NHS
Leeds Community Healthcare
NHS Trust

Annual report and accounts 2016 | 2017

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Welcome

from our Chief Executive and Chair

This has, as ever, been a challenging year for the NHS and we are no different. We are, however, very proud of what we have achieved. We're proud of the services we have provided, through one of the most difficult winters Leeds has faced, and the ground work we have laid for future service improvements, through new ways of working across the city of Leeds and West Yorkshire.

We are extremely proud of the part we played in the joint inspection of Children with Special Educational Needs and/or Disabilities (SEND) services. This reflected positively on Children's Services. Similarly, our West Yorkshire Police Custody Services were inspected. HM Inspectorate of Prisons and HM Inspectorate of Constabulary, reported on their inspection as "the most positive inspection made of police custody for some time."

Most importantly, The Trust continues to achieve high patient satisfaction ratings (Friends and Family Test), meet national waiting time targets, and our own internal waiting times. Whilst our overall staff satisfaction score hasn't moved as fast as we would have hoped, many measures on the national staff survey show significant improvement in satisfaction with leadership, management and role. This is what we hoped to see. We continue to embed 'Our 11', our one vision, three values and seven magnificent behaviours. The scores on our staff survey show that these are becoming part of the way we do business here at Leeds Community Healthcare.

Our last CQC inspection took place in April 2015. At this time we received an overall rating of 'Requires Improvement'. Although found to be 'Good' in the Effective, Caring, and Well-Led domains, the CQC sought some improvements from us against its 'Responsive' and 'Safe' domains.

The senior team and frontline colleagues were proud to showcase achievements made in all domains when we welcomed the CQC team back in January 2017. Inspectors visited a range of our services, including our newly established integrated Neighbourhood Teams and some of our Children's services. They also reviewed our work on quality.

We are proud to have our improvements acknowledged by the CQC and this has meant that as a Trust, our overall rating is now **'Good'**.

We are confident that our commitment to quality continues, and is strengthened, across our services.

As a healthcare partner within West Yorkshire and Harrogate and working within the Leeds Plan, which sets out a vision and direction of travel for services over the next five years. We have, in the last year, worked hard to continue to lay the ground work for the future model of care in the city. This will see services working in a more integrated way wrapped around the people on a GP list. We are fully committed to this vision, and have invested in working closely with GPs, social care, the third sector, other NHS providers across the city and the emerging federations. The aim is to co-produce with them new ways of working. This has been exciting work this year and we look forward to taking more steps forward in 2017/18.

And so, we would like to say a final thank you to all of our colleagues. As ever, you have worked with passion, demonstrating the organisation's vision, values and behaviours daily. The awards you have won are too numerous to mention, and the innovation and commitment to excellence you bring every day is a cause for our regular celebration.

Neil Franklin
Chair

Thea Stein
Chief Executive

Who we are and what we do

Leeds Community Healthcare NHS Trust (LCH) provides a range of community healthcare services to the people of Leeds. Care is always provided in, or as near to a person's home as is possible.

Our services are organised into three groups: **Adult Services, Specialist Services, Children's Services.**

Adult Services

- Neighbourhood Teams
- Joint Care Management Teams
- Early Discharge Assessment Team
- Community Intermediate Care Unit
- South Leeds Independence Centre

Specialist nursing:

- Wound Prevention and Management
- Continence, Urology and Colorectal Services

Specialist Services

- Primary Care Mental Health / Improving Access to Psychological Therapies (IAPT)
- Podiatry (foot health)
- Musculoskeletal and Rehabilitation Services
- Nutrition and Dietetics
- Stop Smoking Services
- Specialist Dental Services
- Prison Health (Young Offenders Institute, Wetherby)
- York Street Health Practice
- Healthcare services for police custody suite across Yorkshire and the Humber
- Community Intravenous Antibiotics Service (CIVAS)
- Community Tuberculosis (TB)

Long term conditions which include:

- Neurology
- Stroke Team
- Rehabilitation Unit
- Speech and Language Therapy
- Cardiac, Respiratory and Diabetes services
- Continuing Care Neuro - Physiotherapy
- Expert Patients' programme

Children's Services

Integrated Services for Children with Additional Needs (ICAN) including:

- Child Development Centres
- Paediatric Neurodisability clinics and children's outpatient clinics
- Specialist child protection medical services
- Community Eye service
- Audiology and New Born Hearing
- Physiotherapy
- Occupational Therapy
- Speech and Language Therapy
- Nutrition and Dietetic Services

Child and Adolescent Mental Health Services (CAMHS)

Community Nursing Services:

- Continuing Care Nursing Team
- Hannah House

Healthy Child Pathway Early Start Service:

- Health Visiting
- School Nursing
- Sickle cell and Thallasaemia
- Watch-It weight management

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

Our vision

When providing care, our vision is simple:

‘We want to provide the best possible care to every community we serve.’

To do this, we make sure we live our values every day:

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

Quality priorities

To help us achieve our vision, we worked with patients, carers and public members throughout 2016/17 to develop our quality priorities.

Patients, carers and public members told us that we could improve in the following four key areas:

- Access to services
- Better communication
- Carers’ needs and involvement
- Dignity, choice and respect

What next?

These four key areas are still important if we are to keep improving our services for the people of Leeds. They continue to be our ‘Patient, Carer and Public’ Quality Account Priorities for 2017/18.

You can found out more about our quality priorities in our Quality Account on our website.

How we’re meeting our goals

Alongside our quality priorities, we’ve been working hard against four key goals for the people of Leeds this year.

Our Four Key Goals:

1

Provide high quality services, continuously improving patient experience and measuring our success in outcomes.

2

Work in partnership with service users, communities and stakeholders to deliver service solutions, particularly around integrated care and care closer to home.

3

Engage and empower our people, ensuring we recruit and retain the best staff.

4

Ensure we are a viable and sustainable organisation with the ability to invest in the community.

Goal 1

Improving Patient Experience

Provide high quality services, continuously improving the patient experience and measuring our success in outcomes

Our first priority is always high quality patient care. Our quality strategy sets out our aim to achieve 'good' and 'outstanding' across our services.

To achieve this, we assess how well we are doing by using the same questions the Care Quality Commission use in their inspections:

We ask ourselves, are services:

- **Safe**
- **Caring**
- **Responsive**
- **Effective** and
- **Well-led?**

Our most recent CQC inspection took place in January 2017 and the Trust overall rating is now 'Good'.

Safe

- We achieved 58% of patient safety incidents being reported as 'no harm'. We are working hard to meet our 70% target.
- No cases of infections such as MRSA or Clostridium Difficile acquired by patients in our care.
- No admission of patients under 16 years of age to adult services.
- We achieved a 67.8% reduction in the number of avoidable category 3 pressure ulcers. We set ourselves a target to reduce these by 15%.
- We aimed to have no avoidable category 4 pressure ulcers in 2016/17. There have been four in the year to date. This is improving, as in the last six months of the year we have had just one.

Below is a table showing the number of inpatient falls resulting in an injury year to date. Our target was to reduce falls to 60 (a reduction of 10%). We haven't yet made the 10% reduction, our figure is 62, but the number of harm from falls has been decreasing since Quarter 2 of the year. We continue to monitor the Trust's Sign up to Safety pledge to '*reduce falls causing avoidable harm in inpatient units by 10%*' on a quarterly basis.'

Safe - people are protected from abuse and avoidable harm	2015/16 Total	2016/17 Target	YTD Target (Q1 to Q4)	YTD	Q1	Q2	Q3	Q4
10% falls reduction target for inpatient beds	66	60	60	62	14	20	17	11

Sign up to SAFETY
LISTEN LEARN ACT

To help monitor the safety of our services, our Board use key performance indicators (KPIs) and information gained from:

- Listening and talking to patients, carers and families
- Visiting services
- Meeting with staff as they deliver care

We're proud of…

…the colleagues in our Community Intermediate Care Unit (CICU) who have introduced daily safety briefings and a regular education programme. They have in place a safety culture that has significantly reduced the number of falls and pressure ulcers.

Caring

- The Friends and Family Test shows 95.1% of our community patients would recommend our services. This is an improvement on last year.
- Working with commissioners we have put in place systems to screen patients in some services for dementia, to enable earlier treatment. We have met all our targets to improve care in this way.
- If things don't go as well as expected, we welcome complaints.
- Response times are set nationally; we meet these and often respond much quicker.

Queries, Concerns and Complaints

Patient Experience Team – Patient Advice and Liaison Service (PALS)

The needs of patients and carers should always be placed at the centre of the care we provide. In the event that we get this wrong, we need to know about it. We are a learning organisation, committed to improving as a result of individual experience.

Our aim is to fully resolve a query, concern or complaint as quickly as possible and to everyone's satisfaction. Wherever possible, we encourage a person with a query or complaint to talk to us as soon as possible. This is so that problems can be responded to quickly for the people we care for. In the case of a formal complaint, our team works closely with patients (or family members, acting on their behalf) to create a personalised and detailed complaint plan. The plan makes sure every aspect of a person's complaint is addressed. We expect all our services to identify clear learning points from a complaint to prevent, as much as is possible, the same issue from happening again.

Our Patient Experience Team receives a large variety of queries and concerns about our services, and sometimes those operated by other organisations.

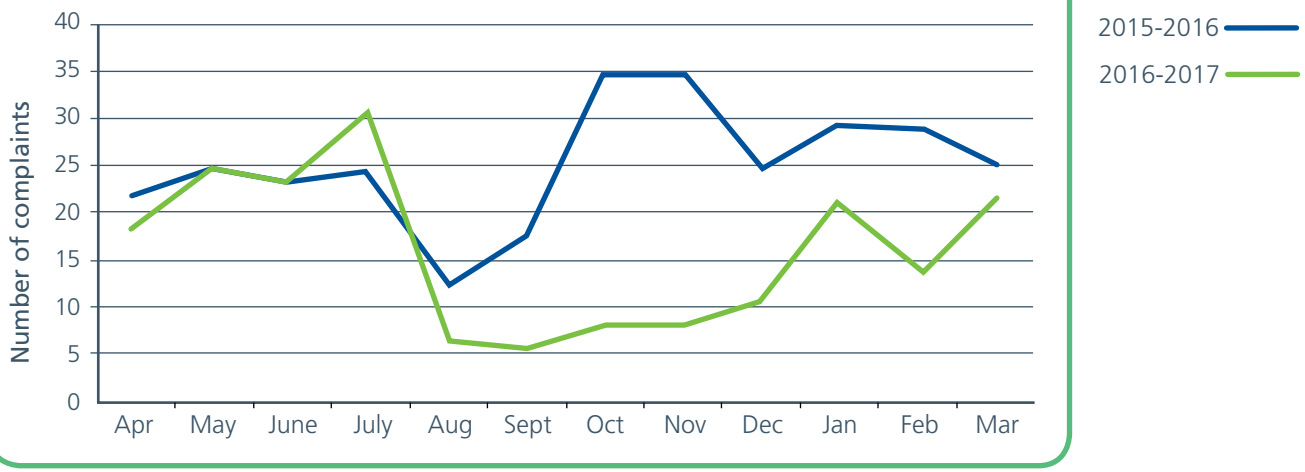
For example, Mrs Ahmed calls looking for help to access one of our services. We provide her with the contact information she needs for the team in her area.

Mr Danby calls with a serious concern about his mother's nursing home. Although we don't run the nursing home, we are able to suggest the right agency for Mr Danby to speak to.

During 2016/17, we considered 197 formal complaints relating to services provided by Leeds Community Healthcare NHS Trust. There were also 298 concerns recorded and a total of 371 enquiries.

The table below shows the number of formal complaints received over the last two years. During 2016/7 you will see a considerable fall in the number of formal complaints. We hope this demonstrates our commitment to understanding and resolving issues before they reach a formal complaint.

Formal complaints received during 2015/16 and 2016/17



The top themes for complaints during 2016/17 were:

- The standard of clinical treatment **14%**
- Staff attitude and communication **12%**
- Access to services **7%**
- Waiting time for appointments **6%**
- Concerns about clinical judgement **6%**
- Patients unable to get an appointment **5%**
- Staff members failing to attend or arriving late **4%**
- Failure or delay in the referral process **4%**

Information about our complaints is published every three months on our website.

More detailed information about the service provided by our Patient Experience Team can be found in our Quality Account available on our website:

leedscommunityhealthcare.nhs.uk

Responsive

- We meet all nationally reportable and internal targets for waiting times.
- At year end the Trust was seeing 98.1% of patients on consultant-led pathways within 18 weeks, no patients waited more than 52 weeks.
- The Trust delivered the total number of patient contacts required in 2016/17.
- 100% of patients were waiting less than 6 weeks for diagnostic tests at year end.
- 99.6% of patients were treated within 18 weeks of referral to IAPT and 94.6% were seen within 6 weeks.

We're proud of…

…Iona Taylor, and the Adult Nutrition and Dietetics team. They continue to innovate and advance their service through projects to improve the lives of patients in care homes, develop tools to help patients self-manage their conditions, and introduce new templates for improved data collection.

Effective

- We developed a new set of high level objectives to assess ourselves against this domain.
- We are compliant with all NICE Technology appraisals within 3 months.
- We have achieved the 65% target for clinical supervision through the entire year.
- We have achieved our Commissioning for Quality and Innovation (CQUIN) 4 goals associated with piloting outcomes measures in Musculoskeletal Services (MSK), the neighbourhood teams and ICAN.
- We are not meeting the target we set ourselves for compliance with other NICE guidance. There is no national requirement in relation to timescales but to put in place the recommendations is good practice.

We're proud of…

…Our Spinefit+ team. Through using service feedback, embracing transformation, and improving patient communication, they have continued to improve and adapt their offer to patients. They've never lost sight of their overall aim – to enable clients to live a better life with their pain.

Well-led

We do have some challenges and this is reflected in our own assessment of our performance.

- We know how important it is that people using health and social care services have all their needs met. We continue to work with the local authority, other NHS and voluntary organisations in Leeds to reduce health inequalities through the Equality Delivery System2 (EDS2). We currently hold an overall EDS2 grading of 'Achieving' with an action plan in place to move us on to the next level.
- Sickness absence levels remain higher than we would like them to be.
- All staff should have an appraisal every 12 months. We have a target of 95% but we did achieve 87.1%
- We want all relevant staff to be up to date with mandatory training. The figure at the end of 2015/16 was 86.7%.
- Staff turnover remains over the target range of 9 to13% at 15.3%.
- We continuously meet the requirements for safer staffing in our inpatient services.
- We adapted our use of agency staff in year and have been compliant within the overall agency cap set by NHS improvement.
- We have sustained our staff engagement and morale through the development of 'Our 11' pledges. We also introduced our 'Working Lives Star' a practical tool that supports teams to have conversations about morale and engagement.
- We have established both a BME and disability forum and identified volunteer 'champions'.

We're proud of…

…Head of Business Intelligence, Victoria Douglas. Victoria supports all of our business units to effectively use their performance information to understand operational issues and drive improvement across services.

Goal 2

Work in partnership with service users, communities and stakeholders to deliver service solutions, particularly around integrated care and care closer to home.

Adult Services

We've continued our work this year to bring together our adult neighbourhood teams with adult social care, primary care, mental health care and the third sector to improve care for frail and elderly people and those with long term conditions.

The people of Leeds, patients, carers and our staff told us what they want from a neighbourhood team:

"Support that is about me, my life, where services work closer together by sharing trusted information and focusing on prevention to speed up responses, reduce confusion and promote dignity, choice and respect."

So, we're making sure our care is wrapped around the person at its centre by establishing 13 Neighbourhood Teams:

West 1

9 Armley
Armley Moor Health Centre

10 Pudsey
Pudsey Health Centre

West 2

11 Holt Park
Horsforth Clinic

12 Woodsley
Woodsley Health Centre

13 Yeadon
Yeadon Community Health Centre

North 1

1 Meanwood
Meanwood Health Centre

2 Wetherby
Wetherby Health Centre

North 2

3 Chapeltown
Chapeltown Health Centre

4 Seacroft
Seacroft Health Centre

South 1

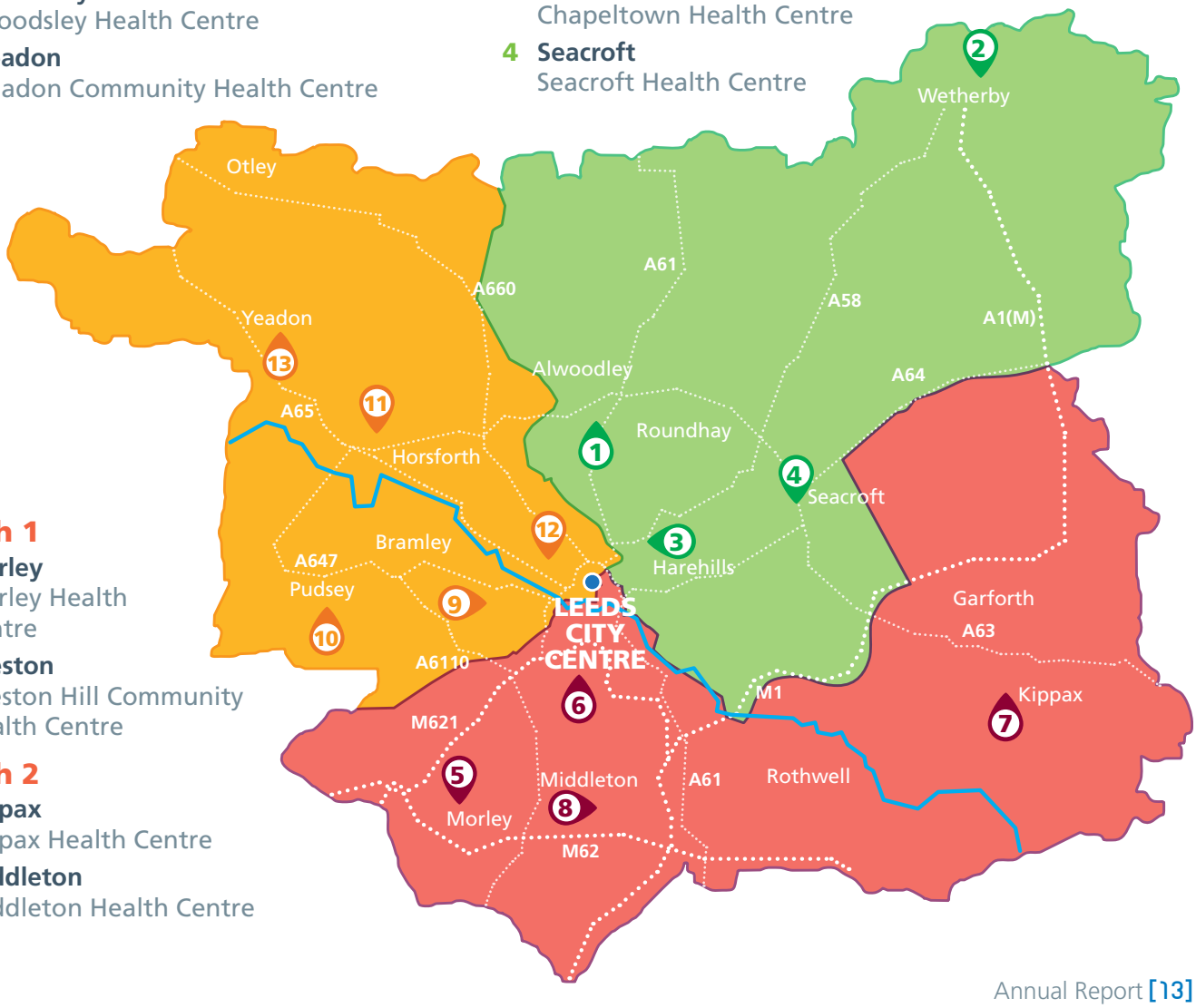
5 Morley
Morley Health Centre

6 Beeston
Beeston Hill Community Health Centre

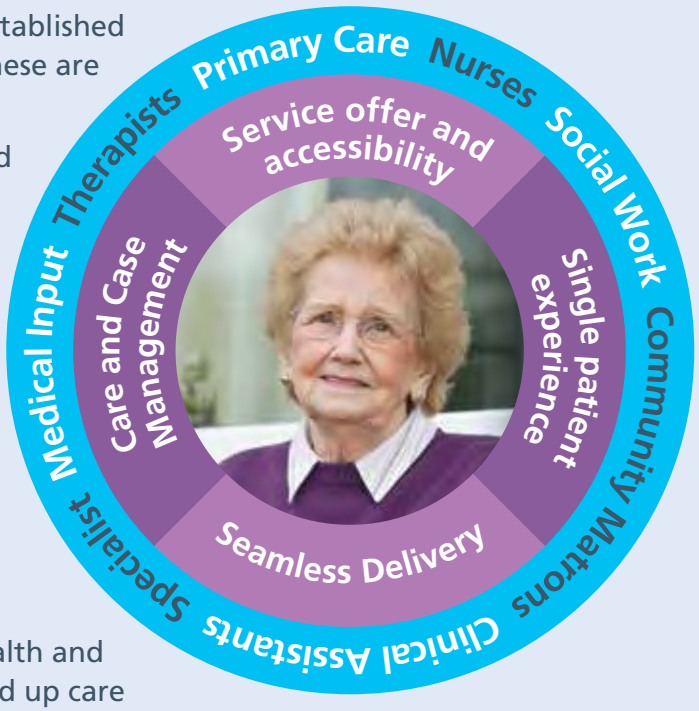
South 2

7 Kippax
Kippax Health Centre

8 Middleton
Middleton Health Centre



- Alongside colleagues in social care we've established 13 Neighbourhood Teams across the city. These are based around GP registered practices.
- Staff from Leeds Community Healthcare and Adult Social Care work together from the same base to provide seamless care.
- Staff who were previously district nurses, intermediate care nurses, community matrons and adult domiciliary physiotherapists now work together across the 13 neighbourhoods from 7am to 10pm.
- Within each team staff work in caseload clusters, which cover one or more practices within the team area to make sure care is consistent and that we work with other health and care professionals to deliver proactive joined up care to people and their families.



- Teams really get to know their community and are able to respond in a timely way.
- During the evening hours when demand reduces, Neighbourhood Teams come together to work out of 3 hubs, each covering 4 or 5 Neighbourhood Teams. The Neighbourhood Night Nursing Service then takes over from 9.30pm.
- Our Neighbourhood Teams provide 24 hours a day care, 365 days a year.

You can find out more about our Neighbourhood Teams here:
www.leedscommunityhealthcare.nhs.uk/our-services-a-z/neighbourhood-teams/

We're proud of…

…Emma Gregory, Community Matron and Clinical Lead for Electronic Patient Record and New Ways of Working. Emma has championed change across our Neighbourhoods and supported staff to embrace transformation while maintaining high clinical standards.

We're proud of…

…Business Change Lead, Jill Farrally. Jill has worked tirelessly, both day and night, to support our Neighbourhood Night Service. Jill supported the transition, put in place change, and improved handovers from our day to night teams.

From January – March 2017 staff in neighbourhood teams were responding to 'never seen before' pressures. Their position reflected the national picture of lack of capacity (due to vacancies and sickness) and ongoing demand for both acute and critical community health care services over the winter months. It was an extremely difficult time for NHS staff across the country, but our teams continued, often in very challenging circumstances, to support patients, families and each other.

To manage this difficult time, the Trust (alongside other local health and social care partners across Leeds) had in place 'Silver Command' arrangements. A gold, silver and bronze system is used by healthcare organisations and emergency services to categorise and then respond to high level incidents or demand.

During 'Silver Command' leadership from directors was in place and included the Executive Director of Operations and Executive Director of Nursing. Each morning the leadership team reviewed a report of the position in each neighbourhood team, and within citywide services, to determine further action needed to support service delivery across Leeds on a daily basis. This process continued into the weekends when a member of the Adult Business Unit leadership team provided citywide support on Saturday and Sunday mornings in addition to the usual 'on call' arrangements.

Joint approaches across neighbourhood teams were agreed at 'Silver Command' in order to manage the situation in the best possible way. For example, a priority order of work was agreed. This took into account clinical risk and meant that each day our available clinical workforce across the city was deployed to assist in the following order:

1. Support 'essential visits' (clinically complex and urgent care).
2. Team capacity to attend 'call outs', (clinically complex and urgent care not yet received into the case load).
3. Management of new referrals into the neighbourhood teams (people who no longer require a hospital bed but who have varying care needs within the community).
4. Routine visits (those visits which are important but of low risk to the patient. May even be managed through self-care, family member, or deferred visit from a member of the Neighbourhood Team until situation improves).

Other key learning as a result of 'Silver Command' included:

- Staff wellbeing sessions organised in response to staff suggestions (to improve morale and to keep staff well and in work).
- Processes developed to work with non-Leeds hospitals to improve joint discharge planning.
- Joint working with primary care and acute care on shared patient pathways and to explore longer term options for joint weekend clinics.
- Enhanced recruitment activity, to attract clinical workforce into Neighbourhood Teams.

We're proud of…

…Our Enhanced Care Home Scheme team for their work to improve the quality of life and experience for older people living in Leeds West CCG care homes.

We're proud of…

…Our Palliative and End of Life Care team who have redesigned their Service Delivery Framework to make the stages of care even clearer and ensure that, wherever possible, patients' wishes at the end of their lives are met.

Responding to changing demand

- We have new shift patterns in place which have standardised working patterns.
- Our 3 evening hubs each have a Clinical Coordinator in the team to manage evening workload dependent on changes to clinical need.
- A new capacity and demand tool has been launched and teams submit information on a daily basis.
- A new predictive capacity, planning and monitoring tool is being trialled in West Leeds.
- Ongoing skills and competencies work to understand the full breadth and depth of the skills within each neighbourhood team. This makes sure we place the right staff, with the right skills in the right place at the right time.
- Regular caseload reviews to ensure they are up to date and that all our patients are appropriately reviewed and risk assessed.
- Development work is underway (2017/18 business plan) to produce 'clinical care' frameworks for certain treatments. This will start with wound care and should improve allocations within teams, as it will be easier to identify the likely package of care required for an individual patient. It will also define the necessary skills of the clinical professionals associated with that treatment package.

Children's Services

As with all our services, we are committed to placing children and young people at the centre of the services we offer to them. This year we've done this by adopting a Health Coaching approach across all our services. This approach places the individual goals of children and outcomes at the centre of decision making. We've also made sure we continue our commitment to Special Educational Needs and Disabilities (SEND) as set out in the Children and Families Act 2014.

OFSTED/CQC Special Education Need and Disability Reforms Inspection

In December 2016, Ofsted and the Care Quality Commission (CQC) conducted a joint inspection of the local area of Leeds. The aim was to understand how well organisations are working to put in place the disability and special educational needs reforms set out in the Children and Families Act 2014.

Inspectors spoke with children and young people who have special educational needs and/or disabilities, representatives of the local authority and National Health Service (NHS) officers.

Here are just some of the key findings from the inspection report:

- Children and young people who have special educational needs and/or disabilities are proud to be citizens of Leeds. They have a real voice in shaping their education, health and care plans.
- Leaders across education, health and care services demonstrate clear insight and capacity to improve services in response to unmet needs, by working together with parents and young people.
- In some health services, insufficient resources, combined with increased demand, result in children and young people experiencing unacceptable delays in having their needs assessed. This is particularly the case for those whose assessment may result in a diagnosis of autism and children waiting for speech and language therapy.

What next? We continue to work creatively and with local health partners to ensure no child is kept waiting.

Integrated Children's Additional Needs (ICAN)

This service helps children and young people with disabilities to achieve their outcomes:

- By launching our central ICAN triage function, we've improved how we organise referral into the wide range of services we offer. Having one, easy to understand access point ensures children and young people get the right care, in the right place at the right time.
- Through its 'Positive Changes Group' the Children's Continuing Care Team continues to affect positive change. The group, which includes staff and parent/carer representation, supports families to explore new approaches to care and challenge historic practice. A key example has seen one child supported at home to enable his parents/carers to take a much needed holiday.

Healthy Child Pathway

- Our School Nursing Team has brought together its patient administration function. Its new Single Point of Access can now receive and process all patient referrals.
- Our School Nursing Team has redesigned how it delivers the National Child Measurement Programme. The aim is to improve efficiency and the experience of school age children, their parents and carers. The new model is now being put in place within school settings.
- We're developing our Health Visiting Single Point of Access too. This will involve all patient administration being brought into a single team. The first stage began in December 2016.

Child and Adolescent Mental Health Services (CAMHS)

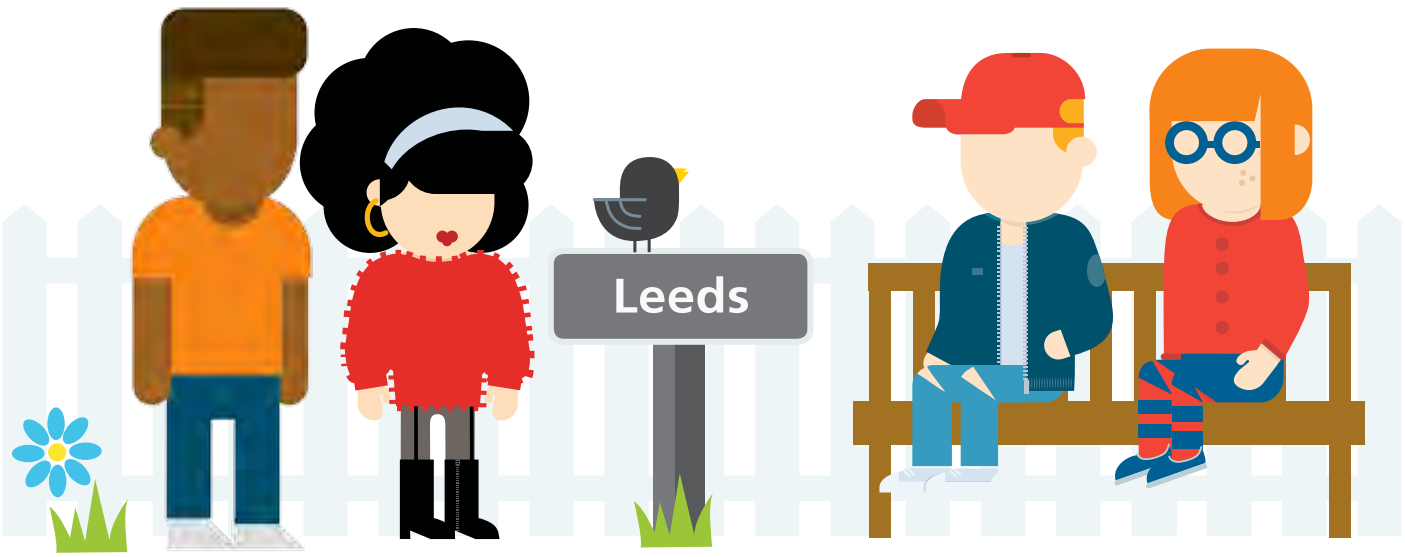
- Community CAMHS has successfully reduced Consultation Clinic waiting times to below 12 weeks.
- Accepted two new commissioned contracts from NHS Leeds South and East CCG; The MindMate Single Point of Access (SPA) and the Community Eating Disorder Service.
  - The MindMate SPA is operating an effective referral management and triage function. The next step is to agree with our commissioner how we develop short term intervention for children and young people who are referred and on the waiting list.
  - We're improving the digital presence of the CAMHS Service, including an updated website, and a new service user app for CAMHS patients and staff.
  - Work is still in progress to develop our Community Eating Disorder Service.

We're proud of…

…Head of Service, Janet Addison. Janet has been a role model and leader in our Children and Adolescent Mental Health Services (CAMHS) and children's Speech and Language services. Guiding colleagues through transformation and demonstrating a clear vision for her services.

We're proud of…

…Our School Immunisations Team. They deliver their programme to 47 high schools across Leeds. The team recently contained a Hepatitis A outbreak in the city, vaccinating 97% of staff and pupils at a single school in just five days.



Specialist Services

It's been a changing landscape for our Specialist Services, with Long Term Conditions, Neurology and Community Intravenous Antibiotics (CIVAS) services joining us from Adult Services. We've also seen the loss of our York Street Health Practice, the Healthy Living Service and the Expert Patient Programme (EPP). New approaches are being explored across the city for how we work in a joined up way to keep people well and, wherever possible, out of a hospital setting. We're working with our partners in commissioning and with Leeds Teaching Hospitals NHS Trust on how we shape and expand this type of care in the future. We've already started to introduce self-management techniques, such as Health Coaching, across specialist services to assist in this aim and empower people to be active partners in the management of their healthcare conditions.

York Street Health Practice

Our GP practice for homeless people was inspected by the Care Quality Commission (CQC) in October 2016 and rated as 'Outstanding' in December 2016. Inspectors rated the city-centre practice as 'Outstanding' for effective, responsive and well-led and 'Good' for safe and caring. Highlights from the inspection include:

- A clear vision which had quality and safety as its top priority. The strategy to deliver this vision had been produced with stakeholders and was regularly reviewed and discussed with staff.
- Patients' emotional and social needs were seen as equally important as their physical needs.
- Patients said they were treated with compassion, dignity and respect.
- Inspectors saw wide-ranging evidence of multi-agency working, where the practice worked closely with other organisations, such as outreach services, refugee councils and homeless shelters, in ensuring services were provided to meet patients' needs.

The York Street Health Practice transferred to a new provider on 1 April 2017.

Prison Health (Young Offenders Institute, Wetherby and Adel Beck Secure Children's Home)

We will continue to provide health services at Her Majesty's Young Offenders Institutes Wetherby and Adel Beck Secure Children's Home. Our new partners in this service are South West Yorkshire Partnership NHS Foundation Trust and Lifeline.

Healthy Living Service (HLS)

Designed as a preventative service, focused on patient identified goals for issues such as weigh management and help to stop smoking, the HLS continued its work with patients on their self-identified goals. The approach which uses motivational interviewing, cognitive behavioural therapy (CBT) and solution focused therapy will continue to provide support to those on its programmes until October 2017.

Podiatry

We received accolades for out 'Walking on Air' project - an innovative winter initiative taking care direct to the most marginalised people in the city of Leeds. This new type of outreach, not usually offered by the NHS, took place during December 2015 and again in 2016.

The purpose being to educate, empower and support individuals to take ownership of their own foot health.

We're proud of…

…Specialist Lead Podiatrist, Nina Davies. Nina has authored the first national mentorship framework for podiatric paediatric practitioners. Her own leadership has inspired many Podiatry staff to undertake additional training and qualifications.

Responding to changing demand

- We're creating bespoke 'situation report' templates for individual services. These templates will be used to monitor capacity and demand and inform an escalation process.
- We've worked with our Business Intelligence Team to complete capacity and demand work. We have done this to understand demand and inform service delivery.
- The capacity and demand work supported by our Business Intelligence Team has been used as evidence to support additional funding requests to our commissioners. This is to make sure we can meet increasing demand.

Expanding our horizons

We believe our recent contract losses are the result of the NHS being in a competitive market. Whilst this is disappointing, we are not complacent. We have learnt from our most recent losses and work to date has included:

- Full lessons reviews.
- The use of business development experts to evaluate tender submissions.
- Bid writing training for staff involved in tenders.

As a leading provider of a diverse range of community health and wellbeing services there is much that the organisation can offer. As a result we're working on our Business Development Strategy. Led by the Head of Business Development, we're identifying areas of potential sustainable and viable growth. This will include:

- Bidding to retain viable services that come out to tender.
- Growing the services in which we excel to neighbouring areas.
- Enhancing a traded offer for our expertise in community health.
- Growing strategic partnerships.

Goal 3

Engage and empower our workforce, ensuring we recruit and retain the best staff

If we are to achieve our vision to provide high quality care to every community we serve, our people need to feel supported to deliver high quality. The Trust has refreshed its organisational development strategy which concentrates on:

- Planning for the future – recruitment, retention workforce and talent development.
- Workplace wellbeing.
- Creating and developing leadership capability.
- Building organisational structures that show responsibilities and accountabilities, and are fit for purpose for our services.

This year, there have been some key developments that support the aims set out in our strategy. These are:

- A brand new programme for Leadership Development programme (LEAD) introduced during 2016. Our fist cohort of Band 7 and above leaders graduated the course in June 2017.
- An 'Engagement Star' (engagement tool). introduced to encourage staff/team engagement
- Focus on staff health and wellbeing.
- Developing coaching as means to having 'better conversations' with staff and patients.
- Refreshed and enhanced recruitment drive and programme is underway.

NHS National Staff Survey 2016

Every year we take part in the NHS National Staff Survey. This year 1425 staff completed the survey compared to 1355 in 2015, a good response rate of 51%. We have looked at how our key findings compare with other Community Trusts.

Some good news:

My manager gives me clear feedback	+9%
I am satisfied with the support I get from my immediate manager	+6%
Senior managers act on staff feedback	+6%
I would feel secure raising concerns about unsafe clinical practice	+6%
The values of my organisation were discussed as part of the appraisal process	+12%
My training, learning or development has helped me to deliver a better patient service user experience	+4%

Some areas of development:

I am able to do my job to a standard I am personally pleased with	-3%
I am trusted to do my job	-3%
If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation	-3%
In the last month have you seen any errors, near misses, or incidents that could have hurt patients / service users	-5%

Next steps

- Our survey results have been shared widely. The Chief Executive has written an open letter to all staff with an overview of the results and an invitation to comment.
- Findings are discussed with our '50 Voices group' (A cross section of 50 staff who meet regularly to discuss Trust issues), Staff side, the Leaders' Network and Board.
- The Chief Executive, Directors and senior leaders conduct Trust wide 'open sessions' and ask staff "What's important to you?" and "What can we do better?"
- Our staff pledges are co-created with staff networks and with involvement from patients. The theme for our staff pledges is *'Creating the Working Life you Want'*.
- Staff health and wellbeing will be a key focus for 2017.

Continued focus for 2017/18

We know that changing culture is not a 'quick fix' and we continue to progress actions set out in the Trust's Organisational Development plans. Results so far demonstrate good progress.

Our top priorities remain:

- Continuing with our LEAD programme alongside specific skills based modules for leaders and managers.
- Progressing an apprenticeship strategy.
- Sustaining manageable workload and capacity building through our recruitment and retention plans.
- Maintaining tools of support already provided:
  - manual version of workload management project is in place
  - roll-out of Electronic Patient Record (EPR) and E-rostering continues
- Enhancing focus on staff health and wellbeing.

We will continue to consult with staff to ensure they feel better supported, involved and in control of their working lives.

Our aim is to attract the best people… we're doing this by:

- Attending careers fairs in Manchester, Birmingham, Leeds, Dublin and London to support our ability to recruit and attract high quality candidates to Leeds this year.
- Adapting our recruitment approach and introducing a number of initiatives aimed at improving our selection and assessment process. For example, introducing 'assessment centre' style selection for roles where a high number of recruits are needed or for 'hard to fill' roles.
- Further developing our preceptorship programme, to support recruitment, induction and development of newly registered and newly recruited registered nurses and therapists.

We also want to keep the best people…

We want to make sure that when we attract the best staff, we keep them happy and motivated to remain with us. Keeping good people is not about one single approach but a range of approaches that fit under the following areas:

- **Recruitment:** Ensuring opportunities are available for all staff to progress internally through secondments and developmental projects.
- **Staff wellbeing:** Supporting staff to feel psychologically and physically well at work providing opportunities for flexible working and time off for study and development.
- **Recognition and reward:** Staff feeling valued from their local management as well as the Trust forms part of this work. This can be as simple as local development opportunities for example, assignments that provide stretch and opportunities for praise. It also includes more wide ranging corporate schemes, for example, our monthly 'Thanks a Bunch' recognition scheme and the Trust's annual 'Thank You Event.'
- **Staff engagement:** Social media and the Leaders' Networks form part of this work. This is alongside discussion at local management teams using the Trust's 'Engagement Star'.
- **Career progression:** Maintaining focus on professional development and new roles for example, Preceptorship and Nurse Associate Roles and making sure people are supported with development and educational opportunities.

Appraisals

With an indicator of 95%, the compliance rate for appraisal has decreased over the last 12 months (Q1 89%, Q2 87.26%, Q3 85.73%, Q4 84%).

Permission to *pause appraisals has been given to some parts of the Trust. This may contribute to the current compliance rate. On a positive note, the staff survey results indicate of those that have taken place, the quality has increased.

*At the beginning of 2016, the Trust was part of the city's 'Silver Command' response. (A gold, silver and bronze system used by healthcare organisations and emergency services to categorise and then respond to high level incidents or demand). Unprecedented winter pressures saw local health and social care providers co-ordinate a tactical response across both in-patient and community services. This focus meant some non-critical work within teams was deferred.

Health and Wellbeing

Our sickness absence rate in 2016/17 was 5.7% which is 1.1% above target.

The health and wellbeing of our staff continues to be an area of focus. During the year, we sourced a new nurse-led Occupational Health Provider, which provides timely and comprehensive support with access to a multi-disciplinary team. In March 2017, we refreshed the range of Health and Wellbeing support that staff can access which includes:

- External counselling support.
- Mindfulness based stress reduction programme.
- Early Intervention Services for Musculoskeletal and Improving Access to Psychological Therapy (IAPT).
- Physical activity schemes have continued throughout the year, such as our annual pedometer challenge and promotion of the Cycle to Work Scheme.

What next?

- A staff work-well programme is currently being considered to encourage physical activity as part of daily work.
- A new Managing Attendance Policy launched on 1 April 2017 - this provides earlier support for staff on long term absence and earlier management intervention for the management of short term sickness absences, when staff are unable to attend work on a regular basis.
- The Free Health and Lifestyle checks (Sheffield Hallam programme) provided for staff was re-introduced during 2017.
- An enhanced focus on staff health and wellbeing will be a feature of 2017, in line with feedback received through the National Staff Survey.

"This is an amazing achievement given the fact our staff work in over 40 bases across the city.

It's particularly important for staff to have the flu vaccine if they are coming into contact with patients and their families. Flu immunisation is one of the most effective ways we can reduce harm from flu and the pressures on health and social care services that it can cause."

(Dave Hall, Lead Infection Prevention Nurse)

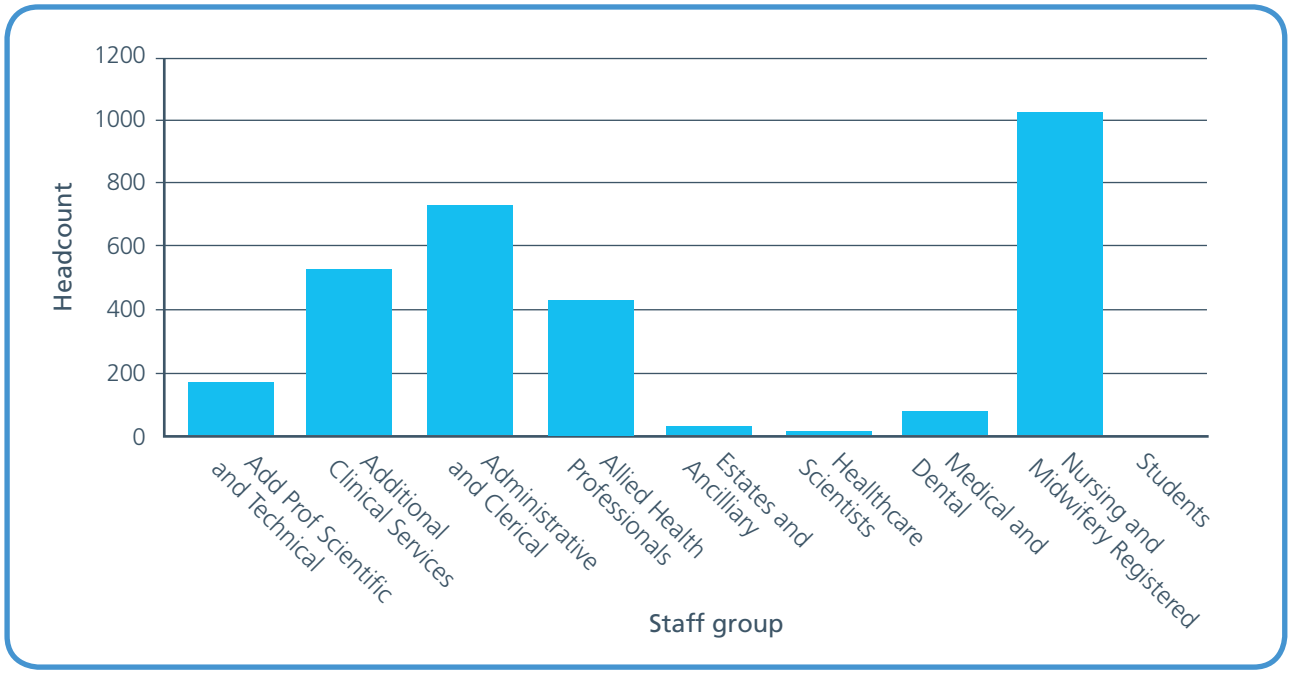
Staff flu campaign

We were delighted to receive national recognition for our campaign to fight flu this year.

According to figures published by NHS Employers 76.8 per cent of the Trust's frontline staff had their flu vaccine - more than any other Community Trust in the country.

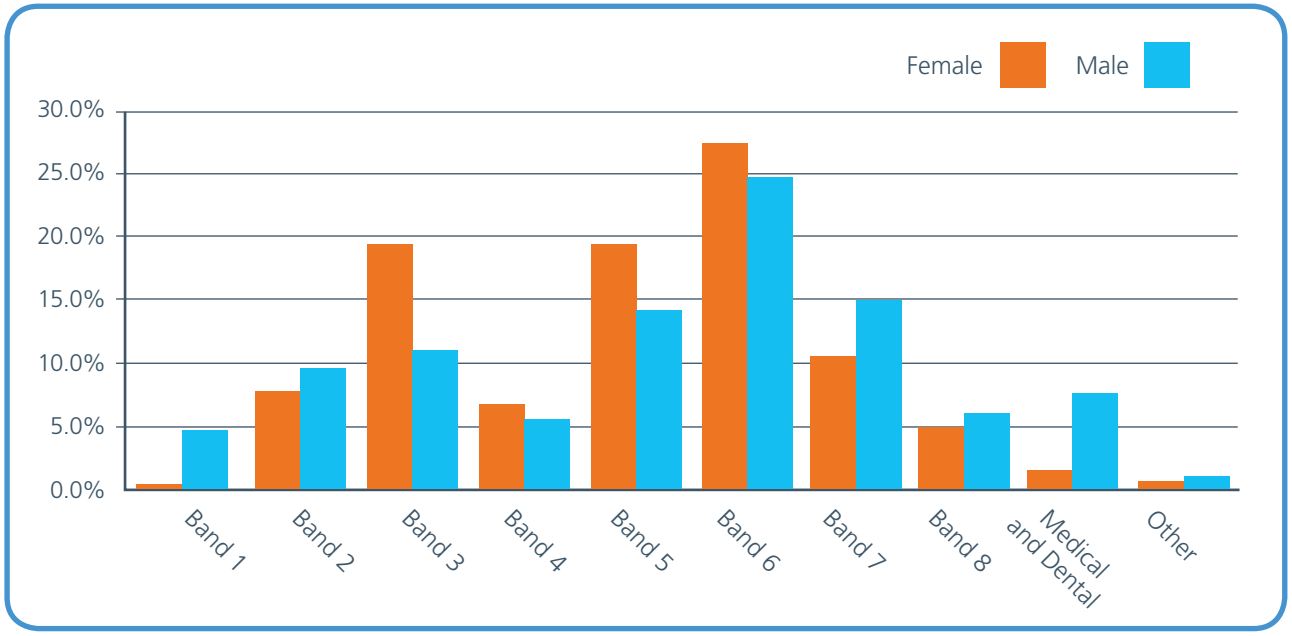
Workforce profile

We employ a workforce of 2492. Our turnover rate is above target at 15.3% for financial year 2016/17. This figure has been rising in line with the national picture for community trusts.



Our full time equivalent workforce is made up of 88.4% female and 11.6% male colleagues. The table below demonstrates how this is broken down across pay bands.

Gender split at all bands



Goal 4

Fit for Purpose

Become a viable and sustainable organisation with the ability to invest in the community

Membership and involvement activities

Our commitment and approach to genuine and meaningful involvement of patients, carers and the public is one way we aim to achieve this goal.

We exist to deliver the best possible care for every community we serve and to do this we want to make sure that involvement isn't just a tick box exercise. With this in mind, our focus for involvement in 2016-17 has been on how we learn from people's experience of the Trust.

Some of the ways this has happened in 2016-17 include:

- Patient Safety and Experience Governance Group (a sub-group of our Quality Committee) to develop and oversee our plans for becoming more of a learning organisation.
- Opportunities for people to share their direct experience of our services at Trust Board.
- Sharing learning with new staff on what good involvement is like for patients, carers and the public, through our corporate induction.
- Our #littlethings campaign, which highlights the small changes that can make a big difference to people's experience of our services.
- Safe Clean Care Project and PLACE (Patient Led Assessment of Care Environments) continue to make a practical differences in our health centres and inpatient units.
- Involvement in judging the Trust's staff awards based on our 'How we work' behaviours. The behaviours were developed in consultation with patients, carers and the public.
- Assessing applications to Leeds Community Health Charity, giving greater transparency and ensuring funding responds to patient and carer needs and experience.
- Carers' experience is making improvements in our health centres, with all front-of-house teams becoming Dementia Friends.
- Information about carers' support is available in our health centres.
- Patient and carer experience saw changes made to our incident investigation policy. Involvement is now sought when setting 'terms of reference' for our incident investigations.

- 'More than a Welcome' improvement initiative, including our new '5 owl WELCOME standard' developed from feedback on people's experience of accessing our buildings and services.
- We've acted on Quality Account feedback. It is now clearer how we are listening to and acting on the 4 main areas of feedback.

The average satisfaction rate for involvement activities in 2016-7 was **90%**

We judge the success of involvement not just on the range and number of opportunities available, but also by the things people tell us are important to them. These include how supported they feel in expressing their views, the response to their feedback and the confidence they have in it having an impact.

Emergency preparedness and resilience

We continue to fulfil our requirements set out in the Civil Contingencies Act 2004 as a provider of NHS-funded healthcare. These requirements ensure that the organisation is operationally resilient to any form of disruption to normal service provision as well as being able to respond to major incidents.

- Our major incident plan is regularly updated to ensure it is fit for purpose.
- We have a dedicated and trained emergency management team who lead our response to a significant event. (This plan and the team are regularly tested through desk-top, situation-based training sessions and communications tests).
- Members of the emergency team, take part in regular multi-agency exercises and events to strengthen and reinforce our ability to contribute as part of a wider multi-agency response to a major incident.
- All our services have business continuity plans in place to protect against the impact of a wide range of emergency situations which may affect normal service delivery.
- We have also developed a number of Resource Escalation Action Plan (REAP) plans which detail the triggers which would prompt escalation both internally and across the local health economy, and the associated actions required to mitigate and manage the incident. These REAP plans are aligned to the new Operational Pressures Escalations Levels (OPEL) system of escalation introduced by NHS England.
- We continue to participate in local, regional and national exercises and events and work closely with partners in key areas to make sure our plans work well within the wider health economy.
- As an active member of the Local Health Resilience Partnership we take part in a number of associated forums and groups along with more local planning-based task groups.

What next? In 2017/18 we will be developing a new system resilience plan, which will incorporate the Trust's Business Continuity Plan (BCP) and REAP arrangements, as well as specific plans to manage the impact of a number of incidents including fuel shortage, severe weather and pandemic flu. The REAP system of escalation will be rolled out across the organisation to ensure that all of our identified critical services have an individual escalation plan.

Health and safety

We are committed to maintaining a working environment where the health and safety of our staff, patients, visitors, contractors and general public is assured.

We have to have systems in place that comply with:

- The Health and Safety at Work Act (1974)
- The Management of Health and Safety at Work Regulations (1999)

The Health and Safety Group looks at progress made to oversee health and safety across the trust.

The following staff work together to ensure patient care standards are met:

- Health and Safety Officer
- Fire Advisor
- Security Officer
- Infection Prevention and Control Team
- Estates Team

Health and Safety at Work Regulations

- Regulatory guidance from the Health and Safety Executive (HSE)
- Care Quality Commission (CQC)
- Policy guidance from the National Health Service Litigation Authority (NHSLA)

We meet the relevant legislation and continue to take positive action to prevent ill health, injury and loss and promote good health and safety practice.

Here's how we met health and safety requirements in 2016/17

Health and Safety Component	Target	Compliance Level	Comments
Policies and procedures	100%	100%	All health and safety policies are reviewed by Health and Safety Group.
Slips, trips and falls e-learning	95%	91.14%	Health and Safety training is provided for all staff through induction, face to face and electronic training.
Moving and handling	95%	87.43%	The Trust has increased its awareness and training programme to improve compliance.
First aiders at work	100%	90%	Compliance has gone down in 2016 mainly due to some health centres and clinics not having reception staff any more, most reception staff are first aiders. The lack of first aiders has been discussed at the Health and Safety Group. It was agreed that services in health centres and clinics would be contacted to provide first aid cover, provided they can demonstrate current knowledge and skills in first aid. The training and experience of the following qualify them to administer first aid in the workplace without the need to hold a first aid qualification: • Doctors registered and licensed with the General Medical Council • Nurses registered with the Nursing and Midwifery Council • Paramedics registered with the Health and Care Professions Council. Sites without clinical staff currently have first aid cover. Articles have been placed in staff facing communications to recruit more first aiders.
Managing Incidents	100%	100%	All incidents including Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR) are reported through Datix, the Trust's integrated risk management system and followed up. The Health and Safety Officer works closely with managers to facilitate appropriate action to minimise incident reoccurrence.
Safety inspections of buildings	100%	100%	The Health and Safety Officer inspected all buildings and conducted a site risk assessment in accordance with the Trust's annual programme of Inspections.

Fraud

The Trust has a zero tolerance to fraud. We work hard to prevent, deter, detect and investigate fraud. Our counter fraud work is undertaken by a counter fraud specialist, overseen by the Executive Director of Finance and Resources. Our counter fraud work complies with that required of providers of NHS services.

Disclosure of personal data related incidents

- Incidents calculated to Level 2 or above **must** be reported to the Information Commissioner's Office (ICO), through the Health and Social Care Information Centre.
- Criteria for reporting incidents externally to the Trust (Serious Incidents Requiring Investigation – SIRI) were updated in 2015 to include cyber security.

Five incidents have been reported to the Information Commissioner's Office (ICO) under the mandatory reporting requirements. Four incidents were regarding loss of person identifiable information and one regarding inappropriate access of information.

A fact-find has been undertaken in the wake of each incident and process improvements have been actioned, where appropriate, to prevent recurrence.

We will continue to monitor and assess information governance breaches. When weaknesses in systems or processes are identified there will be interventions undertaken at source. Low level and near-miss events will be monitored and when there are common themes we will undertake Trust-wide communications to address these themes. We will continue to support Information Governance (IG) training through the national e-learning programme and ensure staff take part in annual Information Governance training. The Trust has a highly developed IG function and framework. It maintains effective links with the Trust's clinical teams through directorate and clinician representative delegates at the Information Governance Group meetings. The Trust's Senior Information Risk Owner (SIRO) (Executive Director of Finance and Resources) and Caldicott Guardian (Executive Medical Director) are members of this group. The group is a sub-group of the Audit Committee, thereby maintaining a reporting line to the Board of Directors as required by regulation. The group monitors IG breach incidents, maintaining oversight of breaches, as well as triggering appropriate responses to clusters of low-level incidents.

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

The Trust made a self-assessment against the Information Governance Toolkit of 'satisfactory' as at 31 March 2017, achieving Level 2 or higher for all IG requirements.

Modern Slavery Act 2015

Leeds Community Healthcare meets its responsibilities under this act, as its suppliers are subject to standard NHS terms and conditions.

Sustainability report

As an NHS organisation, and as a spender of public funds, we need to work in a way that has a positive effect on the communities we serve. Sustainability means:

- Spending public money well.
- Smart and efficient use of natural resources.
- Building healthy, resilient communities.

By making the most of social, environmental and economic assets we can improve health, both now and in the future, even with the rising cost of natural resources. Showing that we consider the social and environmental impact our services have means that we meet the legal requirements set out in the Public Services (Social Value) Act (2012).

We have a Sustainable Development Management Plan (SDMP), the mission statement for this plan is:

"Our Sustainable Development Plan will help us to go the extra mile and deliver quality outcomes such as:

- Listening
- Taking diversity into account
- Service efficiencies
- Giving back time to staff and patients
- Gathering and making best use of feedback from across the board
- Improving conditions that surround patients and not just their healthcare need

We will do this by working and supporting development across the sustainability spectrum."

The board approved our SDMP in the last 12 months, so our plans for a sustainable future are well known within the organisation and clearly laid out.

Performance

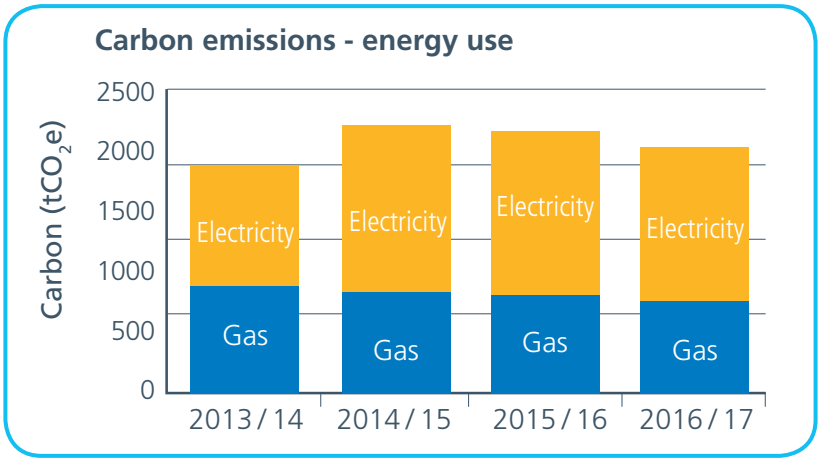
Organisation

Since the 2007 baseline year, the NHS has undergone a significant restructuring process and one which is still on-going. Here's how both the organisation and its performance on sustainability has changed over time.

Year	2013 / 14	2014 / 15	2015 / 16	2016 / 17
Floor space (m^2)	37,796	37,508	39,504	40,558
Number of staff	2,528	2,497	2,717	2,492

Energy

Energy use has shown a small reduction, due to less gas use. Gas use is dominated by weather conditions so a warmer winter results in less gas use. Energy control systems are in place in all buildings. Currently all our electricity comes from renewable sources, as part of the National Commitment, for all suppliers to increase their use of renewable energy.



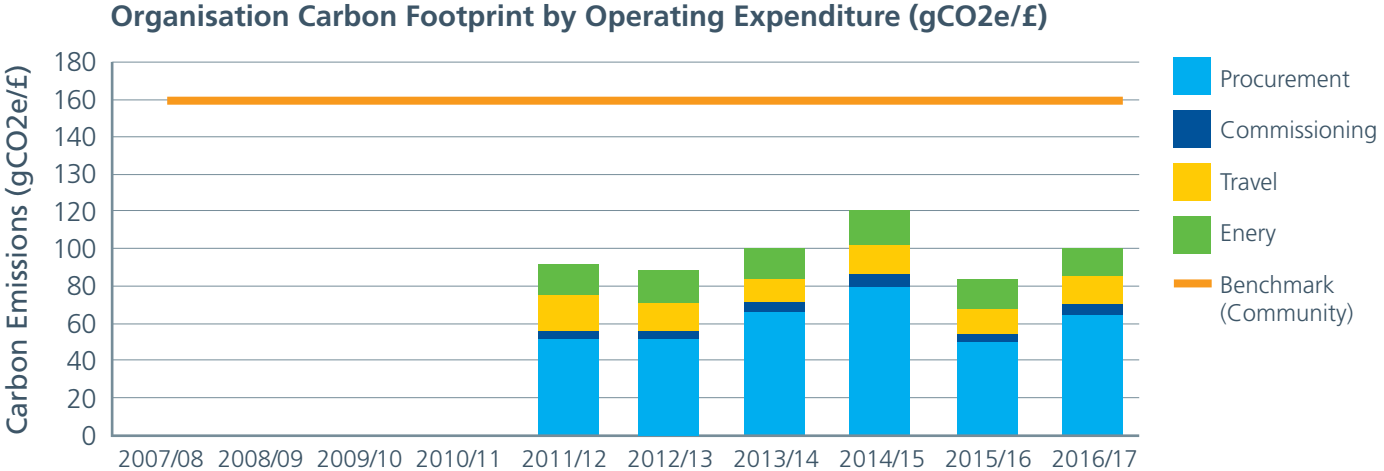
Travel

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

Category	Mode	2013 / 14	2014 / 15	2015 / 16	2016 / 17
Business Travel and fleet	miles	2,844,982	3,647,112	3,043,042	3,472,501
	tCO_2e	1,704.30	2,172.73	1,784.27	2,034.82
*Staff commute	miles	2,321,026	2,398,662	2,609,998	2,393,859
	tCO_2e	857.56	881.34	943.87	865.17

*Staff commute is a calculated result using National travel Survey data

Overall summary of carbon



Financial performance summary

Since Leeds Community Healthcare was created in 2011 we have met our key financial targets each year and did so again in 2016/17.

Target	Target	Performance	Achieved
Planned surplus on income and expenditure	£3,350k	£3,350k	✓
Remain within External Finance Limit	(£1,336k)	(£30k)	✓
Remain within Capital Resource Limit	£2,581k	£1,503k	✓
Capital Cost Absorption Rate	3.5%	3.5%	✓
Agency control total	£8,150k	£6,391k	✓
Use of Resources	2	1	✓
Better Payment Practice Code:			
Non NHS invoices (number and value)	95% & 95%	95% & 97%	✓✓
NHS invoices (number and value)	95% & 95%	97% & 99%	✓✓

It could be easy to become complacent; to think that it just happens, that it's easy. Those of us working in the Trust know that is not the case. It requires hard work by managers, by all budget holders and it often requires difficult decisions to be taken. The approach we take is that wherever possible, those difficult decisions should avoid impacting on the delivery of care to our patients and not impact on our front line staff.

During 2016/17 we did have to take some difficult decisions. Early in the year it became clear that we were spending too much to achieve the £2.9m surplus of income over expenditure target we had agreed with our regulator, NHS Improvement. That target comprised:

£1.5m Original Trust 1% surplus requirement

£0.5m Additional surplus requirement

£0.9m Further surplus delivered by not spending additional £0.9m Strategic Transformation Fund allocation

In June 2016 we introduced additional controls on the use of agency staff and overtime, introduced additional reviews before recruiting staff and restricted spending on goods and services that did not directly contribute to patient care. Every decision was taken with patient care at the forefront of our thoughts. The early identification of the risk of not achieving the financial target, the quick action to correct the position and the co-operation of managers and staff across the Trust did improve the financial position and as the year continued we were able to relax the additional controls.

Managing our finances whilst many of our services continue to face increasing demand and some patients have increasingly complex conditions, gets more difficult every year. To help our staff to continue to deliver excellent care as efficiently as possible we have invested, and will continue to invest, significantly in an Electronic Patient Record and an e-rostering system. In time the investment in technology will free up staff time. As we roll-out these improvements our staff are to be congratulated for their hard work, their resilience and the care they give in these financially challenging times.

Sharp eyed readers of this report will note that the Trust actually exceeded its income and expenditure surplus target by £0.49m. This is entirely due to additional income received from NHS improvement and comprises the Trust's share of national Sustainability and Transformation Funds that remained unallocated at the year end. The Trust was eligible to receive a share of this resource as a result of achievement of the control total. The funds were distributed after the year end and could not have been spent during the year. The cash is available in future years to support approved capital expenditure.

The Trust continues with its strategy of investing all its internally generated capital resources on equipment, information technology and maintaining our buildings. Capital expenditure during the year comprised £1.1m on the Electronic Patient Record, £0.1m on other information technology equipment, £0.2m on speech and language therapy equipment and various other small items for clinical services and £0.1m on health centre improvements.

By the time this Annual Report is published we will be nearly half way through 2017/18. Our target surplus is £3.0m including £0.9m Strategic Transformation Fund allocation. Our careful financial management means that whilst we have to deliver efficiency savings of £3.4m during the year that is not as onerous as many other NHS organisations. We have been able to target those efficiencies where we believe they can best be achieved with minimal or no impact on front line services. It will remain a significant challenge to balance the need for providing high quality services, meeting increasing demand and delivering financial targets. As always, it is a challenge we are determined to meet.

We're proud of…

…Our Electronic Patient Record (EPR) Project team whose roll-out of EPR will revolutionise the way our Trust works by using technology to ensure that all clinical staff have access to the patient information they need, wherever they are.

Accountability report

Corporate governance

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

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

Our Board is accountable to the public and stakeholders for:

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

The Board plays a key role in:

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

Led by an independent chair and made up of both executive and independent non-executive members, the board has collective responsibility for the performance of our organisation.

The Trust's Chair and Chief Executive have led these functions throughout 2016/17.

The people who sit on our Board of Directors are shown on the next page.

Changes to the Board

The former Director of Integration retired at the end of 2015/16 and the post was dis-established. In addition, the post of Director of Strategy and Planning was also dis-established in early 2016/17.

The Trust welcomed two new non-executive directors to the Board; both of whom started on 1 April 2016.

All other executive and non-executive directors have been in post for the whole of 2016/17.

Our Board of Directors during 2016/17

Neil Franklin OBE
Chair

Thea Stein
Chief Executive

Brodie Clark CBE
Non-executive Director
(Deputy Chair)

Dr Anthony Dearden
Non-executive Director

Sue Ellis
Director of Workforce*

Bryan Machin
Executive Director of
Finance and Resources

Richard Gladman
Non-executive Director

Jane Madeley
Non-executive Director

Marcia Perry
Executive Director
of Nursing

Sam Prince
Executive Director
of Operations

Elaine Taylor-Whilde
Non-executive Director

Dr Amanda Thomas
Executive Medical
Director

Emma Fraser
Director of Strategy and
Planning* (until 31.07.16)

The Director of Workforce and the Director of Strategy and Planning (in post until 31 July 2016) are non-voting members of the Board.

Director's interests

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

Board Member	Name of company, directorships, including non-executive directorships held in private companies or PLCs (with the exception of those in dormant companies)	Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS	Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS	A position of trust in a public, charity or voluntary organisation in the field of health and social care	Any connection with a voluntary or other organisation contracting for NHS services	Any other commercial interest Impacting on decision making in meetings	Area of potential conflict	Details of any hospitality or gift in excess of £100 received within the past 12 months in connection with the trust
Neil Franklin	None	None	None	Board member (acting in an advisory capacity only), Donisthorpe Hall Care Home	Donisthorpe Hall, Care Home	None	None	None
Thea Stein	None	None	None	None	None	None	None	None
Jane Madeley	None	None	None	Chief Financial Officer, University of Leeds	None	None	Any contracts between the University of Leeds, Faculty of Medicine and Health, the Leeds University Business School via CIHM, Academic Health Partnership relationships and Leeds Community Healthcare NHS Trust	None
Tony Dearden	None	None	None	Fee paid Medical Member of First Tier Tribunal (Health, Education and Social Care Chamber), i.e. mental health tribunals. Fellow, Royal College of Psychiatrists.	None	None	None	None
Brodie Clark	None	None	None	Non-executive Director Compass	Compass (services for drug and alcohol misuse)	None	None	None

Director's interests cont'd

Board Member	Name of company, directorships, including non-executive directorships held in private companies or PLCs (with the exception of those in dormant companies)	Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS	Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS	A position of trust in a public, charity or voluntary organisation in the field of health and social care	Any connection with a voluntary or other organisation contracting for NHS services	Any other commercial interest Impacting on decision making in meetings	Area of potential conflict	Details of any hospitality or gift in excess of £100 received within the past 12 months in connection with the trust
Richard Gladman	None Director, Deloitte MCS Ltd (to 29.08.16)	None	None	Programme director, Health and Social care Information Centre (NHS Digital) (from 30.08.16)	None	None	None	None
Elaine Taylor-Whilde	CEO, Nine Health Global & Nine Health UK Ltd	Nine Health CIC	None	CEO, Nine Health CIC	Nine Health CIC	None	None	None
Bryan Machin	None	None	None	None	None	None	None	None
Amanda Thomas	None	None	None	Signatory LTHT Postgraduate Child Protection training fund. CQC, National professional advisor for Integrated Children's Service and Safeguarding	None	None	None	None
Sam Prince	None	None	None	None	None	None	None	None
Marcia Perry	None	None	None	None	None	None	None	None
Sue Ellis*	None	None	None	Governor, Greenhead College, Huddersfield	None	None	None	None
Emma Fraser* (until 31.07.16)	None	None	None	None	None	None	None	None

* Non-voting Board member

Board meetings and business in 2016/17

As with all NHS Trusts, we are required to hold formal Board meetings in public. The Board has met formally six times during the year. In addition, an annual general meeting was held in September 2016.

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

In early 2017, the Trust received a CQC inspection and the Trust overall rating is now 'good'. The quality of care is at the heart of all that the Trust does; the over-arching approach to quality within the Trust is captured within the Quality Strategy which was approved by the Board in February 2016. All actions to fulfil the aspiration to be a high quality trust are overseen closely by the Board.

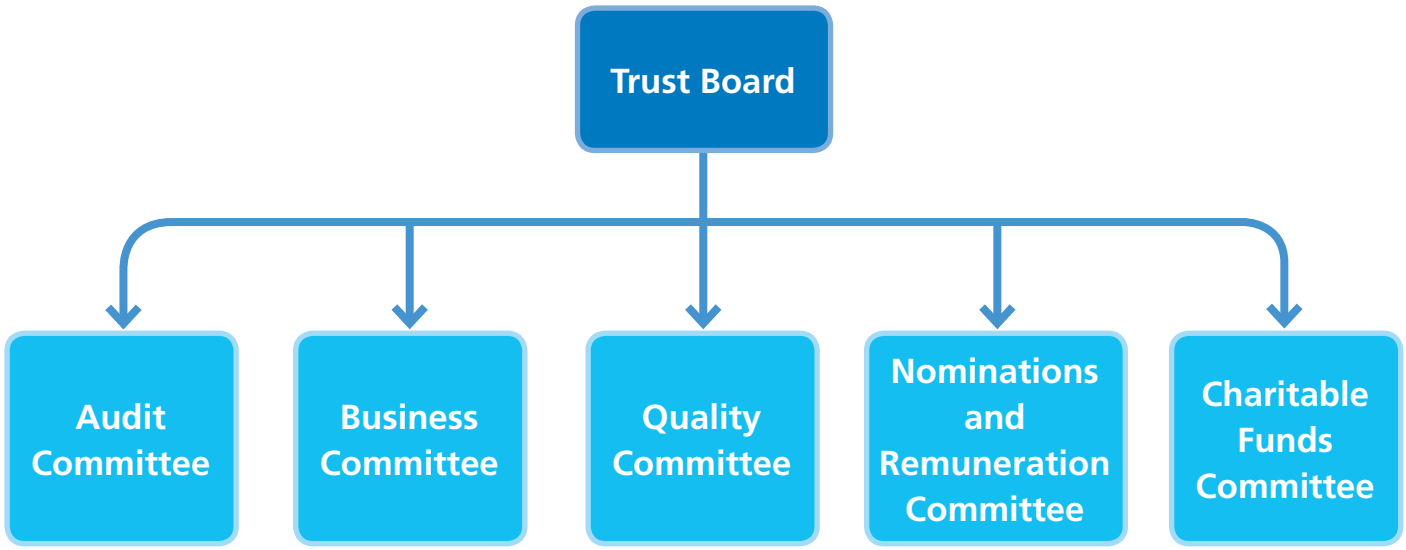
Our Board receives regular performance reports (the report brings together quality and financial information in one document). Information in the report is aligned to the CQC's five domains (safe, caring, effective, responsive and well-led).This is the main way the Board assesses that it meets all national and local standards and targets for the services provided.

The Board receives regular updates on strategic service developments. For example:

- Putting in place neighbourhood teams
- Enhancing integration across primary and secondary health and social care
- Rolling out new ways of working, for example, putting in place the Electronic Patient Record

The Board's committees (decision making groups)

The Trust has five committees that make sure it carries out its duties effectively, efficiently and economically. These are shown in the chart below.



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

Directors' statement

In line with the manual for accounts we are able to make the following statement:

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

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

The Chief Executive of the NHS Trust Development Authority has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of the NHS Trust Development Authority. These include ensuring that:

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

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

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

I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Signed ..... Chief Executive

Date 31 May 2017 .....

Annual Governance Statement 2016 / 17

1.0 Scope of responsibility

Amongst its responsibilities, the Board is accountable for ensuring effective systems for integrated governance and internal control across the Trust's clinical and corporate activities. This is a statement to that effect made by the Trust's Chief Executive.

"As Accountable Officer and Chief Executive, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Trust's aims and objectives, whilst safeguarding quality standards, public funds and the organisation's assets in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the Accountable Officer Memorandum. My annual governance statement is set out below."

Thea Stein

2.0 The governance framework of the organisation

2.1 Discharge of statutory functions

The organisation has met all of its statutory functions and remained legally compliant throughout the year.

2.2 Trust Board

The Board leads the Trust by undertaking three main roles:

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

The Board consists of six non-executive directors (including the Chair), and five executive directors. In addition, there is one non-voting member of the Board.

There is a clear division of responsibilities between the Chair and Chief Executive. The Trust's Chair and Chief Executive have discharged their leadership functions throughout the whole of 2016/17.

All non-executive directors have been in post for the whole of 2016/17.

The Director of Workforce is a non-voting member of the Board. Two further non-voting directors' posts have been dis-established; the Director of Integration at the start of 2016/17 and the Director of Strategy and Planning in the second quarter of 2016/17.

The Board has met on thirteen occasions in 2016/17; this has comprised six formal meetings held in public, six informal meetings or strategic workshops plus an annual general meeting.

Attendance at Board meetings has been good and all meetings have been quorate.

The Board has standing orders, a scheme of reservation and delegation of powers and standing financial instructions. These were reviewed during 2016/17 and a number of changes were made; these were considered by the Audit Committee and approved by the Board.

The Board has an annual work plan which demonstrates the scheduling of required and discretionary business. The five Board committees all have terms of reference and work plans all of which have been reviewed during 2016/17.

The quality of services remains the Trust's first priority and, to this end, the Board's agenda features reports reflecting key quality matters. Board meetings have received papers on the Trust's quality strategy, patient experience topics and the maintenance of safe staffing levels.

The Trust's Board receives an integrated performance report comprising a performance brief and a suite of reports aligned to the five Care Quality Commission (CQC) domains. This report is the primary mechanism for assessing compliance with national and local targets. The report brings quality and financial information together in one report.

The Trust's Board receives regular updates on strategic service developments, for example, implementing integrated neighbourhood teams, work to enhance integration across primary and secondary health care and social care and the introduction of new ways of working.

The Board receives and considers extracts from the risk register and the board assurance framework at each meeting so as to gain assurance as to the effective management of risk in the organisation. Through these arrangements, the Board receives information about existing and potential risks to the Trust.

The Board also receives minutes and assurance reports from each of its committees at Board meetings.

Information presented to the Board provides essential assurance. Formal information is enhanced by the inclusion of patients' stories at Board meetings and by regular visits to frontline services by the Board's non-executive directors (35 during 2016/17).

2.3 Assessment of Board effectiveness

The Board wishes to assure itself that it operates effectively and regularly seeks opportunities to evaluate its effectiveness and strengthen its performance, in doing so, it is mindful of the best practice contained within codes of governance.

The Board (along with senior managers) has undertaken a self-assessment against Monitor's *Well-Led Framework* and has drawn out a number of priorities to further enhance the effectiveness of elements of the Trust's governance.

In late 2015, the Board undertook an internal, theme-based assessment of its effectiveness which drew out a number of actions. The results of this effectiveness review were reported to the Board in February 2016. The review of effectiveness has been extended and the effectiveness of the Board and all sub-committees has been reviewed in 2016/17. The results being reported to the Board and are contained in committees' annual reports. The committees' chairs also met collectively to discuss committees' effectiveness.

The Trust has a needs-based Board development programme. A feature of which is a series of Board workshops taking place every two months (six events in 2016/17); senior leaders from corporate services and business units (including clinical leads) also participate in these sessions.

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

2.4 Committee structure

The Trust's Board has appointed five committees to carry out specific functions and provide assurance that the Trust is carrying out its duties effectively, efficiently and economically. These are detailed below.

Audit Committee

The Committee comprises three non-executive directors. The Chair of the Committee is a qualified accountant and is a Chief Financial Officer in the higher education sector. The Executive Director of Finance and Resources, the Company Secretary, the Internal Auditor and the External Auditor attend on a routine basis. The Audit Committee met formally six times during 2016/17.

The Audit Committee provides an overarching governance role and reviews the work of the other committees, whose work can provide relevant assurance to the Audit Committee's own scope of work.

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

The Committee has also considered a range of financial control reports and a number of governance papers, reviewed the standing orders and standing financial instructions, reviewed a revised board assurance framework and approved a revised risk management policy and procedure.

The chair of each of the Board's committees has produced an annual report which provides assurance to the Audit Committee on how each committee has met its terms of reference during the year. The committees also undertook a self-assessment exercise, which was reviewed by the Audit Committee. The committees' chairs also met to discuss the outcome.

Quality Committee

The Quality Committee's membership comprises the Trust's Chair, two non-executive directors, the Chief Executive and two executive directors; a number of other senior officers attend each meeting. The Committee met on 10 occasions in 2016/17.

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

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

The Committee exercises these functions in the context of the Trust's quality strategy; this was Board approved in February 2016. The strategy provides an overarching framework for quality within the Trust and sets out a programme of work to achieve four key objectives and six action areas focused on patient safety, clinical effectiveness and patient experience. The Committee has received an update on a quarterly basis and has sought assurance about the implementation of specific actions.

Within that strategic framework, the Quality Committee and the Board monitors serious incidents, incidents and complaints and the associated action plans. All serious incidents are managed in accordance with the Trust's incident and serious incident management policy.

The Trust received a CQC inspection in late 2014 and the report arising from the inspection was received by the Trust in early 2015. The Trust received a rating of 'requires improvement'. Following receipt of the CQC report, a quality improvement plan was produced and is monitored by the Quality Committee at each meeting. The Trust has been re-inspected in the fourth quarter of 2016/17 and the results of the reinspection have led to the Trust being rated as Good overall.

Business Committee

The Business Committee's membership comprises three non-executive directors, the Chief Executive and two further executives; other senior officers attend as required. The Business Committee held 10 meetings in 2016/17.

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

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

The Committee discharges a significant role in overseeing the workforce aspects of the Trust's performance. There has been consideration of recruitment and retention strategies, sickness absence management and leadership approaches.

The Committee has assumed an extended role in terms of oversight of the Trust's main projects. At each meeting, the Committee receives an in depth report on one aspect of the Trust's business or one area of project work.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee's membership comprises the Chair and two further non-executive directors; the Committee is supported by the Director of Workforce. The Committee has met three times in 2016/17.

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

Charitable Funds Committee

The Charitable Funds Committee's membership is comprised of the Chair and one other non-executive director; the Committee is supported by the Executive Director of Nursing. The Committee has held five meetings during 2016/17.

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

3.0 Risk assessment

The Trust's risk management strategy was reviewed at the end of 2015, and to reflect lessons learnt from the application of the strategy, a new policy, procedure and risk appetite statement was developed and approved in April 2016. The board assurance framework (BAF) has been fully revised during 2016. The Audit Committee was instrumental in both of these developments.

Risks to strategic objectives contained within the Trust's clinical and service strategies and plans have been identified and are assigned to a lead executive to manage. Each of these strategic risks is also assigned to one of the Board's committees for oversight and scrutiny.

There are seventeen strategic risks aligned to the Trust's four strategic goals which are grouped into four strategic risk 'clusters':

- Failure to provide high quality, safe services, improve patient experience and measure success in terms of outcomes
- Failure to deliver integrated care and care closer to home arising from a failure to work in partnership with stakeholders to deliver service solutions
- Failure to engage and empower the Trust's workforce and the ability to recruit, retain and develop staff
- Failure to maintain a viable and sustainable organisation

These high level strategic and financial risks are recorded in the BAF and, in addition to scrutiny at committee level, are reviewed by the Trust's Board. The BAF records: risk descriptions, controls and gaps in controls, sources of assurance and gaps in sources in assurance, actions required to remedy gaps in controls or assurance.

The board assurance and risk management processes have been reviewed in 2016/17 by the Trust's internal auditors. The internal auditors have confirmed that the BAF will support the Trust's annual governance statement.

The Board receives a significant risks and risk assurance report at each meeting. The report details the Trust's risks scoring 15 or above (extreme), after the application of controls and mitigation measures. It provides an analysis of all risk movement, identifies themes and links these material risks to the strategic risks on the BAF. The report also includes the BAF summary advising the Board of the current assurance level determined for each of the Trust's strategic risks. The Senior Management Team reviews the significant risks and risk assurance report on a monthly basis. The Quality Committee reviews in more detail clinical risks and the Business Committee non-clinical risks rated as high.

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

4.0 Risk and control framework

The Trust recognises that it is operating in a healthcare environment where patient safety, quality of care and service sustainability are paramount and are of mutual benefit to stakeholders and the organisation alike. The Trust manages clinical risks (i.e. risks to individual

patients through clinical activity) and financial and business risks (i.e. risks that threaten the achievement of statutory financial duties or the safeguarding of the Trust's assets) in order to deliver its objectives in a controlled manner. Subject to controls and assurances being in place, and in line with the Trust's risk appetite statement, the Trust accepts manageable risks, but not where there is a foreseeable risk of harm or adverse outcomes to patients.

Risk management is embedded within the culture of the organisation from risk assessment in clinical practice to the consideration of risk underpinning the Board's decisions. Risks are identified and aligned to strategic objectives.

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

Members of staff receive information and are briefed on risk management procedures as part of the induction process. Managers are trained in risk management procedures both as part of the induction process and as part of ongoing training, coaching and support.

The Trust is a high reporter of incidents when compared to similar organisations and has a good open incident reporting culture. Learning from incidents is shared with staff. When root cause analysis is undertaken, good practice in incident management is celebrated and learning shared.

Serious incidents are given very close scrutiny and are managed through a policy which is NHS Litigation Authority Level 1 compliant. The majority of managers have had serious incident investigation training and the Trust has a good record of reporting incidents in a timely way to NHS Improvement and to commissioners.

The Trust reports monthly on its performance against national key performance indicators in line with NHS Improvement's *Single Oversight Framework* and other indicators as contained within contracts with commissioners.

The Trust works to evidence good standards of data quality and accuracy in its performance reporting and is confident that key national indicators eg waiting times are accurate.

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

The Trust's information governance group develops relevant policies and strategies to control data security and other information related risks. As a community trust, sharing information has been identified as an area where secure email and electronic record sharing are replacing paper based forms of communication. The introduction of data security measures has reduced significantly the risk of data loss through the use of mobile devices.

Following a data breach in 2014, the Trust had been issued with a letter of undertaking by the Information Commissioner's Office, the undertaking required the Trust to have 95% of staff to be compliant with information governance training requirements on an annual basis. This requirement has been, and continues to be, met in full.

The Trust has submitted a self-assessed score of level two for the information governance toolkit submission.

5.0 Review of the effectiveness of risk management and internal control

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

5.1 Clinical audit

Clinical audit is vital to the quality and effectiveness of clinical services and is a fundamental part of the quality improvement process. It plays a pivotal role in providing assurances about the quality of services.

Findings from clinical audit are used to ensure that action is taken to protect patients from risks associated with unsafe care, treatment and support.

Clinical audit is managed at service level with the support of the quality and professional development directorate. There has been an increase in the number of clinical audits planned for 2016-17 compared to 2015-16. The Quality Committee approves an annual programme of clinical audit and has oversight of progress during the course of the year.

5.2 Internal audit

TIAA Limited has been the provider of internal audit services since 1 April 2015. The Head of Internal Audit has provided an opinion that concludes that, based on the work undertaken in 2016/17, reasonable assurance can be given that there are adequate and effective management and internal control processes to manage the achievement of the organisation's objectives.

A number of weaknesses were identified that put the achievement of particular objectives at risk; actions to mitigate these matters have been put in place. There were two areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided limited assurance. Recommendations were made to further strengthen the control environment; recommendations have been completed or are being progressed in a satisfactory manner.

5.3 Other review, assessment and assurance mechanisms

The Trust gains assurance from the work of the Trust's external auditor, KPMG. The external auditor will review and report on the Trust's financial statements and the annual governance statement for 2016/17. The external auditor will also review the arrangements for use of resources.

During 2016/17, the Trust ran a competitive procurement process and appointed KPMG as its external auditor from 1 April 2017 for a term of three years.

NHS Improvement has assigned the Trust a segment rating of '2'; this indicates standard oversight whereby the provider may be offered targeted support in one or more areas.

The Trust has the required standard of Level 1 compliance with the NHS Litigation Authority.

The Trust works with a range of regulators including the CQC, HM Prison Inspectorate and Ofsted. The Trust is fully compliant with the registration requirements of the CQC. During 2016/17, the Trust was involved in an inspection by the CQC which particularly focused on inpatient care, adult services, sexual health services and a Trust-wide review of the well-led domain. The outcome of the CQC inspection is that the Trust has now been rated as Good overall.

6.0 Significant issues

During 2016/17, no significant control issues have been identified by the Trust's systems of internal control.

7.0 Conclusion

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

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

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

Signed .....

Date 31 May 2017 .....

Thea Stein
Chief Executive and Accountable Officer

Remuneration and staff report

Policy on senior managers' contracts

The table below provides details on the contracts for each senior manager who has been employed during the year. The contracts do not make any specific provisions for compensation for early termination in addition to the notice periods.

Name and title	Contract date	Date of Expiry	Notice period
Susan Ellis Director of Workforce	23 January 2012	No end date	3 months
Emma Fraser Director of Strategy and Planning	12 October 2011	31/07/2016	3 months
Bryan Machin Executive Director of Finance and Resources	9 May 2011	No end date	3 months
Paul Morrin Director of Integration, Adult Health and Social Care and Acting Director of Nursing from 1-09/08/15	1 April 2011	Until 01/06/16	3 months
Marcia Perry Executive (Nurse) Director of Quality from 10/08/15	10 August 2015	No end date	3 months
Sam Prince Executive Director of Operations	4 July 2011	No end date	3 months
Thea Stein Chief Executive	1 October 2014	No end date	6 months
Dr Amanda Thomas Executive Medical Director	5 September 2011	No end date	3 months

Payments to past senior managers (subject to audit)

We have not made any awards to past senior managers in addition to the remuneration disclosed later in this report.

The Trust can confirm:

- There were no performance related payments made to senior managers in 2016/17
- There were no senior managers service contracts awarded during 2016/17
- There were no payments to past senior managers during 2016/17
- There were no payments for loss of office during 2016/17
- There was no senior off-payroll engagement during 2016/17

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

Senior Manager Remuneration Report (subject to audit)

	2016 / 2017						2015 / 2016					
Name and title	**Salary** (bands of £5,000) **£'000s**	**Expense payments** (Rounded to the nearest hundred) **£'000s**	**Performance pay and bonuses** (bands of £5,000) **£'000s**	**Long term performance pay and bonuses** (bands of £5,000) **£'000s**	**All pension related benefits** (bands of £2,500) **£'000s**	**TOTAL** (bands of £5,000) **£'000s**	**Salary** (bands of £5,000) **£'000s**	**Expense payments** (Rounded to the nearest hundred) **£'000s**	**Performance pay and bonuses** (bands of £5,000) **£'000s**	**Long term performance pay and bonuses** (bands of £5,000) **£'000s**	**All pension related benefits** (bands of £2,500) **£'000s**	**TOTAL** (bands of £5,000) **£'000s**
Brodie Clark – Non Executive Director	5 - 10	0.8				5 -10	5 -10	0.9				5 - 10
Dr Tony Dearden – Non Executive Director	5 - 10	0.5				5 -10	5 -10	0.6				5 - 10
Ieuan Ellis – Non Executive Director (until 31.03.16)												*NA
Susan Ellis – Director of Workforce	90 - 95				30 - 32.5	120 - 125	85 - 90	0.1			20 - 22.5	110 - 115
Neil Franklin – Chair	20 - 25	0.6				20 - 25	20 - 25	0.7				20 - 25
Emma Fraser – Director of Strategy and Planning (until 31.07.16)	15 - 20		0 - 5		0 - 2.5	20 - 25	55 - 60		0 - 5		47.5 - 50	105 - 110
Robert Lloyd – Non Executive Director (Deputy Chair) (until 31.03.16)							5 - 10	0.6				5 - 10
Richard Gladman – Non Executive Director (from 01.04.16)	5 - 10					5 - 10						
Elaine Taylor Whilde – Non Executive Director (from 01.04.16)	5 - 10	1.0				5 - 10						
Bryan Machin – Executive Director of Finance and Resources	110 - 115	0.1			52.5 - 55	165 - 170	105 - 110	0.1			0	0

Jane Madeley – Non-executive Director	5 - 10					5 - 10	5 - 10					5 - 10
Paul Morrin – Director of Integration, Adult Health and Social Care (until 01.06.16)	10 - 15		0 - 5		0 - 2.5	15 - 20	80 - 85	0.1	0 - 5		12.5 - 15	95 - 100
Marcia Perry – Executive (Nurse Director) of Quality (from 10.08.15)	90 - 95	0.1			42.5 - 45	135 - 140	55 - 60	0.1			132.5 - 135	190 - 195
Sam Prince – Executive Director of Operations	95 - 100	0.1			30 - 32.5	125 - 130	90 - 95	0.1			25 - 27.5	120 - 125
Thea Stein – Chief Executive	140 - 145	0.1				140 - 145	135 - 140	0.1			55 - 52.5	190 - 195
Helen Thompson – Interim Director of Nursing (from 13.10.14 to 31.07.15)							45 - 50					45 - 50
Dr Amanda Thomas – Executive Medical Director	95 - 100		75 - 80			170 - 175	95 - 100	0.2	75 - 80		0	170 - 175

*Ieuan Ellis does not claim remuneration or expenses for this role.

Pension details for senior managers 2016/17 (subject to audit)

Board Member	Real increase in pension at pensionable age (bands of £2,500) £'000	Real increase in pension lump sum at pensionable age (bands of £2,500) £'000	Total accrued pension at pensionable age at 31 March 2017 (bands of £5,000) £'000	Lump sum at pensionable age related to accrued pension at 31 March 2017 (bands of £5,000) £'000	Cash Equivalent Transfer Value at 1 April 2016 £'000	Real increase in Cash Equivalent Transfer Value £'000	Cash Equivalent Transfer Value at 31 March 2017 £'000
Susan Ellis – Director of Workforce	0 - 2.5	5 - 7.5	40 - 45	125 - 130	888	55	956
Emma Fraser – Director of Strategy and Planning (until 31.07.16)	0 - 2.5	0 - 2.5	15 - 20	40 - 45	195	4	214
Bryan Machin – Executive Director of Finance and Resources**	0 - 2.5	5 - 7.5	40 - 45	130 - 135	800	71	873
Paul Morrin – Director of Integration, Adult Health and Social Care (until 01.06.16)**	0 - 2.5	0 - 2.5	35 - 40	110 - 115	736	0	0
Marcia Perry – Executive (Nurse Director) of Quality	0 - 2.5	5 - 7.5	30 - 35	100 - 105	530	45	588
Sam Prince – Executive Director of Operations	0 - 2.5	0 - 2.5	30 - 35	90 - 95	519	26	558
Dr Amanda Thomas – Executive Medical Director*	0	0	0	0	1,090	0	0
Thea Stein – Chief Executive**	0	0	0	0	44	0	0

* Individual ceased to be a member of the scheme before the start of the financial year

** Individual ceased to be a member of the scheme during the year

Cash Equivalent Transfer Values

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

Real increase in CETV

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

Fair pay disclosures

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

The banded remuneration of the highest paid director for the Trust in the financial year 2016/17 was £173,181 (2015/16, £172,160). This was 6.1 (2015/16, 6.1) times the median remuneration of the workforce, which was £28,211 (2015/16 £28,106). The multiple is the same as last year.

In 2016/17 total remuneration ranged from £15,251 to £173,181, (2015/16, £15,100 to £172,160).

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

Staff report

Staff numbers including senior officers

Average staff numbers in post by occupation groupings.

Average staff numbers	2016/17 total number	2015/16 total number
Medical and dental	84	99
Administration and estates	719	735
Healthcare assistants and other support staff	540	553
Nursing, midwifery and health visiting staff	981	1,021
Nursing, midwifery and health visiting learners	9	14
Scientific, therapeutic and technical staff	469	518
Healthcare Science Staff	1	1
Other (including senior officers)	27	54
TOTAL	**2,830**	**2,995**
Staff engaged on capital projects (included above)	5	7

On average there was 165 whole time equivalent less staff in post in 2016/17; 110 of these posts relate to adult prison services the Trust ceased to provide on 1 April 2016 and a further 27 posts were funded non recurrently in 2015/16 as part of Winter resilience schemes.

Expenditure on consultancy

The Trust's expenditure on consultancy services during 2016/17 was £25k and was in respect of the business development strategy.

Off-payroll engagements

For all off-payroll engagements as of 31 March 2017, for more than £220 per day and that last longer than six months:

All of the existing engagements have contractual clauses to request assurance on tax status.

Number of existing engagements as of 31 March 2017	21
Of which, the number that have existed:	
For less than one year at the time of reporting	0
For between one and two years at the time of reporting	5
For between 2 and 3 years at the time of reporting	16
For between 3 and 4 years at the time of reporting	0
For 4 or more years at the time of reporting	0

For all new off-payroll engagements between 1 April 2016 and 31 March 2017, for more than £220 per day and that last longer than six months:

Number of new engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017	4
Number of new engagements which include contractual clauses giving the Leeds Community Healthcare NHS Trust the right to request assurance in relation to income tax and National Insurance obligations	4
Number for whom assurance has been requested	0
Of which:	
Assurance has been received	0
Assurance has not been received	0
Engagements terminated as a result of assurance not being received	0

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

Exit packages

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

Exit Package cost band (including any special payment element)	Total number of compulsory redundancies Number	Total cost of compulsory redundancies £s	Number of departures where special payments have been made Number	Cost of special payment element included in exit packages £s
Less than £10,000	2	8,372	0	0
£10,000 - £25,000	4	79,230	0	0
£25,001 - £50,000	24	689,419	0	0
Totals	30	777,021	0	0

Redundancy and other departure costs have been paid in accordance with the provisions of Section 16 of the Agenda for Change Handbook. Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirements are met by the NHS Pensions Scheme and are not included in the table. There were no other departures during 2016/17.

Staff sickness

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

	Calendar Year	
	2016	2017
Total days lost	34,140	31,683
Total staff years	2,634	2,561
Average working days lost	13.0	12.3

Leeds Community Healthcare NHS Trust

Annual Accounts for the period

1 April 2016 to 31 March 2017

KPMG

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

We have audited the financial statements of Leeds Community Healthcare NHS Trust for the year ended 31 March 2017 comprising the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Statement of Changes in Taxpayers Equity, Statement of Cash Flows and related notes under the Local Audit and Accountability Act 2014. These financial statements have been prepared under applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England. We have also audited the information in the Remuneration and Staff Report that is subject to audit.

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

Respective responsibilities of Directors, the Accountable Officer and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

As explained in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Section 21(5)(b) of the Local Audit and Accountability Act 2014 requires that our report must not contain our opinion if we are satisfied that proper arrangements are in place.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2016, as to whether the Trust had proper arrangements to ensure it took properly

informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2017 and of the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England.

Opinion on other matters

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to NHS Trusts in England; and
- the other information published together with the audited financial statements in the Annual Report and Accounts is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion the governance statement does not comply with the Department of Health Group Accounting Manual 2016/17; or
- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014; or
- we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We have nothing to report in respect of the above responsibilities.

Certificate

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

Clare Partridge
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds LS1 4DA

1 June 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;

- make judgments and estimates which are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

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

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

By order of the Board

31/5/17 Date ..... Chief Executive

31/5/17 Date ..... Executive Director of Finance

Statement of Comprehensive Income for year ended 31 March 2017

	Note	2016/17 £000s	2015/16 £000s
Gross employee benefits	10.1	**(106,069)**	(114,642)
Other operating costs	8	**(38,528)**	(38,395)
Revenue from patient care activities	5	**141,955**	149,460
Other operating revenue	6	**6,699**	6,907
Operating surplus/(deficit)		**4,057**	3,330
Investment revenue	12	**43**	42
Other gains/(losses)	13	**(48)**	(24)
Finance costs	14	**0**	(1)
Surplus/(deficit) for the financial year		**4,052**	3,347
Public dividend capital dividends payable		**(706)**	(681)
Transfers by absorption - gains		**0**	0
Transfers by absorption - (losses)		**0**	0
Net gain/(loss) on transfers by absorption		**0**	0
Retained surplus/(deficit) for the year		**3,346**	2,666

Other Comprehensive Income

	2016/17 £000s	2015/16 £000s
Impairments and reversals taken to the revaluation reserve	**0**	0
Net gain/(loss) on revaluation of property, plant & equipment	**0**	0
Net gain/(loss) on revaluation of intangibles	**0**	0
Net gain/(loss) on revaluation of financial assets	**0**	0
Other gain/(loss)	**0**	0
Net gain/(loss) on revaluation of available for sale financial assets	**0**	0
Net actuarial gain/(loss) on pension schemes	**0**	0
Other pension remeasurements	**0**	0
Reclassification adjustments		
On disposal of available for sale financial assets	**0**	0
Total comprehensive income for the year	**3,346**	2,666

Financial performance for the year

Retained surplus/(deficit) for the year	**3,346**	2,666
Prior period adjustment to correct errors and other performance adjustments	**0**	0
IFRIC 12 adjustment (including IFRIC 12 impairments)	**0**	0
Impairments (excluding IFRIC 12 impairments)	**0**	315
Adjustments in respect of donated gov't grant asset reserve elimination	**4**	4
Adjustment re absorption accounting	**0**	0
Adjusted retained surplus/(deficit)	**3,350**	2,985

In both financial years the £4,000 adjustment is in respect of depreciation on Hannah House, a donated asset. 2015/16 £315,000 impairment relates to the transfer of Garforth Clinic from a fixed asset used to deliver services to an asset held for sale.

The notes 1 to 45 form part of this account.

Statement of Financial Position as at 31 March 2017

	Note	31 March 2017 £000s	31 March 2016 £000s
Non-current assets			
Property, plant and equipment	16	27,144	27,228
Intangible assets	17	76	54
Investment property	19	0	0
Other financial assets		0	0
Trade and other receivables	22.1	0	0
Total non-current assets		27,220	27,282
Current assets			
Inventories	21	0	0
Trade and other receivables	22.1	6,209	6,149
Other financial assets	24	0	0
Other current assets	25	0	0
Cash and cash equivalents	26	19,104	19,074
Sub-total current assets		25,313	25,223
Non-current assets held for sale	27	165	165
Total current assets		25,478	25,388
Total assets		52,698	52,670
Current liabilities			
Trade and other payables	28	(10,612)	(13,901)
Other liabilities	29	0	0
Provisions	35	(1,398)	(1,323)
Borrowings	30	0	0
Other financial liabilities	31	0	0
DH revenue support loan	30	0	0
DH capital loan	30	0	0
Total current liabilities		(12,010)	(15,224)
Net current assets/(liabilities)		13,468	10,164
Total assets less current liabilities		40,688	37,446
Non-current liabilities			
Trade and other payables	28	0	0
Other liabilities	29	0	0
Provisions	35	0	(104)
Borrowings	30	0	0
Other financial liabilities	31	0	0
DH revenue support loan	30	0	0
DH capital loan	30	0	0
Total non-current liabilities		0	(104)
Total assets employed		40,688	37,342
Financed by:			
Public dividend capital		256	256
Retained earnings		30,936	27,561
Revaluation reserve		9,496	9,525
Other reserves		0	0
Total Taxpayers' Equity		40,688	37,342

The financial statements on pages *1 to 5* were approved by the Board on 31 May 2017 and signed on its behalf by

Chief Executive: **Date:** 31/5/17

Statement of Changes in Taxpayers' Equity
For the year ending 31 March 2017

	Public dividend capital	Retained earnings	Revaluation reserve	Other reserves	Total reserves
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2016	**256**	**27,561**	**9,525**	**0**	**37,342**
Changes in taxpayers' equity for 2016/17					
Retained surplus/(deficit) for the year		3,346			**3,346**
Net gain/(loss) on revaluation of property, plant & equipment			0		**0**
Net gain/(loss) on revaluation of intangible assets			0		**0**
Net gain/(loss) on revaluation of financial assets			0		**0**
Net gain/(loss) on revaluation of available for sale financial assets			0		**0**
Impairments and reversals			0		**0**
Other gains/(losses)				0	**0**
Transfers between reserves		29	(29)	0	**0**
Reclassification Adjustments					
Transfers between reserves in respect of assets transferred under absorption accounting	0	0	0	0	**0**
On disposal of available for sale financial assets			0		**0**
Reserves eliminated on dissolution		0	0	0	**0**
Originating capital for Trust established in year	0				**0**
Temporary and permanent PDC received - cash	0				**0**
Temporary and permanent PDC repaid in year	0				**0**
PDC written off	0	0			**0**
Transfer due to change of status from Trust to Foundation Trust	0	0	0	0	**0**
Other movements	0	0	0	0	**0**
Net actuarial gain/(loss) on pension		0		0	**0**
Other pensions remeasurement		0		0	**0**
Net recognised revenue/(expense) for the year	**0**	**3,375**	**(29)**	**0**	**3,346**
Balance at 31 March 2017	**256**	**30,936**	**9,496**	**0**	**40,688**

Balance at 1 April 2015	**1,041**	**24,827**	**9,593**	**0**	**35,461**
Changes in taxpayers' equity for the year ended 31 March 2016					
Retained surplus/(deficit) for the year		2,666			2,666
Net gain/(loss) on revaluation of property, plant & equipment			0		0
Net gain/(loss) on revaluation of intangible assets			0		0
Net gain/(loss) on revaluation of financial assets			0		0
Net gain/(loss) on revaluation of available for sale financial assets			0		0
Impairments and reversals			0		0
Other gains/(losses)				0	0
Transfers between reserves		68	(68)	0	0
Reclassification Adjustments					
Transfers between reserves in respect of assets transferred under absorption accounting		0	0		0
On disposal of available for sale financial assets			0		0
Originating capital for Trust established in year	0				0
New PDC received - cash	0				0
PDC repaid in year	(785)				(785)
Other movements	0	0	0	0	0
Net actuarial gain/(loss) on pension				0	0
Other pension remeasurement				0	0
Net recognised revenue/(expense) for the year	**(785)**	**2,734**	**(68)**	**0**	**1,881**
Balance at 31 March 2016	**256**	**27,561**	**9,525**	**0**	**37,342**

Information on reserves

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

2 **Retained earnings reserve**
The balance of this reserve is the accumulated surpluses and deficits of the Trust.

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

4 **Other reserves**
The Trust has no other reserves.

Statement of Cash Flows for the Year ended 31 March 2017

	Note	2016/17 £000s	2015/16 £000s
Cash Flows from Operating Activities			
Operating surplus/(deficit)		**4,057**	3,330
Depreciation and amortisation	8	**1,565**	1,774
Impairments and reversals	27	**0**	315
Other gains/(losses) on foreign exchange	13	**0**	0
Donated assets received credited to revenue but non-cash	6	**0**	0
Government granted assets received credited to revenue but non-cash		**0**	0
Release of PFI/deferred credit		**0**	0
(Increase)/decrease in inventories		**0**	63
(Increase)/decrease in trade and other receivables		**(91)**	(897)
(Increase)/decrease in other current assets		**0**	0
Increase/(decrease) in trade and other payables		**(3,492)**	489
(Increase)/decrease in other current liabilities		**0**	0
Provisions utilised		**(665)**	(392)
Increase/(decrease) in movement in non cash provisions		**636**	806
Net Cash Inflow/(Outflow) from Operating Activities		**2,010**	5,488
Cash Flows from Investing Activities			
Interest received		**43**	42
(Payments) for property, plant and equipment		**(1,338)**	(1,507)
(Payments) for intangible assets		**(46)**	0
(Payments) for investments with DH		**0**	0
(Payments) for other financial assets		**0**	0
(Payments) for financial assets (LIFT)		**0**	0
Proceeds of disposal of assets held for sale (PPE)		**36**	0
Proceeds of disposal of assets held for sale (intangible)		**0**	0
Proceeds from disposal of investment with DH		**0**	0
Proceeds from disposal of other financial assets		**0**	0
Proceeds from the disposal of financial assets (LIFT)		**0**	0
Loans made in respect of LIFT		**0**	0
Loans repaid in respect of LIFT		**0**	0
Rental revenue		**0**	0
Net Cash Inflow/(Outflow) from Investing Activities		**(1,305)**	(1,465)
Net Cash Inflow/(Outflow) before Financing		**705**	4,023
Cash Flows from Financing Activities			
Gross temporary and permanent PDC received		**0**	0
Gross temporary and permanent PDC repaid		**0**	(785)
Loans received from DH - new capital investment loans		**0**	0
Loans received from DH - new revenue support loans		**0**	0
Other loans received		**0**	0
Loans repaid to DH - capital investment loans repayment of principal		**0**	0
Loans repaid to DH - working capital loans/revenue support loans		**0**	0
Other loans repaid		**0**	0
Cash transferred to NHS Foundation Trusts or on dissolution		**0**	0
Capital element of payments in respect of finance leases & on-SoFP PFI & LIFT		**0**	0
Interest paid		**0**	(1)
PDC dividend (paid)/refunded		**(675)**	(676)
Capital grants and other capital receipts (excl. donated/gov't granted cash receipts)		**0**	0
Net Cash Inflow/(Outflow) from Financing Activities		**(675)**	(1,462)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**30**	2,561
Cash and Cash Equivalents (and Bank Overdraft) at beginning of the period		**19,074**	16,513
Effect of exchange rate changes in the balance of cash held in foreign currencies		**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	26	**19,104**	19,074

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DH Group Accounting Manual 2016/17 issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the Group Accounting Manual permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

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

Going Concern

These accounts have been prepared on a going concern basis.

The going concern concept was reviewed by the Trust's Audit Committee at its meeting 17 February 2017.

In considering whether the Trust is a going concern the following areas were reviewed:

● The Trust's financial monitoring throughout 2016/17 provides evidence that financial duties and targets will be met. The Trust will achieve the control total set by NHS Improvement. Historically, the Trust has achieved all its financial duties.

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

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

● The Trust's financial plans for 2017/18 and 2018/19 demonstrate delivery of the Board approved surplus; for 2017/18 the Trust plans to achieve the NHS Improvement control total, for 2018/19 the Board currently plans to achieve a 1% surplus. Contracts with commissioners have been agreed for 2017/18 and 2018/19.

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

● The Trust's liquidity remains very strong with circa £19m currently in the bank. The financial plan demonstrates the Trust has sufficient cash resources to meet its operational and capital investment commitments for 2017/18 and 2018/19.

● The Board of Directors is a stable and experienced team. Two new non-executive directors were appointed on 1 April 2016 and the Chair of Audit Committee has been re-appointed for a further two years from 1 April 2017.

● The Board has considered the matter of the Trust as a going concern, through its ongoing assessment of sustainability and the resources needed to ensure it continues in operational existence for the foreseeable future.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Movement of assets within the DH Group

Transfers as part of reorganisation fall to be accounted for by use of absorption accounting in line with the Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCI, and is disclosed separately from operating costs.

Other transfers of assets and liabilities within the Group are accounted for in line with IAS 20 and similarly give rise to income and expenditure entries.

1.4 Charitable Funds

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 Presentation of Financial Statements, restated prior period accounts are presented where the adoption of the new policy has a material impact. The Trust considers that the value of Charitable Funds are not material and has resolved not to consolidate the Charitable Fund's financial statements within the Trust's financial statements.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.5 Pooled Budgets
The Trust has no pooled budget arrangements.

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

1.6.1 Critical judgements in applying accounting policies
The Trust has provided for redundancy costs associated with the loss of service contracts, where staff will not TUPE to the new provider.

1.6.2 Key sources of estimation uncertainty
An estimate of the redundancy costs has been made and included in the Trust's expenditure for 2016/17 as required under IAS 37. The estimated value of redundancies provided for is £702k.

1.7 Revenue
Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the Trust is from commissioners for healthcare services.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

During the year the Trust has ceased to provide 2 services; Family Nurse Partnerships and York Street Excluded People service. Surplus equipment and drugs for the York Street service have been sold to the new service providers. This income, totalling £12k, has been recorded under other revenue.

1.8 Employee Benefits

Short-term employee benefits
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs
Past and present employees are covered by the provisions of the NHS Pension Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to the NHS body of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

The Trust operates an alternative mandatory scheme, National Employment Savings Trust, for employees who do not qualify for or choose not to become a member of the NHS Pension Scheme.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

1.9 Other expenses
Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.10 Property, plant and equipment

Recognition
Property, plant and equipment is capitalised if:
● it is held for use in delivering services or for administrative purposes;
● it is probable that future economic benefits will flow to, or service potential will be supplied to the Trust;
● it is expected to be used for more than one financial year;
● the cost of the item can be measured reliably; and either
● the item cost at least £5,000; or
● Collectively, a number of items have a total cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

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

Valuation
All property, plant and equipment is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

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

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

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

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

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

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-off and charged to operating expenses.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.11 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at cost. Software that is integral to the operation of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement
The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.12 Depreciation, amortisation and impairments

Freehold land, assets under construction or development, and assets held for sale are not depreciated/amortised.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, on a straight line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful lives.

At each financial year-end, the Trust checks whether there is any indication that its property, plant and equipment or intangible non-current assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.13 Donated assets

Donated non-current assets are capitalised at current value in existing use if they will be held for their service potential, or otherwise at value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.14 Government grants

Government grant funded assets are capitalised at current value in existing use if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.15 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.16 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The Trust as lessor

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

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

1.17 Private Finance Initiative (PFI) transactions

The Trust has no private finance initiative transactions.

1.18 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.19 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.20 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates. The Trust has no provisions measured in this way.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.21 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at Note 35.

1.22 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims, are charged to operating expenses as and when they become due.

1.23 Carbon Reduction Commitment Scheme (CRC)

The Trust does not contribute to the Carbon Reduction Commitment Scheme.

1.24 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.25 Financial assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the Trust's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and where there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to surplus/deficit on de-recognition.

Fair value is determined by obtaining an open market valuation from the District Valuer, and takes into account an estimate of costs which will be incurred in selling the asset.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Financial assets are initially recognised at fair value. Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that have an impact on the estimated future cash flows of the asset.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.26 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historic cost. Otherwise, financial liabilities are initially recognised at fair value.

1.27 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.28 Foreign currencies

The Trust's functional and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.29 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them.

1.30 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the Trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities (except for donated assets and cash balances with the Government Banking Service). The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

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

1.31 Losses and Special Payments

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

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.32 Subsidiaries

Material entities over which the Trust has the power to exercise control are classified as subsidiaries and are consolidated. The Trust has control when it is exposed to or has rights to variable returns through its power over another entity. The income and expenses; gains and losses; assets, liabilities and reserves; and cash flows of the subsidiary are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust or where the subsidiary's accounting date is not co-terminus.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

The Trust has no subsidiaries.

1.33 Associates

Material entities over which the Trust has the power to exercise significant influence so as to obtain economic or other benefits are classified as associates and are recognised in the Trust's accounts using the equity method. The investment is recognised initially at cost and is adjusted subsequently to reflect the Trust share of the entity's profit/loss and other gains/losses. It is also reduced when any distribution is received by the Trust from the entity.

Associates that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'

The Trust has no associate arrangements.

1.34 Joint arrangements

Material entities over which the Trust has joint control with one or more other entities are classified as joint arrangements. Joint control is the contractually agreed sharing of control of an arrangement. A joint arrangement is either a joint operation or a joint venture.

A joint operation exists where the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Where the Trust is a joint operator it recognises its share of, assets, liabilities, income and expenses in its own accounts.

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

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are recognised as an investment and accounted for using the equity method. The Trust has no joint venture arrangements.

NOTES TO THE ACCOUNTS

Notes to the Accounts - 1. Accounting Policies (Continued)

1.35 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCI on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

1.36 Accounting Standards that have been issued but have not yet been adopted

The HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2016/17. These standards are still subject to HM Treasury FReM interpretation, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

● IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
● IFRS 15 Revenue from Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
● IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.37 Gifts

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

2. Pooled budget

The Trust has no pooled budgets.

3. Operating segments

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

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

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

Income from Clinical Commissioning Groups totalled £103,404k or 70% of the total income received by the Trust. £22,784k or 15% of the Trust's income was from Leeds City Council. All income is reported under the single operating segment.

4. Income generation activities

The Trust has no income generation activities.

5. Revenue from patient care activities

	2016/17 £000s	2015/16 £000s
NHS Trusts	**0**	1
NHS England	**7,997**	21,501
Clinical Commissioning Groups	**103,404**	100,487
Foundation Trusts	**2**	3
Department of Health	**0**	0
NHS Other (including Public Health England and NHS Property Services)	**0**	0
Additional income for delivery of healthcare services	**0**	785
Non-NHS:		
Local Authorities	**28,927**	24,859
Private patients	**17**	78
Overseas patients (non-reciprocal)	**0**	0
Injury costs recovery	**0**	0
Other non-NHS patient care income	**1,608**	1,746
Total Revenue from patient care activities	**141,955**	149,460

6. Other operating revenue

	2016/17 £000s	2015/16 £000s
Recoveries in respect of employee benefits	**840**	1,007
Patient transport services	**0**	0
Education, training and research	**1,885**	2,434
Charitable and other contributions to revenue expenditure - NHS	**0**	0
Charitable and other contributions to revenue expenditure - non-NHS	**0**	0
Receipt of charitable donations for capital acquisitions	**0**	0
Support from DH for mergers	**0**	**0**
Receipt of Government grants for capital acquisitions	**0**	0
Non-patient care services to other bodies	**183**	141
Sustainability & Transformation Fund income	**1,350**	0
Income generation (other fees and charges)	**0**	0
Rental revenue from finance leases	**0**	0
Rental revenue from operating leases	**434**	431
Other revenue	**2,007**	2,894
Total Other operating revenue	**6,699**	6,907
Total operating revenue	**148,654**	156,367

7. Overseas Visitors Disclosure

The Trust has no overseas visitor income.

8. Operating expenses

	2016/17 £000s	2015/16 £000s
Services from other NHS Trusts	**0**	0
Services from CCGs/NHS England	**0**	0
Services from other NHS bodies	**0**	0
Services from NHS Foundation Trusts	**0**	0
Total Services from NHS bodies *	**0**	0
Purchase of healthcare from non-NHS bodies	**627**	1,241
Purchase of social care	**0**	0
Trust Chair and Non-Executive Directors	**56**	53
Supplies and services - clinical	**11,571**	11,006
Supplies and services - general	**2,435**	2,473
Consultancy services	**25**	6
Establishment	**2,740**	3,123
Transport	**3,398**	3,548
Service charges - on-SOFP PFIs and other service concession arrangements	**0**	0
Service charges - on-SOFP LIFT contracts	**0**	0
Total charges - off-SOFP PFIs and other service concession arrangements	**0**	0
Total charges - off-SOFP LIFT contracts	**0**	0
Business rates paid to local authorities	**393**	312
Premises	**13,078**	12,048
Hospitality	**0**	4
Insurance	**133**	198
Legal fees	**248**	196
Impairments and reversals of receivables	**51**	16
Inventories write down	**0**	0
Depreciation	**1,541**	1,736
Amortisation	**24**	38
Impairments and reversals of property, plant and equipment	**0**	0
Impairments and reversals of intangible assets	**0**	0
Impairments and reversals of financial assets	**0**	0
Impairments and reversals of non current assets held for sale	**0**	315
Internal audit fees	**92**	94
Audit fees	**52**	52
Other auditor's remuneration **	**13**	0
Clinical negligence	**265**	227
Research and development (excluding staff costs)	**58**	151
Education and training	**631**	614
Change in discount rate	**0**	0
Capital grants in kind	**0**	0
Other	**1,097**	944
Total Operating expenses (excluding employee benefits)	**38,528**	38,395
Employee Benefits		
Employee benefits excluding Board members	**105,408**	113,955
Board members	**661**	687
Total Employee Benefits	**106,069**	114,642
Total Operating Expenses	**144,597**	153,037

* Services from NHS bodies does not include expenditure which falls into a category below.
** Other auditor's remuneration is in respect of taxation advice.

9. Operating Leases

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

The Trust has no contingent rents.

9.1. Leeds Community Healthcare NHS Trust as lessee

	Land £000s	Buildings £000s	Other £000s	2016/17 Total £000s	2015/16 £000s
Payments recognised as an expense					
Minimum lease payments				**2,414**	2,291
Contingent rents				**0**	0
Sub-lease payments				**0**	0
Total				**2,414**	2,291
Payable:					
No later than one year		829	1,283	**2,112**	2,139
Between one and five years	0	3,212	1,422	**4,634**	4,329
After five years	0	1,444	0	**1,444**	2,041
Total	**0**	**5,485**	**2,705**	**8,190**	8,509
Total future sublease payments expected to be received				**115**	226

9.2. Leeds Community Healthcare NHS Trust as lessor

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

	2016/17 £000s	2015/16 £000s
Recognised as revenue		
Rental revenue	**434**	431
Contingent rents	**0**	0
Total	**434**	431
Receivable:		
No later than one year	**430**	431
Between one and five years	**1,169**	1,347
After five years	**80**	96
Total	**1,679**	1,874

10. Employee benefits

10.1. Employee benefits

	2016/17 Total £000s	2015/16 Total £000s
Employee Benefits - Gross Expenditure		
Salaries and wages	**87,855**	97,788
Social security costs	**7,586**	6,014
Employer Contributions to NHS BSA - Pensions Division	**10,186**	10,411
Other pension costs	**15**	10
Termination benefits	**702**	855
Total employee benefits	**106,344**	115,078
Employee costs capitalised	**275**	436
Gross Employee Benefits excluding capitalised costs	**106,069**	114,642

10.2. Retirements due to ill-health

	2016/17 Number	2015/16 Number
Number of persons retired early on ill health grounds	**7**	2
	£000s	£000s
Total additional pensions liabilities accrued in the year	**197**	41

10.3. Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017 is based on valuation data as 31 March 2016, updated to 31 March 2017 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

Other pension costs

NEST (National Employment Savings Trust) is an alternative pension scheme set up to comply with new legislation which provides that employees fulfilling certain criteria must auto-enrol into a pension scheme. When they do not qualify for or wish to join the NHS Pension Scheme this is the Trust's mandatory alternative scheme. NEST Corporation is the Trustee body that has overall responsibility for running NEST. It is a non-departmental public body that operates at arm's length from government and is accountable to Parliament through the Department of Work and Pensions (DWP). The Trust has expensed £15k during the year in respect of contributions for employees under the NEST scheme.

11. Better Payment Practice Code

11.1. Measure of compliance

	2016/17 Number	2016/17 £000s	2015/16 Number	2015/16 £000s
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	**20,085**	**32,145**	30,917	38,106
Total non-NHS trade invoices paid within target	**19,141**	**30,870**	29,496	36,034
Percentage of NHS trade invoices paid within target	**95.30%**	**96.03%**	95.40%	94.56%
NHS Payables				
Total NHS trade invoices paid in the year	**998**	**19,647**	967	18,050
Total NHS trade invoices paid within target	**972**	**19,555**	946	17,929
Percentage of NHS trade invoices paid within target	**97.39%**	**99.53%**	97.83%	99.33%

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

11.2. The Late Payment of Commercial Debts (Interest) Act 1998

	2016/17 £000s	2015/16 £000s
Amounts included in finance costs from claims made under this legislation	**0**	1
Compensation paid to cover debt recovery costs under this legislation	**0**	0
Total	**0**	1

12. Investment Revenue

	2016/17 £000s	2015/16 £000s
Rental revenue		
PFI finance lease revenue (planned)	**0**	0
PFI finance lease revenue (contingent)	**0**	0
Other finance lease revenue	**0**	0
Subtotal	**0**	0
Interest revenue		
LIFT: equity dividends receivable	**0**	0
LIFT: loan interest receivable	**0**	0
Bank interest	**43**	42
Other loans and receivables	**0**	0
Impaired financial assets	**0**	0
Other financial assets	**0**	0
Subtotal	**43**	42
Total investment revenue	**43**	42

13. Other Gains and Losses

	2016/17 £000s	2015/16 £000s
Gain/(loss) on disposal of assets other than by sale (PPE)	**(28)**	(36)
Gain/(loss) on disposal of assets other than by sale (intangibles)	**0**	0
Gain/(loss) on disposal of financial assets other then held for sale	**0**	0
Gain (loss) on disposal of assets held for sale	**(20)**	12
Gain/(loss) on foreign exchange	**0**	0
Change in fair value of financial assets carried at fair value through the SoCI	**0**	0
Change in fair value of financial liabilities carried at fair value through the SoCI	**0**	0
Change in fair value of investment property	**0**	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	**0**	0
Total	**(48)**	(24)

14. Finance Costs

	2016/17 £000s	2015/16 £000s
Interest		
Interest on loans and overdrafts	**0**	0
Interest on obligations under finance leases	**0**	0
Interest on obligations under PFI contracts:		
- main finance cost	**0**	0
- contingent finance cost	**0**	0
Interest on obligations under LIFT contracts:		
- main finance cost	**0**	0
- contingent finance cost	**0**	0
Interest on late payment of commercial debt	**0**	1
Total interest expense	**0**	1
Other finance costs	**0**	0
Provisions - unwinding of discount	**0**	0
Total	**0**	1

15. Auditor

15.1. Other auditor remuneration

	2016/17 £000s	2015/16 £000s
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	**0**	0
2. Audit-related assurance services	**0**	0
3. Taxation compliance services	**0**	0
4. All taxation advisory services not falling within item 3 above	**13**	0
5. Internal audit services	**0**	0
6. All assurance services not falling within items 1 to 5	**0**	0
7. Corporate finance transaction services not falling within items 1 to 6 above	**0**	0
8. Other non-audit services not falling within items 2 to 7 above	**0**	0
Total	**13**	0

15.2. Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2016/17 or 2015/16.

16. Tangible non current assets

16.1. Property, plant and equipment

2016/17	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:									
At 1 April 2016	9,550	14,605	0	33	3,664	0	2,868	596	**31,316**
Additions of assets under construction				142					**142**
Additions purchased	0	0	0		96	0	1,291	0	**1,387**
Additions - non cash donations (i.e. physical assets)	0	0	0	0	0	0	0	0	**0**
Additions - purchases from cash donations & government grants	0	0	0	0	0	0	0	0	**0**
Additions leased (including PFI/LIFT)	0	0	0		0	0	0	0	**0**
Reclassifications	0	110	0	(110)	0	0	0	0	**0**
Reclassifications as held for sale and reversals	0	0	0	0	(186)	0	0	0	**(186)**
Disposals other than for sale	0	0	0	0	(128)	0	0	(12)	**(140)**
Revaluation	0	0	0	0	0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	0	0	**0**
Impairments/reversals charged to reserves	0	0	0	0	0	0	0	0	**0**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from other public sector bodies under absorption accounting	0	0	0	0	0	0	0	0	**0**
At 31 March 2017	**9,550**	**14,715**	**0**	**65**	**3,446**	**0**	**4,159**	**584**	**32,519**
Depreciation									
At 1 April 2016	0	713	0		2,222	0	665	488	**4,088**
Reclassifications	0	0	0		0	0	0	0	**0**
Reclassifications as held for sale and reversals	0	0	0		(142)	0	0	0	**(142)**
Disposals other than for sale	0	0	0		(101)	0	0	(11)	**(112)**
Revaluation	0	0	0		0	0	0	0	**0**
Impairment/reversals charged to reserves	0	0	0		0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0		0	0	0	0	**0**
Charged during the year	0	506	0		386	0	622	27	**1,541**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0		0	0	0	0	**0**
Transfers (to)/from other public sector bodies under absorption accounting	0	0	0		0	0	0	0	**0**
At 31 March 2017	**0**	**1,219**	**0**	**0**	**2,365**	**0**	**1,287**	**504**	**5,375**
Net Book Value at 31 March 2017	**9,550**	**13,496**	**0**	**65**	**1,081**	**0**	**2,872**	**80**	**27,144**
Asset financing:									
Owned - purchased	9,550	13,319	0	65	1,081	0	2,872	80	**26,967**
Owned - donated	0	177	0	0	0	0	0	0	**177**
Owned - government granted	0	0	0	0	0	0	0	0	**0**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	**0**
PFI residual interests	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2017	**9,550**	**13,496**	**0**	**65**	**1,081**	**0**	**2,872**	**80**	**27,144**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2016	7,196	2,294	0	0	34	0	0	1	**9,525**
Movements in respect of assets disposed of in year	0	0	0	0	(29)	0	0	0	**(29)**
At 31 March 2017	**7,196**	**2,294**	**0**	**0**	**5**	**0**	**0**	**1**	**9,496**

Additions to Assets Under Construction in 2016/17	
Land	**0**
Buildings excl Dwellings	**142**
Dwellings	**0**
Plant & Machinery	**0**
Balance as at 31 March 2017	**142**

16.2. Property, plant and equipment prior year

2015/16	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:									
At 1 April 2015	9,930	14,763	0	454	3,624	0	1,858	596	31,225
Additions of assets under construction				(18)					(18)
Additions purchased	0	0	0		406	0	1,222	0	1,628
Additions - non cash donations (i.e. physical assets)	0	0	0	0	0	0	0	0	0
Additions - purchases from cash donations & government grants	0	0	0	0	0	0	0	0	0
Additions leased (including PFI/LIFT)	0	0	0		0	0	0	0	0
Reclassifications	0	403	0	(403)	0	0	0	0	0
Reclassifications as held for sale and reversals	(380)	(106)	0	0	0	0	(126)	0	(612)
Disposals other than for sale	0	(455)	0	0	(366)	0	(86)	0	(907)
Revaluation	0	0	0	0	0	0	0	0	0
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	0	0	0
Impairments/reversals charged to reserves	0	0	0	0	0	0	0	0	0
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies under absorption accounting	0	0	0	0	0	0	0	0	0
At 31 March 2016	9,550	14,605	0	33	3,664	0	2,868	596	31,316
Depreciation									
At 1 April 2015	0	359	0		2,068	0	471	457	3,355
Reclassifications	0	0	0		0	0	0	0	0
Reclassifications as held for sale and reversals	0	(6)	0		0	0	(126)	0	(132)
Disposals other than for sale	0	(455)	0		(330)	0	(86)	0	(871)
Revaluation	0	0	0		0	0	0	0	0
Impairment/reversals charged to reserves	0	0	0		0	0	0	0	0
Impairments/reversals charged to operating expenses	0	0	0		0	0	0	0	0
Charged during the year	0	815	0		484	0	406	31	1,736
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0		0	0	0	0	0
Transfers (to)/from other public sector bodies under absorption accounting	0	0	0		0	0	0	0	0
At 31 March 2016	0	713	0	0	2,222	0	665	488	4,088
Net Book Value at 31 March 2016	9,550	13,892	0	33	1,442	0	2,203	108	27,228
Asset financing:									
Owned - purchased	9,550	13,711	0	33	1,442	0	2,203	108	27,047
Owned - donated	0	181	0	0	0	0	0	0	181
Owned - government granted	0	0	0	0	0	0	0	0	0
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SOFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
Total at 31 March 2016	9,550	13,892	0	33	1,442	0	2,203	108	27,228

16.3. Property, plant and equipment (Continued)

	Min Life Years	Max Life Years
Economic Lives for Non Current Assets		
Property, Plant and Equipment		
Buildings exc Dwellings	1	88
Plant & Machinery	5	10
Information Technology	5	5
Furniture and Fittings	5	10

17. Intangible non-current assets

17.1. Intangible non-current assets

2016/17	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated	Intangible Assets Under Construction	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2016	**0**	**212**	**0**	**0**	**0**	**0**	**212**
Additions of assets under construction						0	**0**
Additions purchased	0	46	0	0	0	0	**46**
Additions internally generated	0	0	0	0	0	0	**0**
Additions - non cash donations (i.e. physical assets)	0	0	0	0	0	0	**0**
Additions - purchases from cash donations & government grants	0	0	0	0	0	0	**0**
Additions leased (including PFI/LIFT)	0	0	0	0	0	0	**0**
Reclassifications	0	0	0	0	0	0	**0**
Reclassified as held for sale and reversals	0	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	**0**
Impairments/reversals charged to reserves	0	0	0	0	0	0	**0**
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	**0**
Transfer (to)/from other public sector bodies under absorption accounting	0	0	0	0	0	0	**0**
At 31 March 2017	**0**	**258**	**0**	**0**	**0**	**0**	**258**
Amortisation							
At 1 April 2016	**0**	**158**	**0**	**0**	**0**		**158**
Reclassifications	**0**	**0**	**0**	**0**	**0**		**0**
Reclassified as held for sale and reversals	**0**	**0**	**0**	**0**	**0**		**0**
Disposals other than by sale	**0**	**0**	**0**	**0**	**0**		**0**
Upward revaluation/positive indexation	**0**	**0**	**0**	**0**	**0**		**0**
Impairment/reversals charged to reserves	**0**	**0**	**0**	**0**	**0**		**0**
Impairments/reversals charged to operating expenses	**0**	**0**	**0**	**0**	**0**		**0**
Charged during the year	**0**	**24**	**0**	**0**	**0**		**24**
Transfers to NHS Foundation Trust on authorisation as FT	**0**	**0**	**0**	**0**	**0**		**0**
Transfer (to)/from other public sector bodies under absorption accounting	**0**	**0**	**0**	**0**	**0**		**0**
At 31 March 2017	**0**	**182**	**0**	**0**	**0**	**0**	**182**
Net Book Value at 31 March 2017	**0**	**76**	**0**	**0**	**0**	**0**	**76**
Asset Financing: Net book value at 31 March 2017 comprises:							
Purchased	0	76	0	0	0	0	**76**
Donated	0	0	0	0	0	0	**0**
Government granted	0	0	0	0	0	0	**0**
Finance leased	0	0	0	0	0	0	**0**
On-balance sheet PFIs	0	0	0	0	0	0	**0**
Total at 31 March 2017	**0**	**76**	**0**	**0**	**0**	**0**	**76**

Revaluation reserve balance for intangible non-current assets	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2016	0	0	0	0	0	0	**0**
Movements	0	0	0	0	0	0	**0**
At 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**

17.2. Intangible non-current assets prior year

2015/16	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated	Intangible Assets Under Construction	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:							
At 1 April 2015	0	267	0	0	0	0	267
Additions - purchased	0	0	0	0	0	0	0
Additions - internally generated	0	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0
Additions Leased (including PFI/LIFT)	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Disposals other than by sale	0	(55)	0	0	0	0	(55)
Upward revaluation/positive indexation	0	0	0	0	0	0	0
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	0
Impairments/reversals charged to reserves	0	0	0	0	0	0	0
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	0
Transfer (to)/from Other Public Sector bodies under Absorption	0	0	0	0	0	0	0
At 31 March 2016	0	212	0	0	0	0	212
Amortisation							
At 1 April 2015	0	175	0	0	0	0	175
Reclassifications	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Disposals other than by sale	0	(55)	0	0	0	0	(55)
Upward revaluation/positive indexation	0	0	0	0	0	0	0
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	0
Impairments/reversals charged to reserves	0	0	0	0	0	0	0
Charged during the year	0	38	0	0	0	0	38
Transfers to NHS Foundation Trust on authorisation as FT	0	0	0	0	0	0	0
Transfer (to)/from Other Public Sector bodies under Absorption	0	0	0	0	0	0	0
At 31 March 2016	0	158	0	0	0	0	158
Net book value at 31 March 2016	0	54	0	0	0	0	54
Net book value at 31 March 2016 comprises:							
Purchased	0	54	0	0	0	0	54
Donated	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0
Finance Leased	0	0	0	0	0	0	0
On-balance Sheet PFIs	0	0	0	0	0	0	0
Total at 31 March 2016	**0**	**54**	**0**	**0**	**0**	**0**	**54**

17.3. Intangible non-current assets

	Min Life Years	**Max Life Years**
Economic Lives for Non Current Assets		
Intangible Assets		
Software Licences	5	5

18. Analysis of impairments and reversals recognised in 2016/17

The Trust has no impairments or reversals recognised in 2016/17.

19. Investment property

The Trust has no investment property.

20. Commitments

20.1. Capital commitments

The Trust has no capital commitments

20.2. Other financial commitments

The Trust has entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements), for:

- financial services;
- decontamination services;
- orthotic services;
- network connectivity services;
- software services;
- dispensing services;
- photocopying rental;
- enteral feed supplies;
- security services;
- eDBS checking services;
- grounds and gardens services; and
- estates maintenance services.

The payments to which the Trust is committed are as follows:

	31 March 2017 £000s	31 March 2016 £000s
Not later than one year	**2,100**	948
Later than one year and not later than five year	**1,631**	1,660
Later than five years	**0**	0
Total	**3,731**	2,608

21. Inventories

The Trust has no inventories.

22.1. Trade and other receivables

	Current		Non-current	
	31 March 2017 £000s	31 March 2016 £000s	**31 March 2017 £000s**	31 March 2016 £000s
NHS receivables - revenue	**1,156**	513	**0**	0
NHS receivables - capital	**0**	0	**0**	0
NHS prepayments and accrued income	**1,087**	217	**0**	0
Non-NHS receivables - revenue	**3,001**	3,580	**0**	0
Non-NHS receivables - capital	**0**	12	**0**	0
Non-NHS prepayments and accrued income	**821**	1,194	**0**	0
PDC Dividend prepaid to DH	**0**	19	**0**	0
Provision for the impairment of receivables	**(106)**	(70)	**0**	0
VAT	**220**	672	**0**	0
Current/non-current part of PFI & other PPP arrangements prepayments & accrued income	**0**	0	**0**	0
Interest receivables	**0**	0	**0**	0
Finance lease receivables	**0**	0	**0**	0
Operating lease receivables	**0**	0	**0**	0
Other receivables	**30**	12	**0**	0
Total	**6,209**	6,149	**0**	0
Total current and non current	**6,209**	6,149		
Included in NHS receivables are prepaid pension contributions:	**0**			

The great majority of trade is with Clinical Commissioning Groups, Local Authorities and NHS England as commissioners for NHS patient care services. As Clinical Commissioning Groups, Local Authorities and NHS England are funded by Government to buy NHS patient care no credit scoring of them is considered necessary.

22.2. Receivables past their due date but not impaired

	31 March 2017 £000s	31 March 2016 £000s
By up to three months	**2,639**	3,517
By three to six months	**2**	78
By more than six months	**299**	88
Total	**2,940**	3,683

22.3. Provision for impairment of receivables

	2016/17 £000s	2015/16 £000s
Balance at 1 April 2016	**(70)**	(54)
Amount written off during the year	**15**	0
Amount recovered during the year	**46**	32
(Increase)/decrease in receivables impaired	**(97)**	(48)
Transfers to NHS Foundation Trust on authorisation as FT	**0**	0
Transfers (to)/from other public sector bodies under absorption accounting	**0**	0
Balance at 31 March 2017	**(106)**	(70)

The Trust has made provision for impairment of non NHS receivables in excess of 90 days overdue.

23. NHS LIFT investments

The Trust has no LIFT investments.

24. Other Financial Assets

24.1. Other Financial Assets - Current

The Trust has no other financial assets - current.

24.2. Other Financial Assets - Non Current

The Trust has no other financial assets - non current.

25. Other current assets

The Trust has no other current assets.

26. Cash and Cash Equivalents

	31 March 2017 £000s	31 March 2016 £000s
Opening balance	**19,074**	16,513
Net change in year	**30**	2,561
Closing balance	**19,104**	19,074
Made up of:		
Cash with Government Banking Service	**19,100**	19,067
Commercial banks	**0**	0
Cash in hand	**4**	7
Liquid deposits with National Loans Fund	**0**	0
Current investments	**0**	0
Cash and cash equivalents as in statement of financial position	**19,104**	19,074
Bank overdraft - Government Banking Service	**0**	0
Bank overdraft - commercial banks	**0**	0
Cash and cash equivalents as in statement of cash flows	**19,104**	19,074
Third party assets - bank balance (not included above)	**0**	0
Third party assets - monies on deposit	**0**	0

27. Non-current assets held for sale

	Land	Buildings, excl. dwellings	Dwellings	Asset Under Construction and Payments on Account	Plant and Machinery	Transport and Equipment	Information Technology	Furniture and Fittings	Intangible Assets	Financial Assets	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2016	165	0	0	0	0	0	0	0	0	0	**165**
Plus assets classified as held for sale in the year	0	0	0	0	44	0	0	0	0	0	**44**
Less assets sold in the year	0	0	0	0	(44)	0	0	0	0	0	**(44)**
Less impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	**0**
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	**0**
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0	**0**
Transfers to Foundation Trust on authorisation as FT	0	0	0	0	0	0	0	0	0	0	**0**
Transfers (to)/from other public sector bodies under absorption accounting	0	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2017	**165**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**165**
Liabilities associated with assets held for sale at 31 March 2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 1 April 2015	0	0	0	0	0	0	0	0	0	0	0
Plus assets classified as held for sale in the year	380	100	0	0	0	0	0	0	0	0	480
Less assets sold in the year	0	0	0	0	0	0	0	0	0	0	0
Less impairment of assets held for sale	(215)	(100)	0	0	0	0	0	0	0	0	(315)
Plus reversal of impairment of assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies under absorption accounting	0	0	0	0	0	0	0	0	0	0	0
Balance at 31 March 2016	165	0	0	0	0	0	0	0	0	0	165
Liabilities associated with assets held for sale at 31 March 2016	0	0	0	0	0	0	0	0	0	0	0

Garforth Clinic was declared by the Trust Board as surplus to requirements during 2015/16 and was a non-current asset held for sale as at 31 March 2016 with a value of £165k. The clinic has not yet been sold and is still classified as held for sale as a sale is expected within the next 12 months. The District Valuer has provided an assessment of the open market value of the property as at 31 March 2017 of £175k to £200k. The Trust has used the lower valuation of £175k and estimated selling costs of £10k giving a net value, after costs to sell, of £165k.

Further non-current assets were sold during the year with a net book value of £44k. These were ultrasound equipment that was sold back to the supplier as part of a part-exchange arrangement to purchase new ultrasound equipment.

28. Trade and other payables

	Current		Non-current	
	31 March 2017 £000s	31 March 2016 £000s	**31 March 2017 £000s**	31 March 2016 £000s
NHS payables - revenue	**274**	3,121	**0**	0
NHS payables - capital	**0**	0	**0**	0
NHS accruals and deferred income	**1,071**	911	**0**	0
Non-NHS payables - revenue	**1,492**	1,704	**0**	0
Non-NHS payables - capital	**538**	347	**0**	0
Non-NHS accruals and deferred income	**3,896**	4,518	**0**	0
Social security costs	**1,161**	1,035		
PDC dividend payable to DH	**12**	0		
Accrued interest on DH loans	**0**	0		
VAT	**0**	0	**0**	0
Tax	**739**	799		
Payments received on account	**0**	0	**0**	0
Other	**1,429**	1,466	**0**	0
Total	**10,612**	13,901	**0**	0
Total payables (current and non-current)	**10,612**	**13,901**		
Included above:				
To buy out the liability for early retirements over 5 years	**0**	0		
Number of cases involved (number)	**0**	0		
Outstanding pension contributions at the year end	**1,435**	1,446		

29. Other liabilities

The Trust has no other liabilities.

30. Borrowings

The Trust has no borrowings.

31. Other financial liabilities

The Trust has no other financial liabilities.

32. Deferred income

	Current		Non-current	
	31 March 2017 £000s	31 March 2016 £000s	**31 March 2017 £000s**	31 March 2016 £000s
Opening balance at 1 April 2016	**737**	420	**0**	0
Deferred revenue addition	**3,147**	2,958	**0**	0
Transfer of deferred revenue	**(3,029)**	(2,641)	**0**	0
Current deferred Income at 31 March 2017	**855**	737	**0**	0
Total deferred income (current and non-current)	**855**	737		

33. Finance lease obligations as lessee

The Trust has no finance lease obligations as lessee.

34. Finance lease receivables as lessor

The Trust has no finance lease receivables as lessor.

35. Provisions

		Comprising:						
	Total	**Early Departure Costs**	**Legal Claims**	**Restructuring**	**Continuing Care**	**Equal Pay (incl. Agenda for Change)**	**Other**	**Redundancy**
	£000s	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Balance at 1 April 2016	**1,427**	0	164	0	0	0	577	686
Arising during the year	**957**	0	255	0	0	0	0	702
Utilised during the year	**(665)**	0	(40)	0	0	0	(369)	(256)
Reversed unused	**(321)**	0	(7)	0	0	0	0	(314)
Unwinding of discount	**0**	0	0	0	0	0	0	0
Change in discount rate	**0**	0	0	0	0	0	0	0
Transfers to NHS Foundation Trusts on being authorised as FT	**0**	0	0	0	0	0	0	0
Transfers (to)/from other public sector bodies under absorption accounting	**0**	0	0	0	0	0	0	0
Balance at 31 March 2017	**1,398**	**0**	**372**	**0**	**0**	**0**	**208**	**818**
Expected Timing of Cash Flows:								
No later than one year	**1,398**	0	372	0	0	0	208	818
Later than one year and not later than five years	**0**	0	0	0	0	0	0	0
Later than five years	**0**	0	0	0	0	0	0	0

Amount included in the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities:

As at 31 March 2017	361
As at 31 March 2016	198

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

In respect of redundancy and other provisions the uncertainty as to amounts and timings relates to the time taken to complete HR processes.

36. Contingencies

The Trust has no contingencies.

37. Analysis of charitable fund reserves

The Trust has not consolidated the charitable funds and therefore has no charitable fund reserves.

38. PFI and LIFT - additional information

The Trust has no PFI and LIFT arrangements.

39. Impact of IFRS treatment - current year

There has been no impact of IFRS for the Trust in the current year.

40. Financial Instruments

40.1. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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

Currency risk
The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk
The Trust currently has no borrowings.

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

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

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk
The majority of the Trust's revenue comes from contracts with other public sector bodies, therefore, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2017 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk
The majority of the Trust's operating costs are incurred under contracts with Clincial Commissioning Groups, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not therefore exposed to significant liquidity risks.

40.2. Financial Assets

	At 'fair value through profit and loss' £000s	Loans and receivables £000s	Available for sale £000s	Total £000s
Embedded derivatives	0			**0**
Receivables - NHS		1,156		**1,156**
Receivables - non-NHS		3,001		**3,001**
Cash at bank and in hand		19,104		**19,104**
Other financial assets	0	0	0	**0**
Total at 31 March 2017	**0**	**23,261**	**0**	**23,261**
Embedded derivatives	0			0
Receivables - NHS		513		513
Receivables - non-NHS		3,592		3,592
Cash at bank and in hand		19,074		19,074
Other financial assets	0	0	0	0
Total at 31 March 2016	0	23,179	0	23,179

40.3. Financial Liabilities

	At 'fair value through profit and loss' £000s	Other £000s	Total £000s
Embedded derivatives	0		**0**
NHS payables		274	**274**
Non-NHS payables		2,030	**2,030**
Other borrowings		0	**0**
PFI & finance lease obligations		0	**0**
Other financial liabilities	0	0	**0**
Total at 31 March 2017	**0**	**2,304**	**2,304**
Embedded derivatives	0		0
NHS payables		3,121	3,121
Non-NHS payables		2,051	2,051
Other borrowings		0	0
PFI & finance lease obligations		0	0
Other financial liabilities	0	0	0
Total at 31 March 2016	0	5,172	5,172

The fair value of financial assets or financial liabilities for the Trust do not differ from carrying amounts.

41. Events after the end of the reporting period

During 2017/18 the Trust will cease to provide Healthy Living services following a recent tender by Leeds City Council. This will see a reduction in income for the Trust of £1.4m for the full year.

42. Related party transactions

Details of related party transactions with individuals are as follows:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
University of Leeds Jane Madeley (Non Executive Director) Chief Financial Officer , University of Leeds	79,693	35,301	0	21,799
CQC Dr Amanda Thomas (Medical Director) National professional advisor for Integrated Children's Service & Safeguarding	136,864	49,755	0	8,746
Royal College of Psychiatrists Dr Tony Dearden (Non Executive Director) Fellow	1,347	0	0	0
NHS Digital / Health and Social Care Information Centre Richard Gladman (Non Executive Director) Programme Director (from 30 August 2016)	4,192	0	0	0

The Department of Health is regarded as a related party. During the year 2016/17 the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent department as listed below:

Airedale, Wharfedale and Craven CCG
Barnsley CCG
Barnsley Hospital NHS Foundation Trust
Bradford City CCG
Bradford District Care NHS Foundation Trust
Bradford Districts CCG
Bradford Teaching Hospitals NHS Foundation Trust
Calderdale CCG
Care Quality Commission
Central London Community Healthcare NHS Trust
Central Manchester University Hospitals NHS Foundation Trust
Cumbria CCG
East Riding of Yorkshire CCG
Greater Huddersfield CCG
Harrogate and District NHS Foundation Trust
Harrogate and Rural District CCG
Health Education England
Hull and East Yorkshire Hospitals NHS Trust
Leeds and York Partnerships NHS Foundation Trust
Leeds North CCG
Leeds South and East CCG
Leeds Teaching Hospitals NHS Trust
Leeds West CCG
Lincolnshire East CCG
Liverpool Women's NHS Foundation Trust
Luton CCG
Mid Yorkshire Hospitals NHS Trust
NHS Business Services Authority
NHS England
NHS Litigation Authority
North Kirklees CCG
North Norfolk CCG
Northumbria Healthcare NHS Foundation Trust
Rotherham Doncaster and South Humber NHS Foundation Trust
Royal Free London NHS Foundation Trust
Sandwell and West Birmingham CCG
Scarborough and Ryedale CCG
Sheffield CCG
Sheffield Teaching Hospitals NHS Foundation Trust
South Devon and Torbay CCG
South Tyneside CCG
South West Yorkshire Partnership NHS Foundation Trust
Tavistock and Portman NHS Foundation Trust
Tees, Esk and Wear Valleys NHS Foundation Trust
University Hospital of South Manchester NHS Foundation Trust
University Hospitals of Leicester NHS Trust
Vale of York CCG
Wakefield CCG
Waltham Forest CCG
Yorkshire & Humber CSU
Yorkshire Ambulance Service NHS Trust

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

Leeds City Council
North Yorkshire County Council
Valuation Office Agency
Ministry of Justice
Community Health Partnerships
NHS Property Services
National Health Service Pension Scheme
Humberside Police and Crime Commissioner and Chief Constable
North Yorkshire Police and Crime Commissioner and Chief Constable
South Yorkshire Police and Crime Commissioner and Chief Constable
West Yorkshire Police and Crime Commissioner and Chief Constable
Network Rail
Department of Work and Pensions
HM Revenue and Customs

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

43. Losses and special payments

The total number of losses cases in 2016/17 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	33,334	44
Special payments	51,250	18
Gifts	0	0
Total losses and special payments and gifts	84,584	62

The total number of losses cases in 2015/16 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	446	3
Special payments	17,028	16
Total losses and special payments	17,474	19

Details of cases individually over £300,000

There are no cases over £300,000

44. Financial performance targets

The Trust was established 1 April 2011.

44.1. Breakeven performance

	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s	2015/16 £000s	2016/17 £000s
Turnover	0	0	0	0	0	134,978	139,906	142,863	146,668	156,367	148,654
Retained surplus/(deficit) for the year	0	0	0	0	0	1,684	1,334	1,421	2,283	2,666	3,346
Adjustment for:											
Timing/non-cash impacting distortions:											
Pre FDL(97)24 agreements	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustments	0	0	0	0	0	0	0	0	0	0	0
Adjustments for impairments	0	0	0	0	0	893	638	0	(279)	315	0
Adjustments for impact of policy change re donated/government grants assets						0	(163)	4	3	4	4
Consolidated Budgetary Guidance - adjustment for dual accounting under IFRIC12*				0	0	0	0	0	0	0	0
Absorption accounting adjustment							0	0	0	0	0
Other agreed adjustments	0	0	0	0	0	0	0	0	0	0	0
Break-even in-year position	**0**	**0**	**0**	**0**	**0**	**2,577**	**1,809**	**1,425**	**2,007**	**2,985**	**3,350**
Break-even cumulative position	**0**	**0**	**0**	**0**	**0**	**2,577**	**4,386**	**5,811**	**7,818**	**10,803**	**14,153**

* Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009/10, the Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

	2006/07 %	2007/08 %	2008/09 %	2009/10 %	2010/11 %	2011/12 %	2012/13 %	2013/14 %	2014/15 %	2015/16 %	2016/17 %
Materiality test (I.e. is it equal to or less than 0.5%):											
Break-even in-year position as a percentage of turnover	0.00	0.00	0.00	0.00	0.00	1.91	1.29	1.00	1.37	1.91	2.25
Break-even cumulative position as a percentage of turnover	0.00	0.00	0.00	0.00	0.00	1.91	3.13	4.07	5.33	6.91	9.52

Any figures in the above tables for periods prior to 2009/10 have**not** been restated to IFRS and remain on a UK GAAP basis as that was the basis on which the targets were set for those years.

44.2. Capital cost absorption rate

The dividend payable on Public Dividend Capital is based on the actual (rather than forecast) average relevant net assets based on the pre audited accounts and therefore the actual capital cost absorption rate is automatically 3.5%.

44.3. External financing

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

	2016/17 £000s	2015/16 £000s
External financing limit (EFL)	1,336	377
Cash flow financing	(30)	(3,346)
Finance leases taken out in the year	0	0
Other capital receipts	0	0
External financing requirement	**(30)**	(3,346)
Under/(over) spend against EFL	**1,366**	3,723

44.4. Capital resource limit

The Trust is given a capital resource limit which it is not permitted to exceed.

	2016/17 £000s	2015/16 £000s
Gross capital expenditure	1,575	1,610
Less: book value of assets disposed of	(72)	(36)
Less: capital grants	0	0
Less: donations towards the acquisition of non-current assets	0	0
Charge against the capital resource limit	**1,503**	1,574
Capital resource limit (CRL)	2,581	1,615
Under/(over) spend against the capital resource limit	**1,078**	41

45. Third party assets

The Trust has no third party assets.

Thank you for taking the time to read our Annual Report and Accounts for 2016 / 17. You can also view this document via our website at **www.leedscommunityhealthcare.nhs.uk** where you can also find the full accounts.

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

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