	4.1	5.1
Medical Trainee Grade Vacancies as a percentage of funded Medical Trainee Grade Posts (percentage)	-	17.9%	15.8%	17.4%
Medical Trainee Grade Vacancies (number)	-	18.0	15.9	17.6
Band 5 inpatient nursing vacancies as a percentage of funded B5 inpatient nursing posts (percentage)	-	26.0%	28.0%	28.0%
Band 5 inpatient nursing vacancies (number)	-	58.2	62.0	62.9
Band 6 inpatient nursing vacancies as a percentage of funded B6 inpatient nursing posts (percentage)	-	5.0%	6.0%	3.0%
Band 6 inpatient nursing vacancies (number)	-	4.4	5.6	2.4
Band 5 other nursing vacancies as a percentage of funded B5 non-inpatient nursing posts (percentage)	-	14.4%	9.0%	4.9%
Band 5 other nursing vacancies (number)	-	14.5	6.1	3.3
Band 6 other nursing vacancies as a percentage of funded B6 non-inpatient nursing posts (percentage)	-	0.0%	0.0%	0.0%
Band 6 other nursing vacancies (number)	-	0.0	0.0	0.0
Percentage of vacant posts (Trustwide; all posts)	-	9.6%	8.9%	7.9%
		FEB	MAR	APR
Number of staff vaccinated for Covid19 (first dose)*		2,969	3,188	3,198
Percentage of staff vaccinated for Covid19 (first dose)*		85%	88%	87%
Number of staff vaccinated for Covid19 (second dose)*			1,057	2,411
Percentage of staff vaccinated for Covid19 (second dose)*			29%	66%

Nursing vacancy measures exclude nursing posts working in corporate/development roles

* April data as at 27/04/21

Trust Board Assurance: Key discussions, issues and actions

Points to note:

A number of services achieved access standard / contractual targets during March. These included the percentage starting treatment within 2 weeks of referral to Early intervention in psychosis (EIP) or at risk mental state (ARMS), the percentage of referrals seen by community mental health teams within 15 days, the percentage of inpatients followed up within 3 days of discharge from CCG commissioned services; and the percentage of service users who stayed on CRISS caseload for less than 6 weeks.

Appraisal rates continue to hold steady at 59.6% in March. 81% of staff had received a recent wellbeing assessment through our Staff Wellbeing Framework demonstrating our commitment to making the wellbeing of our staff a priority in these very challenging times. Mandatory Training Compliance has been stable over recent months and in March was 84.5%, against a target of 85%.

Clinical supervision rates continue to fluctuate and are the subject of partnership discussions led by our new Clinical Director to review how Clinical Supervision is conducted and reported in the organisation. In March 63.8% of eligible staff received clinical supervision (target 85%). To date the review has indicated that Clinical Supervision is taking place across the organisation more widely than currently reported and new mechanisms have been introduced through the systems in April to provide reminders and encourage reporting. We continue to re-iterate the importance of, and the different ways of completing clinical supervision e.g. via more agile methods such as Zoom and MS Teams to connect with supervisors.

Since the rollout of the vaccination programme we have vaccinated 3,198 members of our staff through our Hub at The Mount or at the Thackray Centre. Our roving vaccination team is also making weekly visits to our inpatient sites for service user first dose vaccinations. To date we have vaccinated 1,989 service users, which includes inpatients and those in the community. Latest staff vaccination figures (as at 27th April) report that 87% of LYPFT staff have had their first vaccine including bank, Interserve and some of our front line third sector partners, and 65.6% of staff have now received their second dose.

Trust Board Discussion Summary:

The LYPFT Public Meeting of the Board of Directors was held via Zoom on 20th May 2021. The agenda and papers are published on the Trust's website (<https://www.leedsandyorkpft.nhs.uk/about-us/board-of-directors/board-meetings-2021/>). The Trust Board received and noted the content of the year end Combined Quality and Performance Report, presented by Joanna Forster-Adams, having once again been discussed in detail at the various Board sub-committee meetings.

Feedback from the Quality Committee included our compliance on completeness of our staff wellbeing assessments and ongoing planning in this area had been shared with and received positively by CQC. The new Out of Area Placements trajectory agreed with Leeds CCG and partners will be reviewed by the Finance and Performance Committee over the coming months and there was recognition given to the work to develop the new Crisis House to support people in the community and avoid unnecessary admissions. Concerns around S136 had been discussed at the previous Board and the Chief Operating Officer gave further re-assurance that we are making significant progress in developing a process of determining an appropriate measure that enables the Trust to understand how we fare in relation to good practice. It was noted that our aspiration is to report a new measure in future iterations of our Combined Quality and Performance report. Other issues that were discussed included demand and waiting times which had accrued, relating to Leeds Autism Diagnostic Service, our Community Learning Disability Services and some concerns around accessibility issues relating to Perinatal Services, all of which are focus areas currently being worked on. Sustained recovery in our Acute Liaison Psychiatry Service was presented as a real success story, despite remaining challenges in terms of remote working, and we are now firmly embedded and working alongside our ED partners and colleagues, welcomed by system partners.

Key issues, risks and actions:

Specific work has been undertaken on the S136 pathway and our reporting of this. Resultant actions are now being implemented, and this will include a revision of our reported data in this report relating to Section 136. We are also commencing a wider system review of the S136 arrangements in partnership with the police during Q1/2.

The Perinatal Service is working to improve access by now accepting referrals directly from NSPCC. Additionally, we are increasing our media presence to highlight perinatal mental health issues and there is a wider ICS perinatal mental health campaign being launched in June/July. Specialist perinatal mental health training is also being rolled out to midwives to increase their understanding/awareness of issues. Finally, we are discussing a revised trajectory with commissioners, given the reduced Birth Rate (which is the basis of the trajectory).

The acute care excellence programme is underway and provides a focus on occupancy rates and length of stay, and work is ongoing with our social care partners and commissioners in relation to DToc. Work is also progressing on the implementation of the Crisis House in Leeds (due to be operational in Q2), and ICS work in relation to alternative provision for women with complex presentations (primarily with a diagnosis of personality disorder) both of which will have an impact on rates of admission and length of stay. Improving the physical health of our service users will be one of our key performance and strategic health inequalities priorities. A formal improvement plan and trajectory is being developed, and services continue to work to review and build on the physical health monitoring functionality available on CareDirector to support this.

Community and Wellbeing leadership teams will continue to explore innovative approaches to managing capacity, and seeking additional investment to support a temporary increase in capacity. One example of this is that we are actively working on developing an improved offer in terms of digital inclusion which would benefit service users who are currently not able to use remote technology.

**AGENDA
ITEM**

12

MEETING OF THE COUNCIL OF GOVERNORS

PAPER TITLE:	Finance Update
DATE OF MEETING:	6 July 2021
PRESENTED BY: (name and title)	Dawn Hanwell, Chief Financial Officer and Deputy Chief Executive
PREPARED BY: (name and title)	Dawn Hanwell, Chief Financial Officer and Deputy Chief Executive

THIS PAPER SUPPORTS THE TRUST'S STRATEGIC OBJECTIVE/S (please tick relevant box/s)		
SO1	We deliver great care that is high quality and improves lives	<input checked="" type="checkbox"/>
SO2	We provide a rewarding and supportive place to work	<input type="checkbox"/>
SO3	We use our resources to deliver effective and sustainable services	<input type="checkbox"/>

EXECUTIVE SUMMARY

This paper provides an overview of the Trust's financial position in the context of the different framework in which we have been operating since the outset of the COVID pandemic. Normal contracting arrangements have been suspended and we have been working with and simplified financial allocation arrangements. We have maintained robust financial governance and remain in a strong financial position.

Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?	State below 'Yes' or 'No'	If yes please set out what action has been taken to address this in your paper
	No	

RECOMMENDATION

The Council of Governors is asked to note the finance update and be assured on the ongoing robust financial position of the organisation.

MEETING OF THE COUNCIL OF GOVERNORS

6 JULY 2021

FINANCE UPDATE

1 Introduction

This report provides an overview of the financial position in the context of the operating framework which was introduced due to the COVID pandemic.

2 Financial Framework

Due to the COVID pandemic, in March 2020 the NHS operational planning and contracting processes were suspended. A revised interim financial framework was put in place to simplify the flow of resources to providers. This approach consists of a block allocation arrangements and top up resources to meet the additional cost pressures resulting from COVID. Overall resources have been allocated at the Integrated Care System (ICS) level and distributed to providers via CCGs based on a defined allocation equivalent to historic contract income figures plus the additional COVID resources.

The key principles of these arrangements have been to enable providers to focus on managing the pandemic, recognising that the expenditure profile of the NHS is different to usual as the risks and uncertainties of the pandemic have made service and financial planning very difficult. During the first half of 20/21 fixed block income to providers was set based on historic contract values and “topped up” each month to meet the specific shortfall against expenditure resulting from COVID. This meant that every provider across the whole of the NHS had a break-even position at the end of month 6 in 20/21.

In the second half of that year the fixed block and the extra COVID allocation were predefined and set for the whole 6 months in advance. The ongoing overall objective has been to ensure resources have been allocated fairly and that all organisations have been able as a minimum to balance their income and expenditure position (i.e. no organisations should be penalised or in deficit as a result of COVID).

These arrangements continued throughout 20/21 and have been rolled forward into the first half of 21/22.

3 20/21 Income and Expenditure Position

As noted above all Trusts were in a balanced income and expenditure position at the half year point due to the way finances were allocated to directly equal costs. During the second half of the year the Trust managed its financial plan well and ensured the fixed income was sufficient to meet all the costs and pressures we anticipated based on learning from the first phase of the pandemic. Overall we delivered a small surplus of £0.25 million by the end of the financial year. This is now reported and reflected in our annual accounts for the year which have been audited.

4 21/22 Income and Expenditure Position

The interim finance framework has rolled forward and we have set a plan for 6 months based on the defined block allocations, including the COVID allocation, which are equivalent to last year's resources. In addition we will have extra non recurrent income to support our reset and recovery, as well as service development funding and mental health investment commitments from the Long term plan. At month 2 we have reported an under spend of £0.8 million because we have not yet fully committed all the additional resources. We do plan to utilise all our funding and are planning to have a balanced position at the half year point. We do however have more risk and uncertainty as we do not yet know what income we will be allocated in the second half of the year. We anticipate there will be less resources overall and that we will need to begin to plan for cost efficiencies, whilst continuing to invest our new resources.

5 Capital Expenditure Position

During 20/21 the pandemic impacted on our plans to invest in capital, and we focused on the main priorities which we had already commenced. We were able to continue on the construction of Red Kite View (the new Children and Young Peoples facility) and finalise the implementation of the new electronic patient record. We made some modifications to estate to support our COVID working arrangements, and dealt with ongoing operational risks. All other strategic capital investment was paused. Overall we spent £17 million of which £13.7 million was on the Red Kite View Scheme.

In the current year we plan to spend approximately £9 million including completing Red Kite View and doing some upgrade works on our inpatient accommodation. Our ability to undertake works in wards whilst the pandemic is still a factor may be difficult and we are working through this operationally.

6 Conclusion

Since April 2020 we have operated in a very different financial framework in response to the pandemic. However we have maintained robust financial governance and management arrangements. Our COVID costs for month 1-6 of 20/21 were independently audited as part of a national assurance process which confirmed the appropriate use of these funds. Our underlying financial standing remains good and this is supported by a strong working capital and cash position. As the NHS resets and we emerge through the pandemic the financial challenges will undoubtedly increase linked to the increasing demands we expect on services. However we are in

a strong position to respond and have new investment committed as part of the Long term plan for Mental Health Services.

7 Recommendation

The Council of Governors is asked to note the finance update and be assured on the ongoing robust financial position of the organisation.

Dawn Hanwell

Chief Financial Officer and Deputy Chief Executive

25 June 2021

**AGENDA
ITEM**

13

MEETING OF THE COUNCIL OF GOVERNORS

PAPER TITLE:	Audit Committee Annual Report 2020/21
DATE OF MEETING:	6 July 2021
LEAD DIRECTOR: (name and title)	Helen Grantham, Audit Committee member (on behalf of the Chair of the Audit Committee)
PAPER AUTHOR: (name and title)	Cath Hill, Associate Director for Corporate Governance

THIS PAPER SUPPORTS THE TRUST'S STRATEGIC OBJECTIVE/S (please tick relevant box/s)		
SO1	We deliver great care that is high quality and improves lives	<input checked="" type="checkbox"/>
SO2	We provide a rewarding and supportive place to work	<input type="checkbox"/>
SO3	We use our resources to deliver effective and sustainable services	<input type="checkbox"/>

EXECUTIVE SUMMARY

The Audit Committee is a sub-committee of the Board of Directors. It is the senior governance committee in the Trust and is made up of non-executive directors. Its primary function is to provide assurance to the Board of Directors so it can be assured of the strength (or otherwise) of the systems and processes in place in the organisation.

It is independent of, and has the authority to seek assurance from, any part of the management structure in the organisation on any area of work; and whilst it is supported by a number of officers in the management structure they are not members of the Committee.

The Annual Report attached is for the financial year 2020/21 and comes to the Council of Governors for information so it can be assured on the work of the external auditors (which the Council appoints).

The Annual Report was presented to the 10 June 2021 Board of Directors' meeting as part of the Committee's assurance process to demonstrate that it is working in accordance with its Terms of Reference as set by the Board to support the information provided in the Annual Governance Statement which is part of the Annual Report.

This report has been scheduled to be presented at the same meeting as the report from the Auditors on the Annual Accounts and provides a complementary report to all the year-end work carried out.

Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?	State below 'Yes' or 'No'	If yes please set out what action has been taken to address this in your paper
	No	

RECOMMENDATION
<p>The Council of Governors is asked to receive the 2020/21 Annual Report for the Audit Committee and to be assured of the work of the external auditors in relation to providing assurance to the Audit Committee.</p>

The Audit Committee

Annual Report

Financial Year 1 April 2020 to 31 March 2021

CONTENTS

Section	
1	Period covered by this report
2	Introduction
3	Terms of Reference for the Audit Committee
4	Meetings of the committee
5	Membership of the committee and attendance at meetings
6	Reports made to the Board of Directors
7	Work of the committee during 2020/21
8	Conclusion
Appendix 1	Terms of Reference for the Audit Committee

1 PERIOD COVERED BY THIS REPORT

This report covers the work of the Audit Committee (the Board of Directors' primary governance committee) for the financial year 1 April 2020 to 31 March 2021.

2 INTRODUCTION

The Audit Committee provides an independent and objective review of our internal controls. It seeks high-level assurance on the effectiveness of: the Trust's governance (corporate and clinical); risk management; and systems of internal control. It reports to the Board of Directors on its level of assurance.

The committee receives assurance from the executive team and other areas of the organisation through reports, both regular and bespoke. It validates the information it receives through the work of internal audit, external audit and counter-fraud. Assurance is also brought to the committee through the knowledge that non-executive directors gain from other areas of their work, not least their own specialist areas of expertise; attending Board and Council of Governors' meetings; visiting services; and talking to staff.

Further information about the work of the committee can be found in Section 7 below.

Should our external auditors (KPMG) carry out any non-audit work, the Audit Committee has responsibility for ensuring that their independence is maintained. The committee will do this by reviewing and approving the scope of the work and the fees charged prior to the work being undertaken.

The substantive membership of the Audit Committee is made up three non-executive directors. The Chair of the Trust may not be a substantive member of the committee, but is invited to attend one meeting during the financial year. The other non-executive directors may be invited to attend on an ad-hoc basis, either when it is deemed appropriate for other non-executive directors to attend for a particular agenda item, or to ensure quoracy.

Further information about the membership of the committee can be found in Section 5 below.

3 TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

In October 2020, the committee reviewed its Terms of Reference (ToR) and found that no changes were required. This was reported to the Board of Directors in October 2020. The ToR relate to the work of the committee during 2020/21 and are attached to this report.

The committee also carried out a review of its effectiveness in October 2020; members completed both the Trust's committee effectiveness questionnaire and the HFMA (Healthcare Financial Management Association's) committee effectiveness questionnaire. It was concluded that there was a high level of effectiveness of the committee and that there were no areas of concern which it needed to bring to the attention of the Board, however it agreed that a description would be added to one of

the questions explaining the term of third party assurance providers in the context of the committee to clarify the purpose of the question for the future.

4 MEETINGS OF THE COMMITTEE

In respect of the period covered by this report the committee met on five occasions as listed below. It should be noted that the committee met on a formal basis throughout the period of the pandemic and was assured of the ongoing governance arrangements:

- 21 April 2020
- 15 June 2020 (extraordinary meeting for the annual accounts)
- 21 July 2020
- 20 October 2020
- 19 January 2021

5 MEMBERSHIP OF THE COMMITTEE AND ATTENDANCE AT MEETINGS

Membership of the Audit Committee is made up three non-executive directors.

The Chair of the Trust may not be a substantive member of the committee, but is invited to attend one meeting during the financial year. In 2020/21 the Chair attended the meeting on 20 October 2020.

The table below shows attendance for members of the committee for the period 1 April 2020 to 31 March 2021.

Attendance at Audit Committee meetings 2020/21

Name	21 April 2020	15 June 2020	21 July 2020	20 October 2020	19 January 2021
Substantive non-executive director members					
Martin Wright (chair of the committee)	✓	✓	✓	✓	✓
Helen Grantham (non-executive director)	✓	✓	✓	✓	✓
Cleveland Henry (non-executive director)	✓	✓	✓	✓	-

During 2020/21 meetings of the Audit Committee were attended on a regular basis by the Chief Financial Officer; and the Associate Director for Corporate Governance.

Internal audit and counter fraud representation was provided by the NHS Audit Yorkshire. External audit representation was provided by the audit team from KMPG.

In addition to the officers that regularly attend the committee, invitations were extended to members of the executive team and senior managers who attended meetings to present papers and make assurances as required.

To ensure that committee members have the skills required to carry out their role on the committee they have the opportunity to attend training courses. Some of these are provided by NHS Audit Yorkshire and they cover topics which are relevant specifically to members of the audit committees and also those which are relevant to the issues facing NHS organisations.

6 REPORTS MADE TO THE BOARD OF DIRECTORS

The chair of the Audit Committee makes a report regarding the most recent meeting of the committee at the next scheduled Board of Directors' meeting. This report assures the Board of the main items discussed by the committee. Should it be necessary to make the Board aware of any matters of concern this will be done by the chair of the committee through that report, and an outline given of how the committee will take this forward. Where the matter is of significant concern the committee will ask for direction from the Board, or it may be that the Board takes a decision to receive reports directly.

During 2020/21 the chair of the committee made reports to the April, May, July, October and January Board meetings. These assured the Board on matters that the committee had considered. Whilst these matters were identified for onward reporting to the Board there were no matters of significant concern that the committee felt necessary to escalate to the Board. Conversely where the Board wants greater assurance on a matter this can be referred to the Audit Committee.

In addition to the reports made by the chair of the committee this annual report also goes to the Board of Directors. Once received by the Board it will go to the Council of Governors as one method of providing assurance as to how the non-executive directors have held the executive directors to account for the performance of the Board. It also provides the Council with an outline of the work carried out by the external auditors (whom they appoint). The committee's Annual Report for 2019/20 was presented to the 7 July 2020 Council of Governors' meeting by Martin Wright.

7 THE WORK OF THE COMMITTEE DURING 2020/21

For 2020/21 the chair and members of the Audit Committee confirm that the committee has fulfilled its role as the primary governance and assurance committee in accordance with its Terms of Reference, which are attached at Appendix 1 for information.

In 2020/21 the committee approved the work plans for both the internal and external auditors and the counter-fraud service. It received and reviewed both regular progress reports and concluding annual reports for the work of internal and external audit and the counter-fraud team. This allowed the committee to determine its level of assurance in respect of progress with various pieces of work and the findings. These reports have also provided assurance on the Trust's internal controls. The committee assessed the effectiveness of these functions by reviewing the periodic reports from

the auditors and monitoring the pre-agreed key performance indicators.

Areas of work on which the committee received assurance during 2020/21 are set out below. Details of the work of the committee can be found in the minutes of its meetings which are available on the Trust website or from the Associate Director for Corporate Governance (chill29@nhs.net).

Quality Account:

- At its October 2020 meeting the committee reviewed the Quality Account for 2019/20 before being presented to the Board of Directors for approval. For the Quality Account for 2020/21, NHS Improvement stated that it did not require the external auditors to provide a limited assurance report on the Quality Account.

Clinical Governance:

- The committee acknowledged the role of the Quality Committee in receiving assurance on matters relating to Clinical Governance. The Chair of the Audit Committee has put in place a route of communication with the Chair of the Quality Committee to make assurances on the sufficiency of the clinical governance arrangements and to raise any matters of concern. This will also be reflected in any suggested areas for inclusion in the Internal Audit Plan.

Governance:

- The committee received assurance on the operational governance structure and meetings that will be in place within the Trust when structures return to business as usual. It also noted that the Executive Management Team had oversight of these operational governance meetings. It was also assured of the arrangements that had been put in place to manage the pandemic and noted that there was an incident response governance structure operating to manage the effects of the pandemic.

Health and Safety:

- The committee received the Health and Safety Annual Report. It acknowledged that much progress had been made in terms of its content, and suggested ways in which this might be strengthened.

Board Assurance Framework (BAF):

- The committee received the Board Assurance Framework for assurance on both the content and the process
- It received a report on how the Trust's BAF benchmarks against others and found that it bench-marked favourably and that it did not wish to recommend any changes to its format.

Annual Report and Accounts for 2019/20:

- The Annual Report and Accounts for 2019/20 were reviewed prior to being presented to the Board of Directors for adoption in June 2020
- The ISA 260 (which is the report to those charged with governance on the annual accounts) was received and the findings from the audit of the annual accounts discussed. It was noted that there were no matters of any significance to bring to the committee's attention of the committee

- The Head of Internal Audit Opinion and the Annual Governance Statement were reviewed and found to be consistent
- Assurance was received on the process for the declarations required by General Condition G6 and Condition FT4 (for foundation trust governance) of the NHS Provider Licence
- The committee reviewed the Corporate Governance Statement and was assured of the process by which the declarations were made and the completeness of the evidence provided to support the statements
- The committee reviewed and was assured of the Trust's compliance with NHS Improvement's Foundation Trust Code of Governance.

The committee was advised that the national timetable for the audit of the annual report and accounts had been delayed due to the impact of the COVID-19 pandemic on the functions of the NHS and that the Audit Committee and Board meetings would need to take place in June rather than May. However, it was assured that the work to prepare the accounts and annual report had been completed within normal timeframes and that there was no delay in submitting these to the auditors.

Internal Audit, Counter-fraud:

- The committee approved the Internal Audit Annual Plan and the Counter Fraud Annual Plan for 2020/21
- The committee received suggestions for inclusion in the Internal Audit Plan from other Board sub-committees. These areas had been informed by matters that they considered posed a potential risk or an area of concern.
- The Internal Audit Annual Report was received which brought together all the findings from across the previous year
- The committee received internal audit progress reports on a regular basis to update the committee on the major findings, with assurance being provided on the actions taken to address any weaknesses in the systems of control. It noted that some audits had been deferred to a later date due to there being insufficient management capacity due to the COVID-19 pandemic. However, assurances were received that sufficient work in relation to key audits would be completed by the end of the financial year to allow the Head of Internal Audit Opinion to be issued
- In recognition of the spare capacity within the internal audit team, created by the deferral of audits, the committee identified some areas of governance work which could be undertaken including bench-marking against other NHS organisations
- Local Counter-fraud progress reports were received on a regular basis in respect of those cases that can be reported to the committee in order to update the committee on the major findings and any lessons learnt from individual cases
- Assurances were received about the processes in place to tackle fraud and bribery, but noted that some pro-active work had been paused due to the impact of the COVID-19 pandemic
- The Counter-fraud Annual Report was also received which brought together to work from across the year.

External audit:

- The committee reviewed and approved the work plan for 2020/21 and the

associated fee

- Regular update reports were received about the work of the auditors and also information about changes within the accounting regime and the health sector which would impact on the Trust
- The committee received details of relevant sector updates along with assurances on how the executive directors had implemented or taken account of the guidance contained in the update report.
- The committee considered and agreed to recommend to the Council of Governors that the contract with KPMG was extended by one year, noting that a tender process would be undertaken during 2021/22.

Action Tracking:

- The committee received regular reports in respect of progress with the implementation by managers of agreed audit recommendations and sought assurance on progress in particular with a number of old and outstanding actions. The committee also received specific assurance on the process for dealing with and monitoring outstanding actions, with particular reference to the role of the Executive Risk Management Group which has oversight of the actions. This year in July the committee was advised of an increase in the number of outstanding audit actions due to managers focusing on the management of the COVID-19 pandemic. The committee suggested a supportive approach to encourage managers where possible to complete actions; negotiate a revised target completion date; or request removal where the action had been superseded. It was later advised that progress had been made with the completion of actions and was assured that managers had done what they could to implement them as agreed.

Registers:

- The committee carried out a review of the Hospitality Register, the Sponsorship Register, register for the use of Management Consultants and the Losses and Special Payments Register, to ensure the appropriateness and completeness of the content.

Tender and Quotation Exception reports:

- Assurance was received on the reasons for the Tender and Quotation procedures being waived during 2020/21.

8 Conclusion

As the primary governance committee of the Board of Directors the Audit Committee preserved its independence from operational management by not having executive membership (although executive directors support the committee by providing information and context only).

It added value by maintaining an open and professional relationship with internal and external audit and counter-fraud. It carried out its work diligently, discussed issues openly and robustly, and kept the Board of Directors apprised of any possible issues or risks. The Audit Committee fulfilled its work programme for 2020/21 and provided assurances to the Board for any issues referred to it. It did this even in light of the constraints posed by the pandemic and took assurances from the internal and external auditors on key matters.

The chair of the Audit Committee considers that the committee has fulfilled its role as the Board of Directors' senior governance committee and provided assurance to the Board on the adequacy and effective operation of the organisation's internal control systems.

Members of the Audit Committee would like to thank all those who have responded to its requests during the year and who have supported it in carrying out its duties.

Martin Wright
Non-executive Director
Chair of the Audit Committee
April 2021

Cath Hill
Associate Director for Corporate
Governance
April 2021

AUDIT COMMITTEE**Terms of Reference****(Reviewed by the committee 20 October 2020)****1 NAME OF COMMITTEE**

The name of this committee is the Audit Committee.

2 COMPOSITION OF THE GROUP / COMMITTEE

The members of the committee and those who are required to attend are shown below together with their role in the operation of the committee.

Members

Title	Role in the committee
Non-executive director	Committee chair and responsible for evaluating the assurance given and identifying if further consideration / action is needed.
2 non-executive directors	Responsible for evaluating the assurance given and identifying if further consideration / action is needed. Either of the routine non-executive members may chair if the chair of the committee is absent.

While specified non-executive directors will be regular members of the Audit Committee any other non-executive can attend the meeting on an ad-hoc basis if they wish and will be recognised as a member for that particular meeting and if necessary will count towards the quoracy.

In attendance

Title	Role in the committee	Attendance guide
Chief Financial Officer	Key responsibilities regarding audit and reporting	Every meeting
Internal Audit representation	Independent assurance providers	Every meeting
External Audit representation	Independent assurance providers	Every meeting
Local Counter Fraud representation	Independent assurance providers	Dependant on the agenda

Title	Role in the committee	Attendance guide
Associate Director for Corporate Governance	Committee support and advice	Every meeting

The chair of the Audit Committee shall be seen as independent and therefore must not chair any other governance committee either of the Board of Directors or wider within the Trust.

Executive directors and other members of staff may attend by invitation in order to present or support the presentation of agenda items / papers to the committee. In particular, executive directors will be invited to attend a meeting where a limited assurance report has been issued by Internal Audit and is on the agenda to be discussed.

The Chair of the Trust and the Chief Executive will be invited to attend the Audit Committee once per year.

3 QUORACY

Number: The minimum number of members for a meeting to be quorate is 2. Attendees do not count towards this number.

Deputies: Non-executive directors do not have deputies. Non-core non-executive directors may be asked to attend if there is a risk to the meeting not being quorate.

Attendees should nominate a deputy to attend in their absence. A schedule of deputies, attached at appendix 1, this should be reviewed at least annually to ensure adequate cover exists.

Non-quorate meeting: Non-quorate meetings may go forward unless the chair decides otherwise. Any decisions made by the non-quorate meeting must be reviewed at the next quorate meeting.

Alternate chair: If the Chair of the Audit Committee is not available the meeting shall be chaired by one of the other non-executive directors.

4 MEETINGS OF THE COMMITTEE

Meetings may be held face-to-face or remotely as is considered appropriate. Remote meetings may involve the use of the telephone and / or electronic conference facilities.

Frequency: The Audit Committee will normally meet as required but will in any case meet no fewer than four times per year.

Urgent meeting: Any of the committee members may, in writing to the chair, request an urgent meeting. The chair will normally agree to call an urgent meeting to discuss the specific matter unless the opportunity exists to discuss the matter in a more expedient manner (for example at a Board meeting).

Minutes: The Associate Director for Corporate Governance will ensure there are minutes of the meeting and that appropriate support for the meeting is provided. The minutes will be provided to the Chair of the committee for checking.

Private Sessions of the Committee

At least once a year the committee will meet privately with representatives from internal audit and external audit.

At the discretion of the chair of the committee, it may also choose to meet privately with the Director of Finance and any other key senior officer in the Trust as may be required.

Members of the committee will also meet together in private at a frequency determined by the Chair.

5 AUTHORITY

Establishment: In accordance with the NHS Act 2006 and the Code of Governance the Board of Directors is required to establish an Audit Committee as one of its sub-committees.

Powers: The committee is a non-executive committee of the Board of Directors and has no executive powers. The committee is authorised by the Board of Directors to seek assurance on any activity. It is authorised to seek any information or reports it requires from any employee, function, group or committee; and all employees are directed to co-operate with any request made by the committee.

The committee is authorised by the Board of Directors to obtain outside legal or other independent professional advice and to secure the attendance of persons outside the Trust with relevant experience and expertise if it considers this necessary.

Cessation: The Audit Committee is a standing committee in that its responsibilities and purpose are not time limited. While the functions of the Audit Committee are required by statute the exact format may be changed as a result of its annual review of its effectiveness.

In addition, the Trust should periodically review its governance structure for continuing effectiveness and as a result of such a review the Board may seek to alter the format or the number of non-executive director core members of the Audit Committee.

6 ROLE OF THE COMMITTEE

6.1 Purpose of the Committee

The purpose of the Audit Committee is to provide the Board of Directors with assurance that:

- Clinical, financial reporting, compliance, risk management, and internal control principles and standards are being appropriately applied and are effective, reliable and robust

- An effective governance framework is in place for monitoring and continually improving the quality of health care provided to service users to enable the Trust's strategic objectives to be achieved.

Objective	How the group / committee will meet this objective
We deliver great care that is high quality and improves lives	The Audit Committee has a core responsibility to scrutinise the Trust's governance arrangements to determine that these are operating effectively and that the Trust is able to provide high quality care through these arrangements.
We use our resources to deliver effective sustainable care	The Audit Committee exercises scrutiny of the annual financial reporting of the organisation; on-going financial health; and controls designed to deliver efficiency, effectiveness and economy for all Trust functions

6.2 Guiding principles for members (and attendees) when carrying out the duties of the group / committee

In carrying out their duties members of the group / committee and any attendees of the group / committee must ensure that they act in accordance with the values of the Trust, which are:

- We have integrity
- We are caring
- We keep it simple.

6.3 Duties of the group / committee

Notwithstanding any area of business on which the committee wishes to receive assurance the following shall be those items on which the committee shall receive assurance:

Board Assurance Framework

- Be assured that the organisation has in place an effective Board Assurance Framework
- Be presented with the Board Assurance Framework and receive assurance that this presents the up to date position in respect of controls, assurances and that gaps are being addressed, and be assured as to the completeness of the information included in the Framework
- Use the Board Assurance Framework to inform the committee's forward work plan, in particular focussing on those gaps that pose a major risk to the organisation.

Quality Report

- Be assured in respect of the process for delivering the Quality Report
- Be presented with the final version of the Quality Report before being presented to the Board
- Be presented with the audit opinion on the Quality Report and be advised as to the findings and be assured that the recommendations are being addressed by management and be assured that there are no (or otherwise) significant findings.

Risk Management

- Receive assurance as to the Risk Management Process (including structures processes and responsibilities for managing key risks), including the process for capturing and reviewing high and extreme risks.

Health and Safety

- Receive an annual report on health and safety management within the Trust.

Compliance and Disclosure Statements

- Be assured of the action taken by officers who have operated outside of the tender and quotation procedures
- Be presented with notification of any waivers of the Standing Financial Instructions and Standing Orders (for the Board of Directors and Board of Governors) and be assured of their appropriateness.

Annual Accounts and Annual Report

- Be presented with and review the main items / contentious items in the Annual Accounts, taking advice from the Chief Accounting Officer and the External Auditors as to accuracy, prior to advising the Board if the Accounts can be adopted
- Be presented with the ISA260 Report on the Annual Accounts and be assured as to the findings and the management actions agreed, also be assured that either there were no (or otherwise) significant findings
- Be presented with a periodic report setting out the progress against the recommendations made in the ISA 260 reports (pertaining to the last set of annual accounts), and be assured as to progress against recommendations / action plans.

Annual Governance Statement and Head of Internal Audit Opinion

- Be presented with the draft Annual Governance Statement and have an opportunity to input to the content

- Be presented with the final version of the Annual Governance Statement and be assured that it provides an accurate picture of the processes of internal control within the organisation
- Be presented with the Head of Internal Audit Opinion and be assured that this is an accurate assessment of the Trust and also be assured that the opinion is in accordance with the Annual Governance Statement.

Registers

- Be presented with the Losses and Special Payments Report to be assured as to the appropriateness of payments made and that control weaknesses have been addressed
- Be presented with the Sponsorship Register to be assured that it is complete and that sponsorship received by the organisation / individuals is appropriate and has been applied for according to the procedure
- Be presented with the Hospitality Register to be assured that it is complete and that hospitality received by individuals is appropriate, proportionate, and unable to be considered an inducement and has been recorded according to the procedure
- Be presented with the register of Management Consultants to be assured that it is complete and that consultants have been appointed appropriately, and according to the procedure.

Internal Audit

- The committee shall ensure there is an effective Internal Audit function established by management that meets mandatory NHS Internal Audit standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board of Directors. This will be achieved by:
 - Consideration of the provision of the Internal Audit service, the cost of the audit function and (where the service is provided in-house) any questions of resignation and dismissal
 - Review and approval of the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation
 - Consideration of the major findings of Internal Audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources
 - Ensuring that the Internal Audit function is adequately resourced and has appropriate standing with the organisation.

External Audit

- The committee shall review the work and findings of the External Auditor. In addition to this the committee will:

- Make recommendations to the Council of Governors as to the appointment, reappointment, termination of appointment and fees of the External Auditor, and if the Council of Governors rejects the Audit Committee's recommendations, it will prepare an appropriate statement for the Board of Directors to be included in the Trust's Annual Report
- Review the audit program of work and fees and discuss with the External Auditor, before audit work commences, the nature and scope thereof
- Review External Audit reports together with the management response, and the annual governance report (or equivalent)
- Consider whether it is appropriate and beneficial to the Trust for the External Auditor to undertake investigative and advisory work for the Trust.

Counter Fraud

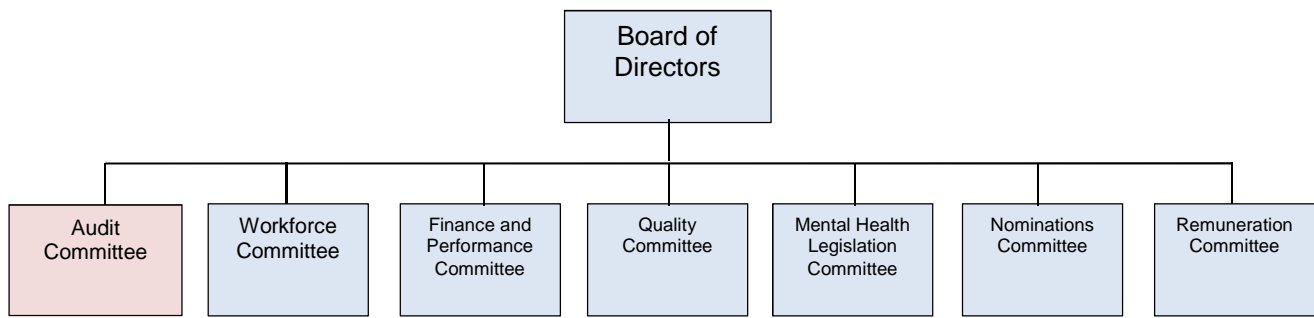
- The committee's responsibilities regarding counter fraud are governed by Section 47 of the Base Model Contract between Foundation Trusts and PCTs and Schedule 13 of this contract and the duties of the Audit Committee are set out in this contract specifically that:
 - The committee shall allow the Local Counter Fraud Specialist service (LCFSs) to attend Audit Committee meetings
 - The committee shall receive a summary report of all fraud cases from the LCFSs
 - The committee shall receive reports from the LCFSs regarding weaknesses in fraud related systems
 - The committee shall receive and review the LCFSs' Annual Report of Counter Fraud Work
 - The committee shall receive the LCFSs' annual work plan for comment.

7 RELATIONSHIP WITH OTHER GROUPS AND COMMITTEES

The Audit Committee is the primary governance committee providing an overarching governance role, having a direct relationship with other Board sub-committees.

The Board sub-committees will provide one of the main sources of assurance to the Audit Committee. However, this assurance will be validated by the work of, and reports from other sources of assurance including, but not exclusively, Internal Audit, External Audit, Counter Fraud Services,.

The following is a diagram setting out the governance structure in respect of assurance:



8 DUTIES OF THE CHAIR

The chair of the group / committee shall be responsible for:

- Agreeing the agenda
- Directing the meeting ensuring it operates in accordance with the Trust's values
- Giving direction to the minute taker
- Ensuring everyone at the meeting has a reasonable chance to contribute to the discussion
- Ensuring discussions are productive, and when they are not productive they are efficiently brought to a conclusion
- Deciding when it is beneficial to vote on a motion or decision
- Checking the minutes
- Ensuring sufficient information is presented to the Board in respect of the work of the group / committee
- Ensuring the Chair's report is submitted to the Board as soon as possible.

It will be the responsibility of the chair of the Audit Committee to ensure that the committee carries out an assessment of the committee's effectiveness annually, and ensure the outcome is reported to the Board of Directors along with any remedial action to address weaknesses. The chair will also be responsible for ensuring that the actions to address any areas of weakness are completed.

In the event of there being a dispute between any groups in the hierarchy it will be for the chairs of those groups to ensure there is an agreed process for resolution; that the dispute is reported to the groups concerned and brought to the attention of the "parent group"; and that when a resolution is proposed that the outcome is reported back to the all groups concerned for agreement.

9 REVIEW OF THE TERMS OF REFERENCE AND EFFECTIVENESS

The terms of reference shall be reviewed by the committee at least annually, and then presented to the Board of Directors for ratification, where there has been a change.

In addition to this the chair must ensure the committee carries out an annual assessment of how effectively it is carrying out its duties and make a report to the Board of Directors including any recommendations for improvement.

Schedule of deputies

It may not be necessary or appropriate for all members (or attendees) to have a deputy attend in their absence. If this is the case please state below “no deputy required”.

Full member (by job title)	Deputy (by job title)
Not applicable as non-executive directors do not have deputies	

Attendee (by job title)	Deputy (by job title)
Chief Financial Officer	Deputy Director of Finance
Chief Operating Officer	Deputy Chief Operating Officer
Associate Director for Corporate Governance	Corporate Governance Team Leader

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**AGENDA
ITEM**

14

MEETING OF THE COUNCIL OF GOVERNORS

PAPER TITLE:	Auditor's Report on the Annual Accounts
DATE OF MEETING:	6 July 2021
LEAD DIRECTOR: (name and title)	Rashpal Khangura, Director – Public Sector Audit, KPMG
PAPER AUTHOR: (name and title)	Rashpal Khangura, Director – Public Sector Audit, KPMG

THIS PAPER SUPPORTS THE TRUST'S STRATEGIC OBJECTIVE/S (please tick relevant box/s)		
SO1	We deliver great care that is high quality and improves lives	
SO2	We provide a rewarding and supportive place to work	
SO3	We use our resources to deliver effective and sustainable services	✓

EXECUTIVE SUMMARY

Please find attached the report from the Auditors on the audit of the Annual Accounts and their findings. This is the report to the Council of Governors providing information and assurance on the work they have carried out.

The report will be supported by the presentation from the Auditors at the July Council of Governors' meeting.

Do the recommendations in this paper have any impact upon the requirements of the protected groups identified by the Equality Act?	State below 'Yes' or 'No'	If yes please set out what action has been taken to address this in your paper
	No	

RECOMMENDATION

The Council of Governors is asked to receive the Auditor's Report and note the information and assurance provided.



Auditor's Annual Report 2020/21

Leeds & York Partnership NHS Foundation
Trust

17 June 2021

Key contacts

Your key contacts in connection with this report are:

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Accounts audit	4
Value for money commentary	6

This report is addressed to Leeds & York Partnership NHS Foundation Trust (the Trust) and has been prepared for the sole use of the Trust. We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Summary

Introduction

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2020-21 audit of Leeds & York Partnership NHS Foundation Trust (the 'Trust'). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Trust alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:

- **Accounts** - We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Trust and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the Group Accounting Manual prepared by the Department of Health and Social Care (DHSC).
- **Annual report** - We assess whether the annual report is consistent with our knowledge of the Trust. We perform testing of certain figures labelled in the remuneration report.
- **Value for money** - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Trust's use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.
- **Other reporting** - We may issue other reports where we determine that this is necessary in the public interest under the Local Audit and Accountability Act.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities:

Accounts	<p>We issued an unqualified opinion on the Trust's accounts on 17 June 2021. This means that we believe the accounts give a true and fair view of the financial performance and position of the Trust.</p> <p>We have provided further details of the key risks we identified and our response on pages 4-5.</p>
Annual report	<p>We did not identify any significant inconsistencies between the content of the annual report and our knowledge of the Trust.</p> <p>We confirmed that the Governance Statement had been prepared in line with the DHSC requirements.</p>
Value for money	<p>We are required to report if we identify any matters that indicate the Trust does not have sufficient arrangements to achieve value for money.</p> <p>We have nothing to report in this regard.</p>
Other reporting	<p>We did not consider it necessary to issue any other reports in the public interest.</p>

Accounts audit

The table below summarises the key risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

Risk	Findings
<p>Valuation of Land and Buildings</p> <p>Specialised assets such as hospital buildings do not have a readily identifiable market value and as such are recognised at the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property. There are a number of estimates and assumptions that are made in order to reach the recognised value. Due to this complexity and the high value of land and buildings there is a risk that the value is misstated.</p>	<p>Our work assessed the competence of the independent valuer engaged by the Trust to value its properties. We also assessed the reasonableness of the key underlying assumptions to the valuation. Additionally we considered whether there were any indicators of impairment for the land and buildings held by the Trust, with none identified. We reconciled the balances and valuation movements disclosed in the financial statements back to the valuation report provided to the Trust.</p> <p>We did not identify any material misstatements relating to this risk.</p> <p>We considered the estimate to be balanced based upon the procedures performed.</p>
<p>Fraudulent expenditure recognition</p> <p>We have identified more funding is available to the FT than originally anticipated and this creates an incentive for management to overstate the level of non-pay expenditure.</p> <p>We consider this would be most likely to occur through overstatement of accruals at the end of the year and to recognise expenditure relating to 2021/22 in the final period of 2020/21.</p>	<p>We tested the design and operation of controls over expenditure. We inspected a sample of expenditure transactions through to supporting documentation and also selected a sample of transactions posted around the year end to ensure they had been accounted for in the correct period. We also considered the outputs of the national Agreement of Balances (AoB) exercise with other NHS organisations to give us assurance with regards to expenditure recognised with NHS organisations.</p> <p>We did not identify any material misstatements relating to this risk.</p>
<p>Revenue recognition</p> <p>Auditing standards set a rebuttable assumption that there is a risk revenue is recognised inappropriately. We recognised this risk over the variable elements of the Trust's income, rather than those funded from the agreed 'block' basis of funding due to the limited opportunity for this 'block' element to be manipulated.</p>	<p>Our work considered the outputs of the national Agreement of Balances (AoB) exercise with other NHS organisations to give us assurance with regards to income recognised from NHS organisations. Where significant variances were identified we obtained evidence with regards to the validity of the Trust's disclosed position. We also inspected a sample of income transactions through to supporting documentation and also selected a sample of transactions posted around the year end to ensure they had been accounted for in the correct period.</p> <p>We did not identify any material misstatements relating to this risk.</p>

Accounts audit

The table below summarises the key risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

Risk	Findings
Management override of controls	
We are required by auditing standards to recognise the risk that management may use their authority to override the usual control environment.	We identified higher risk journal transactions and agreed these back to supporting evidence/documentation to ensure they had been posted appropriately. We considered any significant transactions that were outside the course of the Trust's usual business.
	We did not identify any material misstatements relating to this risk.

Value for money

Introduction

We consider whether there are sufficient arrangements in place for the Trust for each of the elements that make up value for money. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

Further details of our value for money responsibilities can be found in the Audit Code of Practice at [Code of Audit Practice \(nao.org.uk\)](https://nao.org.uk)

Matters that informed our risk assessment

The table below provides a summary of the external sources of evidence that were utilised in forming our risk assessment as to whether there were significant risks that value for money was not being achieved:

Care Quality Commission rating	Good
Single Oversight Framework rating	Segment 2 – Target Support
Governance statement	There were no significant control deficiencies identified in the governance statement.
Head of Internal Audit opinion	Significant assurance

Commentary on arrangements

We have set out on the following pages commentary on how the arrangements in place at the Trust compared to the expected systems that would be in place in the sector.

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risk identified	No significant weaknesses identified
Governance	No significant risk identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risk identified	No significant weaknesses identified

Value for money

Financial sustainability	
Description	Commentary on arrangements
<p>This relates to ensuring that the Trust has sufficient arrangements in place to be able to continue to provide its services within the resources available to it.</p> <p>We considered the following areas as part of assessing whether sufficient arrangements were in place:</p> <ul style="list-style-type: none"> How the Trust sets its financial plans to ensure services can continue to be delivered; How financial performance is monitored and actions identified where it is behind plan; and How financial risks are identified and actions to manage risks implemented. 	<p>The Covid-19 pandemic has had a major impact on the NHS and this has resulted in changes to the financial regimes in place for the 2020/21 financial year, including the national cost improvement process being paused for the entirety of this period. For months 1-6 of the 2020/21 financial year, the Trust received block payments on account and for costs relating to Covid-19 were mitigated by retrospective top-ups which were claimed direct from NHS England/Improvement. For months 7-12 of the financial year, NHSE/I provided allocations for each provider to cover additional cost pressures due to COVID-19 and the provision of services.</p> <p>Therefore due to the impact of COVID-19 on the 2020/21 financial planning regime, our work has focussed on determining if there were sufficient controls in place throughout the course of the financial year to allow the Trust to effectively manage resources and ensure continuity in the delivery of its services during 2020/21.</p> <p>As part of our work we found that the budget monitoring and control processes were able to identify and incorporate significant pressures into the financial plan to ensure it was achievable and realistic. The finance team collaborate with operational and clinical colleagues to address financial issues and identify mitigations where overspend against plan is identified through the monthly monitoring process. The initial draft budgets were constructed based on appropriate local and national planning assumptions and reviewed by the Finance and Performance Committee prior to Board approval. We also confirmed that emerging cost pressures are identified through monthly review of budget statements by the Trust's budget holders which are then challenged at Service Line Level. These will then be escalated to the Executive Management Team (EMT) for approval and the development of an appropriate mitigation plan where cost pressures cannot be supported.</p> <p>In line with knowledge and understanding, due to the COVID-19 pandemic there was no CIP requirement for months 1 to 6 of the 2020-21 financial year. However, the Trust did review their position in a joint Finance & Performance Committee / Quality Committee in November 2020 and confirmed that their future efficiencies approach will continue to be aligned to Carter and informed by COVID response implications for new ways of working including opportunities to reduce estate footprint and use of technology.</p> <p>Following changes to the funding regime the Trust submitted a draft Organisational Financial Plan 2020/21 to NHSE/I on 22nd October forecasting a full year deficit of £1.3m (excluding annual leave accrual).</p>

Value for money

Financial sustainability (continued)

Description

This relates to ensuring that the Trust has sufficient arrangements in place to be able to continue to provide its services within the resources available to it.

We considered the following areas as part of assessing whether sufficient arrangements were in place:

- How the Trust sets its financial plans to ensure services can continue to be delivered;
- How financial performance is monitored and actions identified where it is behind plan; and
- How financial risks are identified and actions to manage risks implemented.

Commentary on arrangements

The Trust has a clear reporting structure for Risk Management with the Board Assurance Framework (BAF) reviewed at each Trust Board meeting. The Trust includes 'A lack of financial sustainability results in a destabilisation of the organisation and an inability to deliver services' as strategic risk 4 (SR4) on their BAF. Our review of the BAF has confirmed risks have been appropriately considered. We have been able to evidence through our review of Trust Board minutes that the SR4 is regularly monitored and reviewed and that controls and assurance mechanisms have been put in place by the Trust to help manage this risk. Any amendments by Board Committees to the BAF risks are outlined at each Trust Board meeting.

The Trust has developed a plan for the first half of 2021/22 as required which based on planning guidance and appropriate assumptions which include run rates from the second half of 2020/21 and West Yorkshire Integrated Care System allocations and mental health investment plans with the local CCG. The Trust has reflected a risk regarding the financial regime uncertainty in the both BAF and risk register. However, we note that there is ringfenced funding earmarked for mental health, and the Trust also has arrangements in place to monitor run rates and identify the costs that can be reduced/eliminated. Therefore managing the risk of financial sustainability.

Conclusion

No significant weaknesses were identified as a result of our work. We were satisfied that the Trust maintained appropriate arrangements for the management and monitoring of financial sustainability during the period.

Value for money

Governance	
Description	Commentary on arrangements
<p>This relates to the arrangements in place for overseeing the Trust's performance, identifying risks to achievement of its objectives and taking key decisions.</p> <p>We considered the following areas as part of assessing whether sufficient arrangements were in place:</p> <ul style="list-style-type: none"> Processes for the identification and management of strategic risks; Decision making framework for assessing strategic decisions; Processes for ensuring compliance with laws and regulations; How controls in key areas are monitored to ensure they are working effectively. 	<p>We consider the Trust to have effective processes in place to identify, monitor and manage risk. The Trust has a 'Risk Management Policy' in place that sets out how risks are identified as well as a clear reporting structure for the effective monitoring and management of risk. Strategic risks are recorded and identified using the BAF and any identified risks are reported to the Board in line with the Trust's governance processes. All other risks are held on risk registers and monitored through the reporting structure as set out in the 'Risk Management Policy'.</p> <p>The Trust has adequate controls in place to prevent and detect fraud. Counter Fraud services are provided by the Trust's Internal Audit provider, Audit Yorkshire. A Local Counter Fraud Service Plan is reviewed and approved by the Audit Committee annually which sets out key activities within the Trust's counter fraud plan. Counter Fraud progress reports are also presented at each Audit Committee meeting, providing details of any referrals, ongoing investigation activities and outcomes of investigations that have concluded.</p> <p>As previously discussed, the COVID-19 pandemic fundamentally altered the financial planning regime for the 2020-21 financial year. As such, the Trust's draft 2020-21 financial plan had not been formally signed-off by the Trust Board before the revised funding arrangements were announced for months 1 to 6. A document outlining the update to the 2020/21 financial plan was taken to the Finance and Performance Committee in October 2020 for assurance. This contained details on the financial gap leading to the planned deficit.</p> <p>As part of our work, we found there to be appropriate processes in place to monitor performance against budgets. We found that there was sufficient and appropriate scrutiny and challenge of financial budgets by finance managers and budget holders as well as the Finance and Performance Committee. These meetings also allow for appropriate challenge and response to adverse variances. We also found robust processes to have been in place to ensure accurate recording and monitoring of the additional costs associated with the COVID-19 pandemic.</p> <p>Through our testing, we identified that review and monitoring of compliance with laws and regulations as well as responsibility for compliance with expected standards of behaviour are delegated by the Trust Board to the Audit Committee.</p> <p>The Trust also had an overall CQC review rating of 'Good' at the last review in 2019 with a rating of good given for all domains except the 'Safe' domain which requires improvement. This is incorporated into the BAF through strategic risks, which relate to the risks of not being able to maintain compliance with regulatory requirements and compromising the safe environment for staff, service users and visitors. The Trust has also established a CQC Project Group which meets monthly to monitor progress against the CQC action plan and to identify any risks which require immediate action.</p>

Value for money

Governance (continued)	
Description	Commentary on arrangements
<p>This relates to the arrangements in place for overseeing the Trust's performance, identifying risks to achievement of its objectives and taking key decisions.</p> <p>We considered the following areas as part of assessing whether sufficient arrangements were in place:</p> <ul style="list-style-type: none"> Processes for the identification and management of strategic risks; Decision making framework for assessing strategic decisions; Processes for ensuring compliance with laws and regulations; How controls in key areas are monitored to ensure they are working effectively. 	<p>We found there to be appropriate processes in place to monitor officer compliance with expected standards of behaviour, including recoding of interests, gifts and hospitality. Key officers are required to declare and record any interests at least annually. The Trust also has in place a 'Declaration of Interest and Potential Conflicts of Interest Policy and Procedure'.</p> <p>Amendments were made to the financial governance arrangements in response to COVID-19. A paper was taken to the Trust Board to approve these changes in March 2020 which related primarily to matters required for COVID-19 expenditure and were done so to facilitate immediate decisions and actions.</p> <p>We note that at the beginning of the year the Trust's policy for the management of the capital programme was not codified in one policy/procedure, it was instead across a number of other policies/procedures, however the Trust has now developed this into a specific policy.</p> <p>Conclusion</p> <p>Based on the procedures performed we are satisfied that the Trust had sufficient governance arrangements in place to oversee and monitor value for money achievement.</p>

Value for money

Improving economy, efficiency and effectiveness

Description	Commentary on arrangements
<p>This relates to how the Trust seeks to improve its systems so that it can deliver more for the resources that are available to it.</p> <p>We considered the following areas as part of assessing whether sufficient arrangements were in place:</p> <ul style="list-style-type: none"> ▪ The planning and delivery of efficiency plans to achieve savings in how services are delivered; ▪ The use of benchmarking information to identify areas where services could be delivered more effectively; ▪ Monitoring of non-financial performance to assess whether objectives are being achieved; and ▪ Management of partners and subcontractors. 	<p>We note that from the 17 March 2020, as part of the revised financial planning regime launched in response to the COVID-19 pandemic, CIP programmes were paused in accordance with national guidelines. This was to allow CCGs and providers to respond to the pandemic. For months 7 - 12 any service re-design, service extension and/or transformation were to be based on provider capacity, Infection Prevention and Control guidelines and estates.</p> <p>We found appropriate processes in place to ensure the Trust uses information about costs and performance to improve the way they manage and deliver services. Efficiencies for 20/21 were identified via wide ranging stakeholder engagement and Quality Impact Assessments via the Quality Committee and Financial Planning Group. For 2020/21 full year efficiencies of £2,393k were planned pre-Covid19 of which £1,840k was recurrent but £350k of this remained to be identified. £553k of non-recurrent savings also remained unidentified. This was reported to NHSI as part of the Financial Planning Return on 5th March 2020, pre-covid19 and key themes included procurement – CPC, CareDirect and complex rehab savings. However due to COVID-19 and the pausing of Cost Improvement Programmes, formal monitoring and reporting against these has been paused.</p> <p>Pre COVID-19, the Trust would also utilise various benchmarking sources to inform Trust Efficiency Programme targets and schemes. In developing efficiency schemes, the Trust utilises opportunities identified from the Model Hospital, Carter metrics and service level information from the mental health national benchmarking exercise. Thus allowing the Trust to assess the level of value for money being achieved.</p> <p>The Trust works closely with local partners to establish the most appropriate way to deliver integrated care to meet the needs of the population that it serves and has shared partnership arrangements. The Trust Director of Finance is capital lead for the Integrated Care System (ICS); actively supports the ICS CFOs finance forum, as well as being a member of the national MH DOFs group. The Trust Chief Executive Officer is the chair of the WY&H Mental Health, Learning Disability & Autism Programme Board and Senior Responsible Officer for MH across the ICS. Senior Clinical leadership are engaged in national clinical reference groups. Executive Directors and senior leadership roles within the Trust participate in Provider Collaborative Boards working across the ICS to deliver improvements. This means that the Trust can influence, share and obtain knowledge and experience with and from their peers within the wider system.</p> <p>The Finance and Performance Committee receives regular updates from the CFO in relation to the financial position of the ICS.</p> <p>Conclusion</p> <p>No significant weaknesses were identified as a result of our work. We were satisfied that the Trust had appropriate arrangements in place to manage the economy, efficiency and effectiveness of its use of resources.</p>



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Year end report 2020/21

**Leeds and York Partnership NHS
Foundation Trust**

June 2021

I confirm that this is the final version of our ISA 260 Audit Memorandum relating to our audit of the 2020/21 financial statements for Leeds and York Partnership NHS Foundation Trust. This document was discussed and approved by the Trust's Audit Committee on 08 June 2021.

.....
Rashpal Khangura

Director for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Leeds

17 June 2021

Our audit opinions and conclusions:

Financial Statements: **unqualified**

Use of resources: **no significant weaknesses identified**

Key contacts

Your key contacts in connection with this report are:

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Introduction

To the Audit Committee of Leeds and York Partnership NHS Foundation Trust

We are pleased to have the opportunity to meet with you on 8 June 2021 to discuss the results of our audit of the financial statements of Leeds and York Partnership NHS Foundation Trust (the 'Trust'), as at and for the year ended 31 March 2021.

We are providing this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented on 19 January 2021. We will be pleased to elaborate on the matters covered in this report when we meet.

Our audit is complete. There have been no significant changes to our audit plan and strategy other than the change to the expenditure recognition risk noted on page 12. Subject to your approval of the financial statements, we expect to be in a position to sign our audit opinion on 14 June 2021, provided that the outstanding matters noted on page 4 of this report are satisfactorily resolved.

We expect to issue an unmodified Auditor's Report on the financial statements and have not identified any significant weaknesses in your arrangements to secure value for money. In addition to this opinion we have prepared our Auditor's Annual Report which contains a narrative summary of our findings to be published on the Trust's website. This is included in the papers for this meeting.

We draw your attention to the important notice on page 4 of this report, which explains:

- The purpose of this report;
- Limitations on work performed; and
- Restrictions on distribution of this report.

Yours faithfully,

Rashpal Khangura

June 2021

How we have delivered audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- **Executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality controls** and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.

The National Audit Office (NAO) has issued a document entitled Code of Audit Practice (the Code). This summarises where the responsibilities of auditors begin and end and what is expected from the Trust.

External auditors do not act as a substitute for the Trust's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Important notice

This report is presented under the terms of our audit engagement letter.

- Circulation of this report is restricted.
- The content of this report is based solely on the procedures necessary for our audit.

This report has been prepared for the Audit Committee, in order to communicate matters of interest as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this report, or for the opinions we have formed in respect of this report.

Purpose of this report

This report has been prepared in connection with our audit of the financial statements of Leeds and York Partnership NHS Foundation Trust (the 'Trust'), prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted by the Group Accounting Manual issued by the Department of Health and Social Care, as at and for the year ended 31 March 2021. This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you.

Limitations on work performed

This report is separate from our audit report and does not provide an additional opinion on the Trust's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors. We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is complete.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit Committee of the Trust; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

Our audit findings

Significant audit risks

Page 9 –16

Significant audit risk	Risk change
------------------------	-------------

Valuation of land and buildings	● Stable
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Fraudulent expenditure recognition	● Stable
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Revenue recognition	● Stable
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Management override of control	● Stable
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Our findings

We have not identified any material misstatements as a result of our audit work. Our testing has confirmed that the asset values included in the accounts, and the treatment of additions and disposals are appropriate.

The results of our work were satisfactory. We have not identified any material misstatements as a result of our audit work. However we identified one unadjusted audit difference.

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The results of our work were satisfactory. We have not identified any material misstatements as a result of our audit work.

Key accounting estimates

Page 18

Valuation of land and buildings	Neutral
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We have not identified any issues to suggest that this judgement is materially misstated. Assumptions were found to be balanced.

Our audit findings (contd.)

Value for money

Page 20

Under the Code of Audit Practice we are required to report to you if we have identified a significant weakness in the Trust's arrangements to securing economy, efficiency and effectiveness in its use of resources. We have nothing to report in this respect. Our Annual Audit Report contains our public commentary in regard to this work and is elsewhere on the agenda.

Audit misstatements

Page 29

During the course of our audit we have noted one unadjusted audit difference relating to the annual leave accrual and associated income.

We have also noted three adjusted audit differences, all of which relate to disclosures

Whole of Government Accounts

Page 19

We intend to issue an unqualified Group Audit Assurance Certificate to the NAO regarding the Whole of Government Accounts submission, made through the submission of the summarisation schedules to Department of Health and Social Care.

Number of Control deficiencies

Page 27

Significant control deficiencies

0

Other control deficiencies (related to prior years)

2

Prior year control deficiencies remediated

1

Other matters

In auditing the accounts of an NHS body auditors must consider whether, in the public interest, they should make a report on any matters coming to their notice in the course of the audit, in order for it to be considered by Trust members or brought to the attention of the public. There are no such matters we wish to bring to your attention. We intend to issue our certificate closing the audit alongside our audit opinion.

COVID-19: Audit implications

The table below identifies the specific areas of our audit that were expected to be affected by the COVID-19 pandemic, and how our audit differs from those prior to the pandemic.

Materiality	<ul style="list-style-type: none"> – We have not considered it necessary to revise our materiality from last year. – We have utilised the 2020-21 forecast revenue in setting the materiality for the audit. – The risk that uncorrected and undetected misstatements exist and aggregate to an amount that results in a material misstatement of the financial statements has not changed.
Subsequent events disclosures	<ul style="list-style-type: none"> – Due to the rapidly evolving situation, we considered the impact of events subsequent to the reporting date to determine whether subsequent events should be reflected (adjusting) vs. disclosed (non-adjusting) in the financial statements. At the time of writing our report we have not identified any issues which require reporting. – We will continue to monitor this through to the date of the auditor's report.
Audit effort and audit fees	<ul style="list-style-type: none"> – We have not charged additional fees due to the challenges of remote working as we consider that the extra costs incurred are offset by efficiencies inherent to home working.
Going concern See page 22	<ul style="list-style-type: none"> – The required enhanced procedures under the revised ISA (UK) 570 on your risk assessment process and fact that we need to perform procedures through to the date of the auditors' report, which is due to be later than in prior years, meant a different approach in this key area. – Practice Note 10 (and the Group Accounting Manual) have been updated during the year to reiterate the continuation of services principal and therefore, despite the ongoing uncertainty of funding, we have concluded that it is appropriate to prepare your financial statements on a going concern basis.

COVID-19: Audit implications (contd.)

<p>Accounting estimates</p> <p>See page 18</p>	<ul style="list-style-type: none"> – The risk of material misstatement relating to the valuation of property, plant and equipment has altered due to the higher degree of estimation uncertainty resulting from current economic conditions. However it is noted that RICS have issued guidance reiterating that an inherent uncertainty paragraph is not expected in every asset valuation issued (as was common at the height of the pandemic in the prior year). – We evaluated the methods, assumptions and data used to derive the estimates for asset valuations to obtain evidence that they are appropriate in the context of the financial reporting framework and are, when appropriate, based on conditions and events at the measurement date. We considered whether management has appropriately addressed the increased estimation uncertainty when selecting the point estimate. – We evaluated whether related disclosures comprise required disclosures, including significant assumptions about the future and other major sources of estimation uncertainty, and whether they include the information necessary to achieve the fair presentation of the financial statements as a whole. – We have communicated our views about significant qualitative aspects of accounting estimates.
<p>Obtaining sufficient appropriate audit evidence</p>	<ul style="list-style-type: none"> – There was an extension to the standard timetable (to 15th June 2021) for the completion of our audit to enable us to obtain sufficient appropriate audit evidence to support our audit opinion. This was made for all providers and was to allow auditors more time to: <ul style="list-style-type: none"> – modify audit procedures when expected audit evidence was unavailable; – collate external confirmations or perform alternative audit procedures; – allow further time for the settlement of invoices; or – allow for delays in the completion of component audits. – We adapted our testing methods to respond to challenges of remote working: <ul style="list-style-type: none"> – using secure and innovative technologies, for example screen sharing to perform walkthroughs of processes – stratifying sample populations by risk for the different NHS financial regimes within the period given their differing control environments

Audit risks

1

Valuation of land and buildings

Risk of error relating to misstatement of asset valuations

Significant audit risk

The risk

Land and buildings are required to be held at fair value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with a 'modern equivalent asset'.

Major redevelopment work is currently underway at one of the Trust's assets – the St Mary's hospital site. The site is intended to become fully operational circa November 2021 and for the year ended 31 March 2021 will remain as assets under construction which will need to be factored into the valuation for the year ended 31 March 2021.

The value of the Trust's land and buildings at 31 March 2020 was £35.5m.

The last full revaluation took place for the year ended 31 March 2020. A desktop valuation will take place for the year ended 31 March 2021.

Our response

We will perform the following procedures designed to specifically address the significant risk associated with the valuation:

- We will critically assess the independence, objectivity and expertise of the Valuation Office Agency, the valuers used in developing the valuation of the Trust's properties at 31 March 2021;
- We will inspect the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the Group Accounting Manual;
- We will compare the accuracy of the data provided to the valuers for the development of the valuation to underlying information, such as floor plans, and to previous valuations, challenging management where variances are identified;
- We will critically assess the controls in place for management to review the valuation and the appropriateness of assumptions used;
- We will consider the carrying value of the land and buildings; including any material movements from the previous revaluations. We will challenge key assumptions within the valuation, including the use of relevant indices and assumptions of how a modern equivalent asset would be developed, as part of our judgement.
- We will perform inquiries of the valuers in order to verify the methodology that was used in preparing the valuation and whether it was consistent with the requirements of the RICS Red Book and the GAM;
- We will agree the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the GAM; and
- Disclosures: We will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

1

Valuation of land and buildings

Risk of error relating to misstatement of asset valuations

Significant audit risk

The risk

Land and buildings are required to be held at fair value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with a 'modern equivalent asset'.

Major redevelopment work is currently underway at one of the Trust's assets – the St Mary's hospital site. The site is intended to become fully operational circa November 2021 and for the year ended 31 March 2021 will remain as assets under construction which will need to be factored into the valuation for the year ended 31 March 2021.

The value of the Trust's land and buildings at 31 March 2020 was £35.5m.

The last full revaluation took place for the year ended 31 March 2020. A desktop valuation will take place for the year ended 31 March 2021.

Our findings

Land and buildings are required to be held at fair value. The Trust's main land and buildings relate to hospital sites across Leeds. As hospitals are specialised assets and there is not an active market for them they are valued on the basis of the cost to replace them with an equivalent asset. When considering the cost to build a replacement asset the Trust consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic.

The valuation of the land & buildings is completed by the District Valuer (DV), an external expert engaged by the Trust, using construction indices and so accurate records of the current estate are required. Full valuations are required to be completed every five years, with interim desktop valuations completed in interim periods. Valuations are inherently judgmental, therefore our work focused on whether the valuer's methodology, assumptions and underlying data, are appropriate and correctly applied.

Our procedures and results included:

- Assessing the competence, capability, objectivity and independence of the Trust's external valuer and considered the terms of engagement of, and the instructions issued to, the valuer to confirm consistency with the requirements of the Department of Health and Social Care Group Accounting Manual 2020/21;
- Considering whether the information provided to the valuer by the Trust, relating to the assets requiring to be valued, including details of in-year capital expenditure was complete and agreed to the Trust's fixed asset records;
- Critically assessing the Trust's consideration of indications of impairment within its estate, including the process undertaken and the adequacy of the judgements made by management in determining whether assets are impaired or surplus to requirements;

Audit risks

1

Valuation of land and buildings

Risk of error relating to misstatement of asset valuations

Significant audit risk

The risk

Land and buildings are required to be held at fair value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with a 'modern equivalent asset'.

Major redevelopment work is currently underway at one of the Trust's assets – the St Mary's hospital site. The site is intended to become fully operational circa November 2021 and for the year ended 31 March 2021 will remain as assets under construction which will need to be factored into the valuation for the year ended 31 March 2021.

The value of the Trust's land and buildings at 31 March 2020 was £35.5m.

The last full revaluation took place for the year ended 31 March 2020. A desktop valuation will take place for the year ended 31 March 2021.

Our findings

- Agreeing movements in asset valuation per the Trust's Fixed Asset Register to the reports provided by the valuer;
- Undertaking work to understand the basis upon which movements in the valuation of land and buildings as per the Fixed Asset Register have been identified and treated in the financial statements and determined whether they have complied with the requirements of the Department of Health and Social Care Group Accounting Manual 2020/21;
- Testing a sample of the 2020/21 capital expenditure additions to confirm that the additions were appropriately valued in the financial statements;
- Corroborating significant assumptions and key data elements, used by the external valuer, to supporting evidence; and
- Ensuring that the disclosures made were in line with the requirements of the Department of Health and Social Care Group Accounting Manual 2020/21.

We have not identified any issues or misstatements as a result of our procedures that we need to report to you.

Significant audit risk

The risk

In the audit plan we stated that *due to the uncertain nature of NHS funding for the year and for 2021-22 we also consider the risk that management may wish to overstate accruals if performance against the system break even position allows, for example to bring forward expenditure from 2021-22 to mitigate financial pressures.*

We have identified more funding is available to the FT than originally anticipated and this creates an incentive for management to overstate the level of non-pay expenditure.

We consider this would be most likely to occur through overstatement of accruals at the end of the year and to recognise expenditure relating to 2021/22 in the final period of 2020/21.

This risk relates to the existence of non-pay, non-depreciation expenditure and year end accruals.

Our response

We will perform the following procedures in order to respond to the significant risk identified:

- We will assess the design and operation of process level controls for the purchase ordering of goods and services and the accrual of information at the end of the year based on those that have been receipted;
- We will inspect invoices for material expenditure, in the period following 31 March 2021, to determine whether expenditure has been recognised in the correct accounting period;
- We will select a sample of year end accruals and inspect evidence of the actual amount paid after year end in order to assess whether the accrual had been accurately recorded.

We will also perform the following procedures as part of our expenditure testing to gain further assurance over the accuracy of the year end expenditure:

- Expenditure recognition: We will test a sample of expenditure transactions by agreeing through to supporting documentation; and
- Agreement of Balances: We will assess the outcome of the agreement of balances exercise with other NHS organisations and compared the values reported to the value of expenditure captured in the financial statements. We will seek explanations for any variances over £150,000, and all balances in dispute.

Significant audit risk

The risk

In the audit plan we stated that *due to the uncertain nature of NHS funding for the year and for 2021-22 we also consider the risk that management may wish to overstate accruals if performance against the system break even position allows, for example to bring forward expenditure from 2021-22 to mitigate financial pressures.*

We have identified more funding is available to the FT than originally anticipated and this creates an incentive for management to overstate the level of non-pay expenditure.

We consider this would be most likely to occur through overstatement of accruals at the end of the year and to recognise expenditure relating to 2021/22 in the final period of 2020/21.

This risk relates to the existence of non-pay, non-depreciation expenditure and year end accruals.

Our findings

Our procedures included:

- Assessing the design and implementation, and the operating effectiveness of the application of the three way match control, which matches the purchase order to the goods received note and valid invoice, prior to making a payment to the supplier;
- The Trust has high level controls in place designed to detect misstatement of accruals (such as review of management accounts) and we understand year on year comparisons are undertaken as part of preparation of the financial statements. These controls are not formally documented and do not meet the management review control requirements as defined by Auditing Standards. As such we have not tested the operating effectiveness of these.
- Testing a sample of expenditure in March and April 2021 and confirmed that these items had been accounted for in the correct period, with reference to when the service was delivered, through inspection of relevant source documentation such as invoices;
- Inspecting confirmations of balances provided by the Department of Health and Social Care as part of the AoB exercise and compared the relevant expenditure and payables recorded in the Trust's financial statements to the income receivables balances recorded within the accounts of other providers and other bodies within the AoB boundaries. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure and payables with other providers and other bodies within the AoB boundaries; and
- Testing a sample of accruals in the year to test they were calculated on a reasonable basis and related to the 2020/21 financial year.

We have not identified any material misstatements as a result of our procedures that we need to report to you. However we identified one unadjusted audit difference in relation to accruing annual leave for an extra day of leave for all staff members even though the obligation was not agreed until the April 2021 Board Meeting. The value of this is a £495k overstatement of expenditure and accruals.

Audit risks

3

Revenue recognition

Fraud risk related to overstatement of revenues

Significant audit risk

The risk

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.

We recognise that the incentives in the NHS differ significantly to those in the private sector which have driven the requirement to make a rebuttable presumption that this is a significant risk. These incentives in the NHS include the requirement to meet regulatory and financial covenants, rather than broader share based management concerns.

As the Trust is required to play its part in balancing the local system total at the end of the year this may create an incentive for revenue to be manipulated in order to achieve budgeted financial performance. We anticipate that this would occur through manipulation of year end income accruals. As much of the Trust's income for 2020-21 has been contracted on a block basis our risk will be focused on the variable elements of income the Trust has received during the year.

Our response

- We will evaluate the design of controls in place for the Trust to engage in the agreement of balances exercise with other NHS providers and commissioners and follow up variances arising from the exercise.
- Contract agreement: We will agree commissioner income to the agreed block contracts for the second half of the year and select a sample of the largest balances to agree that they have been invoiced in line with the contract agreement and payment has been received. We will agree that the levels of over and underperformance reported are consistent with contract variations;
- Income recognition: We will carry out sample testing of invoices for material income in the period prior to and following 31 March 2021 to determine whether income is recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties;
- Agreement of Balances: We will assess the outcome of the agreement of balances exercise with CCGs and other NHS providers and confirm the values they are disclosing within their financial statements to the value of income captured in the financial statements. We will seek explanations for any variances over £150,000, and all balances in dispute, and will challenge the Trust's assessment of the level of income they are entitled to and receipts that can be collected;
- Transformation funding: We will agree any additional funding (MRET, PSF and FRF) due at the year end to the confirmation received from NHSI and agree that this was appropriately recorded in the financial statements; and
- Other income: We will test material other income balances by agreeing a sample of income transactions through to supporting documentation and bank balances.
- We will carry out sample testing of year end income accruals in order to assess whether the actual value of income billed and received following 31 March 2021 agree to the amounts accrued.

Audit risks

3

Revenue recognition

Fraud risk related to overstatement of revenues

Significant audit risk

The risk

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.

We recognise that the incentives in the NHS differ significantly to those in the private sector which have driven the requirement to make a rebuttable presumption that this is a significant risk. These incentives in the NHS include the requirement to meet regulatory and financial covenants, rather than broader share based management concerns.

As the Trust is required to play its part in balancing the local system total at the end of the year this may create an incentive for revenue to be manipulated in order to achieve budgeted financial performance. We anticipate that this would occur through manipulation of year end income accruals. As much of the Trust's income for 2020-21 has been contracted on a block basis our risk will be focused on the variable elements of income the Trust has received during the year.

Our findings

The main source of income for the Trust is the provision of healthcare services to the public under contracts with NHS commissioners.

The Trust participates in the national Agreement of Balances (AoB) exercise for the purpose of ensuring that intra-NHS balances are eliminated on the consolidation of the Department of Health's resource accounts. The AoB exercise identifies mismatches between income and expenditure and receivable and payable balances recognised by the Trust and its commissioners, which will be resolved after the date of approval of these financial statements.

Non-NHS Income relates to contracts and activity with a range of organisations.

Our work focused on the recognition of both NHS and non-NHS income and considered the existence of balances recorded within the financial statements. Our testing has incorporated:

- agreeing the actual income for the Trust's most significant commissioners to bank statements;
- inspecting confirmations of balances provided by the Department of Health and Social Care as part of the AoB exercise and compared the relevant income recorded in the Trust's financial statements to the expenditure balances recorded within the accounts of the Commissioners. Where there were differences in the reported balances in excess of the NAO reporting threshold of £150,000 we investigated these and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising income; and
- agreeing a sample of income received in March and April 2021 to supporting evidence to assess whether income has been accounted for in the correct financial year.

We have not identified any material misstatements as a result of our procedures that we need to report to you. However we have identified one unadjusted audit difference concerning the income received for funding the annual leave accrual (£495k). This overstates income and debtors.

4

Management override of controls^(a)

Fraud risk related to unpredictable way management override of controls may occur

Significant audit risk

The risk

Professional standards communicate the fraud risk from management override of controls as significant.

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We have not identified any specific additional risks of management override relating to this audit.

Our response

Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we will test the operating effectiveness of controls over journal entries and post closing adjustments.

We will assess the controls in place for the approval of manual journals posted to the general ledger to ensure that they are appropriate.

We will analyse all journals through the year using data and analytics and focus our testing on those with a higher risk.

We will assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.

We will review the appropriateness of the accounting for significant transactions (where applicable) that are outside the Trust's normal course of business, or are otherwise unusual.

We will assess the controls in place for the identification of related party relationships and test the completeness of the related parties identified. We will verify that these have been appropriately disclosed within the financial statements.

Our findings

- Testing of journal entries, cut off of both revenue and expenditure items and related parties has not identified any instances of fraud; and
- Our review of the appropriateness of methods used in the preparation of financial statements, the assumptions used in accounting for unusual transactions, and a review of financial performance in relation to the year end outturn have not identified any instances of fraud.

As result of our procedures we have not identified any issues or misstatements that we need to report to you.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Mandated risks

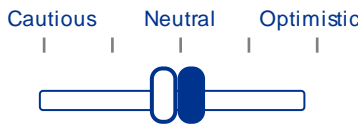
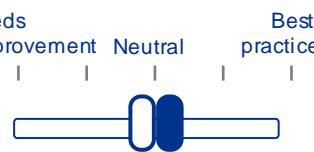
Risk	Why	Finding from the audit
Fraud risk from revenue recognition	Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.	Our work on NHS Income and Receivables has provided evidence and assurance in relation to the risk of fraud in revenue recognition.
Fraudulent expenditure recognition	Practice Note 10 suggests that auditors in the public sector should consider whether there is a fraud risk arising from the recognition of expenditure.	Our work on Non-Pay Expenditure has provided us assurance over the risk of fraudulent expenditure recognition.
Fraud risk from management override of controls	<p>Professional standards require us to communicate the fraud risk from management override of controls as significant because management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We have not identified any specific additional risks of management override relating to this audit.</p>	Our procedures, including testing of journal entries, accounting estimates and significant transaction outside the normal course of business, no instances of fraud were identified.

Reconfirming materiality: We can confirm that we have completed all our audit work to the materiality that we proposed at the planning stage of the audit, which was a total materiality of £3m, performance materiality of £2.25m with an audit differences posting threshold of £150k.

Key accounting estimates - Overview

Our view of management judgement

Our views on management judgements with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions.

Asset/liability class	Our view of management judgement	Balance (£m)	YoY change (£m)	Our view of disclosure of judgements & estimates	Further comments
Valuation of land and buildings		32.7	-2.8		<p>The Trust has used the services of a professionally qualified valuation expert to complete a desktop valuation of its land and buildings as at 31 March 2021. The valuation has been carried out in line with the DHSC Group Accounting Manual (GAM). The valuation is an estimate and involves various assumptions.</p> <p>We reviewed the assumption used by the valuation expert and the valuation report for the year ended 31 March 2021. We compared that with the applicable accounting standards and consistent application of assumptions in relation to the Trust as well as the wider NHS sector. We also obtained assurance in relation to the competency and experience of the valuer to conduct such a valuation.</p> <p>We can confirm that the assumptions used by the valuer are reasonable and appropriate. We can also confirm that the valuer is professionally qualified and has the relevant expertise to carry out such a valuation.</p> <p>We have not identified any issues to suggest that this judgement is materially misstated. Assumptions were found to be balanced.</p>

Other matters

Annual report

We have read the contents of the Annual Report (including the Accountability Report, Directors Report, Performance Report and Annual Governance Statement (AGS)) and audited the relevant parts of the Remuneration Report. We have checked compliance with the NHS Group Accounting Manual (GAM) issued by Department of Health and Social Care and Foundation Trust Annual Reporting Manual (the ARM). Based on the work performed:

- We have not identified any inconsistencies between the contents of the Accountability, Performance and Director's Reports and the financial statements.
- We have not identified any material inconsistencies between the knowledge acquired during our audit and the director's statements. As Directors you confirm that you consider that the annual report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.
- The part of the Remuneration Report that is required to be audited were all found to be materially accurate;
- The AGS is consistent with the financial statements and complies with relevant guidance subject to updates as outlined on page 4; and
- The report of the Audit Committee included in the Annual Report includes the content expected to be disclosed as set out in the GAM and ARM and was consistent with our knowledge of the work of the Committee during the year.

Whole of Government Accounts

As required by the National Audit Office (NAO) we are required to provide a statement to the NAO on your consolidation schedule. We comply with this by checking that your summarisation schedule is consistent with your annual accounts. We have completed that work and found no matters to report.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Audit Fees

Our fee for the audit was £57,000 plus VAT (£47,000 in 2019/20).

We have not completed any non-audit work at the Trust during the year.

Value for money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor's Annual Report, which is required to be published on your website alongside your annual report and accounts.

We have prepared our Auditor's Annual Report and a copy of the report is included within the papers for the Committee alongside this report.

Commentary on arrangements

In addition to this report we have prepared our Auditor's Annual Report which contains a narrative summary of our findings to be published on the Trust's website. This is included in the papers for this meeting.

Response to risks of significant weaknesses in arrangements to secure value for money

Our risk assessment identified no risks of significant weakness. We have no recommendations to report.

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risks identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant weaknesses identified

We confirm that we have not identified any significant weaknesses to be included within our value for money report.

Appendix

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Appendix One

Revision to the Going Concern auditing standard

The revision of International Standard on Auditing (ISA) 570 relating to going concern applies for audits of the year ending 31 March 2021 and subsequent years. The revised standard introduces a requirement for all entities to complete a formal assessment of their status as a going concern and recommends that this is presented to the entity's Audit Committee.

Going concern is a fundamental concept to the preparation of the accounts for all entities, however it is interpreted separately in the public sector. While the risk associated with going concern is lower for NHS providers and commissioners care should be taken to ensure appropriate consideration is given to assessing whether there is a risk that the going concern status might not be appropriate.

Practice Note 10

The expectations for content to be included within a going concern assessment are set out in Audit Practice Note 10, which provides guidance for completing audits in the public sector in the UK. This sets out that a risk assessment for an entity in the public sector must at a minimum consider the following factors:

- What are the requirements of the reporting framework with regards to going concern; and
- Complete a risk assessment to consider whether there are any factors that would call into doubt the going concern status.

Requirements of the reporting framework

The definition of going concern is set out in the Financial Reporting Manual published by HM Treasury and supported by the DHSC Group Accounting Manual. These set out that:

"For non-trading entities, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern."

HM Treasury Financial Reporting Manual

The above therefore means that the assurance over the continued provision of services comes primarily from the publication of documents that set out that the services the organisation provides will continue to be provided. This means even if it is expected that the organisation will merge it is still considered to be a going concern.

In forming the going concern assessment providers and CCGs are required to consider whether there is a documented expectation for the services they provide to continue. This can consider factors such as:

- The requirement for health services to be provided is set out in legislation, such as the Health Act and Health and Social Care Act.
- The presence of published allocations, such as resource limits for CCGs, that confirm they will continue to receive funding.
- The presence of strategies, such as ICS long term plans, that plan for the continued provision of the services provided by the entity.

Appendix One

Revision to the Going Concern auditing standard

Risk assessment

The assessment of going concern should consider whether any risks have been identified that may mean the going concern assumption is not appropriate. As the key sources of assurance that services will provide are based on legislation and published strategies this should focus on whether there are any factors published that could lead to the services provided ending.

This assessment should consider the impact of the white paper that is currently being consulted on, particularly for the establishment of integrated care systems as legal entities.

Assessing financial performance

While the focus of the going concern assessment does not need to be on financial performance it is important that there is an understanding of the expected future financial performance, particularly if it is expected there may be deficits or gaps in funding available.

While deficits or gaps in funding may not lead to a modification of the going concern status they may still require disclosure within the going concern accounting policy so that users of the accounts can understand why the accounts are prepared on a going concern basis.

Demising entities

Where a CCG or provider is due to demise, for example due to merger with another entity, then they are still considered to be a going concern. The risk assessment will need to give the same consideration as set out above for the new merged entity to confirm that it is appropriate for it to be considered a going concern.

Conclusion

Following our consideration of the above we have concluded that management's decision, based on the continuation of services principle, to prepare the financial statements on a going concern basis is a reasonable one.

Appendix Two

Changes to our audit reports as a result of ISA (UK) changes

Going concern

Our conclusion on going concern has been updated to provide a positive confirmation that we have not identified any factors that would cause us to consider there is a material uncertainty over the Trust's status as a going concern.

Irregularities and fraud

In all audit reports, we are now required to **explain to what extent the audit was considered capable of detecting irregularities, including fraud.**

This is tailored to each audit. We include a summary of what risks we identified relating to fraud and what procedures we have performed in response to these.

Laws and Regulations










For audits of financial periods commencing on or after 15 December 2019, auditors are required to explain in the auditor's report to what extent the audit was considered capable of detecting irregularities, including fraud.

This was already a requirement for auditors of public interest entities (PIEs) in ISA (UK) 700 (Revised June 2016).

We also set out as part of the report the laws and regulations that we have identified that have a direct impact on the preparation of the Trust's accounts.










Appendix Three

Required communications with the Audit Committee

Type		Response
Our draft management representation letter		We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2021.
Adjusted audit differences		There were nil adjusted audit differences.
Unadjusted audit differences		The aggregated impact on the reported surplus of unadjusted audit differences would be £0K. In line with ISA 450 we request that you adjust for these items. However, they will have no effect on the opinion in the auditor's report, individually or in aggregate. See page 29.
Related parties		There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee		There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies		We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts		No actual or suspected fraud involving management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements was identified during the audit.
Make a referral to the regulator		If we identify that potential unlawful expenditure might be incurred then we are required to make a referral to your regulator. We have not identified any such matters.
Issue a report in the public interest		We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.

Appendix Three

Required communications with the Audit Committee

Type		Response
Significant difficulties		No significant difficulties were encountered during the audit.
Modifications to auditor's report		None. We have complied with the new requirements of AGN07 which removes the need for Foundation Trusts to have audit findings reported via a long form audit report.
Disagreements with management or scope limitations		The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information		<p>No material inconsistencies were identified related to other information in the annual report, Strategic and Directors' reports.</p> <p>The Annual report is fair, balanced and comprehensive, and complies with the revised guidance issued during March 2021.</p>
Breaches of independence		No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices		Over the course of our audit, we have evaluated the appropriateness of the Trust's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management		No significant matters arising from the audit were discussed, or subject to correspondence, with management.
Certify the audit as complete		We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.
Standard representations requested		We have requested the standard letter of management representation.

Recommendations raised and followed up

There were no new recommendations raised as a result of our work in the current year.

We have followed up the recommendations from the previous years audit, in summary:

Total number of recommendations	Number of recommendations implemented	Number outstanding (repeated below):
3	2	1

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2021)
Financial Statements				
1	3	<p>Lack of Journal Posting Segregation of Duties</p> <p>Due to the small size of the team involved in journals posting, no segregation of duties between journal posting and approval is enforced within the General Ledger. This allows staff to post journals without the direct supervision of management.</p> <p>The team rely on the impact inappropriate journals would have on budgets as a means of identifying them, this may allow lower value inappropriate journals to continue to be posted. As such we believe a system of review by senior finance staff should be implemented to ensure journals are reviewed prior to them being posted.</p>	<p>Management Response:</p> <p>Given the standard monthly review cycle by Senior Finance Managers and the budgetary control processes in place the risk in this area is minimal and accepted.</p>	The Trust accepts this risk.
2	3	<p>Lack of Documentation of Oracle User Review</p> <p>A monthly review of Oracle General Ledger users is conducted by finance staff to ensure that no inappropriate users are allowed access to the system, ensuring they are removed after they leave the Trust or change role.</p> <p>In the prior year (2018/19) we recommended that a document is prepared monthly showing evidence of the check being undertaken and a listing of all users who have been removed.</p> <p>Our review found that evidence is now retained of the monthly checking process which involves monthly review of the active Oracle user list and requesting confirmation by email from Finance Managers that the list remains correct. Where replies are not received, it was assumed that no changes are required and the user access list remains correct.</p> <p>Our testing did not identify any inappropriate users with access to the Oracle system, however we recommend that positive confirmation is requested from Finance Managers each month as evidence that the Oracle user list is continually reviewed, updated and therefore correct.</p>	<p>Management Response:</p> <p>Agreed</p>	<p>Outstanding</p> <p>Positive confirmation is not provided by Finance Managers to confirm that the list remains correct. However officers have informed us that access to the system is automatically suspended following a set period of inactivity and the system can only be accessed through the NHS network via the Trust, which reduces the risk of inappropriate access.</p>

Appendix Four

Recommendations raised and followed up

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2021)
Financial Statements				
3	3	Best Practice with Audit, Assurance and Governance Best practice with audit, assurance and governance continues to change. We would recommend that management produce annual papers for Audit Committee discussion and approval setting out the approach to key judgements relating to going concern and where specialist advisors are used, e.g. property valuations and impairment reviews.	Management Response: Agreed	Implemented

Audit Differences

Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit Committee with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Audit Committee, details of all adjustments greater than £150K are shown below:

Unadjusted audit differences (£m)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Annual Leave Accrual Cr Expenses Dr Income Cr Debtors	 £495k	£495K (£495k)	Although the Board approved an additional day of annual leave for 20/21, this was not done until after year-end. Therefore the obligation did not exist at the year end and this amount should not have been accrued in the financial statements. Linked to the above over-accrual, we recognise the Trust was funded for the increase in annual leave accrual, which it was informed by NHSE/I through a notification of year-end indicative income values for 2020/21.
Total		£0k	£0k	

Under UK auditing standards (ISA UK 260) we are required to provide the Audit Committee with a summary of adjusted audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements:

- The accounting policies stated there was a valuation uncertainty as at 31st March 2021, but as per the Asset Valuation Report there was no valuation uncertainty as at 31st March 2021. This has since been corrected by management.
- The VFM fee had been included classified in Operating Expenses as 'Other auditor remuneration' however as per the GAM this should be classified as 'Audit Services'. This has since been corrected by management.
- The 'off-payroll workers table' within the annual report was not in line with the ARM and the 'future policy table' did not reference the performance period as required by the ARM. This has since been corrected by management.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Partner and audit staff is not impaired.

To the Audit Committee members

Assessment of our objectivity and independence as auditor of the Leeds and York Partnership NHS Foundation Trust

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP [partners/directors] and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard.

As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications

- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

There were no non-audit services provided in the year.

Appendix Seven

Confirmation of Independence

We have considered the fees charged by us to the Trust and its affiliates for professional services provided by us during the reporting period. Total fees charged by us can be analysed as follows:

	2020/21	2019/20
	£'000	£'000
Financial Statements Audit	£47,000	£47,000
Value for Money	£10,000	£0
Total audit	£57,000	£47,000
Quality Accounts	£0	£946
Total non-audit services	£0	£946
Total Fees	£57,000	£47,946

Fee ratio

The anticipated ratio of non-audit fees to audit fees for the year at the time of planning was 0.14: 1. However as the requirement to prepare Quality Accounts was removed, the ratio of non-audit fees to audit fees for the year is currently 0:1.

We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

Contingent fees

Under the FRC's Revised Ethical Standard, no new contingent fees for non-audit or audit related services for an audited entity, its UK parent undertaking and any worldwide controlled undertaking can be entered into after 15 March 2020. We confirm that no new contingent fees for such services have been entered into for Leeds and York Partnership NHS FT since that date and that no contingent fee amounts remain outstanding from previously provided non-audit services.

Application of the FRC Ethical Standard 2019

We communicated to you previously the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Compliance Committee and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP



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