

# Annual Report and Accounts April 2017 to March 2018





**Royal Papworth Hospital  
NHS Foundation Trust**

**Annual Report  
and Accounts**

**April 2017 to March 2018**

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



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## Quality Report

See separate contents page

## Annual Accounts

This report is based on guidelines issued by NHS Improvement and was approved by the Board of Directors on the 24 May 2018.



# 1. Performance Report

## 1.1 Overview of Performance

### Statement from Chief Executive Officer

The last year (2017/2018) has been an incredibly important one for what is now Royal Papworth Hospital. It will be remembered as the year that we received our royal title from Her Majesty The Queen, and also the year that we celebrated exactly 100 years since our first patients arrived for treatment here in Papworth Everard village.

Throughout the year, our staff have been working incredibly hard to prepare for the move to our new hospital on the Cambridge Biomedical Campus, as well as preparing to open our new office at Royal Papworth House in Huntingdon, and our new staff accommodation in Waterbeach.

I have been extremely impressed by the way our staff have worked to continue providing an excellent experience for our patients, despite the huge amount of change we are experiencing as an organisation. In the last 12 months, we have seen 24,291 inpatients and day cases, and 92,245 outpatients, and according to the NHS Friends and Family test, 98% of our patients would recommend our Trust to their friends and family.

We can also be proud of a number of significant achievements made in the last year. For example, in June we launched our new Electronic Patient Record system, Lorenzo, and in August we were rated the best hospital in the East of England for the training of junior doctors. Our Education Team has worked to introduce a Masters-level module in Cardiothoracic Critical Care for Nurses, helping us to attract and retain nurses working in this speciality.

In the last year, our Research and Development Team held its first ever Research Symposium, an opportunity to showcase the huge amount of work we are doing in this area. Our Transplant Team also deserves recognition for performing more heart and lung transplants than any other UK hospital, as well as achieving the best outcomes for our patients. In February, the team performed 5 transplants within 36 hours – believed to be a record – and by the end of March they had performed more than 100 transplants in the financial year.

There are many more achievements of which we can be truly proud, from achieving Level 2 Status for our Adult Congenital Heart Disease service and receiving excellent patient experience results for our lung cancer service.

Of course, there have been many challenges too, and like other hospital Trusts across England, we have faced many pressures due to staffing, finances and the increasing demand for our services. During the winter period in particular, we experienced a huge increase in demand for our Extracorporeal Membrane Oxygenation (ECMO) service, as well as high levels of transplant activity, which unfortunately led to cancellations for other patients and poor bed occupancy across the hospital.

However, while we have faced challenges with regards to staffing throughout the year, I must recognise the huge efforts of staff across the hospital to attract and retain high quality staff to support our patients before, during and after our move to the new hospital. A co-ordinated

recruitment campaign, which has included attendance at more than 45 recruitment events and advertising on social media, has helped us to remain a net recruiter of nurses for several months now.

The consolidated Trust financial position for the year is a reported a deficit of £53.8m (post impairment) and £9.1m (pre-impairment). This deficit is driven by lower than planned levels of income being achieved in year, predominately due to the availability of staffing resources to carry out the activity. In addition, the Trust has non-recurrent expenditure relating to the management of the move to the new Royal Papworth Hospital.

The year ahead will be another important one for the hospital as we move into our new, state-of-the-art hospital on the Cambridge Biomedical Campus. The challenge of moving a hospital safely cannot be underestimated, but I know we can count on the support of our staff, patients and partners to make it a success. I would like to take this opportunity to extend my sincere thanks to all of our stakeholders – from staff and patients to governors, Foundation Trust members and the wider NHS community – for your support of our hospital and our charity throughout the year.

A handwritten signature in black ink, appearing to read 'S Posey', with a stylized flourish at the end.

Stephen Posey  
Chief Executive  
24 May 2018

## Overview of Performance

The purpose of the Overview is to give the user a short summary that provides them with sufficient information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

### Hospital History and Statutory Background

Royal Papworth Hospital NHS Foundation Trust (“Royal Papworth Hospital” or “the Trust”) is the UK’s largest specialist cardiothoracic hospital and the country’s main heart and lung transplant centre. We have an extraordinary commitment to delivering the highest levels of clinical quality and outcomes and for providing the best possible standards of personalised care to our patients.

Royal Papworth Hospital was one of the first foundation trusts to be authorised under the Health and Social Care (Community Health and Standards) Act 2003 and came into existence in July 2004 as Papworth Hospital NHS Foundation Trust. It has since been licenced by the Regulator (previously named Monitor, now NHS Improvement). From 2018 we became Royal Papworth Hospital NHS Foundation Trust.

Royal Papworth Hospital has an associated charity – the Papworth Hospital NHS Foundation Trust Papworth Charity (Hospital Charity) - registration number 1049224. From 2013/14, Royal Papworth Hospital has been required to produce group accounts which include the charity. Funds are still retained in the Charity which produces a separate annual report and accounts and continues to be regulated by the Charity Commission.

Royal Papworth Hospital is a founder member of Cambridge University Health Partners (CUHP), a partnership between one of the world’s leading Universities and three NHS foundation trusts. It is a strategic partnership aiming to improve patient care, patient outcomes and population health through innovation and the integration of service delivery, health research and clinical education across the Cambridgeshire region and beyond. CUHP is a not-for-profit Company Limited by Guarantee, the members of which are the University of Cambridge, Cambridge and Peterborough NHS Foundation Trust, Cambridge University Hospitals NHS Foundation Trust and Royal Papworth Hospital NHS Foundation Trust.

### Our Services

Whilst Royal Papworth Hospital is a regional centre for the diagnosis and treatment of cardiothoracic disease, it is also a national centre for a range of specialist services, including pulmonary endarterectomy (PEA) and Extra Corporeal Membrane Oxygenation (ECMO). Royal Papworth Hospital has the largest respiratory support and sleep centre (RSSC) in the UK.

The Hospital treated 24,291 inpatient/day cases and 92,245 outpatient episodes in 2017/18 from across the UK. Royal Papworth Hospital’s services are internationally recognised and include cardiology, respiratory medicine, cardiothoracic surgery and transplantation.

### New Royal Papworth Hospital

In 2018, we will open a brand new heart and lung hospital on the Cambridge Biomedical Campus. The new hospital will be called Royal Papworth Hospital NHS Foundation Trust following approval from Her Majesty The Queen.

The state-of-the-art new Royal Papworth Hospital will offer cutting-edge facilities for patients requiring heart and lung treatment in a bespoke building. The facilities will include:

- 310 beds, with virtually all being single rooms
- 46-bed Critical Care Area including Cardiac Recovery Unit and Cardiac High Dependency Unit
- 7 state-of-the-art theatres
- 5 Catheter Laboratories
- 6 inpatient wards and a 24-bed day ward
- A centrally-located outpatient unit
- State-of-the-art diagnostic and treatment facilities

Current information with regard to progress on the building of the new hospital can be found on the Trust's website: <http://www.papworthhospital.nhs.uk/nph/>

### **Heart and Lung Research Institute**

Reaching financial close also provides the opportunity to continue to develop joint plans with the University of Cambridge to create a world-class Heart and Lung Research Institute (HLRI) alongside the new Royal Papworth Hospital. The HLRI will establish one of the largest concentrations of biomedical and scientific research into heart and lung disease in the UK leading to many future benefits to patients. The Institute will allow for significant expansion of basic and clinical research capacity in Cambridge and will also enable the co-location of research groups that are currently dispersed across Cambridgeshire.

Diseases of the heart and lung are some of the biggest killers worldwide. Despite a growing awareness of risk factors, such as smoking and poor diet, the prevalence of such diseases is increasing. Fundraising is under way to facilitate the building of the Institute which will aim to open within three years of the completion of new Royal Papworth Hospital.

### **Research and Development (R&D)**

#### **Recruitment and Research Activity**

During 2017/18 we enrolled 1,328 patients across a balanced portfolio of 67 studies that were open to recruitment with over 60% of these studies being interventional (testing of new therapies and treatments) (see the Quality Accounts for further information). In addition to this recruitment activity we managed the follow up visits for over 120 ongoing studies.

Royal Papworth Hospital ranked as the top recruiting site in the UK for over 40% and in the top 4 highest recruiters for 75% of the multicentre NIHR portfolio studies we supported. The R&D department has worked hard to improve processes within the department and with the clinical teams. The department has restructured with the introduction of research teams with designated team leaders. This has resulted in an increase in studies recruiting to time and target.

#### **R&D Highlights**

- In November 2017, we held our first ever Research Symposium, which was an opportunity to showcase the large and diverse amount of work we are doing in the Trust.
- The HTA funded multi-centre AMAZE Trial, held a patient feedback session where Mr Samer Nashef (Chief Investigator) discussed the results with over 40 study participants. The results of the study have also now been published.
- Dr Ian Smith was awarded a £125K Medtech Accelerator grant to work with accompany to develop a non-contact sleep apnoea device
- Three research teams were successful in receiving grants from the Moulton of over £300K for studies in Interventional Cardiology, Anaesthetics and Transplantation

- Links with the University of Cambridge have increased with a new appointment: Dr Robert Rintoul has been appointed as a Reader in Thoracic Oncology.
- The Trust is working closely with the University to develop a Cambridge-wide Cardiorespiratory research strategy.

### **Research Impact and Publications**

Over 210 papers with Royal Papworth Hospital authors were published during 2017 across a breadth of clinical disciplines. These articles have already been cited more than 380 times and published in a range of journals.

The Trust remains committed to improving patient outcomes by undertaking clinical research that will lead to better treatments in the NHS. We would like to say thank you to all those who participated in our research over the past year.

### **Papworth Hospital Charity**

The Foundation Trust also administers the Papworth Hospital NHS Foundation Trust Papworth Charity (Papworth Charity) - registration number 1049224. These funds have resulted from fundraising activities and donations received over many years. These funds are used for the benefit of both patients and staff in accordance with the purpose for which the funds were either raised or donated. Such uses include equipment for wards and funding for Research. The funds are administered by the Trust's Finance Department. The funds are overseen by the Charitable Funds Committee, which is chaired by a Non-Executive Director of the Trust, and includes representatives from the Board of Directors.

The Papworth Hospital Charity Office works hard to attract additional funding into the hospital, by supporting those who fundraise in the community and by organising various activities during the year. Among the popular annual events is the carol service at Ely Cathedral. The Charity receives wonderful support from members of the public, patients and their families and we are especially grateful to those who make the most personal of gifts by remembering the hospital in their will.

Total income for the Charity in 2017/18 was c£1.8m. The Charity Annual Report and Accounts for the year ended 31 March is published separately and will be available on the Trust's website after it is submitted to the Charity Commission by the January 2019 deadline.

Further information on Papworth Hospital Charity is available at:  
[www.papworthhospitalcharity.org.uk](http://www.papworthhospitalcharity.org.uk).

### **Cambridge University Health Partners (CUHP)**

Cambridge University Health Partners (CUHP) is one of six Academic Health Science Centres in England whose mission is to improve patient healthcare by bringing together the NHS, industry and academia.

By inspiring and organising collaboration, CUHP aims to ensure patients reap the benefits of the world class research, clinicians and industry which are based in Cambridge and the surrounding area.

Academic Health Science Centres (AHSC) were launched by the Department of Health as they looked to identify outstanding clinical partnerships in England. Six centres in total were created and they were chosen due to their links with university research, clinicians and business as well as their capacity to further develop collaboration to improve healthcare for patients. CUHP was set up as a Limited Company in 2009 and was reaccredited in 2014 by the National Institute for Health Research for three years.

The Partners are the University of Cambridge, Cambridge and Peterborough NHS Foundation Trust, Cambridge University Hospitals NHS Foundation Trust and Royal Papworth Hospital NHS Foundation Trust.

The Chairman and the Chief Executive of Royal Papworth Hospital NHS Foundation Trust are ex officio Directors of CUHP, as are the Chair and Chief Executive of CUH and CPFT, the Vice-Chancellor of the University of Cambridge, the University Registrar and the Regius Professor of Physic. There are also three further Directors with both clinical and academic responsibilities, one linked with each of the NHS Trusts.

For more information on CUHP see <http://www.cuhp.org.uk/>

## Highlights 2017/18

### Annual Report on Cardiothoracic Transplantation

Royal Papworth Hospital had the UK's best survival rates for heart and lung transplants, according to a report published by NHS Blood and Transplant (NHSBT) in September 2017. In 2016/17, more than 97% of patients receiving a heart transplant at Royal Papworth Hospital survived for at least 30 days after their transplant, compared to a UK average of 89.9%. Thirty-day survival rates for patients receiving a lung transplant were 94% compared to the UK average of 90%.

According to NHSBT's Annual Report on Cardiothoracic Transplantation, Royal Papworth Hospital performed more adult heart transplants each year than any other hospital in the UK. It also had the lowest decline rate for donor organs, meaning it accepts more organs offered for donation than any other UK centre.

Last year, more than a quarter of all adult heart and lung transplants in the UK took place at Royal Papworth Hospital, which is the only transplant centre in the East of England. In February, our transplant team performed 5 transplants within 36 hours – believed to be a record – and by the end of March they had performed more than 100 transplants in the financial year.

### NHS England approves funding for Balloon Pulmonary Angioplasty (BPA)

In 2018, NHS England approved funding for a life-changing procedure called Balloon Pulmonary Angioplasty, for which Royal Papworth Hospital is the only UK centre.

The procedure offers hope to patients with Chronic Thromboembolic Pulmonary Hypertension (CTEPH) - a form of lung disease where chronic blood clots block blood flow in the arteries, raising pressure in the lung which can cause heart failure and premature death.

Patients often cannot work with the condition, and need to take oxygen all the time just to remain comfortable when resting, but some people are not suitable for existing forms of surgery.

The national service, which will be carried out only at Royal Papworth Hospital, will mean that these patients will no longer have to rely on long term, high-cost drug therapy but will instead benefit from the balloon technique and will be able to, as one patient described – “get their lives back.”

The procedure sees cardiologists insert a very fine wire into blood vessels in the lungs and a tiny balloon – approximately 4mm in length - is then guided into position over the wire. The balloon is inflated for a few seconds, to around the size of a pea, which pushes the blockage aside and restores blood flow to the lung tissue. The balloon is then deflated and removed. This can be repeated several times in different parts of the lung during a single treatment session.

### **Celebrating our centenary**

On Monday 12 February we celebrated exactly 100 years since our first patients arrived for treatment at what is now Royal Papworth Hospital. The occasion attracted significant media coverage, with BBC Radio Cambridgeshire dedicating most of their breakfast show to the Trust's history, and BBC Look East and ITV Anglia both broadcasting live from the hospital for their evening bulletins. Other media coverage included articles on the BBC News website and in the Cambridge News, Cambridge Independent and Hunts Post. In total, we received more than 85 pieces of media coverage relating to our centenary, with a combined reach of up to 19m people. We also shared a wide variety of content about the Trust's history on our social media channels, reaching more than 100,000 people through Facebook alone, helping to raise awareness of the Trust's pioneering history and the career opportunities we can offer. Here in the hospital, we celebrated the occasion by giving each staff member a commemorative pin badge, decorating the hospital with bunting and giving a special cake to each inpatient. In March, we continued our centenary celebrations with a special staff awards ceremony. Other centenary events, including a summer fete, thanksgiving service and screenings of a new film about our history, are planned for later this year.

Royal Papworth Hospital has received £88,900 from the Heritage Lottery Fund (HLF) for the Papworth 100 project. Made possible by money raised by National Lottery players, the project will celebrate the centenary and remarkable history of Royal Papworth Hospital in 2018.

### **Strategy and operational plans**

At Royal Papworth Hospital, our vision is to be the leading hospital in the UK providing excellence in specialist heart and lung patient care, based on research, education and innovation. Our focus is to keep pace with demand, value and effectiveness, with a commitment to the highest levels of clinical quality and providing the best standards of personalised care possible to our patients.

The implementation of this strategy aims to ensure that Royal Papworth Hospital maintains its position as a cardiothoracic centre of international standing, and supports our new state of the art hospital and research centre on the Cambridge Biomedical Campus.

## Strategic Objectives

Objectives <i>Strategic Plan Themes</i>	Challenges	Strategic initiatives
To meet specialist cardiothoracic healthcare needs	Meeting increasing demand given current capacity constraints	increasing patient throughputs to increase effective capacity
		providing additional capacity (at Papworth or at other centres) as needed
		improving scheduling and operational management to optimise utilisation and patient flows
		extending operational hours to provide additional capacity and access
To provide safe, high quality care	Continue to attract, develop and enable the best people to deliver excellent care	reviewing clinical staffing to ensure required numbers, roles and skill mix
		recruitment initiatives for identified 'hot spots' and to meet future requirements
		improving staff retention
		establish and reinforce desired values-based organisational culture
To Improve cardiothoracic care in the wider healthcare community	Increase the impact and influence of Papworth's clinical expertise to improve cardiothoracic care	influencing service change in the regional health economy
		working with NHS (England) on specialised commissioning developments
		increasing Papworth's research profile and impact
		strengthen Papworth's role as a clinical education provider
To maintain financial, operational and clinical sustainability	Meeting the financial challenges	achieve Long Term Financial Model income plan
		implement the Service Improvement Programme and realise the benefits
The new hospital – to realise the opportunities	Planning and relocating to the new hospital	successfully relocate and realise the benefits of the new hospital at the Cambridge Biomedical Campus

For further information on our strategic objectives see our Strategic and Operational Plans submitted to NHS Improvement. <https://www.gov.uk/government/groups/papworth-hospital-nhs-foundation-trust>.

**The key risks for 2018/19 are:**

Risk Description	Mitigation
<p><b>Workforce Recruitment and Retention</b> The inability to recruit and retain mission critical staff (including registered nurses, other professional staff and all non-medical staff groups) resulting in an impact on clinical services, maintaining capacity, pressure on existing staff and failure to meet NHSI agency ceiling and safer staffing levels. Lack of staff in many areas of the Trust are resulting in delays, increased waiting times, inability to comply with national standards for assessment and the inability to expand the number of clinic sessions. The national shortages of key professional groups such as nursing will have a continued impact on staff at New Royal Papworth Hospital (NPH).</p>	<p>Continued focus on nurse recruitment including overseas and joint campaign with CUH. Attendance at recruitment fairs and University events and recruitment day at the QUBE on the Cambridge Biomedical Campus. Fortnightly internal assessment days. Ensuring we can provide accommodation for the overseas staff recruited.</p>
<p><b>New Royal Papworth Hospital (including Hospital Move 'cut over')</b> Affordability; construction, equipping, Cambridge Transition Programme, ICT and telecoms and cut over planning.</p>	<p>Risk documentation and tracking; Standalone solutions where appropriate; Significant internal audit work performed during 2017/18 (see later in Annual Governance Statement for more detail); Review by the Project Board and Strategic Projects Committee, including 'Go or No Go Decision'); Escalation process to the Board of Directors.</p>
<p><b>Cambridge Transition Programme (part of New Royal Papworth Hospital move)</b> Failure to secure mission critical services prior to move to NPH.</p>	<p>CEOs and Teams at Royal Papworth Hospital and CUH are working together to resolve mission critical services with agreement that NPH is a joint endeavour. Alternative plans to joint working are being developed where these are more appropriate.</p>
<p><b>Finances</b> The Trust's financial position due to national NHS financial pressures, risks to delivery of activity, or change in casemix, the move to the new hospital and the need to identify cost improvements have potential risks to impact on quality.</p>	<p>Quality Impact assessments for all CIP/SIP. Continually reviewing environment through CQC matron ward rounds (weekly) and PLACE inspection (1 per year). Escalation to Nursing advisory group and Quality and Risk Committee. Maintenance work plan from estates. Weekly review of Family and Friends feedback escalated to estates if patient environment needs addressing. On-going discussions with Commissioners and Regulators.</p>

Other factors not discussed within this summary could also impact on the Trust and accordingly, this summary should not be considered to represent an exhaustive list of all the potential risks and uncertainties, both positive and negative that may affect the Trust.

Further information on the principal risks to the Trust and internal controls are included in the Annual Governance Statement (AGS) section of the Annual Report.

## Going Concern

There is no presumption of going concern status for NHS foundation trusts. Directors must decide each year whether or not it is appropriate for the NHS foundation trust to prepare its accounts on the going concern basis, taking into account best estimates of future activity and cash flows.

The Trust is required by the Group Accounting Manual (GAM) to prepare accounts on a going concern basis. The GAM states: *'The FReM notes that in applying paragraphs 25 to 26 of IAS 1, preparers of financial statements should be aware of the following interpretations of Going Concern for the public sector context.*

*4.12. For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern. DHSC group bodies must therefore prepare their accounts on a going concern basis unless informed by the relevant national body or DHSC sponsor of the intention for dissolution without transfer of services or function to another entity. A trading entity needs to consider whether it is appropriate to continue to prepare its financial statements on a going concern basis where it is being, or is likely to be, wound up.*

*4.13. Sponsored entities whose statements of financial position show total net liabilities must prepare their financial statements on the going concern basis unless, after discussion with their sponsor division or relevant national body, the going concern basis is deemed inappropriate.*

*4.14. Where an entity ceases to exist, it must consider whether or not its services will continue to be provided (using the same assets, by another public sector entity) in determining whether to use the concept of going concern in its final set of financial statements.*

*4.15. Where a DHSC group body is aware of material uncertainties in respect of events or conditions that cast significant doubt upon the going concern ability of the entity, these uncertainties must be disclosed. This may include for example where continuing operational stability depends on finance or income that has not yet been approved.*

*4.16. Should a DHSC group body have concerns about its "going concern" status (and this will only be the case if there is a prospect of services ceasing altogether) it must raise the issue with its sponsor division or relevant national body as soon as possible.'*

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

Further information is available in the Annual Accounts – Accounting Policies.

## 1.2 Performance Analysis

The purpose of the “Performance analysis” is to provide a detailed performance summary of how Royal Papworth Hospital measures its performance, more detailed integrated performance analysis and long term trends.

### Meeting Specialist Healthcare Needs – Treating More Patients

2017/18 has been another busy year for Royal Papworth Hospital and the specialist services provided by our dedicated staff. The number of patient episodes seen at the hospital was 116,536 and the tables below provide a breakdown of this demand across our services.

#### Inpatients and day cases

	2017/18	2016/17	2015/16	2014/15	2013/14
Cardiology	8,213	8,843	8,548	8,118	8,135
Cardiac Surgery	2,235	2,418	2,561	2,613	2,398
Thoracic Surgery (incl PTE)	887	888	907	918	848
Respiratory Support and Sleep Centre	7,631	7,096	6,901	6,975	7,059
Transplant/Ventricular Assist Devices	698	885	949	913	908
Thoracic Medicine	4,627	5,081	4,809	4,427	4,472
<b>Total</b>	<b>24,291</b>	<b>25,211</b>	<b>24,675</b>	<b>23,964</b>	<b>23,820</b>

#### Outpatients

	2017/18	2016/17	2015/16	2014/15	2013/14
Cardiology	37,141	37,122	34,416	31,681	26,076
Cardiac Surgery	4,727	5,557	6,139	4,657	4,521
Thoracic Surgery	1,393	1,367	1,510	1,270	955
Respiratory Support and Sleep Centre	23,724	24,614	22,161	21,039	20,399
Transplant/Ventricular Assist Devices	3,820	3,435	3,476	3,442	3,198
Thoracic Medicine	21,440	20,491	19,264	19,105	17,742
<b>Total</b>	<b>92,245</b>	<b>92,586</b>	<b>86,966</b>	<b>81,194</b>	<b>72,891</b>

### Control of Infection

#### MRSA bacteraemia and C. difficile infection rates

#### MRSA bacteraemia and C. difficile trajectory infection rates\*

	Outcome 2015/16	Goals 2016/17	Outcome 2016/17	Goals 2017/18	Outcome 2017/18	Goals 2018/19
No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	3 MRSA bacteraemia	No MRSA bacteraemia
No more than 5 C. difficile cases *	Total for year =3	No more than 5 C. difficile cases*	Total for year = 0	No more than 5 C. difficile cases*	Total for the year= 3	No more than 4 C. difficile
Achieve 100% MRSA screening of patients according to agreed screening risk assessment	99.1%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment	98%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment	98.7%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment

Data Source: Mandatory Enhanced Surveillance System (MESS) and PHE Health Care Associated Infection Data Capture System

\* Sanctioned cases are those that occur more than two days after admission to Royal Papworth Hospital NHS Foundation Trust and which, after discussion at a scrutiny panel meeting, are deemed to be placed on our trajectory by the Clinical Commissioning Group (CCG) Matrons.

For further information see Part 3 of the Quality Report – other information.

### Performance of Trust against selected metrics

Throughout 2017/18 we have continued to measure our quality performance against a number of metrics. The Table below sets out our performance against the national operational metrics identified in Appendix 3 to NHS Improvement's (NHSI's) Single Oversight Framework which are applicable to Royal Papworth Hospital.

#### Operational performance Metrics

Indicator	Target pa	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	YTD actual
18 weeks Referral to Treatment (RTT) *	>92%	90.21%	88.88%	86.22%	85.45%	85.47%	82.10%	83.80%	84.83%	83.51%	84.27%	84.17%	83.21%	83.21%
62 day cancer wait *	>85%	100.00 %	100.00 %	92.90%	100.00 %	100.00 %	90.00%	100.00 %	87.50%	100.00 %	100.00 %	100.00 %	100.00 %	97.53%
31 day cancer wait	>96%	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	96.60%	100.00 %	95.00%	100.00 %	100.00 %	99.30%
6 week wait for diagnostic	>99%	99.34%	99.39%	99.34%	99.55%	99.28%	99.42%	99.66%	99.83%	99.53%	99.33%	99.11%	99.04%	99.40%
C. difficile (sanctioned)	Less than 5	0	0	0	0	0	0	2	0	0	0	0	3	5
Number of patients assessed for VTE on admission	>95%	97.30%	97.00%	90.00%	99.00%	98.50%	97.70%	98.10%	91.50%	92.00%	94.00%	94.00%	94.00%	95.26%

\*This indicator has been subject to independent assurance. KPMG's assurance report can be found in Annex 3 to the Quality Report. The definition of this indicator can be found in Annex 4 to the Quality Report.

## Care Quality Commission (CQC)

The last CQC inspection was undertaken in December 2014. Overall the CQC found that the hospital provided highly effective care with outcomes comparable with or above expected standards. The service was delivered by highly skilled, committed, caring staff and patients were overwhelmingly positive about the care they received at the hospital. However, there were areas in which Royal Papworth Hospital could improve and action plans were put in place to address these. The Trust received an overall rating of Good with areas of outstanding practice.

The ratings for Royal Papworth Hospital against the five key questions used by the CQC in their inspections of services are shown in the following table below

Ratings	
<b>Overall rating for this trust</b>	Good ●
Are services at this trust safe?	Good ●
Are services at this trust effective?	Outstanding ☆
Are services at this trust caring?	Outstanding ☆
Are services at this trust responsive?	Good ●
Are services at this trust well-led?	Good ●

For further information see Part 3 of the Quality Report – other information.

## Patient Safety Incident Trends and Actions

There were a total of 2499 patient incidents reported during the financial year compared to 2517 in the previous year; a decrease of 18 reports. Despite a reduction this demonstrates a healthy safety culture and a willingness of staff to see the benefit of reporting and learning from incidents investigations. There were 2208 actual incidents occurred and 291 near miss incidents were reported. The overall trend continues to demonstrate a good reporting culture of all types of incidents and “known medical complications”, which assists the Trust developing further robust systems for complex surgical procedures. The majority of near miss incidents tend to relate to misfiled documents and medications issues which could have resulted in patient harm; the same as the previous year. This summary includes some incidents that are still under investigation and thus future reports will contain verified figures.

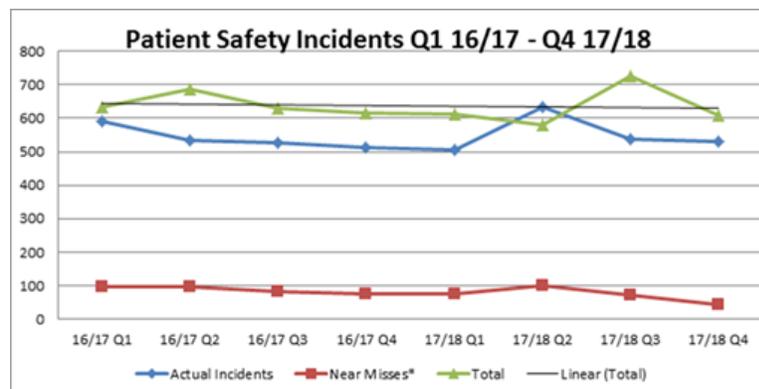


Table 1: Numbers of patient safety incidents reported in 2017-18 (Data source: DATIX 11/04/18)

For further information see Part 3 of the Quality Report – other information.

### 2017 National Adult Inpatient Survey

Royal Papworth Hospital performed very well in the latest National Inpatient Survey and we had the best response rate in the Quality Health Group (who undertook the survey on our behalf).

For further information see Part 3 of the Quality Report – other information.

### Oncology/62 day cancer waits

Like all other hospital trusts, Royal Papworth Hospital is expected to treat 85% of patients referred on a 'fast track' pathway with suspected lung cancer within 62 days of referral. As Royal Papworth only treats lung cancer and is never the first hospital on a patient's pathway the achievement of the 85% single cancer site-specific target continued to be challenging in 2017/18 but was achieved.

For further information see Part 3 of the Quality Report – clinical effectiveness.

### Financial Review 2017/18

This part of the Annual Report provides a review of the financial performance for the year ending 31 March 2018. With the exception of the cash position, the Trust did not achieve its key financial targets during 2017/18.

### Summary of financial performance

As at 31 March 2018, the Trust had delivered the following performance:

	Plan/Target	Year end
EBITDA *	£4,350k	£(6,820)k
Year-end deficit	£(29,154)k	£(53,102)k
Cash Balance	£16,916k	£50,224k
Use of resources rating	3	4

\*Earnings Before Interest, Tax and Amortisation

- The year-end deficit of £(53,102)k included an impairment relating to the new hospital of £44,698k;
- The capital programme was underspent by £22,771k due to the movement of building variations for the new Royal Papworth Hospital into 2017/18 and the general capital contingency that was not utilised;
- The cash balance of £50,224k was favourable to plan by £33,308k due to the receipt of £45,500k of Public Dividend Capital from DHSC in March 2018, offset by the lower working capital position driven from the trading position.

## 2017/18 Income by Commissioner and Service

The following two tables show total income for the year broken down by Commissioner and Service.

### 2017/18 Income by Commissioner

	£'000
NHS England	93,590
Cambridgeshire and Peterborough CCG	12,234
West Suffolk CCG	4,124
West Norfolk CCG	2,856
Ipswich & East Suffolk CCG	1,754
Bedfordshire CCG	1,937
East and North Hertfordshire CCG	1,171
South Lincolnshire CCG	1,153
West Essex CCG	1,035
Other CCGs	4,033
Other NHS	2,104
Private patients	8,151
Other non-NHS	49
<b>Total patient service income</b>	<b>134,191</b>

### 2017/18 Income by Service

	£000's
<b>Admitted patient care</b>	
Cardiology	31,364
Cardiac surgery	24,758
Thoracic surgery	10,474
Respiratory Support and Sleep Centre	6,797
Transplant/Ventricular Assist Devices	16,322
Thoracic Medicine	11,843
Critical care/other	14,627
MFF (inpatients and outpatients)	5,415
<b>Total Admitted Patients</b>	<b>121,600</b>
<b>Outpatients</b>	
Cardiology	5,090
Cardiac surgery	706
Thoracic surgery	220
Respiratory Support and Sleep Centre	3,987
Thoracic Medicine	2,588
<b>Total Outpatients</b>	<b>12,591</b>
<b>Grand total (Inpatients and Outpatients)</b>	<b>134,191</b>

## Looking Ahead

### Financial Plan 2018/19

Royal Papworth Hospital has a track record of successfully meeting the demand for specialist cardiac services, adapting to local and national changes in the healthcare system whilst pioneering and establishing new treatments and procedures to provide the best possible level of patient care to patients. However, with the financial challenges in the NHS both locally and nationally, it is increasingly imperative that the Trust deliver clinical excellence whilst maintaining financial stability. Where applicable our plans for 2018/19 incorporate the national 'must dos' for included in *Delivering the Forward View: NHS Planning guidance 2016/17-2020/21* – see following table.

Key Drivers of the Plan	
<b>The nine 'must dos' for 2017-19</b>	<b>In Plan</b>
High Quality and agreed STP	✓
Return to aggregate financial balance	✓
Sustainability and quality of general practice	N/A
Access standards for A&E and ambulance waits	N/A
Referral to treatment (18 weeks)	✓
62 day cancer waiting standard	✓
Two new mental health access standards	N/A
Transform care for people with learning disabilities	✓
Improvements in quality	✓
<b>New Royal Papworth Hospital</b>	
Completion of key in year milestones for new Royal Papworth Hospital	

In setting the 2018/19 Operational Plan Royal Papworth Hospital has followed the planning guidance “Refreshed NHS Plans for 2018-19” issued on 2 February 2018. Royal Papworth Hospital is fully engaged in the system wide transformation programme that is underway with our five neighbouring NHS providers, the Clinical Commissioning Group and local authority partners. Locally the Trust is also actively involved with Cambridge University Hospitals (CUH) in the Cambridge Transition Programme (CTP) in line with the move to the new hospital site on the Cambridge Biomedical Campus in September 2018. The impacts of this move have been reflected in the Operational Plan submissions.

In addition, the Trust has the Corporate Objectives for 2018/19 as set out in the table below together with the method of measurement:

Objective:	Measure:
<b>Our Patients:</b> We will strive to deliver continuous quality improvement, supporting excellent care and outcomes.	PIPR: Safe KPIs & Caring KPIs and Quality Account measures.
<b>Our Patients:</b> We will deliver our activity plan and meet our patient access targets.	PIPR: Responsive KPIs, Effective KPI's, Contract compliance and RTT recovery plan measures.
<b>Our Staff:</b> We will support and engage with our staff during this period of change, helping them to continue delivering excellent patient care.	PIPR: People, Management and Culture KPIs and Staff survey results.
<b>Our Staff:</b> We will continue to enhance our reputation as an employer and attract high quality staff to work with us in all roles and departments.	PIPR: People, Management and Culture KPIs and Staff survey results.
<b>Our Resources:</b> We will deliver a safe and effective move to the new Royal Papworth Hospital and our new office at Royal Papworth House.	PIPR: Transformation KPIs and the MCP .
<b>Our Resources:</b> We will deliver our financial plan and recovery programme, supporting the Trust's return to financial stability.	PIPR: Responsive KPIs, Effective KPI's, Contract compliance and RTT recovery plan measures.
<b>Our Partners:</b> We will work closely with our STP partners to agree a high quality plan and deliver our commitments to the system through our leadership of cardiothoracic services.	develop 24/7 Cardiology services across the patch and introduce the N-STEACs pathway. STP, CTP, MCP plan delivery.
<b>Our Partners:</b> We will use the opportunity of our new hospital to innovate, develop partnerships with external organisations and build our reputation as one of the world's leading heart and lung hospitals.	NHS Digital, CUHP, STP and CTP milestone achievement.

The Trust is planning to deliver a £15.8m (Control Total basis) deficit in 2018/19 (deficit of £16.8m post impairment).

This Operational Plan reflects the impact of the signed two year contracts with the Trust's largest commissioners, NHS England - Specialised Commissioning Midlands and East (East of England)

and Cambridgeshire & Peterborough Clinical Commissioning Group together with the 2018/19 variations to that contract.

### **Environmental matters**

See sustainability section of Annual Report.

### **Social, community and human rights matters**

See Staff Report and Sustainability Report.

#### **Policies to Counter Fraud and Corruption**

In common with all NHS organisations, Royal Papworth Hospital takes a very robust approach to fraud and bribery. Trust policies provide details of the points of contact for any members of staff who suspect fraud and bribery is taking place. The Trust has a dedicated counter fraud officer who, amongst other areas of counter fraud work, works on behalf of the Board to inform and involve staff of the Trust's anti-fraud stance as well as seeking the prevention and detection of fraud. Any concerns reported are investigated at the earliest opportunity by the Local Counter Fraud Specialist (LCFS), in conjunction with the Trust Management. The LCFS provides reports to the Audit Committee on the concerns raised and the action taken.

#### **Operations outside of the United Kingdom (UK)**

Royal Papworth Hospital NHS Foundation Trust has no branches outside the UK.

#### **Any important events since end of the financial year affecting Royal Papworth Hospital**

There have been no important events since the end of the financial year affecting Royal Papworth Hospital.



Stephen Posey  
Chief Executive and Accounting Officer  
24 May 2017

## 2. Accountability Report

### 2.1 Director's Report

#### Composition of the Board

The Board consists of seven Non-executive Directors (NEDs), one of whom is the Non-executive Chairman, and six Executive Directors (EDs), one of whom is the Chief Executive. During the year due to changes eight individuals served as EDs.

#### Non-executive Directors

The Council of Governors has responsibility for appointing the Chairman and NEDs. One of the NEDs is a clinical representative nominated by the University of Cambridge.

#### Register of Interests

At the time of their appointment, all Directors are asked to declare any interests on the Register of Directors' Interests. There is a standing item on all Board of Directors and Committee meetings to confirm/update declarations of interest. The register is held by the Trust Secretary and updated annually or as required during the year and interests are recorded in the minutes of the Board. The register is available to the public and published on the Trust website. Anyone who wishes to see the Register of Directors' Interests should make enquiries to the Trust Secretary at the following address: The Trust Secretary, Royal Papworth Hospital NHS Foundation Trust, Papworth Everard, Cambridge, CB23 3RE.

#### Political Donations

No political donations have been made by Royal Papworth Hospital NHS Foundation Trust in the 2017/18 financial year. No political donations were made in previous years.

#### Cost allocation and charging

During the year 2017/18, the Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

#### Better Payment Practice Code

The Better Payment Practice Code requires the Trust to aim to pay all valid invoices by the due date or within thirty days of receipt of goods or a valid invoice, whichever is later. As a foundation trust there is no formal requirement to adhere to the Better Payment Practice Code: nevertheless in the interests of maintaining good supplier relationships, the Trust has complied with the Code during 2017/18. Furthermore, the Trust has made efforts to play its part in assisting small and medium sized enterprises in these more challenging financial times through aiming to make payment within ten days where possible.

The Trust endeavours to make payments within the timescales required by the Code. In 2017/18, 80.9% (2016/17: 89%) of non-NHS invoices were settled within 30 days of invoice date. The Trust paid £0 (2016/17: £0) of interest under the Late Payment of Commercial Debts (Interest) Act 1998 during.

#### Statement of Directors' Responsibilities in respect of the Annual Report and Accounts

Under the NHS Foundation Trust Code of Governance the Directors of Royal Papworth Hospital NHS Foundation Trust are required to prepare financial statements for each financial year. The Directors consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and

understandable and provide the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy.

### **Income disclosure required by Section 43(2A) of the NHS Act**

The income from the provision of goods and services for the purposes of the health service in England during 2017/18 was greater than the income from the provision of goods and services for any other purposes. Private patient income was £8.15m (6.1% of total patient income).

## **Quality and Safety**

### **Quality Strategy**

At Royal Papworth Hospital we pride ourselves on our ability to deliver state-of-the art medicine with excellent patient outcomes. However it is important to always strive for improvement in the care which is given to our patients and look at new and innovative ways to do this. We believe that high quality care is only achieved when safety, clinical effectiveness and positive patient experience are present; not just one or two of them. The Trust's Quality Strategy makes clear the reporting lines and role responsibilities so that the Trust not only meets the regulatory requirements set out by the Care Quality Commission, but meets the expectation of patients and continuously strives to improve patient outcomes.

For further information see Quality Report.

### **Quality Governance**

The Trust has a Quality and Risk Management Group (QRMG) as part of its framework to ensure that it has in place a system to support the continuous improvement in the quality of care. The Group approves and monitors policies and procedures to safeguard patient care and promotes an organisational culture that encourages patients, visitors and staff to report any concerns they may have or make suggestions for improvement. The QRMG meets every four weeks and is chaired by a Consultant Anaesthetist (Clinical Governance Lead). A quarterly Quality and Safety report is published on the Trust's public website. The objective of this document is to ensure that the Trust can demonstrate a robust system for the analysis and communication of clinical governance activity across the whole organisation. This includes a systematic approach to the analysis of incidents, complaints, claims and resulting actions.

### **Approach to Quality Improvement**

Quality Improvement Capability is described in the Quality Strategy, the Trust intends to build quality improvement capability from novice to expert. This is a continuation of the work already underway to improve the safety and continuous improvement culture within the Trust. The Trust has completed a first wave of measurement for safety culture using the Manchester Patient Safety Framework which demonstrated that the Trust was mainly 'proactive' – always on the alert/thinking about patient safety issues that might emerge. Quality improvement will be done by providing training sessions to staff and ensuring it features in all Service Improvement training and leadership development sessions. In addition to this there will be a focus to build on the successes of the Productive Ward series by focusing on 'rapid quality improvement

For further information see the Quality and Risk Quarterly and Annual Reports on our web site [Papworth Hospital | Clinical governance](#)

### Commissioning quality priorities 2017/18

The Commissioning Quality Priorities for 2017/18 are set out below. Monitoring of the quality priorities continued through the year using the quality dashboard and quality accounts, overseen by the Quality and Risk Committee. Quarterly quality reviews were undertaken with lead commissioners. The Trust continues to aim to align its quality priorities with those set by the national agenda, and those agreed with commissioners through the contracting process and as part of the Commissioning for Quality and Innovation (CQUIN) programme.

The National and Local CQUINs for Royal Papworth Hospital in 2017/18 and 2018/19 are as follows:

<b>National CQUINs</b>
GE3: Hospital Medicines Optimisation
IM2: Cystic Fibrosis Adherence
IM4: Complex Device Optimisation
Local: Adult Critical Care timely discharge
Local: CABG reduce waiting times
<b>CCG CQUINs</b>
1a: Improvement of Health and Wellbeing of NHS Staff
1b: Healthy food for NHS staff, visitors and patients
1c: Improving the uptake of flu vaccinations for front line clinical staff
2a: Timely identification of sepsis in acute inpatient settings
2b: Timely treatment of sepsis in acute patient settings
2c: Antibiotic review
2d: Reduction in antibiotic consumption
6: Offering advice and guidance
7: NHS e-Referrals
9a: Tobacco screening
9b: Tobacco brief advice
9d: Alcohol screening
9e: Alcohol brief advice or referral

The Trust received 99% of its CQUIN funding for 2017/18. For further information on CQUINs see the Quality Report.

### Royal Papworth Hospital's Quality Account Priorities 2017/18

- Sign Up To Safety Year 3;
- Recruitment and retention;
- Quality Improvement (QI) Capability;
- Understanding the harm caused to patients;
- Realise the quality benefits from the Electronic Patient Record (EPR) implementation.

For further information see the Quality Report - Part 2.

### The Trust's quality priorities 2018/19

To determine priorities for 2018/19 the Trust reviewed its clinical performance indicators for the year and the feedback from on-going consultation with service users on the range and quality of services provided. A wide range of methods are used to gather information, including national patient surveys, real-time patient feedback from the Trust-wide patient experience data collection tool, concerns, compliments and complaints. Having identified potential priorities, the Trust consulted with clinical teams, Governors, Quality and Risk Committee and Patient & Public Involvement Committee before final priorities were selected. Our priorities for 2018/19 reflect the three domains of quality, patient safety and clinical effectiveness & patient experience. They are:

- Quality Improvement/Patient Safety
- Improve communication with our patients
- Recruitment and Retention
- Well Led
- Safely move the Hospital

For further information see the Quality Report - Part 2.1 Priorities for improvement

### **NHS Improvement's well-led framework**

The NHSI Well Led Framework focuses on ensuring that Trusts have strong integrated governance and leadership across quality, finance and operations, and in line with the changing operating environment and Developing People - Improving Care, an emphasis on organisational culture, improvement and system working. The annual governance statement, corporate governance statement and the quality report detail the Trusts approach to governance and leadership across quality, finance and operations. They detail the governance and performance framework against which the Board and leadership team assures itself that risks are appropriately identified, escalated and mitigated.

Utilising the NHSI guidance we have undertaken a developmental self-assessment of our leadership and governance using the framework as part of our continuous improvement. This self-assessment will be used to develop an improvement plan. We will also seek support from external facilitators to provide assurance that we have been rigorous in our assessment of current areas of strength and areas for development.

In 2017/18 the Executive Team undertook individual 360 Appraisal process and then, with facilitation, used the feedback to identify strengths of the team and areas where we needed to pay attention as a team. The team also used the MBTI model to support exploration of the preferred styles of working of individual team members and how this could enable improved team working. This programme of reflection and development will be continued in 2018/19 as it is recognised that making time for team development is important and models this behaviour to leadership teams across the Trust.

### **Patient Experience**

#### **Patient Led Assessments of the Care Environment (PLACE) Programme**

This is an assessment of how the environment supports patients' privacy and dignity, food, cleanliness and general building maintenance. The latest published assessment was held in May 2017.

Further information is available in the Quality Report - Part 3.

#### **Patient and Public Involvement**

Royal Papworth Hospital has a Patient and Public Involvement Committee (PPI) of the Council of Governors which monitors patient experience, and is involved in setting the priorities for the Quality Accounts for the year. The Patient Experience Panel (PEP) continued to meet during the year and is represented on the PPI Committee.

The Trust continues to have strong relationships with The British Cardiac Patients Association (BCPA) and the Norfolk Zipper Club. Other patient support groups include:

- Pulmonary Hypertension;
- Mesothelioma;

- Pulmonary Fibrosis.

Further information is available in the Quality Report - Part 3.

### **Complaints Handling**

Listening to the patient experience and taking action following investigation of complaints is an important part of our quality improvement framework. In 2017/18, the Trust received 70 (2016/17: 57) complaints requiring investigation. All complaints received have been subject to a full investigation, and throughout the year service improvements have been made as a result of analysing and responding to complaints.

Trends and data collected on formal complaints received by the Trust are reported to the Quality and Risk Management Group on a quarterly basis via the quarterly Quality and Safety report. Lessons learnt and actions taken following investigation of formal complaints are detailed in the report, which also includes Patient Advice and Liaison Service (PALs) feedback and patient incidents. The quarterly Quality and Safety report is presented to the Quality and Risk Committee (acting as a Committee of the Board of Directors) and to all clinical management groups. It is available on the Trust intranet for staff to access and is also on the public website.

Further Information on listening to the patient experience and complaints is available in the Quality Report Part 3.

### **Other highlights**

#### **Launching our new Electronic Patient Record (EPR)**

In June 2017, the Trust introduced a new Electronic Patient Record system (EPR) called Lorenzo – a key part of preparing for our move to the new hospital. Moving to a digital solution for managing patient records means that clinicians in all departments have up-to-date information relating to patient care, without having to wait for paper-based records to be transferred across the hospital. This allows them to make better informed, quicker decisions about patient care, and we have already seen a reduction in the number of medication errors in relation to prescribing since the launch of the new system. Since the launch, we have been working on optimising the system and will be introducing a new module for managing pathology and radiology requests later this year.

#### **National Cancer Patient Survey**

In July 2017, patients rated our oncology service at Royal Papworth Hospital as one of the best in the country, according to the National Cancer Patient Survey. The Trust scores are higher than the national average in many domains, with patients being treated for cancer at the Trust scoring their care at 9.1 out of 10, while the national average is 8.6.

#### **Dr Sarah Clarke appointed as GIRFT lead**

One of our clinical directors, Dr Sarah Clarke, was appointed as a national lead for the NHS Getting It Right First Time (GIRFT) programme. Dr Clarke has since been leading a national review into cardiology services across the NHS with the aim of improving efficiency and reducing unwarranted variation.

#### **Former Papworth patient celebrates 30th anniversary of heart-lung transplant**

One of our former transplant patients, Carol Town, celebrated the 30<sup>th</sup> anniversary her heart-lung transplant at Papworth in July 2017. Carol hosted a celebration in Cambridge with Professor

Wallwork (who performed her transplant) in attendance. The event attracted huge media interest, with media outlets including ITV Anglia, BBC Radio Cambridgeshire, Cambridge News, Cambridge Independent and BBC News all covering the story.

### **Papworth leads the way in GMC survey of trainee doctors**

Trainee doctors rated Papworth Hospital the best for education and training in the East of England, and the second best acute NHS Trust in the UK in the most recent nationwide survey. The 2017 General Medical Council (GMC) survey - which annually monitors the quality of medical education and training in the UK - asks doctors their views about the training they are receiving. The survey was completed by all of Papworth's 52 doctors in training between March and May 2016.

### **Our cardiology team pioneers new "micro-anchors" treatment**

Last year, Consultant Surgeon Mr Steven Tsui and Consultant Cardiologist Dr Michael O'Sullivan, alongside research nurse Saji Victor, successfully performed a pioneering new treatment called the Bioventrix Revivent TC System procedure here at Papworth. The procedure involves using "micro-anchors" to fold away an aneurysm that had developed after a heart attack and exclude it from the heart's left ventricle – without the need for surgery.

### **Master's partnership with ARU is boost for graduate nurses joining Papworth**

In 2017/18, Royal Papworth Hospital's Critical Care unit launched a 30 credit postgraduate master's level module entitled 'Core Topics in Cardiothoracic Critical Care for Nurses', in partnership with Anglia Ruskin University. The course is the first of its kind in a UK cardiothoracic centre and is one of only a handful of postgraduate courses open to newly-qualified nurses in the UK.

### **Papworth became Royal Papworth Hospital**

In September 2017, Papworth Hospital received a royal title from Her Majesty The Queen. We announced the news to our staff, governors and Foundation Trust Members on Thursday 21 September, followed by a public announcement the next day. Our new name, Royal Papworth Hospital NHS Foundation Trust, was approved by our Board of Directors in December 2017 and was introduced alongside a new logo in January 2018.

### **Papworth Professor to lead UK's first Cystic Fibrosis Innovation Hub**

Royal Papworth Hospital's Professor Andres Floto is leading the UK's first Cystic Fibrosis Innovation Hub following the creation of a new research partnership. The Cystic Fibrosis Trust announced the £10m collaboration with the University of Cambridge to develop life-changing new treatments for people with the condition.

### **Papworth Research Symposium**

Papworth Hospital held its first Research Symposium at Papworth Village Hall in November 2017 to give employees, visiting clinicians and researchers an insight into the trials and investigations going on across the Trust. The theme of the event was Translational Research, and keynote speakers included Professor Tariq Sethi, Head of Translational Medicine Unit at AstraZeneca; Dr James Clulow, Innovation Manager Health Enterprise East, and Anna Ellis, Patient & Public Involvement Officer, Cambridge University Hospitals.

### **Papworth secures Level 2 status for Adult Congenital Heart Disease (CHD) services**

Royal Papworth Hospital's Level 2 status to provide Adult Congenital Heart Disease (CHD) services was formally approved by NHS England in November 2017. NHS England had recently reviewed the commissioning of Paediatric and Adult CHD services, setting standards for units that had to be met to allow continued commissioning of these services.

#### **Keeping staff informed about our move**

On Thursday 7 December 2017 the Trust held a staff event in Papworth Village Hall to update teams on a range of topics relating to the move, including travel and transport, equipping, ICT and the move process itself. More than 300 staff attended the event which received positive feedback from staff who enjoyed the interactive, exhibition-style displays. Since then, we have appointed 80 'relocation leads' from different teams to help prepare their teams for the move, and we have launched weekly briefings for senior managers to keep them informed with regular news and updates.

#### **BBC Four documentary highlights our extraordinary pulmonary thromboendarterectomy (PTE) surgery**

In February 2018, BBC Four broadcast a fascinating documentary called '*From Ice to Fire: The Incredible Science of Temperature*' which featured our ground-breaking PTE surgery here at Royal Papworth Hospital. The documentary explored how the surgery, which involves cooling the body temperature to 20 degrees, uses the science of temperature to slow the metabolic rate enough to completely stop circulation for 20 minutes without damaging the brain.

#### **Funding for new sleep apnoea measurement device**

Consultant Physician Dr Ian Smith, Director of Royal Papworth Hospital's Respiratory Support and Sleep Centre (RSSC), has been awarded £124,724 by Medtech Accelerator to develop a new non-invasive, sleep apnoea measurement device that could transform the way people – in particular children - are diagnosed with the condition.

#### **New partnership with Jeffrey Cheah Foundation in Malaysia**

Royal Papworth Hospital this year signed a historic 10-year partnership deal with the Jeffrey Cheah Foundation, a leading provider of higher education and healthcare in Malaysia and an affiliate of Malaysian private hospital Sunway Medical Centre and Sunway University. The partnership will provide excellent opportunities for collaboration in teaching and research and will enable us to share the experience of our leading clinicians with nurses and consultants in other parts of the world.

#### **Dr Sarah Clarke receives international award**

On 12 March 2018, one of our Clinical Directors, Dr Sarah Clarke, was awarded the '2018 International Service Award' by the American College of Cardiology at its annual convocation in Orlando, Florida. This award is a huge honour, recognising Dr Clarke's work to improve cardiology care across the world.

#### **Cambridge Science Festival**

On Sunday 25 March 2018, Royal Papworth Hospital took part in the annual Cambridge Science Festival to raise awareness of our work amongst the local community. Staff from our respiratory and cardiac physiology, cardiac surgery, pathology and Respiratory Support and Sleep Centre (RSSC) teams ran a range of interactive displays aimed at a family audience. As part of the Science Festival, the Trust's Clinical Lead for Transplantation, Mr Pedro Catarino, also gave a

talk on the transformative power of organ donation, with one of our transplant recipients, Libby Huck, playing a starring role.

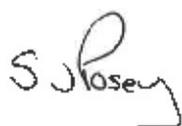
Further information on achievements in 2017/18 is available in the Quality Report see Part 3.

#### Disclosures to Auditors

So far as the Directors are aware, there is no relevant audit information of which the Trust's auditor is unaware and each Director has taken all of the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

The Directors' Report is presented in the name of the following directors who occupied Board positions during the year 2017/18:

Name	Title
John Wallwork	Chairman
Karen Caddick	Non-executive Director
David Hughes	Non-executive Director and Deputy Chairman
Susan Lintott	Non-executive Director and Senior Independent Director
Mark Millar	Non-executive Director
Nick Morrell	Non-executive Director
Ron Zimmern	Non-executive Director
Stephen Posey	Chief Executive
Roy Clarke	Director of Finance
Roger Hall	Medical Director
Elizabeth Horne	Director of Human Resources (to 16 May 2017)
Eilish Midlane	Chief Operating Officer (from 24 April 2017)
Oonagh Monkhouse	Director of Workforce and OD (from 1 October 2017)
Josie Rudman	Director of Nursing (2017/18) Director of Nursing and Interim Chief Operating Officer (to 23 April 2017)
Claire Tripp	Deputy Chief Executive (to 22 September 2017)



Stephen Posey  
Chief Executive and Accounting Officer  
24 May 2018

## 2.2 Remuneration Report

During 2017/18 there were no changes to the Non-executive Directors (NEDs) on the Board; two NEDs who had each served six years were re-appointed for a third term of three months from December 2018 to February 2019 to provide continuity during the hospital move.

In May 2017 the Director of Human Resources stood down from the role and on the 22 September the Deputy Chief Executive left the Trust. On 24 April 2017 the Chief Operating Officer took up post and on 1 October 2017 the Director of Workforce and Organisational Development started at the Trust.

All appointments are subject to open advertisement.

The Trust has two Committees contributing to the process of remuneration of members of the Board of Directors:

- Executive Remuneration Committee of the Board of Directors, comprising the Chairman and all the Non-Executive Directors (NEDs). This Committee is responsible for Executive Director performance and remuneration;
- Appointments (Non-executive Director Nomination and Remuneration) Committee of the Council of Governors, comprising elected Governors. This Committee is responsible for NED, including the Chairman, performance and remuneration.

### Annual Statement on Remuneration from the Chair of the Executive Remuneration Committee

#### Major decisions on senior managers' remuneration

Remuneration and performance appraisal for the Trust's most senior managers (Executive Directors who are members of the Board of Directors) is determined by the Board of Director's Remuneration Committee. The only non-cash element of senior managers' remuneration packages are pension related benefits accrued under the NHS Pensions Scheme. Contributions are made by both the employer and employee in accordance with the rules of the national scheme which applies to all NHS staff in the scheme. The Trust's strategy and business planning process sets key business objectives which in turn inform individual objectives for senior managers. Performance is closely monitored and discussed through both an annual and ongoing appraisal process.

Senior managers are employed on contracts of employment and are substantive employees of the Trust. Their contracts are open ended and can be terminated by either party with six months' notice. The Trust's normal disciplinary policies apply to senior managers, including the sanction of summary dismissal for gross misconduct. The Trust's redundancy policy is consistent with NHS redundancy terms for all staff.

### Senior Managers' remuneration policy (Executive Directors who are Board members)

#### Future Policy Table – Executive Directors

The table below summarises each of the components of the remuneration package for senior managers which comprise the senior managers' remuneration policy.

Remuneration component	Applicable to	Jurisdiction	Relevance to Trust's long and short term objectives	Amount payable
Basic salary	All senior managers	Remuneration Committee	Recommendations in respect of basic salary are made to the Remuneration Committee by the Chief Executive (for Executive Directors) and the Chairman (for the Chief Executive) on the basis of internal and external relativities, the scope of responsibilities, where appropriate performance and the annual cost of living assessment.	Any increases are agreed with reference to external benchmarks and advice as required.  No Executive Director has been released for Board duties at another trust for which they have received an additional payment.
Payments over £150,000	Two Senior Managers	Remuneration Committee. NHSI approval where above £150k National Terms and Conditions – Consultants (England) 2003	When determining salary levels, an individual's role, and experience together with independently sourced data are considered. For medical staff National terms and conditions for Consultants apply.	See table 1- Remuneration to March 2018.
Pension	All senior managers	Terms of membership as specified by the NHS Pension Scheme administered by the NHS Pensions Agency	Not Applicable	Existing Executive Directors are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at <a href="http://www.nhsbsa.nhs.uk/pensions">www.nhsbsa.nhs.uk/pensions</a> .
Clinical Excellence Award Scheme	Medical Director	Determined by Local and National Awards Committees in accordance with medical employment contracts; these are not awarded by Remuneration Committee	Awards are determined by the Local and National Awards Committees in accordance with an agreed scheme that recognises clinical excellence. Analysis of the scheme demonstrates a linkage to the Trust's strategic objectives including the leadership and delivery of clinical services, teaching, training and research.	Level 9 award is the maximum that can be awarded locally.

#### Accompanying notes:

- (1) There have been no additions or changes to the components of the remuneration package paid during 2017/18
- (2) There are no significant differences in 2017/18 between the remuneration policy for senior managers and the general policy for employees' remuneration
- (3) The remuneration policy for 2017/18 does not include provision for performance-related bonuses or other such schemes.
- (4) There is provision for the recovery of performance sums paid to directors

## Non-executive director remuneration policy

Element	Purpose and link to strategy	Overview
Fees	To provide an inclusive flat rate fee that is competitive with those paid by other NHS organisations of equivalent size and complexity	The remuneration and expenses for the Trust Chairman and Non-Executive Directors are determined by the Council of Governors, taking account of the guidance and advice issued by organisations such as the NHS Confederation and the NHS Appointments Commission.
Appointment		The Council of Governors appoints the Non-Executive Directors for an initial term of office of 3 years, with the opportunity to be reappointed subject to satisfactory performance and the Council of Governors' approval.

## Terms of Office of members of the Board of Directors during 2017/18

		First Appointed	Re-appointed From	Expiry/End of Term of Office
<b>John Wallwork</b>	Chairman	1 Feb 2014	1 Feb 2017	31 Jan 2020
<b>Karen Caddick</b>	Non-executive Director	1 Nov 2013	1 Nov 2016	31 Oct 2019
<b>David Hughes</b>	Non-executive Director	1 Nov 2013	1 Nov 2016	31 Oct 2019
<b>Susan Lintott</b>	Non-executive Director	1 Dec 2012	1 Dec 2015	28 Feb 2019
<b>Mark Millar</b>	Non-executive Director	1 Nov 2011	1 Nov 2014 1 Nov 2017	31 Oct 2018
<b>Nick Morrell</b>	Non-executive Director	1 Jan 2014	1 Jan 2017	31 Dec 2019
<b>Ron Zimmern</b>	Non-executive Director	1 Dec 2012	1 Dec 2015	28 Feb 2019
<b>Stephen Posey</b>	Chief Executive	14 Nov 2016	Not Applicable	6 month notice period
<b>Roy Clarke</b>	Director of Finance	30 Nov 2015	Not Applicable	6 month notice period
<b>Roger Hall</b>	Medical Director	22 May 2015	Not Applicable	6 month notice period
<b>Elizabeth Horne</b>	Director of Human Resources	1 June 2004	Not Applicable	16 May 2017
<b>Eilish Midlane</b>	Chief Operating Officer	24 Apr 2017	Not Applicable	6 month notice period
<b>Oonagh Monkhouse</b>	Director of Workforce and OD	1 Oct 2017	Not Applicable	6 month notice period
<b>Josie Rudman</b>	Director of Nursing/Interim COO	18 Mar 2014	Not Applicable	6 month notice period
<b>Claire Tripp</b>	Deputy Chief Executive	14 Nov 2016	Not Applicable	22 Sept 2017

## Attendance of Non-executive Directors at Executive Remuneration Committee Meetings

Name		13 Sept 17
John Wallwork	Chairman	✓
Karen Caddick	Non-executive Director	x
Dave Hughes	Non-executive Director	✓
Susan Lintott	Non-executive Director	x
Mark Millar	Non-executive Director	✓
Nick Morrell	Non-executive Director	x
Ron Zimmern	Non-executive Director	✓

✓ Attended meeting      x Apologies received

The Committee was advised by the Interim Director of Workforce and OD

## Attendance of Governors at Appointments Committee Meetings

Governor Members	Category	21 June 2017	8 Dec 2017
Janet Atkins	Public	Not a member	x
Barry Crabtree-Taylor	Public	x	x
Richard Hodder	Public	Not a member	
Glenn Edge	Public	✓	✓
Keith Jackson	Public	✓	✓
Graham Jagger (Chair and Lead Governor)	Public	✓	✓
John Lodge	Public	✓	Not a member
Rob Johnson	Public	✓	x
Cheryl Riotto	Staff	x	x
Alessandro Ruggiero	Staff	Not a member	✓
Stephen Webb	Staff	x	Not a member

✓ Attended meeting      x Apologies received

The Trust Secretary and Director of Workforce and OD were in attendance at these meetings

A one percent cost of living remuneration increase was awarded to the Chairman and NEDs in 2017/18. NEDs also receive work' mileage expenses. For values see Remuneration table.

## Disclosures required by the Health and Social Care Act 2012

Directors received expenses for 2017/18 of £14,000 (2016/17: ££11,280). Expenses to the value of £8,669 (2016/17: £8,780) are a reimbursement of amounts directly incurred in the performance of an individual Director's duties. They also include an element of tax on some of these payments. In the Remuneration Report tables on remuneration for Directors, note 3 states that benefits in kind also include this taxable benefit on mileage.

The Board consists of 13 Directors, due to changes in the year there were a total of 15 (2016/17: 14) serving Directors. 12 (2016/17: 11) Directors received expenses.

Governors received expenses for 2017/18 of £4,969 (2016/17: £2,499). Expenses are a reimbursement of amounts directly incurred in the performance of an individual Governor's duties.

At March 2018 the Council consisted of 28 (2016/17: 28) Governors and due to changes in the year there were a total of 35 (2016/17: 30) serving Governors. 9 Governors received expenses (2016/17: 6)

## Remuneration Report (Audited Information)

**Table 1: Year ended 31 March 2018 (audited information):**

Name and Title	Salary and Fees <sup>1</sup>	Taxable Benefits <sup>2</sup>	All Pension-related Benefits	Total
	(bands of £5,000) £'000	(total to the nearest £100) £	(bands of £2,500) £'000	(bands of £5,000) £'000
Prof. J Wallwork – Chairman	40 - 45	1,900	-	40 – 45
Mrs K Caddick – Non-executive Director	10 - 15	-	-	10 – 15
Mr D Hughes – Non-executive Director	10 - 15	1,400	-	10 – 15
Dr S Lintott – Non-executive Director	10 - 15	100	-	10 – 15
Mr M Millar – Non-executive Director	10 - 15	1,900	-	10 – 15
Prof. N Morrell – Non-executive Director	10 - 15	-	-	10 – 15
Dr R Zimmern – Non-executive Director	10 - 15	-	-	10 – 15
Mr S Posey – Chief Executive <sup>9</sup>	155 - 160	-	42.5 - 45.0	195 – 200
Mr R Clarke – Director of Finance	115 - 120	-	57.5 - 60.0	175 – 180
Dr R Hall – Medical Director <sup>6</sup>	165 - 170	-	35.0 - 37.5	200 – 205
Miss E Horne – Director of Human Resource (Board Member to 16/5/17, remuneration includes project role to 31/01/18)	125 - 130	-	22.5 - 25.0	150 – 155
Mrs E Midlane – Chief Operating officer (from 24/4/17)	95 - 100	-	17.5 – 20.0	110 - 115
Mrs O Monkhouse – Director of Workforce and OD (from 1/10/17)	50 - 55	-	22.5 – 25.0	75 - 80
Mrs C Tripp – Deputy Chief Executive (to 22/9/17)	115 – 120	-	n/a	115 - 120
Mrs J Rudman – Director of Nursing (2017/18)	105 - 110	-	50.0 - 52.5	155 – 160
Director of Nursing/Interim Chief Operating Officer (to 23/4/17)				
*Mr A Raynes (Advisory non-voting member)	45 - 50	-	35.0 – 37.5	80 - 85
*Ms R McAll (Advisory non-voting member)	30 - 35	-	n/a	30 - 35

### Remuneration received

The remuneration of the Board of Directors appointed or leaving during the year is included in respect of their period of membership only. The report includes two non-voting Directors (\*) who have served in year in an advisory capacity to the Board.

**Table 2: Year ended 31 March 2017 (audited information):**

Name and Title	Salary and Fees <sup>1</sup>	Taxable Benefits <sup>2</sup>	All Pension-related Benefits	Total
	(bands of £5,000) £'000	(total to the nearest £100) £	(bands of £2,500) £'000	(bands of £5,000) £'000
Prof. J Wallwork – Chairman	35 - 40	1,500	-	35 – 40
Mrs K Caddick – Non-executive Director	10 - 15	-	-	10 – 15
Mr D Hughes – Non-executive Director	10 - 15	1,300	-	10 – 15
Dr S Lintott – Non-executive Director	10 - 15	100	-	10 – 15
Mr M Millar – Non-executive Director	10 - 15	600	-	10 – 15
Prof. N Morrell – Non-executive Director	10 - 15	-	-	10 – 15
Dr R Zimmern – Non-executive Director	10 - 15	-	-	10 – 15
Mr S Posey – Chief Executive (from 14/11/16) <sup>9</sup>	55 - 60	-	130.0 - 132.5	185 – 190
Mr R Clarke – Director of Finance	110 - 115	-	50.0 - 52.5	160 – 165
Mrs J Date – Interim Director of Operations (from 23/5/16 to 2/2/17) <sup>#</sup>	145 - 150	-	-	145 – 150
Dr R Hall – Medical Director <sup>7</sup>	165 - 170	-	45.0 - 47.5	210 – 215
Miss E Horne – Director of Human Resource	95 - 100	-	37.5-40.0	130 – 135
Mrs C Tripp – Interim Chief Executive (to 13/11/16) Deputy Chief Executive (from 14/11/16)	125 - 130	-	217.5 – 220.0	340 – 345
Mrs J Rudman – Director of Nursing Director of Nursing/Chief Operating Officer (from 4/2/17)	100 - 105	-	45.0 - 47.5	145 – 150

# Relates to third party agency fees for interim services (the values are net of VAT)

**Notes to Tables 1 and 2**

- Salary and other remuneration excludes the employer's pension contribution and is gross of pay charges to other NHS Trusts;
- Taxable Benefits relate to a taxable benefit on mileage;
- No payments were made in respect of 'golden hellos', compensation for loss of office or for an annual/long term performance related bonus;
- No compensation payments were made to past Executive or Non-executive Directors;
- No Executive Director served as a Non-executive Director elsewhere;
- Salary and Fees includes £36,192 relating to a Clinical Excellence Award;
- Salary and Fees includes £35,832 relating to a Clinical Excellence Award;
- No performance related remuneration was paid in 206/17 or 2017/18;
- Includes a 10% non-consolidated/non pensionable element at risk of claw-back.

**Table 3: Pension Entitlements of Senior Managers 31 March 2018 (audited information):**

Name and Title	Real Increase in Pension at pension age	Real Increase in Pension Lump Sum at pension age	Total Accrued Pension at 31 March 2018	Lump Sum at pension age Related to Pension at 31 March 2018	Cash Equivalent Transfer Value at 1 April 2017	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018
	(bands of £2,500) £'000	(bands of £2,500) £'000	(bands of £5,000) £'000	(bands of £5,000) £'000	£'000	£'000	£'000
Mr S Posey – Chief Executive	2.5 – 5.0	0.0 – 2.5	35 – 40	90 – 95	431	65	501
Mr R Clarke – Director of Finance	2.5 – 5.0	2.5 – 5.0	30 – 35	75 – 80	334	62	399
Dr R Hall – Medical Director	0.0 – 2.5	7.0 – 7.5	35 – 40	115 – 120	795	92	895
Miss E Horne – Director of Human Resource (to 31/01/2018)	0.0 – 2.5	2.5 – 5.0	40 – 45	115 – 120	709	72	788
Mrs E Midlane – Chief Operating officer (from 24/4/17)	0.0 – 2.5	-2.5 – 0.0	30 - 35	80 - 85	533	27	566
Mrs O Monkhouse – Director of Workforce and OD (from 1/10/17)	0.0 – 2.5	-2.5 – 0.0	30 - 35	80 - 85	529	46	581
Mrs J Rudman – Director of Nursing (2017/18) - Deputy Chief Executive Chief Operating Officer (to 17/4/17)	2.5 – 5.0	2.5 – 5.0	35 – 40	95 – 100	516	74	595
Mrs C Tripp - Deputy Chief Executive (to 22/9/17)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr A Raynes (Advisory non-voting member)	0.0 – 2.5	-2.5 – 0.0	10 - 15	10 - 15	122	25	148
Ms R McAll (Advisory non-voting member)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

**Table 4: Pension Entitlements of Senior Managers 31 March 2017 (audited information):**

Name and Title	Real Increase in Pension at pension age	Real Increase in Pension Lump Sum at pension age	Total Accrued Pension at 31 March 2017	Lump Sum at pension age Related to Accrued Pension at 31 March 2017	Cash Equivalent Transfer Value at 1 April 2016	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2017
	(bands of £2,500) £'000	(bands of £2,500) £'000	(bands of £5,000) £'000	(bands of £5,000) £'000	£'000	£'000	£'000
Mr S Posey – Chief Executive (from 14/11/16)	2.5 – 5.0	0.0 – 2.5	30 – 35	85 – 90	357	74	431
Mr R Clarke – Director of Finance	2.5 – 5.0	2.5 – 5.0	25 – 30	70 – 75	297	37	334
Dr R Hall – Medical Director	2.5 – 5.0	7.5 – 10.0	35 – 40	105 – 110	711	83	795
Miss E Horne – Director of Human Resource	0.0 – 2.5	5.0 – 7.5	35 – 40	110 – 115	651	58	709
Mrs J Rudman – Director of Nursing (2016/17) – Interim Chief Operating Officer (4/2/17 to 23/4/17)	2.5 – 5.0	2.5 – 5.0	35 – 40	90 – 95	470	45	516
Mrs C Tripp – Interim Chief Executive (to 13/1/16) – Deputy Chief Executive (from 14/1/16)	10.0 – 12.5	30.0 – 32.5	50 – 55	150 – 155	804	232	1,036

**Notes to Tables 3 and 4:**

- 1 Non-executive Directors do not receive pensionable remuneration therefore there are no entries in respect of pensions for Non-executive Directors;
- 2 Information contained within this note is based on figures provided by the NHS Pension Agency. The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member at a particular point in time;
- 3 The benefits valued are the members' accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries;
- 4 The current inflation rate applied to pensions by the NHS Pension Agency is 1.0%;
- 5 In calculating the actuarial value of the CETV as at 31 March 2018 the NHS Pensions Agency has used factors which include the indexation of pension benefits in line with the Consumer Price Index (CPI) and not the Retail Price Index (RPI). This follows the Government announcement in July 2010 that pension benefits from 2011 will be indexed in line with CPI and not RPI. The change in inflation assumption led to a decrease in the CETV value as at 31 March 2011 compared with the CETV as at 31 March 2010.
- 6 Revised guidance was issued by HM Treasury on 26 October 2011 regarding the calculation of CETVs in public service pension schemes. Based on this guidance the NHS Pensions Agency, with effect from 8 December 2011, has used revised and updated actuarial factors produced by GAD when calculating CETVs within the NHS Pension Scheme.
- 7 There are no employers contributions to stakeholder pensions.

### Fair Pay Multiple

	2017/18		2016/17
Band of Highest Paid Director's Total Remuneration (£'000)	165-170	Band of Highest Paid Director's Total Remuneration (£'000)	165-170
Median Total Remuneration	28,913	Median Total Remuneration	28,162
Ratio	5.79	Ratio	5.95

The mid-point of the banded remuneration of the highest paid Director in the Foundation Trust in the financial year 2017/18 was £167,500 (2016/17: £167,500). This was 5.79 times (2016/17: 5.95 times) the median remuneration of the workforce, which was £28,913 (2016/17: £28,462). 18 employees in 2017/18 (2016/17: 38) received remuneration in excess of the highest paid Director. Remuneration ranged from £168,949 to £252,401 (2016/17: £167,287 to £338,630).

Total remuneration includes salary, non-consolidated performance related pay, benefits-in-kind as well as severance payments. It does not include pension contributions and the cash equivalent transfer value of pensions.

The median full time equivalent remuneration of the workforce has been calculated based on those receiving remuneration in March 2018. The remuneration received in March has been annualised and excludes the highest paid director. Included within the figures to calculate the median full time equivalent remuneration is the annualised remuneration of agency staff working at the Trust at 31 March 2018. The annualised remuneration of agency staff has been calculated after deduction of an average commission rate, removing employers NI and excluding those only working a single shift.

Expenditure on bank staff has been included in the calculation of the median full time equivalent remuneration figure.

Approved by the Board and signed by the Chief Executive



Stephen Posey  
Chief Executive  
24 May 2018

## 2.3 Staff Report

### Recruitment and Retention

One of the Trust's most significant risks is recruiting and retaining staff, particularly during this period of major organisational change. There are local and national skills shortages, particularly in key groups such as registered nurses and cardiac physiologists. The recruitment market is extremely competitive in Cambridge and it is a high cost of living area which will particularly impact on staff in AfC Pay Bands 2-4. In addition the Trust is undergoing the most significant organisational change in its history as a result of the move to our new sites. This inevitably impacts on staff engagement and retention. In 2017/18 we developed and commenced implementation of a Recruitment and Retention Strategy with the aim of addressing the Trust's current challenges with recruitment and retention, thereby ensuring the Trust is an organisation where staff are expert in what they do, appropriately trained and qualified and feel supported, empowered and enabled to deliver high quality care, first time, every time.

The three goals articulated in the Strategy are:

To **retain** a compassionate, expert workforce that is proud to work at Royal Papworth Hospital NHS Foundation Trust and feels developed and supported to make decisions, innovate and improve the lives of our patients.

To **attract** a diverse and skilled candidate pool across all staff groups by developing a strong employment brand through the use of social media and expanding the geographical area of advertising campaigns. Promotion of the Trust's unique selling point 'fantastic reputation'.

To **recruit** staff that share the Trust values ensuring that vacancies are filled in a timely manner. To have efficient recruitment processes and a strong corporate induction that supports the Royal Papworth Hospital brand.

During 18/19 we will continue to focus on implementation of this Strategy. The new Royal Papworth Hospital presents an opportunity in terms of attracting staff from new geographical locations to a brand new, state of the art, purpose-built hospital on the Cambridge Biomedical Campus. In addition we will work closely with our new partners on the Cambridge Biomedical Campus, in particular Cambridge Universities Hospital, on promoting the campus as a place to work and develop your career.

We will work to develop links with our new local communities. The Trust offers a range of schemes to promote the NHS and the Trust with the local community: work experience, traineeships, voluntary worker schemes and apprenticeships and we will continue this work following our move. We will collaborate with our partners on the campus to ensure effective joint working and maximising the benefits of our co-location.

### Staff Engagement, Consultation and Involvement

In 18/19 we will be undertaking the most significant organisational change in the Trust's history. In moving to our new facilities we are not just moving location but also, in many areas, fundamentally changing our ways of working. Effectively involving, consulting and engaging our staff during the next year is going to be even more important than ever. In 17/18 we undertook a programme of one to one interviews with all staff called "Your Big Move" to

identify what they were looking forward to about the move, what their concerns were and the effectiveness of support and communication approaches. The feedback from these interviews was extremely helpful and was used to develop and implement new methods/structures for communicating and engaging with staff concerning the move including a weekly leaders briefing, Executive Team “In your shoes” visits and a Travel and Transport Plan. We will continue to proactively engage with staff and teams to provide them with the information they need to effectively plan and prepare. We will also be undertaking a formal consultation programme with all our staff to ensure that they have all the information they need to understand the impact on them personally and discuss any adjustments to their working arrangements and to ensure that we comply with our Trust Policies and Procedures and statutory requirements. We will undertake a monthly “pulse survey” to ensure that we understand areas of concern for staff and to track whether our approach to communication is meeting their needs.

The Joint Staff Council (JSC) provides the formal management/staff interface for staff, via the recognised Trade Unions and Professional Organisations, enabling consultation on employment policies and procedures and discussion about the implications of organisational change. The JSC meetings include a section where Staff Governors attend and this provides a means to ensure that the voice of all staff is heard, not just those who are members of a Trade Union. Staff representatives are also included in a range of work streams which will impact on staff, including Service Improvement Programmes, the Cambridge Transition Programme, and the New Hospital.

Our ‘staff engagement champions’ continue to play a significant role in communication between senior management and staff. Their role is to ensure that key messages are spread through all areas in the Trust, principally by word of mouth, and that feedback is facilitated: the key requirements for staff engagement champions are the ability to *connect* with their teams, an interest in *influencing* the way we work, and confidence in *sharing* updates.

The champions’ role supplements the range of traditional channels of communication used by the Trust which include a monthly staff newsletter attached to payslips to ensure it reaches all staff, a weekly electronic information/news update bulletin, and extensive information about the Trust and its activities which can be accessed on the Trust’s Intranet site.

### **Valuing Staff/Celebrating Success**

Demonstrating that the contribution of staff is recognised and valued is an important element of staff engagement. This year the Royal Papworth 100 Staff Awards was an opportunity to recognise and celebrate the contribution of staff from across the Trust to deliver excellent services and outcomes to our patients. A total of 14 staff and 1 team were presented with awards at a special evening ceremony which was sponsored by Troup Bywaters + Anders, OCS Group UK, CPL Healthcare and Royal Papworth Hospital Charity. The guests were given an exclusive preview of the trailer for the upcoming Royal Papworth Hospital documentary.

We also use our weekly and monthly newsletters and our social media platforms to celebrate the achievement of individual staff and teams. The Trust Board receive information on the number of compliments received on a monthly basis.

## Staff Survey

As stated previously staff engagement is an important issue for the Trust. We undertake a monthly staff survey as well as participating in the NHS national staff survey. These surveys help the Trust measure staff engagement and develop plans to address key themes. In the 2017 national survey the staff response rate was 46% which is slightly above the national response rate of 45%.

The survey asks questions against 32 Key Findings which are grouped into nine themes:

- Appraisals & support for development
- Equality & diversity
- Errors & incidents
- Health and wellbeing
- Working patterns
- Job satisfaction
- Managers
- Patient care & experience
- Violence, harassment & bullying

It was extremely encouraging that despite 2017 being a very challenging year for the Trust in the run up to the move staff engagement, as measured by this survey, improved.

There has been no statistical change in 29 Key Findings from 2016 to 2017. There was a statistically significant improvement in the experience of staff in 2 Key Findings (support from line managers and ability to contribute to improvements at work) and a statistically significant deterioration in 1 Key Finding (staff satisfaction with the quality of their work and the care they are able to deliver).

The results for the following Key Findings are in table below:

- staff recommending the Trust as a place to work or to receive treatment
- overall staff engagement

	2016		2017		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Staff recommending the organisation as a place to work or receive treatment	3.99	4.12	3.96	4.16	Deterioration 0.03
Overall staff engagement	3.88	3.98	3.92	3.95	Improvement 0.4

\* compared to other acute specialist trusts.

The five key findings for which the Trust compares most favourably with other acute specialist trusts in England are, as follows:

	2016		2017		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Percentage of staff able to	72%	73%	78%	73%	Improvement 6%

contribute towards improvements at work					
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	89%	86%	91%	88%	Improvement 2%
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	19%	20%	17%	21%	Improvement 2%
Percentage of staff reporting errors, near misses or incidents witnessed in the last month	93%	92%	94%	92	Improvement 1%
Staff satisfaction with level of responsibility and involvement	3.94	3.97	3.97	3.93	Improvement 0.03

\* compared to other acute specialist trusts

The five key findings for which the Trust compares least favourably with other acute specialist trusts in England are, as follows:

	2016		2017		Trust Improvement/ Deterioration
	Trust	National Average*	Trust	National Average*	
Staff satisfaction with the quality of work and care they are able to deliver	4.02	4.04	3.87	4.02	Deterioration 0.15
Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months	10%	7%	9%	7%	Improvement 1%
Percentage of staff/colleagues reporting most recent experience of harassment, bullying or abuse	40%	47%	42%	47%	Improvement 2%
Staff satisfaction with resourcing and support	3.36	3.43	3.29	3.41	Deterioration 0.05
Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month	29%	28%	31%	27%	Deterioration 2%

\* compared to other acute specialist trusts

The results from the staff survey have been shared and discussed with staff side representatives, staff governors, staff engagement champions and managers via the Operational Executive Group and Management Executive. We have also communicated the results via internal communication channels. The survey results re-emphasised the need to focus on recruitment and retention in order to improve staffing levels. Leadership teams across the Trust will use the results from the staff survey, along with other methods of staff feedback, to identify areas of particular improvement for their teams.

We continued to improve the support for the health and well-being of our workforce, and offer staff access to a range of physical activity schemes for staff, access to physiotherapy

services, with a fast-track service for staff suffering from musculoskeletal issues, and access to a range of mental health initiatives, such as stress management and, where necessary counselling.

### **Disability Information**

We are recognised by the Government's Department for Work and Pensions as a 'Disability Confident' employer. The 'Disability Confident' scheme aims to help employers make the most of the opportunities provided by employing disabled people.

For staff who become disabled whilst in work, either temporarily or permanently, we have proactive, supportive policies and procedures in place to enable their skills and experience to be retained within the Trust. These include the use of external organisations to undertake detailed workplace assessments and, where appropriate, to advise on specialist equipment to facilitate adjustments to working practices.

The number of staff who reported themselves as having a disability at the end of 2016/17 was 71 (3.78%) of the workforce. Further information in connection with Equality and Diversity can be found in the Equality and Diversity section of the Annual Report.

### **Occupational Health Services**

Royal Papworth Hospital's Occupational Health Service achieved SEQOHS (Safe Effective Quality Occupational Health Service) accreditation. The Occupational Health Service continues to be integral to the pro-active management of sickness absence and in the promotion of health and well-being initiatives. In October 2017 the Trust, as part of the Cambridge Transition Programme, transferred responsibility for the provision of Occupational Health Services to Cambridge University Hospitals. The Royal Papworth Hospital service transferred to Cambridge Health at Work (CHaW) who provides a full range of occupational health services to staff. CHaW are also SEQOHS accredited.

As a result of a proactive campaign 78% of front line staff received flu vaccinations. This is an important patient and staff safety measure.

### **Employee Assistance Programme**

Managers have an important role to play in ensuring our staff feel supported and valued in the workplace. By taking a proactive approach, managers help to ensure that staff have access to advice and support through occupational health at the earliest opportunity. The Trust's Management of Sickness Absence Procedure requires managers to refer all cases of anxiety, stress and depression to Occupational Health to ensure early intervention: evidence suggests that early intervention is important for preventing acute situations becoming chronic.

Employee counselling contributes to a positive, productive and healthy workforce. Face-to-face counselling is provided through Cambridge Consultancy in Counselling and members of staff are referred via Occupational Health if it is thought that this will be beneficial and the correct treatment option. Individuals have an initial assessment followed by up to four counselling sessions. In addition, our staff continue to utilise the services of other support agencies which are freely available through signposting and recommendation from Occupational Health.

### Breakdown at the year end of the number of male and female Directors, other senior managers and employees

We remain committed to having a diverse Board in terms of gender as well as diversity of experience, skills, knowledge and background. There were 13 members of the Trust Board at the end of March 2018, of whom eight were male and five were female.

	Female	Male	Total
Directors (includes Non-executive Directors)	5	8	13
Senior Managers (as per occupation codes)	40	28	68
Other Employees	1368	469	1837
Total	1413	505	1918

Notes: National occupation code used to define senior managers (non-clinical). Non-executive Directors are included in totals but are not defined as employees.

### Sickness absence rate of staff

It is a Treasury FReM requirement that all public bodies report their sickness absence rate. This must be reported for the calendar year to allow reconciliation with already published data.

Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by HSCIC from ESR Data Warehouse		
Average FTE 2017	Adjusted FTE days lost to Cabinet Office definitions	FTE - Days Available	FTE - Days Lost to Sickness Absence	Average Sick Days per FTE
1,678	13,402	612,491	21,741	7.99

Source: Information taken from ESR full year absence report

Period covered: January to December 2017

FTE = Full Time Equivalent

Reduction of sickness absence remains a key performance target. The Trust continues to work towards improving the health and wellbeing of our staff, reducing sickness absence levels and improving line manager capability, together with delivering improved patient care and outcomes

### Expenditure on consultancy

During 2017/18 The Trust engaged Consultants to undertake work on a number of projects including: New Royal Papworth Hospital, the migration to nhs.net email and the implementation of the LORENZO Electronic Patient Record (EPR) system.

### Staff Exit Packages

Foundation trusts are required to disclose summary information of their use of exit packages agreed in the year, as required by the *FReM* (paragraph 5.3.27(h)). There were two exit packages in 2017/18.

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0
£10,00 – £25,000	0	0	0
£25,001 – £50,000	0	1	1
£50,001 – £100,000	0	1	1
£100,000 – £150,000	0	0	0
£150,001 – £200,000	0	0	0
>£200,001	0	0	0
Total number of exit packages by type	0	2	2
Total resource cost	0	£97,000	£97,000

### Exit packages: non-compulsory departure payments

	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	2	97
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval	0	0
<b>Total</b>	<b>2 (2016/17:0)</b>	<b>97 (2016/17:0)</b>
Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	0	0

### Reporting high paid off-payroll arrangements

**Table 1: For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months**

No. of existing engagements as of 31 March 2018	2
Of which...	
No. that have existed for less than one year at time of reporting.	1
No. that have existed for between one and two years at time of reporting.	0
No. that have existed for between two and three years at time of reporting.	0
No. that have existed for between three and four years at time of reporting.	0
No. that have existed for four or more years at time of reporting.	1

The Trust engaged with all off payroll contractors in light of the new IR35 arrangements to ensure an assessment of their role was undertaken and if necessary arrangements for deducting tax and NI put in place from 6<sup>th</sup> April 2017.

**Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months**

No. of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	1
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations	1
No. for whom assurance has been requested	1
Of which...	-
No. for whom assurance has been received	1
No. for whom assurance has not been received	-
No. that have been terminated as a result of assurance not being received.	-

**Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018**

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0 (2016/17: 1)
Number of individuals that have been deemed “board members and/or senior officials with significant financial responsibility” during the financial year. This figure must include both off-payroll and on-payroll engagements.	17

**Table 4: Staff costs**

	Group			
	Permanent £000	Other £000	2016/17 Total £000	2016/17 Total £000
Salaries and wages	67,917	1,716	69,633	65,507
Social security costs	6,753	-	6,753	6,895
Employer's contributions to NHS pensions	7,902	-	7,902	7,877
Apprenticeship levy	325	-	325	-
Agency/contract staff	-	3,211	3,088	4,183
<b>Total gross staff costs</b>	<b>82,897</b>	<b>4,927</b>	<b>87,824</b>	<b>84,462</b>
Recoveries in respect of seconded staff	-	-	-	-
<b>Total staff costs</b>	<b>82,897</b>	<b>4,927</b>	<b>87,824</b>	<b>84,462</b>
<b>Of which</b>				
Costs capitalised as part of assets	170	-	170	-

**Table 5: Average number of employees (WTE basis)**

	Group					
	Permanent Number	Other Number	2017/18 Total Number	Permanent Number	Other Number	2016/17 Total Number
Medical and dental	206	9	<b>215</b>	204	15	<b>219</b>
Administration and estates	374	39	<b>413</b>	371	31	<b>402</b>
Healthcare assistants and other support staff	340	16	<b>356</b>	336	15	<b>351</b>
Nursing, midwifery and health visiting staff	561	33	<b>594</b>	596	26	<b>622</b>
Scientific, therapeutic and technical staff	141	7	<b>148</b>	145	5	<b>150</b>
Healthcare science staff	74	8	<b>82</b>	77	7	<b>84</b>
Other	2	0	<b>2</b>	3	0	<b>3</b>
<b>Total average numbers</b>	<b>1,698</b>	<b>112</b>	<b>1,810</b>	<b>1,732</b>	<b>99</b>	<b>1,831</b>
<b>Of which</b> Number of employees (WTE) engaged on capital projects	1	1.6	<b>2.6</b>	0	0	<b>0</b>

## 2.4 Disclosures required under the NHS Foundation Trust Code of Governance

### NHS Improvement's Code of Governance

In late December 2013, Monitor published a revised *NHS Foundation Trust Code of Governance* (the Code). The revised Code applied from 1 January 2014.

#### **Directors**

The Board of Directors is responsible for ensuring proper standards of corporate governance are maintained. The Board, since January 2008, is made up of the Chairman, six Executive Directors and six independent Non-executive Directors (NEDS) and is collectively responsible for the success of the Trust. The Board of Directors considers all of the current Non-executive Directors (NEDs), including the Chairman, to be independent. All appointments to the Board are the result of open competition.

Details of the composition of the Board and the experience of the Directors are contained within the Board of Directors section of the Annual Report which also includes information about the standing Committees of the Board, the membership of those Committees, and attendance.

The Board considers strategic issues. The Board meets regularly and has a formal schedule of matters specifically reserved for its decision. The Board delegates other matters to the Executive Directors and other senior management. The Board had nine formal meetings in 2017/18. The Chairman of the Trust is Chairman of the Board of Directors and Council of Governors and leads both groups on strategy and monitoring. The Chief Executive has responsibility for the implementation of strategy and the day to day operations of the Trust.

The Directors are given accurate, timely and clear information so that they can maintain full and effective control over strategic, financial, operational, compliance and governance issues. The Directors have a range of skills and experience and each brings independent judgement and knowledge to the Board's discussions and determinations.

The Trust has arranged appropriate insurance cover in respect of legal proceedings and other claims against its Directors. Independent professional advice is available as required to the Board or its standing committees.

#### **Board Independence**

The Board considers that the Chairman satisfied the independence criteria of the Code on his appointment. The Interview Panel and Appointments Committee of the Council of Governors had noted that whilst Professor Wallwork had continued to be associated with the hospital the conclusion was this enhanced the strategic vision of the hospital in terms of the relocation to the Cambridge Biomedical Campus and strengthened the alliance with the University of Cambridge to build a joint heart and lung research institute (HLRI) adjacent to the new Royal Papworth Hospital. Together with his other interests external to the Trust, the panel had concluded that he was sufficiently removed from the day-to-day operational activity of the hospital to enable him to remain independent.

All the Non-executive Directors who have served during the year are considered to be independent according to the principles of the Code. During 2009, the Trust became a partner in one of the first Academic Health Science Centres designated by the Department of Health. The Chairman, Chief Executive and the Non-executive Director nominated by the University of Cambridge are members of the Board of this separate legal entity as part of their Royal Papworth roles. The Board of Directors does not consider this to affect the independence of these Directors.

Independence is kept under review and is based on whether each Director is independent in character, judgement and behaviour. Also considered are factors such as participation and performance on both the Board and Board Committees. Non-executive Directors (NEDs), including the Chairman, are not NHS employees and do not contribute to the NHS pension scheme in their NED role. Non-executive Directors have confirmed their willingness to provide the necessary time for their duties. The Chairman and NED terms of office are subject to approval by the Council of Governors. The Board is satisfied that no individual or group has unfettered powers or unequal access to information. The Board has received confirmation from all Directors that no conflicts of interest exist with their duties as Directors.

The Chairman holds meetings with the Non-executive Directors without the Executive Directors being present. The Senior Independent Director (SID) also holds meetings with the other Non-executive Directors without the Chairman being present.

#### **Policy for Raising Matters of Concern**

Arrangements have been put in place by which the Trust's employees may in confidence raise matters of concern. These arrangements are covered in the Trust's "Policy for Raising Matters of Concern" commonly known as a "Whistle-blowing Policy".

#### **Governors**

The general duties of the Council of Governors are:

- to hold the Non-executive Directors individually and collectively to account for the performance of the Board of Directors; and
- to represent the interests of the Trust's members as a whole and the interests of the public.

Since April 2013, the Council of Governors consists of 18 elected public members, seven elected staff members and four appointed stakeholder representatives. The Council of Governors meets formally four times a year and has a nominated Lead Governor. Details of the composition of the Council of Governors and attendance at meetings are contained within the Council of Governors section of the Annual Report.

#### **Board Performance Evaluation**

The process for Board members appraisal is that the appraisal of NEDs is carried out by the Trust Chairman for report to the Appointments [NED Nomination and Remuneration] Committee of the Council of Governors. The appraisal of the Chairman is co-ordinated by the Senior Independent Director using input from the Lead Governor and Chairs of Governor Committees and the Chief Executive. The Lead Governor is also the Chair of the Appointments Committee of the Council of Governors. Board meetings are open to the public and Governor attendance is encouraged.

The last external review of governance against NHS Improvement's framework was undertaken during 2015/16 by Deloitte. Deloitte has no other connection with the Trust. An internal audit – Well-led Governance Follow Up Review – was undertaken in 2016/17 which resulted in a substantial assurance opinion. A further Well-led review is planned for 2018.

### Compliance Statement

Royal Papworth Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, revised in July 2014, was based on the principles of the UK Corporate Governance Code issued in 2012.

The Board of Directors considers that it complies with the main and supporting principles of the Code of Governance. This includes the issue of whether or not all of the NEDs are independent in accordance with code provision B.1.1. In relation to the more detailed provisions of the Code of Governance, the Trust is compliant with the provisions, with the following exceptions:

**B.1.3** The Royal Papworth Director of Nursing is a Partner Governor on the Council of Governors of Cambridge University Hospitals NHS Foundation Trust (CUH). NHS Improvement has been advised of this arrangement and considers it acceptable due to the proposals for the relocation of Royal Papworth Hospital to the Cambridge Biomedical Campus.

**D.2.2** The Chief Executive has determined that the definition of “senior management” for the purposes of the Remuneration Report should be limited to Board members only.

**D.2.3** Recommendations made to the Council of Governors on remuneration levels of the Chairman and other Non-executive Directors are based on annual benchmarking information obtained from NHS Providers and other national surveys. The Council of Governors does not consult external professional advisers to market test at least once every three years. See the Remuneration Report for more detail.

The following provisions require a supporting explanation, even in the case that the NHS Foundation Trust is compliant with the provision. Where the information is already contained within the Annual Report, a reference to its location is provided to avoid unnecessary duplication.

**Table of supporting explanation for required disclosures**

<b>Code of Governance reference</b>	<b>Summary of requirement</b>	<b>Disclosure</b>
A.1.1	The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors. This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors.	The schedule contains a statement on separate roles. The Council of Governors and Board of Directors have an agreed interaction process that describes how disagreements would be resolved.

A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	See Directors' Report.
A.5.3	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	See Council of Governors section.
Additional requirement of FT ARM	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	See Council of Governors section.
B.1.1	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	See earlier in this section.
B.1.4	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	See Board of Directors section.
Additional requirement of FT ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated.	See Remuneration Report section.
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	See Remuneration Report section.
Additional requirement of FT ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	Open advertisement for Chairman and Non-executive Directors.
B.3.1	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	See earlier in this section.
B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors.	See Governors and Foundation Trust sections and latest information on new Royal Papworth Hospital on our website
Additional requirement of FT ARM	If, during the financial year, the Governors have exercised their power under paragraph 10C of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care	Governors have not exercised this power.

	Act 2012) "	
B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	See Remuneration Report section.
B.6.2	Where there has been external evaluation of the board, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	External review 2015/16. See earlier in this section.
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	See Director's Report  See Annual Governance Statement.
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	See Audit Committee section and Annual Governance Statement.
C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	See Audit Committee section.
C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	Council of Governors accepted recommendation to appoint new External Auditor from 2015/16 audit.
C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: <input type="checkbox"/> the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; <input type="checkbox"/> an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and <input type="checkbox"/> if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	See Audit Committee section
D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	No Director was released in 2017/18.
E.1.5	The board of directors should state in the annual report the	See Council of Governor

	steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	section.
E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	See Foundation Trust Membership section.
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	See Board of Director section and Council of Governors section
Additional requirement of FT ARM	The annual report should include: <ul style="list-style-type: none"> <li><input type="checkbox"/> a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership;</li> <li><input type="checkbox"/> information on the number of members and the number of members in each constituency; and</li> <li><input type="checkbox"/> a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.</li> </ul>	See Foundation Trust Membership section.
Additional requirement of FT ARM	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.'	There is a standing item on all agendas for the Board of Directors and Council of Governors and their Committees. The register is held by the Trust Secretary.

## 2.5 NHS Improvement's Single Oversight Framework

### Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's *Risk Assessment Framework* (RAF) was in place. Comparative information relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

### Segmentation

Royal Papworth Hospital NHS Foundation Trust is in Segment 2: *Providers offered targeted support: there are concerns in relation to one or more of the themes. We've identified targeted support that the provider can access to address these concerns, but which they are not obliged to take up. For some providers in segment 2, more evidence may need to be gathered to identify appropriate support.* Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website <https://www.gov.uk/government/publications/nhs-foundation-trust-directory/nhs-foundation-trust-directory>.

### Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2017/18 Q4 score	2017/18 Q3 score	2017/18 Q2 score	2017/18 Q1 score	2016/17 Q4 score	2016/17 Q3 score
Financial sustainability	Capital service capacity	4	4	4	4	1	1
	Liquidity	1	1	1	1	1	1
Financial efficiency	I&E margin	4	4	4	4	1	1
Financial controls	Distance from financial plan	4	4	4	4	1	1
	Agency spend	3	2	2	2	4	3
<b>Overall scoring</b>		3	3	3	3	3	1

The Trust's deficit position results in a score of 3 across each quarter in 2017/18. For more information on our financial performance during 2017/18 see the Performance Report section of the Annual Report.

## 2.6 Board of Directors

### The Board of Directors

The Board's responsibilities are as follows:

- setting the overall strategic direction of the Trust, within the context of NHS priorities and taking into account views of the Council of Governors and other key stakeholders;
- to set strategic objectives;
- to provide high quality, effective and patient focused healthcare services required under its contracts with commissioners and other organisations;
- to ensure appropriate governance and performance arrangements are in place to deliver the Trust's strategic objectives;
- to ensure the quality and safety of all healthcare services, research and development, education and training;
- promoting effective dialogue between the Trust and the communities it serves;
- ensuring high standards of corporate governance and personal conduct; and
- ensuring that the Trust complies with the terms of its licence from the Regulator, its constitution, relevant legislation, mandatory guidance and other relevant obligations.

The licence from NHS Improvement and the constitution govern the operation of the Trust. The schedule of decisions reserved for the Board and scheme of delegation set out the types of decisions that must be taken by the Board of Directors and those which can be delegated to management. The constitution defines which decisions must be taken by the Council of Governors and the standing orders of the Board of Directors describe how disagreements between the Board and the Council should be resolved.

Further information on Royal Papworth Hospital services can be obtained from our website <http://www.papworthhospital.nhs.uk/>

### **Professor John Wallwork, Chairman**

Professor Wallwork was appointed as Chairman in February 2014 and re-appointed for a further three years in 2017. He returned to Royal Papworth Hospital as Chairman after spending thirty years at the forefront of transplant surgery and research at the Trust. Professor Wallwork is Emeritus Professor of Cardiothoracic Surgery. He was a consultant based at Royal Papworth Hospital in Cambridge until his retirement in July 2011.

Before being appointed as a Consultant in 1981, he was Chief Resident at Stanford University Hospital in California for nearly two years, where he first became involved in heart and heart-lung transplantation and played a major role in the development of heart-lung transplantation at Royal Papworth Hospital. He performed Europe's first successful heart-lung transplant in 1984 and in 1986 he performed the world's first heart-lung and liver transplant with Professor Sir Roy Calne.

He succeeded Sir Terence English as Director of the Transplant Service from 1989 to 2006, chaired the UK Transplant Cardiothoracic Advisory Group from 1994 to 2006 and was Medical Director of Royal Papworth Hospital from 1997 to 2002. He was also Director of Research and Development at Royal Papworth Hospital until his retirement.

On 1 October 2002 the University of Cambridge awarded him an honorary Chair in Cardiothoracic Surgery.

In January 2012 Professor Wallwork was recognised in Her Majesty the Queen's New Year's Honours list and was awarded a CBE for services to health.

Professor Wallwork is a Director of Cambridge University Health Partners (CUHP).

**Mrs Karen Caddick, Non-Executive Director**

Karen was appointed as a Non-Executive Director of the Foundation Trust Board in November 2013 for a term of three years and re-appointed in 2016 for a further three years. Karen graduated from Glasgow University in 1991 with an MA (Hons) in History and has gone on to build a career in Human Resources Management holding a variety of Board level positions.

Karen spent 10 years in Financial Services working for Royal & Sun Alliance and Barclays Bank where Karen gained her Chartered Insurer (ACII) qualification and her Fellowship of the Chartered Institute of Personnel and Development (FCIPD) and performed a variety of HR roles.

Karen then went on to hold HR Director roles at Channel Five, The Financial Times and more recently at Punch Taverns & Spirit Group PLC, Morrisons PLC and Millennium & Copthorne Hotels plc where she held Group HR Director positions. Karen therefore brings significant Board level experience from a variety of sectors and a deep specialism in transformational change.

Karen is currently Group Human Resources Director at Saga plc.

Karen is a member of the Audit Committee and Quality and Risk Committee

**David Hughes, Non-Executive Director**

Dave holds a number of consulting, Non- executive and Executive roles. He is strategy Director for Mentor Europe, a Telecommunications specialist consultancy; Director of Castle Crag Communications and Director of Paradigm Academy Trust which owns five schools in Tower Hamlets and Ipswich. Prior to this he held a range of Executive roles at BT over a 35 year career.

Dave was appointed as a Non-Executive Director of the Foundation Trust Board in November 2013 for a term of three years and re-appointed in 2016 for a further three years

Dave is Deputy Chairman of the Board, Chair of the Performance Committee and Strategic Projects Committee and member of both the Charitable Funds Committee and EPR Programme Board.

**Dr Susan Lintott, Non-executive Director**

Susan was appointed as a Non-executive Director of the Foundation Trust Board in December 2012 for a term of three years. In December 2015, she was reappointed for a further three years and this appointment has been extended to February 2019. She is currently Senior Bursar of Downing College, University of Cambridge, a position she has held for the last eighteen years after retiring from a career as an investment banker, first at The

Chase Manhattan Bank in New York and then at the Chase Investment Bank in London. She has previously been on the Board of Cambridge in America, where she held the position of Treasurer. She has also chaired the University's Board of Scrutiny, served as a member of its Audit Committee, and was Chairman of the Cambridge Colleges' Bursars' Committee. She is currently a member of the Gates Cambridge Trust Investment Committee.

Susan has extensive experience in a non-executive capacity, having served several terms on the Board of the Christ's Hospital Foundation and chaired its Securities Investment Committee; she also has experience in estate development, fundraising, and corporate finance. She holds a PhD, and was educated at Girton College, Cambridge, the University of Kent at Canterbury, and the New York University Stern School of Business Administration. Susan is also a Fellow of the Judge Business School.

Susan is Chair of the Charitable Funds Committee, a member of the Audit Committee and Senior Independent Director.

**Mr Mark Millar, Non-Executive Director**

Mark was appointed as a Non-executive Director of the Foundation Trust Board from November 2011 for a period of three years and re-appointed from November 2014 for a further three year term. Mark is a Certified Accountant who is an experienced Chief Executive and Executive Director in the NHS, leading organisations through significant periods of change by building excellent teams, establishing, communicating and delivering a clear vision.

Mark now works as Chief Executive of St Elizabeth Hospice, Ipswich.

Mark is Chair of the Audit Committee and a member of the Performance Committee

**Professor Nicholas Morrell, Non-executive Director**

Nick was appointed as a Non-executive Director of the Foundation Trust Board in January 2014 for a term of three years and was re-appointed for a further three years from January 2017. Nick qualified in Medicine (MB BS) from Charing Cross and Westminster Medical School (now Imperial College) in 1987. He undertook his research MD at Charing Cross and then spent two years in Denver, Colorado, as a British Heart Foundation Fellow before returning as a Lecturer to complete training in General and Respiratory Medicine at the Royal Postgraduate Medical School, Hammersmith Hospital. He was appointed Senior Lecturer and Honorary Consultant at Hammersmith Hospital, Imperial College in 1998 and was awarded an MRC Clinician Scientist Fellowship.

He moved to Cambridge in 2000 as University Lecturer and Honorary Consultant at Addenbrooke's and Royal Papworth Hospitals, and was appointed Professor of Cardiopulmonary Medicine in 2007. In 2009, he was awarded a British Heart Foundation Professorship and was elected to the Fellowship of the Academy of Medical Sciences in 2011. He has chaired the programme committees of the British and American Thoracic Societies. He has served as a member of the MRC Clinical Fellowships Committee. Nick is the Director of Studies in Clinical Medicine at St Catharine's College, Cambridge. He is Director of the BHF Cambridge Centre for Cardiovascular Research Excellence and leads the Cardiovascular Theme of the NIHR Cambridge Biomedical Research Centre. Nick is the Research Director of the Pulmonary Vascular Diseases Unit at Royal Papworth Hospital and is an NIHR Senior Investigator. His research focuses on understanding genetic causes of

cardiovascular disease, particularly pulmonary arterial hypertension, and developing new treatments for these conditions.

Nick is a member of the Quality and Risk Committee and a Director of Cambridge University Health Partners (CUHP). He is also the interim Director of the planned Heart and Lung Research Institute to be built alongside the new Royal Papworth Hospital.

#### **Dr Ron Zimmern, Non-executive Director**

Ron Zimmern is a Public Health Physician with a special interest in public health genomics. He is now Chairman of the Foundation for Genomics and Population Health (the "PHG Foundation"), which is the successor to the Public Health Genetics Unit which he established in Cambridge in June 1997. He served as its Director until 2010. The Foundation continues as a separate legal entity with its own Board of Trustees but as such became a fully owned subsidiary and linked exempt charity of the University of Cambridge on 1 April 2018.

Ron graduated in 1971 following medical training at Trinity College, Cambridge and the Middlesex Hospital, London. He specialised initially in neurology, and was appointed Lecturer at the Clinical School in Cambridge in 1976. He went on to obtain a law degree at Cambridge in 1983, after which he started training in public health medicine. He was Director of Public Health for Cambridge and Huntingdon Health Authority from 1991 to 1998, and Director of the Institute of Public Health of the University of Cambridge from 2002 to 2008. Prior to that he held a number of medical management positions at Addenbrooke's Hospital and as Consultant in Public Health Medicine at the Health Authority. He was for many years an Associate Lecturer at the University of Cambridge and has also been an Honorary Consultant in Public Health Medicine at Addenbrooke's Hospital. He has a wide knowledge of local health services having been associated in some way or other with the local health economy for over 35 years.

Ron has served on many national committees concerned with genomics. He has an Honorary Professorship in Public Health at the University of Hong Kong and is a Fellow of Hughes Hall in Cambridge. He has also been awarded Honorary Fellowships by the Universities of Cardiff and Hong Kong. His special interests and expertise, in addition to public health genomics, include strategic planning, the relationship between clinical services and teaching and research, priority setting in the NHS, and the law and ethics of medicine.

Ron is Chair of the Quality and Risk Committee and a member of the Performance Committee.

#### **Mr Stephen Posey, Chief Executive**

Stephen joined the Trust as its Chief Executive in November 2016. Previously Stephen was the Deputy Chief Executive and Director of Strategy at East and North Hertfordshire NHS Trust where he led the delivery of Hertfordshire's acute consolidation programme, which completed in 2014. A £150 million investment programme to reconfigure the Trust's acute services across east and north Hertfordshire to improve clinical outcomes and enable the development of specialist services.

This role builds on more than 20 years' experience in the health service, spanning commissioning, provider and strategic roles.

#### **Mr Roy Clarke, Director of Finance**

Roy was appointed Director of Finance in November 2015 and is responsible for Finance, Procurement, Commercial Services and Estates & Facilities. He joined the Trust from Norfolk

Community Health and Care NHS Trust where he was the Director of Finance responsible for leading on all aspects of Finance, IM&T, Estates & Facilities, Procurement and Commercial Services. Previous to this role, Roy held senior roles in general acute and specialist NHS hospital services. Roy is a Chartered Management Accountant and has particular experience in developing and implementing organisational strategy, financial recovery and large scale estate development. He is motivated by developing healthcare organisations to deliver the best possible care to patients.

**Dr Roger Hall, Medical Director**

Roger was appointed as Interim Medical Director in November 2014 and to the substantive post of Medical Director in May 2015. Roger is a consultant cardiothoracic anaesthetist and Intensivist. He studied medicine at Otago University in New Zealand and completed his specialist training in the UK, New Zealand and Australia. From 1991 to 2002 he was a consultant at Green Lane Hospital in Auckland, New Zealand practicing both paediatric and adult cardiac anaesthesia and intensive care before moving to Royal Papworth Hospital.

**Miss Elizabeth Horne, Director of Human Resources (to 16 May 2017)**

Elizabeth was appointed as Director of Human Resources in June 2003. She has worked in a broad spectrum of the service including teaching hospitals and special health authorities. Elizabeth has an MA in Law and Employment Relations and is a Fellow of the Chartered Institute of Personnel and Development (FCIPD).

**Mrs Eilish Midlane, Chief Operating Officer (from 24 April 2017)**

Eilish was appointed as Chief Operating officer in April 2017 joining the Trust from East and North Hertfordshire NHS Trust, where she was the Divisional Director of Clinical Support Services. Eilish holds a wealth of experience spanning strategy, operational leadership and delivery and hospital and clinical services reconfiguration.

Eilish brings with her considerable expertise in patient safety, clinical governance and service improvement planning and will be a strong addition to the team.

**Mrs Oonagh Monkhouse, Director of Workforce and OD (from 1 October 2017)**

Oonagh was appointed as Director of Workforce and Organisational Development in October 2017 having held the same role at Bedford Hospitals NHS Foundation Trust. Oonagh worked previously at Cambridge University Teaching Hospitals, where she undertook a number of senior human resources roles including Deputy Director of Workforce.

Oonagh is originally from Northern Ireland and worked in a number of NHS organisations in Belfast before moving to Cambridge in 1993.

**Mrs Josie Rudman, Director of Nursing (also acted as Interim Chief Operating Officer to 23 April 2017)**

Josie was appointed as Director of Nursing in March 2014. Josie first came to Royal Papworth in 2008 as Deputy Director of Nursing and was involved in introducing the Productive Ward, E-rostering and ALERT Service. Josie worked previously at Peterborough District Hospital as Lead Practice Development Nurse, is a Registered Nurse tutor and has a BSc in Oncology Nursing and MSc in Nursing Practice. Josie was appointed as acting Director of Nursing in July 2013. Josie is a CQC inspector as an expert advisor.

Josie is the professional lead for nursing, Allied Health Professionals (AHPs) and Scientists, is the Director of Infection Prevention and Control and is the Caldicott Guardian for the Trust. She is also the executive lead for clinical quality including patient experience and patient safety, safeguarding vulnerable people including dementia services, clinical governance and risk management, emergency planning, and clinical education.

**Mrs Claire Tripp, Deputy Chief Executive (to 22 September 2017)**

Claire had a long history with the Trust having joined Papworth Hospital in January 1989 as a Staff Nurse on the Critical Care Unit. She subsequently became Thoracic Services Manager in 2000 and in 2003 she was promoted to become the General Manager of Thoracic Services. She was appointed as Director of Operations in October 2008 after previously holding the position of Director of Nursing from November 2005. Claire retired from the Trust in 2017, looking forward to a long retirement travelling the world, but sadly she suddenly became ill and passed away, surrounded by her family, in December 2017.

### Table of Attendance at Board and Committee Meetings

The following table shows the number of Board of Director and Committee meetings held during the year and the attendance of individual Non-executive Directors (NEDs) where they were members.

	Board <sup>A</sup>	Audit <sup>B</sup>	Performance <sup>C</sup>	Quality & Risk <sup>D</sup>	Executive Remuneration <sup>E</sup>
<b>Number of meetings 2017/18</b>	13	6	12	7	1
<b>K Caddick</b>	9/13	5/6		5/7	0/1
<b>R Clarke</b>	12/13		10/12		
<b>R Hall</b>	10/13			5/7	
<b>E Horne <sup>1</sup></b>	1/1		1/1		
<b>D Hughes</b>	13/13		11/12		1/1
<b>S Lintott</b>	11/13	5/6			0/1
<b>E Midlane <sup>1</sup></b>	12/13		11/12		
<b>M Millar</b>	11/13	6/6	10/12		1/1
<b>O Monkhouse <sup>1</sup></b>	6/6				1/1
<b>N Morrell</b>	5/13			4/7	0/1
<b>S Posey <sup>1</sup></b>	13/13		10/12		
<b>J Rudman</b>	12/13			7/7	
<b>C Tripp <sup>1</sup></b>	2/6		2/5		
<b>J Wallwork</b>	13/13				1/1
<b>R Zimmern<sup>2</sup></b>	10/13		6/12	6/7	1/1

<p>■ Not members of the Committee, however Directors attend meetings of committees of which they are not members either as regular attendees or as required.</p> <p><sup>1</sup> Part year membership.</p>	<p><sup>A</sup> All Directors are members.</p> <p><sup>B</sup> 3 NEDs members. See Audit Committee section of Annual Report.</p> <p><sup>C</sup> Membership 3 NEDs plus Medical Director and Director of Nursing.</p> <p><sup>D</sup> Membership 3 NEDs plus Chief Executive, Director of Finance, Director of Human Resources, Deputy Chief Executive and Chief Operating Officer.</p> <p><sup>E</sup> Membership only Chairman and NEDs. See Remuneration section of Annual Report.</p>
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#### **The dates of the Board of Directors' meetings in 2017/18 were:**

27 Apr 2017	22 May 2017	29 June 2017	6 July 2017	3 Aug 2017	7 Sep 2017
5 Oct 2017	2 Nov 2017	24 Nov 2017	7 Dec 2017	4 Jan 2018	1 Feb 2018
1 Mar 2018					

**Contacting the Directors**

Directors can be contacted through the Trust Secretary at the Chief Executive's Office.

Tel: 01480 364585

## 2.7 Audit Committee

### Composition of the Audit Committee

As required under NHS Improvement's Code of Governance the membership of this Committee is three independent Non-executive Directors. For the purposes of NHS Improvement's Code Mark Millar is considered by the Board of Directors to have recent and relevant financial experience as detailed in the biography in the Board of Directors section of this report. The membership of the Committee during 2017/18 was:

Mark Millar (Chair)  
Susan Lintott  
Karen Caddick

### Meetings and Attendance of Members

Name	22 May 17	12 Jul 17	11 Oct 17	31 Jan 18	14 Mar 18
Mark Millar (Chair)	✓	✓	✓	✓	✓
Karen Caddick	✓	×	✓	✓	✓
Susan Lintott	×	✓	✓	✓	✓

✓ Attended meeting

× Apologies were received

To assist the Audit Committee in fulfilling its role the following are in attendance at all meetings: The Director of Finance, the Trust Secretary, representatives from the External Auditors, representatives from the Internal Auditors and the Local Counter Fraud Specialist. Two Governors also attend the Audit Committee and contribute to discussions. Executive Directors attend during the year as business requires. Members of the Audit Committee meet separately with the External and Internal Auditors.

### Role of the Audit Committee

The Audit Committee's role is to review the adequacy of the Trust's risk and control environment, particularly in relation to:

- Internal Audit, including reports and audit plans;
- External Audit and annual financial statements; and
- Counter Fraud Services.

The Committee also receives/reviews assurance that the Trust's overall governance and assurance frameworks are robust and that there are appropriate structures, processes and responsibilities for identifying and managing key risks facing the organisation.

The Audit Committee undertook a self-assessment of its performance against its delegated responsibilities as set out in its terms of reference. The Committee, supported by the Board, has considered its role in relation to risk with that of the Quality and Risk Committee, the Performance Committee and the Strategic Projects Committee.

The conclusions of finalised Internal Audit reports are reported to the Audit Committee. The Committee can, and does, challenge assurances provided, and requests additional information, clarification or follow-up work if considered necessary. All Internal Audit reports are discussed individually with the Audit Committee. A system whereby Internal Audit

recommendations are followed-up is in place. Progress towards the implementation of agreed recommendations is reported (including details of all outstanding recommendations).

The Audit Committee is responsible for considering the appointment of the Internal Audit service and Counter Fraud service and reviewing their audit fees. The current contract was awarded, following a formal tendering and interview process, to RSM Tenon (now RSM) for 3 years to cover the years 2013/14 to 2015/16 with the option to extend the contract for a period of up to 2 further years (2016/17 and 2017/18). RSM was also appointed to provide Counter Fraud services. During 2017/18 the contract for Internal Audit and Counter Fraud services was renewed for a further three years being awarded to RSM following a formal tendering process under the Crown Commercial Services Framework (RM3745).

The Audit Committee also reviews the External Audit service and makes recommendations to the Council of Governors on the appointment and re-appointment of the External Auditor. To aid assurance two Governors are attendees at Audit Committee. In 2015 a formal mini competition was undertaken against the regional framework developed by the East of England Procurement Hub for the appointment of External Auditors. The contract was to cover services for the NHS Statutory Audit and Annual Report and the Charity Annual Report and Accounts. In September 2015 the Council of Governors was asked to approve the appointment of KPMG LLP as External Auditor for an initial period of three years starting with the 2015/16 Statutory Audit, with an option to extend for a further two years. A Governor was a member of the interview panel for the appointment of the External Auditor.

#### **Annual Governance Statement (AGS)**

The AGS provides information on the Trust's system of internal control and the risk and control framework. The AGS can be found in the last section of the Annual Report. Both the Audit Committee and the Quality and Risk (Q&R) Committee considered the Trust's draft AGS for 2017/18. Audit Committee members, Q&R Committee members together with the Trust's External and Internal Auditors, had the opportunity to provide comments on the draft statement. The final AGS was approved by the Audit Committee and Board of Directors on the 24 May 2018.

In the opinion of the Audit Committee the AGS is fair and provides assurance to the Accounting Officer that there were no unmanaged risks to the Trust during the year.

#### **Specific Audit Committee Issues – 2017/18**

During 2017/18, the Audit Committee received regular reports from Internal Auditors, External Auditors and Local Counter Fraud Specialist and reviewed their annual work plans and strategies as appropriate.

Principal matters considered were:

- The draft Annual Report and Accounts (including Quality Accounts) and the External Auditors' ISA 260 (including letter of representation and formal independence letter);
- The Annual Governance Statement (AGS);
- The Internal Audit Annual Report and Head of Internal Audit Opinion;
- The External Audit Plan for the Foundation Trust, including requirements for Quality Accounts;
- External Audit Plan, engagement letter and ISA 260 for the Charity Annual Report and Accounts;

- Reports as required on losses and special payments, waived tender schedule and bad debts;
- The Internal Audit Plan and progress report, including log of audit actions;
- Counter Fraud Annual Report, progress report and benchmark report;
- Anti-Fraud & Bribery Policy update and policy;
- Board Assurance Framework;
- Waiver to Standing Financial Instructions report;
- Managing conflicts of interest policy;
- Sanctions and Financial Re-dress Policy;
- Contract for Internal Audit and Counter Fraud Services;
- Annual review of Standing Financial Instructions, Standing Orders and Scheme of Delegation;
- Reports from Committee Chairs;
- CTP Post Submission Assurance Report;
- Annual review of the Audit Committee's terms of reference, Annual Self-Assessment and Committee forward Planner.

Information on internal audit reviews undertaken by the Internal Auditors for 2017/18 can be found in the Annual Governance Statement section of the Annual Report.

Action plans to address recommendations have been drawn up and will be subject to review as part of the Audit Committee standard review of the audit action log.

### **Whistle-blowing**

The Trust has a Whistleblower's Procedure (Raising Issues of Concern) which explains how members of staff should raise any matters of concern which may impact adversely on the safety and/or well-being of our patients/our staff or the public at large, or may be detrimental to the Trust as a whole. It is consistent with the 'Freedom to Speak Up' Report published by Sir Robert Francis QC. Any concern raised is treated seriously and investigated thoroughly. Every effort is made to ensure confidentiality and feedback is provided to the person who raised the issue. As part of the process, individuals have the right to contact senior Trust officers listed in the Procedure, including the Chairman and two Non-Executive Directors. The Procedure is agreed with the Trust's recognised Trade Unions.

### **External Auditors**

The External Auditors of Royal Papworth Hospital NHS Foundation Trust are: KPMG LLP Botanic House, 100 Hills Road, Cambridge, CB2 1AR. They report to the Council of Governors through the Audit Committee. Non-audit work may be performed by the Trust's external auditors where the work is clearly audit-related and external auditors are best placed to do that work. For such assignments Audit Committee approval ensures that auditor objectivity and independence is safeguarded. The total cost of audit services for the year was £52,100 (2016/17: £47,500), excluding VAT. This is the fee for an audit in accordance with the Audit Code issued by Monitor in March 2011 and includes a non-recurrent fee in respect of PFI accounting. A further £7,400 has been paid for other services in relation to the Quality Report opinion £7,400 (2016/17: £7,400 for the Quality Report opinion and £3,000 for tax services).

As part of reviewing the content of the proposed external audit plan for each year, the Audit Committee satisfies itself that the auditors' independence has not been compromised.

The Foundation Trust is responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with directions issued by the Independent Regulator of Foundation Trusts ("NHS Improvement") under the National Health Service Act 2006.

The External Auditors' accompanying opinion on the financial statements is based on their audit conducted under the National Health Service Act 2006 and in accordance with NHS Improvement's Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland), and sets out their reporting responsibilities.

## 2.8 Council of Governors

As an NHS foundation trust, Royal Papworth has a Council of Governors as required by legislation. The Council comprises 18 public and seven staff members, all elected from the membership, together with four representatives nominated from local organisations. The responsibility for the operational and financial management of the Trust on a day-to-day basis rests with the Board of Directors, and all the powers of the Trust are vested in them. In accordance with the National Health Service Acts the specific responsibilities of the Governors at a General Meeting are to:

- Appoint or remove the Chairman and the other Non-executive Directors;
- Approve the appointment (by the Non-Executive Directors) of the Chief Executive;
- Decide the remuneration and the other terms and conditions of office of the Chairman and Non-executive Directors; and
- Appoint or remove the External Auditor.

They must also be presented with:

- the annual financial accounts;
- any report of the auditor on them;
- the annual report; and
- the quality accounts.

Other statutory roles and responsibilities of the Council of Governors are to:

- Hold the non-executive directors, individually and collectively, to account for the performance of the board of directors;
- Represent the interests of the members of the Trust as a whole and the interests of the public;
- Approve “significant transactions”;
- Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution;
- Decide whether the Trust’s non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services for the health service in England, or performing its other functions, and
- Approve amendments to the trust’s constitution in consultation with the Board of Directors.

As required under NHS Improvement’s code there is an agreed interaction process for dealing with any conflict, should this arise, between the Board of Directors and the Council of Governors. This states that the normal channels of communication via the Chairman, Trust Secretary, Lead Governor or Senior Independent Director would be used in the first instance. There has never been any occasion for the process to be used.

The Council of Governors supports the work of the Trust outside of its formal meetings, advised by the Chairman and Executive Directors. Council of Governors’ Committees play an important role, with the skills and experience of individual Governors providing a valuable asset to the Trust. Through the Committees, Governors have the opportunity to concentrate on specific issues in greater detail than is possible at a full meeting of the Council of Governors.

The Council of Governors has the following Committees:

- Forward Planning, which reviews forward planning (including the Operational and Strategic Plans submitted to NHS Improvement) and the New Royal Papworth Hospital project;
- Appointments [Non-executive Director Nomination and Remuneration], which leads on the appointment, re-appointment and remuneration of NEDs. The Committee is chaired by the Lead Governor;
- Patient and Public Involvement (PPI), which considers patient and public involvement matters and Staff Awards ;
- Governors' Assurance, a 'task and finish' group;
- Access and Facilities Group; and
- Fundraising Group.

### **Members of the Council of Governors as at 31 March 2017:**

#### **Cambridgeshire**

##### **Stephen Brown**

I have lived in Cambridgeshire for 34 years with my wife, we have 3 children and 5 grandchildren. Following open heart surgery at Papworth in 2007 I became a volunteer ward visitor, a worthwhile and rewarding role. In my long career as a senior manager within the construction industry I have contributed to a number of NHS projects. I am a fellow of the CIOB and past chair of the Cambridge centre and contribute to the government CIC

##### **Glen Edge**

Having retired from the RAF in 2006, Glenn is a full time arable farmer and businessman. He is a Papworth patient and in addition to being a Public Governor, is a patient representative on the Anglia Lung Network Cancer Group. He has assisted in a recent Peer Review and is also a member of the Patient Advisory Board of the local Cancer Alliance.

##### **Gillian Francis**

After bringing up her family Gillian started nursing in her early 40's, retiring as the 'Modern Matron' in Neuroscience at Addenbrookes' in 2004. The next year she became a Public Governor for Addenbrooke's. Gillian took a particular interest in the patient's experience which she continues as a Governor for Papworth.

##### **Graham Jagger**

Graham is a Cambridge University graduate and professional HR manager and consultant with wide public and private sector experience, the last 20 years of which have been in various roles in the NHS. He joined Papworth in 1994 as Director of Corporate Development and retired in 2009 on being appointed to the NHS Pay Review Body. Currently he is a Director of Healthwatch Cambridgeshire and Peterborough CIC and also works with HEE and CQC and chairs the East of England ACCEA and other remuneration committees; previously he was Chair and Lead Trustee of the Cambridge Community Mediation Service from 2006 to 2011.

##### **Dr Richard Hodder Lead Governor**

Richard's medical career included hospitals, the RAF, research and general practice. After retiring he has maintained an active interest in health issues as well as voluntary work at Papworth and Addenbrooke's. In late 2012 he underwent a successful pulmonary

endarterectomy at Papworth. As a Governor his main interest is in the quality of care and patient safety/dignity

## Suffolk

### **Barry Crabtree-Taylor**

Barry has been with his firm of Solicitors in Newmarket since 1976. He commenced his working life as a trainee Legal Executive, qualified as a Legal Executive, then qualified as a Solicitor. He is and has been for some years an Equity Partner of the firm and its current Chairman.

### **Julia Dunicliffe**

Julia is a retired NHS oncology and research nurse and has since then been working as a private secretary.

### **Trevor McLeese**

Trevor retired as an equity partner due to ill health from an accountancy practice in 2014. He suffers from Muscular Dystrophy and Asthma and is a patient of Papworth Hospital. Trevor has been fitted with a defibrillator and has also experienced treatment in the Sleep Study Centre. Trevor uses an electric wheelchair and understands the issues and needs of the less able.

## Norfolk

### **John Fiddy MBE**

John has been closely associated with Papworth Hospital since his first bypass operation in 1984. He then joined the Norfolk Zipper Club and has been actively involved ever since. In 2008 John was awarded an MBE for services to fundraising for cardiac patients. John was Chairman of the Norfolk Zipper Club from 1995 until 2010. John joined the Council of Governors in 2004.

### **Tony Moodey**

Tony recently retired from a hectic career undertaking roles in both engineering and sales and marketing working for a number of international companies. Throughout his career, he has travelled and lived in the Americas and in South East Asia. Originally from Hertfordshire, Tony has lived in Norfolk with his family for over 30 years. Keen to support the Royal Papworth Hospital Trust, he was appointed to the Council of Governors in 2017.

### **Peter Munday**

Peter is a retired director of his own building firm and lives in Cringleford. In 2009 Peter underwent a triple bypass operation at Papworth Hospital after which he joined the Norfolk Zipper Club to be able to give something back in recognition of the care he received. He now serves as an active committee member of the Norfolk Zipper Club raising funds for Papworth Hospital.

### **Bob Spinks**

Bob is a businessman who runs his own 4x4 car dealership having worked in the motoring industry for his entire career. He has witnessed first-hand the services provided at Papworth Hospital after he underwent a potentially life-saving quadruple heart bypass 15 years ago. This spurred him on to join the Norfolk Zipper Club to give something back to the staff that cared for him. He has recently become the club's chairman and decided he wanted to further support Papworth Hospital by becoming a governor.

## Rest of England and Wales

### **Janet Atkins**

Janet has been a member of the Patient Experience Panel since 2003 and was joint chair in 2006. She is actively involved in various committees with the hospital concerning patient issues. Janet is herself a Papworth Hospital patient.

### **Rob Graham**

Rob has been the Co-Chair of the NHSBT Cardiothoracic Transplant Patient Group since 2015 and is also a committee member of the Papworth Transplant Patient Group. Rob's wife, Kathryn, received a heart/lung transplant at Papworth in 2013.

### **Keith Jackson**

Keith has a professional background as Faculty Director (Technology) at Cambridge Regional College. He has been Cambridge Community Health Council Chairman and held representative appointments on both Addenbrooke's Hospital and East Anglian Ambulance Boards. His long association with Papworth Hospital is as Chairman of the British Cardiac Patients Association and a trustee of Heart Valve Voice. Keith is also actively involved in various committees within the Hospital.

### **Simon Marnier**

Simon qualified as a Doctor in 1979 at King's College Hospital in London. After working at King's Westminster and Charing Cross Hospitals specialising in ENT surgery, he transferred to General Practice. He became a partner at a surgery in 1992 and retired 22 years later as the Senior Partner in 2014. He continues to work as a locum GP for a few sessions per week. He became a patient at Papworth Hospital in 2015 and was appointed to the Council of Governors in September 2017.

### **Harvey Perkins**

Harvey is a retired business consultant and professional engineer and brings to the Council of Governors a wide range of general management, commercial, and financial skills. Harvey is a returning Governor having previously served as a Governor from 2004 to 2014, during which time he held a number of positions including Chair of the Forward Planning Committee, Chair of the Appointments Committee and Lead Governor.

## Staff Governors

### **Penny Martin, Allied Health Professionals**

I have been elected as Staff governor for Royal Papworth hospital representing the Allied Health Professionals.

I am a qualified and registered social worker and have worked at Papworth since 2007, initially as a part time social worker before being appointed as team leader in 2009.

Prior to working at Papworth I had worked in a variety of roles in social care, as a child protection social worker, managing a unit for people with severe dementia, as well as a variety of posts in residential and day care for the elderly. I also have experience of working with young people who are homeless.

I love working at Royal Papworth hospital as it allows me to use the skills that I have developed over my career and I enjoy the daily challenges it brings. I am proud to act as a staff governor.

**Helen Munday Nurses**

Helen qualified as a Registered Nurse from Guy's Hospital, London in 1984 and gained post-registration experience in both Accident & Emergency and general surgical nursing before specialising in cardiothoracics. Initially this was at Harefield Hospital before moving to Papworth Hospital, where she has worked for the last thirty years. Helen has held senior nursing posts in the Intensive Care Unit as a Critical Care Practitioner and the Research & Development Department as Clinical Research Sister, gaining an Msc in Cardiorespiratory Nursing and becoming a registered non-medical prescriber along the way. In September 2015, having held the position of Lead Nurse for Practice Development for several years, Helen moved to the role of Trust Matron with responsibilities for Trustwide services including the Supportive and Palliative Care Team and Diabetes Service. More recently, Helen is providing Matron support to the Cath Labs. Helen has been a staff governor representing nursing since 2013

**Katrina Oates, Scientific & Technical**

Katrina has worked in Respiratory Physiology at Papworth since 2002. Her role is primarily in education and research but she also has a clinical workload and leads the exercise physiology service. Fifty percent of her time is seconded to Anglia Ruskin University, where she teaches and develops degrees in clinical physiology.

**Cheryl Riotto, Nursing**

Cheryl is the Head of Nursing for Clinical and Diagnostic Services. She has worked at Papworth Hospital since 1994 having started working within the Critical Care Unit before progressing to Sister and Transplant Coordinator within the Transplant Unit. In 2013 she progressed to be part of the Matron team working within the Transplant unit and Ambulatory Care. Since January 2018 Cheryl has been working in the Head of Nursing role and her role encompasses responsibility for Critical Care, Theatres, Cath Lab and Diagnostics alongside Ambulatory care and Private Patients. She is serving a third term as a Staff Governor representing Nursing

**Helen Rodriquez, Administrative, Clerical & Manager**

Helen has worked at Royal Papworth Hospital since 1992 in a variety of administrative roles across a number of departments. Helen's current role is Booking Centre Manager helping to monitor and improve waiting times and delivery of timely in-patient admissions and out-patient appointments for the various specialties within cardiology, cardiac surgery and thoracic surgery. Helen is also helping to lead on delivering a streamlined and centralised booking function for the new hospital from Justinian House.

**Alessandro Ruggiero, Doctors**

Dr Alessandro Ruggiero qualified as a doctor at the University of Rome and trained in radiology in Rome. He undertook the Molecular Imaging for Oncology Fellowship at Memorial Sloan-Kettering Cancer Center (New York, USA) and then he moved to the Erasmus University Medical Center in Rotterdam (The Netherlands). He was awarded a PhD from Erasmus University in 2012. He completed his subspecialty training in Cambridge (UK) at Addenbrooke's hospital (cross sectional radiology), Papworth Hospital (cardio-thoracic radiology) and Southampton University hospital (cardiac MR). He was appointed consultant cardio-thoracic radiologist at Royal Papworth Hospital in 2015.

He is a staff governor representing doctors since 2017.

**Tony Williams, Ancillary, Estates & Others**

Tony is a member of the Estates Team. Tony is a Porter at Papworth Hospital and says we are undergoing a change that is both exciting and challenging for members of staff. He feels it is of the utmost importance to keep staff informed of all the latest developments and to listen to what they are saying.

**Appointed Governors****Ann-Marie Ingle**

Chief Nurse, Cambridge University Hospitals.

**Cllr Susan Ellington (Replacement for Cllr Peter Topping November 2017)**

Cambridgeshire County Council

**Caroline Edmonds**

Secretary of the School of Clinical Medicine, University of Cambridge

**Cllr Peter Topping**

Cambridgeshire County Council

**Cllr Nick Wright**

South Cambridgeshire District Council (SCDC covers Papworth Everard).

## Terms of Office of Governors as at 31 March 2018

<b>Elected Public Constituency</b>	<b>Name</b>	<b>First Elected</b>	<b>Re-Elected</b>	<b>End of Current Term of office</b>
<b>Cambridgeshire</b> [* served from Sept 2014 to Sept 2017 in another constituency]	Stephen Brown	Sept 2017	n/a	Sept 2020
	Glenn Edge	Sept 2014	Sept 2017	Sept 2020
	Gill Francis	Sept 2014	Sept 2017	Sept 2020
	Richard Hodder	Sept 2014	Sept 2017	Sept 2020
	Graham Jagger	Sept 2013	Sept 2016	Sept 2019
<b>Suffolk</b> [* served from Sept 2010 to Sept 2013 in another constituency]	Barry Crabtree-Taylor*	Sept 2013	Sept 2016	Sept 2019
	Julia Dunncliffe	Sept 2009	Sept 2012 Sept 2015	Sept 2018
	Trevor McLeese	Sept 2017	n/a	Sept 2020
	Vacancy	-	-	-
<b>Rest of England and Wales</b>	Rob Graham	Sept 2016	n/a	Sept 2019
	Keith Jackson	Sept 2011	Sept 2014 Sept 2017	Sept 2020
	Janet Atkins	Sept 2017	n/a	Sept 2020
	Harvey Perkins	Sept 2016	n/a	Sept 2019
	Simon Marner	Sept 2017	n/a	Sept 2020
<b>Norfolk</b>	John Fiddy MBE	Sept 2014	Sept 2017	Sept 2020
	Tony Moody	Sept 2017	n/a	Sept 2020
	Peter Munday	Sept 2014	Sept 2017	Sept 2020
	Bob Spinks	Sept 2013	Sept 2016	Sept 2019
<b>Elected Staff Constituency</b>	<b>Name</b>	<b>First Elected</b>	<b>Re-Elected</b>	<b>End of Current Term of office</b>
<b>Doctors</b>	Alessandro Ruggiero	Sept 2017	n/a	Sept 2020
<b>Nurses</b>	Helen Munday	Sept 2013	Sept 2016	Sept 2019
	Cheryl Riotto	Sept 2011	Sept 2014 Sept 2017	Sept 2020
<b>Allied Health Professionals</b>	Penny Martin	Sept 2017	n/a	Sept 2020
<b>Scientific &amp; Technical</b>	Katrina Oates	Sept 2011	Sept 2014 Sept 2017	Sept 2020
<b>Administrative, Clerical &amp; Management</b>	Helen Rodriguez	Sept 2013	Sept 2016	Sept 2019
<b>Ancillary, Estates and Others</b>	Tony Williams	Sept 2016	n/a	Sept 2019
<b>Appointed Governor</b>	<b>Name</b>	<b>Start of Term of Office</b>	<b>Re-elected</b>	<b>End of Current Term of office</b>
<b>University of Cambridge</b>	Caroline Edmonds	Oct 2016	n/a	As agreed between organisations
<b>Cambridge University Hospitals NHS FT</b>	Ann-Marie Ingle	Nov 2015	n/a	As agreed between organisations
<b>Cambridgeshire County Council</b>	Sue Ellington	Nov 2017	n/a	As agreed between organisations
<b>South Cambridgeshire District Council</b>	Nick Wright	May 2008	n/a	As agreed between organisations

### Register of Interests

The Trust's Constitution requires the Trust to maintain a register of Governors' interests. All Governors are asked to declare any interests at the time of their appointment and annually thereafter. There is a standing item on all Council of Governors and Committee meetings to confirm/update declarations of interest. The register is held by the Trust Secretary. The register is available to the public on request. Anyone who wishes to see the Register of Governors' Interests should make enquiries to the Trust Secretary at the following address: The Trust Secretary, Royal Papworth Hospital NHS Foundation Trust, Papworth Everard, Cambridge, CB23 3RE.

### Contacting the Governors

Governors can be contacted via the Chairman's Office, by telephoning 01480 364573 or by writing to: The Chairman's Office, Royal Papworth Hospital NHS Foundation Trust, Papworth Everard, Cambridge CB23 3RE.

### Governor Election Results

Electoral Reform Services Limited (ERS) acted as the returning officer and independent scrutineer for the election process during 2017.

There were elections for Governors in all four of our public constituencies, Cambridgeshire, Norfolk, Suffolk and the Rest of England and Wales. Four of the staff constituencies also had elections – Doctors, Scientific and Technical, Allied Health Professionals and Nurses.

### Information on election results:

**Cambridgeshire** - contested election- 4 Governors to elect and 9 Candidates;

**Suffolk** - uncontested election- one new Governor elected, one vacancy;

**Norfolk** - contested election- 3 Governors to elect and 4 Candidates;

**Rest of England and Wales** - contested election – 3 Governors to elect and 4 Candidates;

**Doctors** - uncontested election- new Governor elected;

**Scientific and Technical** - uncontested election- new Governor elected;

**Allied Health Professionals** - uncontested election- new Governor elected;

**Nurses** - uncontested election- Governor re-elected.

All Governors were elected for a period of three years.

### Involving and Understanding the views of the Governors and Members

The Board of Directors welcomes all opportunities to involve and listen to the views of Governors and Members. Listed below are some of the activities that demonstrate this commitment:

- Members voting (and standing for election) in elections for the Council of Governors;
- Presentations for Governors on subjects including New Royal Papworth Hospital, Heart and Lung Research Institute;
- Six main Governor/Director Committees: Forward Planning, Appointments [Non-executive Director Nomination & Remuneration], Patient/Public Involvement (PPI), Governors' Assurance, Access and Facilities and Fundraising Group;
- Governor attendance at Audit Committee, Quality and Risk Committee and Open Board meetings;
- Governors' attendance at events such as the Annual Members' Meeting and annual Staff Awards Ceremony;
- Norfolk Governors have leading roles in Norfolk Zipper Club, which supports patients and their families and actively fundraises for the Trust;

- Governor membership on the Patient Experience Panel (PEP), Reading Panel and HealthWatch;
- Member engagement with the Trust through PALS (Patient Liaison and Advice Service);
- Active Volunteer structure.

#### Table of Attendance of Directors at Council of Governors' Meetings

Name	21 Jun 2017	21 Sep 2017	15 Nov 2017	21 Mar 2018
John Wallwork (Chairman)	x	✓	✓	✓
Stephen Posey	✓	✓	✓	✓
Claire Tripp <sup>1</sup>	✓			
Karen Caddick	x	x	x	x
Roy Clarke	✓	✓	✓	✓
Roger Hall	✓	✓	✓	✓
Elizabeth Horne <sup>1</sup>				
David Hughes	✓	x	x	x
Susan Lintott	x	x	x	x
Ruth McAll	✓	✓		
Eilish Midlane	✓	✓	x	✓
Mark Millar	x	x	x	x
Oonagh Monkhouse <sup>1</sup>			✓	x
Nick Morrell	x	x	x	x
Josie Rudman	✓	✓	✓	x
Ron Zimmern	✓	x	x	x

✓ Indicates attendance at meeting.

\* Indicates did not attend.

<sup>1</sup> Part year membership

Royal Papworth Hospital is a Trust with a small management team. Whilst Executive and Non-executive Directors are keen to understand the views of Governors they rationalise attendance at all Trust meetings based on the content of the agenda. Governors attend public Board meetings as observers and since the end of 2011/12 have been invited to attend Board Committee meetings as attendees, where they contribute to discussions.

**Table of Governor Attendance at Council of Governors' Meetings 2017/18**

Name	21 June 17	21 Sept 17	15 Nov 17	21 Mar18
Atkins, Janet		✓	x	✓
Brown Stephen		✓	✓	✓
Butcher, Frank	✓	x		
Crabtree-Taylor, Barry	x	✓	✓	x
Dunncliffe, Julia	✓	x	x	✓
Edge, Glenn	✓	✓	✓	✓
Edmond, Caroline	✓	✓	✓	x
Ellington Sue				✓
Fiddy, John	✓	✓	✓	✓
Fleming, Julia	x	✓		
Francis, Gill	✓	✓	✓	✓
Graham, Rob	✓	✓	x	✓
Hadley, Robert	x	x		
Hodder, Richard	✓	✓	✓	✓
Ingle, Ann-Marie	✓	x	✓	x
Jackson, Keith	✓	✓	✓	✓
Jagger, Graham	x	✓	✓	✓
Lodge, John	✓	✓		
McLeese Trevor			✓	✓
Martin Penny		x	✓	✓
Marner Simon		✓	✓	✓
Moodey Tony		✓	✓	✓
Munday, Helen	✓	✓	✓	x
Munday, Peter	✓	✓	✓	✓
Oates, Katrina	x	x	✓	x
Perkins, Harvey	✓	x	x	✓
Riotto, Cheryl	✓	x	✓	x
Rodriquez, Helen	✓	✓	✓	✓
Ruggiero Alessandro		✓	✓	x
Shelton, Adrian	x	x		
Spinks, Bob	✓	x	✓	✓
Topping, Peter	x	x	x	
Webb, Stephen	x	x		
Tony Williams	✓	✓	✓	✓
Wright, Nick	x	✓	✓	✓

Not a Governor    
 ✓ In attendance    
 x Apologies received

## 2.9 Foundation Trust Membership

Royal Papworth Hospital has always been a patient-centred organisation and as an NHS foundation trust strongly believes that greater public participation in the affairs of the hospital combined with the freedoms afforded to foundation trusts will help to deliver even better services to patients. In creating a membership the Trust was clear that it was more important to build an active and engaged membership rather than merely adding numbers.

### Public and Staff constituencies

Following changes to its Constitution agreed by Members at our Annual Members' Meeting in September 2007, the Trust's public constituencies cover the whole of England and Wales allowing anyone over the age of 16 to join. Constituencies have been split to reflect Royal Papworth's regional and national catchment areas. No changes have been made to the constituencies for membership since 2007. The Trust has no patient constituency. Public Constituencies are: Cambridgeshire; Norfolk; Suffolk; and The Rest of England and Wales. Staff constituencies reflect professional groupings using the old Whitley Council classifications: Doctors, Nurses, Allied Health Professionals, Scientific and Technical, Administrative, Clerical and Managers, Ancillary, Estates and Others.

### Membership by constituency as at 31 March 2018:

Membership by constituency as at 31 March 2018		
Public Membership Profile	Number of Members	% of total
Cambridgeshire	2,525	36.60%
Norfolk	1,180	17.10%
Suffolk	1,034	14.90%
Rest of England & Wales	2,157	31.20%
Sub-total	6,896	100.00%
Constituencies – Staff*	Number of Members	% of total
Nurses	787	39.50%
Doctors	312	15.60%
Allied Health Professionals	250	12.50%
Scientific & Technical	98	4.90%
Ancillary, Estates & Others	99	4.90%
Administrative, Clerical & Management	451	22.60%
Sub-total	1,997	100.00%
Total Membership	8,893	

\*Note: Numbers are individual members of staff, not whole time equivalent

### Membership Plans

A new Governors Membership Strategy was launched at the hospital in July 2015. The strategy underpins the Trust's membership model of governance. It set out how the Council of Governors discharges its role and responsibilities with particular reference to the Governors' role of being responsible for representing the interests of the membership. The Strategy included direction on how Governors would provide regular and effective communication with members, to keep them informed about what is happening at the Trust and, crucially, improve engagement with stakeholders. Membership recruitment continues using the website, leaflets, and posters.

### **Annual Members' Meeting**

The Trust held its Annual Members' Meeting (AMM) on Thursday 21 September 2017 in Papworth Village Hall. More than 100 Members joined the event on the same day that we announced our new royal title. Presentations included performance updates from our Chief Executive, Director of Nursing and Director of Finance, as well as an update on our new hospital and presentations on our new Balloon Pulmonary Angioplasty procedure, the progress we are making in thoracic oncology and new developments from our Respiratory Support and Sleep Centre (RSSC).

### **Royal Papworth 100 Staff Awards**

On Wednesday 28 March, we held a special staff awards ceremony to mark our centenary. We received more than 160 nominations for our staff awards this year and faced the difficult decision of choosing 15 winners for awards ranging from 'Change Champion of the Year' to 'Outstanding Leader' and a 'Volunteer's Lifetime Achievement Award'. Guests also received an exclusive preview of our new documentary about the hospital's history, which will be screened later this year.

### **Thanking our volunteers**

On Tuesday 19 December 2017 we hosted a Christmas lunch to say thank you to more than 80 volunteers who had supported the work of the hospital in the last year. Every day, our volunteers provide invaluable support to our staff and patients in a wide variety of roles, including reading panels, administration, assisting in clinics and the gift shop, and providing a trolley service on the wards – they provide the equivalent to the work of nine full-time staff members. Volunteers will continue to provide a very valuable service going forward and will be our wayfinding champions when we move to the new hospital in 2018.

Some examples of the compliments paid to our volunteers by patients and their families:

- 'I couldn't have found my way without your help, you do a great job'
- 'It was lovely to have someone to talk to, as my relatives can't get in every day'
- 'Without your paperboy I would not have been able to keep up with the news and do my crossword, thank you'

If you are interested in hearing more about the work of Royal Papworth's volunteers please contact the PALS team via the PALS Office, by emailing [pals@papworth.nhs.uk](mailto:pals@papworth.nhs.uk) or by telephoning 01480 364896.

## 2.10 Sustainability Report

It is widely acknowledged that climate changes have a significant impact on health and wellbeing, as well as being one of the most serious global environmental threats. The commitment to sustainability and carbon reduction with respective targets are the norm in most large organisations. In addition, the Climate Change Act sets target reductions of 30% by 2030 and 80% by 2050 against a 1990 baseline.

Revenue investments have continued to be made over the previous year to improve the Trust's performance in sustainability and carbon reduction, however with the impending move to new Royal Papworth Hospital there is minimal opportunity for further "spend to save" investment, due to the limited payback period. The concentration has therefore been on behavioural changes within the Trust around informing and educating staff members on best practices to reduce our carbon footprint and reduce our energy usage, engaging with staff members by means of Quiz's, posters and drop in sessions. This can have a significant impact on the targets, and the need for wider engagement and collaboration in supporting the Trust to achieve these targets continues to be a priority for the coming years, especially when we move into the new Royal Papworth Hospital.

The Trust continually monitors its performance and electrical consumption against the carbon credit limits assessing whether its electricity consumption has increased sufficiently to require the Trust to purchase carbon credits. The annual CREES (Carbon Reduction Energy Efficiency Scheme) statement received from EDF indicates that the Hospital is again under the 6 million kwh target (Actual to be provided). This has been achieved against a background of increasing activity and a consequential increase in energy consumption.

From 19 February 2018 onwards aggregated data from the 2 sites will need to be provided until sale of the current site.

### **Current Projects**

Over the past year we have continued our roll out of LED lighting in clinical and non-clinical areas in order to manage the electrical consumption and ensure that the Trust manages to keep under the CREES target, we have included turning off all non-clinical air cooling and air conditioning plant, and adjusting and regularly monitoring the building management system to ensure heating is adjusting in line with the weather.

The Trust has introduced further waste segregation on the wards and clinical departments including re-useable sharps bins and the introduction of Non-infectious/Offensive clinical waste stream (Tiger Bags), allowing a large majority of our waste to be treated using more environmentally friendly processes.

### **Future Projects**

The Trust continues to be represented at meetings of the Cambridge Biomedical Campus (CBC) as part of a Travel and Transport, and Sustainability working group. The group has been looking at ways to improve travel onto the CBC site prior to the move in 2018 whilst still maintaining a "green" travel plan along with exploring culture change for sustainability focusing on energy, waste and water across the whole campus.

## SUMMARY OF COMPARATIVE DATA

Area	Type	Non-Financial data						Financial Data £000's							
		2013/14	2014/15	2015/16	2016/17	2017/18	2013/14	2014/15	2015/16	2016/17	2017/18				
Greenhouse Gas Emissions	Direct GHG Emissions														
	Electricity (GJ)	21,149	20,904	20,235	20,383	21,400	653,089	667,874	677,343	677,737	786,572				
	Gas (GJ)	44,580	36,608	35,881	36,481	37,183	400,135	321,557	280,616	247,988	245,194				
	Oil (GJ)	698	635	554	588	1,215	9,424	9,684	6,406	7,940	19,357				
	Total	66,427	58,147	57,816	57,452	57,798	1,062,688	999,115	964,365	933,665	1,038,495				
Waste Minimisation and Management	Clinical Waste for Incineration (Tonnes)	296	311	318	306	300	121,596	128,314	142,036	143,666	141,110				
	General Waste (Tonnes)	322	320	345	331	362	43,078	38,019	42,122	45,755	40,371				
Finite Resources	Water (M <sup>3</sup> )	62,010	50,294	55,289	54,552	63,984	123,691	107,389	112,377	109,098	130,561				

For information on 2008/09 to 2012/13 see previous Trust Annual Reports [http://www.papworthhospital.nhs.uk/content.php?/about/governance/our\\_performance\\_and\\_annual\\_report](http://www.papworthhospital.nhs.uk/content.php?/about/governance/our_performance_and_annual_report)

In 2012 the Trust changed their utility procurement with a greater focus on Gas than Oil for cost and energy efficiency reasons.

## 2.11 Equality and Diversity Report

The Trust is committed to tackling inequality of opportunity and eliminating discrimination - both within the workforce and in the provision of services. The Trust has a legal responsibility under the Equality Act 2010 to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations between persons who share a relevant characteristic and those who do not.

The nine protected characteristics are:

- Age
- Disability
- Ethnicity
- Gender
- gender reassignment
- marriage & civil partnership
- pregnancy & maternity
- religion or belief
- sexual orientation
- 

We publish information to demonstrate compliance with the general duty at least annually and prepare and publish equality objectives every 4 years.

The Trust takes due regard for equality by undertaking equality impact assessments for equality analysis when reviewing policies or when planning changes to services as part of organisational change processes to ensure our functions and services are not discriminatory. The Trust recognises that a richly diverse workforce, representative of the population we serve, will better identify the needs both of our staff and patients and that staff perform best at work when they can be themselves. This report sets out profile of our workforce and the actions we take to promote workforce and service equality and diversity across the Trust.

### **Workforce Profile – 31 March 2018**

The following overview of the profile of our workforce is taken from data held on the Electronic Staff Record and is self-declared by the member of staff.

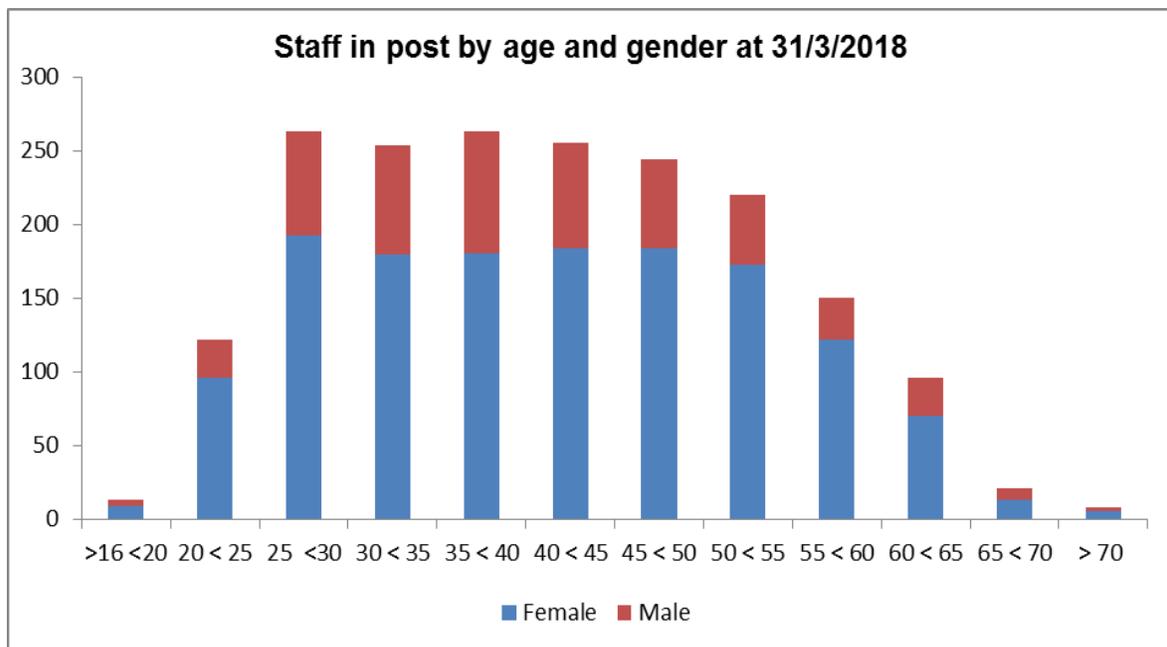
## Gender

The Hospital had 1910 employees at 31<sup>st</sup> March 2018, excluding hosted services, of which, 1411 were full time employees and 499 were part time.

Gender	Full Time		Part Time		Total workforce	
	Workforce	% of workforce	Workforce	% of workforce	Workforce	% of workforce
Female	892	66.62%	519	90.89%	1411	73.87%
Male	447	33.38%	52	9.11%	499	26.13%
Total staff	1339	100.00%	571	100.00%	1910	100.00%

## Age by Gender

The age profile of the workforce gender is as follows:



Age range	Female	Male	Total	% of staff
>16 <20 yrs	9	4	13	0.68%
20 < 25 yrs	96	26	122	6.39%
25 <30 yrs	193	70	263	13.77%
30 < 35 yrs	180	74	254	13.30%
35 < 40 yrs	181	82	263	13.77%
40 < 45 yrs	184	72	256	13.40%
45 < 50 yrs	184	60	244	12.77%
50 < 55 yrs	173	47	220	11.52%
55 < 60 yrs	122	28	150	7.85%
60 < 65 yrs	70	26	96	5.03%
65 < 70 yrs	13	8	21	1.10%
> 70yrs	6	2	8	0.42%
<b>Grand Total</b>	<b>1411</b>	<b>499</b>	<b>1910</b>	<b>100.00%</b>

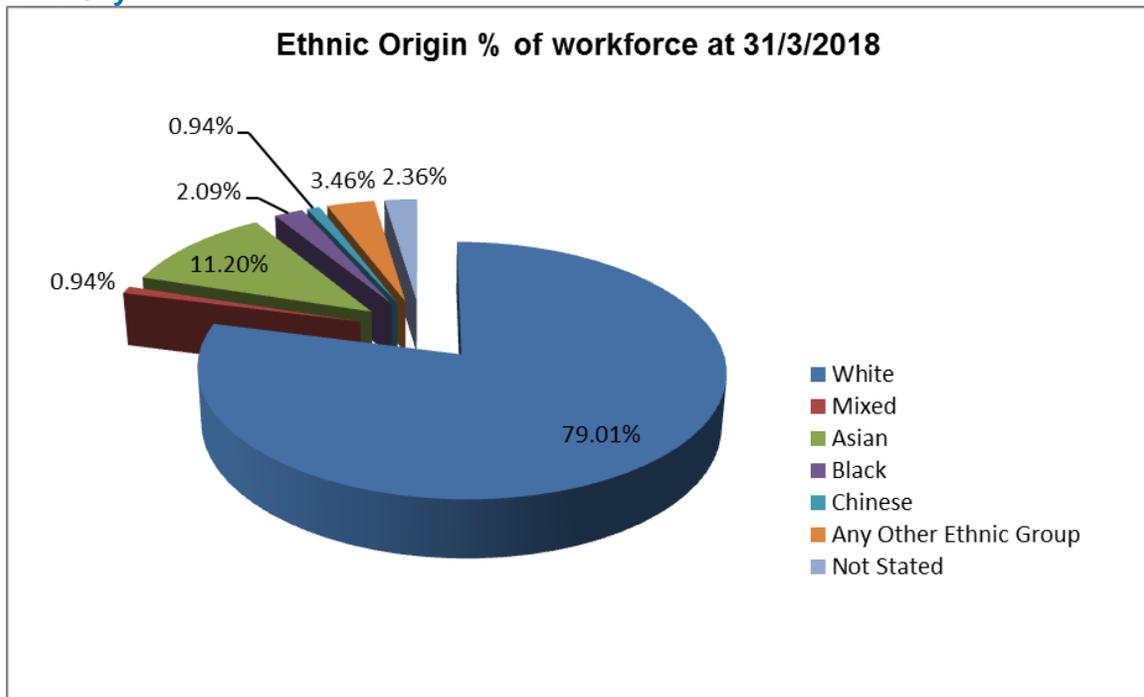
## Gender Pay Gap

The Trust has complied with the new reporting requirements in relation to the gender pay gap and have developed an action plan to ensure that we better understand historical reasons for the gender balance in particular areas, that we share data with our staff and that we put in place measures, including training and support, that will allow us to address issues that are identified.

### GENDER PAY REPORTING (AS AT 31/3/2017)

	ORDINARY PAY								BONUS PAY					
	Mean pay gap %	Median Pay gap %	Quartile 4 (Top quartile)		Quartile 3 (Upper Middle Quartile)		Quartile 2 (lower middle quartile)		Quartile 1 (Lower quartile)		Mean Bonus pay gap %	Median Bonus Pay gap %	Proportion of males and females receiving a bonus payment	
			Male	Female	Male	Female	Male	Female	Male	Female			Male	Female
Papworth Hospital NHS FT	28.79%	9.94%	39.74%	60.26%	14.44%	85.56%	23.25%	76.25%	21.94%	78.06%	45.01%	67.96%	7.89%	0.61%

## Ethnicity



## Sexual Orientation

Sexual Orientation	Workforce	% of workforce
Bisexual	11	0.58%
Gay	8	0.42%
Heterosexual	1306	68.38%
I do not wish to disclose my sexual orientation	323	16.91%
Lesbian	6	0.31%
Undefined	256	13.40%
<b>Grand Total</b>	<b>1910</b>	<b>100.00%</b>

## Disability

Disabled	Female		Male		Total staff	
	Workforce	% of workforce	Workforce	% of workforce	Workforce	% of workforce
Yes	49	2.57%	11	0.58%	60	3.14%
Not Declared	121	6.34%	69	3.61%	190	9.95%
Undefined	388	20.31%	113	5.92%	501	26.23%
No	853	44.66%	306	16.02%	1159	60.68%
Grand Total	1411	73.87%	499	26.13%	1910	100.00%

## Religious belief

Religious Belief	Workforce	% of workforce
Christianity	875	45.81%
I do not wish to disclose my religion/belief	354	18.53%
Undefined	251	13.14%
Atheism	226	11.83%
Other	131	6.86%
Hinduism	31	1.62%
Islam	31	1.62%
Buddhism	9	0.47%
Judaism	1	0.05%
Sikhism	1	0.05%
<b>Grand Total</b>	<b>1910</b>	<b>100.00%</b>

## NHS equality delivery system (EDS)

The EDS has been developed by the NHS England Equality and Diversity Council to improve equality and diversity practice in the NHS as a tool to embed equality and diversity practice to meet the public sector equality duty. The EDS contains 18 outcomes grouped under four goals. The four goals are:

- a) Better health outcomes for all
- b) Improved patient access and experience
- c) Workforce – the NHS as a fair employer
- d) Inclusive leadership at all levels

Continuous improvement is prompted by a grading system, The grading system is red (underdeveloped), amber (developing), green (achieving) and purple (excelling) RAGP rating system. A core part of the EDS is engagement with local interest groups. It is these local interests that grade how well they think the Trust is doing as an organisation. These grades are then published on the Trust website.

The Trust uses the NHS Equality Delivery System (EDS) as a tool to drive equality improvements to engage with patients, staff and the community to review our service and employment equality performance and to identify future priorities and actions for the Trust's equality objectives. The outcome of our 2017 EDS rating was also reported by the CEO to the Board in November 2017. The Trust's EDS rating reporting template and annual equality objectives to address the gaps are published on the Trust website.

### **Workforce Race Equality Standard**

The WRES was introduced into the NHS in April 2015 to tackle the '...consistently less favourable treatment of the Black and Ethnic Minority (BME) workforce...'. Its main purpose is to help NHS organisations, locally and nationally, to review their data against nine WRES indicators, to produce action plans to close gaps in workplace experience between White and Black Ethnic Minority (BME) staff, and to improve BME representation at Board level in organisations.

The Trust publishes our annual WRES review and our action plan to address issues identified in the review on our Website. The implementation of the action plan is overseen by the Equality, Diversity and Inclusivity Committee. Key activity on the WRES action plan are:

- Improving the diversity of our Board
- Introducing unconscious bias training for line managers
- Refreshing the governance for WRES
- Setting up a BME Staff Network to improve engagement with BME staff

### **Equality monitoring**

As required by the public sector equality duty, the Trust's workforce equality monitoring information is published on the Royal Papworth public website.

This includes:

- the profile of our staff by age band, disability, race, religion, sex, sexual orientation and marital status
- ethnic profile of our staff compared to the local population
- recruitment data by age band, disability, race, religion, sex, sexual orientation and marital status (those applying, shortlisted and appointed)
- staff in post by pay band by age, disability, race, sex and sexual orientation
- the number attending training courses by age band, disability, race and sex
- the number of leavers by age band, disability, race and sex
- employee relations cases (disciplinary, capability, performance and sickness bullying and harassment) cases by age band, disability, race and sex



## 2.12 Statement of Accounting Officer's responsibilities

### STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF ROYAL PAPWORTH HOSPITAL NHS FOUNDATION TRUST

The National Health Service Act 2006 (NHS Act 2006) states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Royal Papworth Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Royal Papworth Hospital NHS Foundation Trust and of its income and expenditure, items of other comprehensive income and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Department of Health Group Accounting Manual* and the *NHS Foundation Trust Annual Reporting Manual* and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual)* have been followed, and disclose and explain any material departures in the financial statements;
- assess the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and use the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of its services to another public sector entity.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The accounting officer is also responsible for ensuring that the use of public funds complies with the relevant legislation, delegated authorities and guidance.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

Signed:

A handwritten signature in black ink, appearing to read 'S. Posey', with a stylized flourish at the end.

Stephen Posey  
Chief Executive and Accounting Officer  
24 May 2018

## 2.13 Draft Annual Governance Statement

### Executive summary

My annual governance review of 2017/18 confirms that Royal Papworth Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its organisation's objectives. The Trust has a programme that regularly monitors and tests various aspects of its governance and risk management structures to ensure they remain fit for purpose. Overall, no significant internal control issues have been identified that would impact on the delivery of the Trust's strategic and annual objectives. The Trust recognises that the internal control environment can always be strengthened and this work will continue in 2018/19. The document below summarises the key areas that informed this opinion.

### Scope of Responsibility

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

In undertaking this role I, and my team, have developed and maintained strong links with NHS Improvement, NHS England, clinical commissioning groups, and partner organisations both in the local health economy and nationwide.

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Royal Papworth Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Royal Papworth Hospital NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the Annual Report and Accounts.

### Capacity to handle risk

The Board of Directors leads the management of risk within the Trust. The Trust has in place a Risk Management Strategy which sets out the accountability and reporting arrangements to the Board of Directors for risk management within the Trust. Operational responsibility for the implementation of risk management has been delegated to Executive Directors. The Operational Plan sets out the Trust's principal aims for the year ahead. Executive Directors have the responsibility for identifying any risks that could compromise the Trust from achieving these aims.

All new staff joining the Trust are required to attend Corporate induction which covers clinical governance and risk management, including use of the Datix Incident Reporting System. The Trust learns from good practice through a range of mechanisms including

root cause analysis of identified incidents, clinical supervision and reflective practice, individual and peer reviews, performance management, continuing professional development, clinical audit and application of evidenced based practice. All relevant policies are available on the Trust intranet.

Accountability arrangements of the Chief Executive include a requirement to provide regular corporate performance reports to the Board of Directors and the Council of Governors on the Trust's performance against key national and local quality targets and on the Trust's financial status. The Royal Papworth Integrated Performance Report (PIPR) allows for triangulation of quality, operational activity and finances. Scrutiny of quality metrics takes place at the Executive Committee, Nursing Advisory Committee and Quality and Risk Committee and the external Commissioning Quality Monitoring meeting occurs regularly during the year and once a year there is an annual deep dive which includes staffing establishments and quality indicators.

### **The risk and control framework**

Quality governance and risk management is central to the effective running of the organisation. The Risk Management Strategy and supporting procedure set out the key responsibilities for managing risk within the organisation, including ways in which risk is identified, evaluated and controlled. The overall aim of the Risk Management Strategy is to achieve a Trust wide corporate approach to risk management supported by effective and efficient systems and processes which ensure the organisation is one which:

- Recognises that risk is present in all activities both clinical and non-clinical and is fully aware of its risks – where risk management is embedded within our culture and integrated into the working practices of all grades and disciplines of staff;
- Encourages the open reporting of accidents, concerns, incidents and near miss events by fostering a fair and just culture that learns from such events, puts actions into place to prevent recurrence, recognises the effects of Human Factors, provides feedback to staff and offers sensitive and fair investigation of the organisation and individuals' contribution to the event;
- Accepts that risk management is everyone's responsibility;
- Achieves organisation wide understanding of the challenges arising from the implementation of Clinical and Quality Governance;
- Facilitates change through multidisciplinary ownership of identified plans and work streams;
- Ensures the Trust achieves set targets relating to clinical quality and safety;
- Adopts a pro-active approach to risk management and endeavours to identify opportunities and risks for all projects and tasks;
- Ensures by pro-active management that effective action plans are in place to mitigate risks which will minimise any actual harm or loss;
- Anticipates the effect of change on all activities and transformation to New Royal Papworth Hospital;
- Advocates honesty and transparency in its communications with patients, staff, contractors and visitors and acknowledges our liability for harm or loss in any instance where we have been negligent in our duties.

The Board of Directors is responsible for identifying and assessing the Trust's principal risks (i.e. those that threaten the achievement of the Trust's corporate objectives). A risk management matrix is used to support a consistent approach to assessing and responding to clinical and non-clinical risks and incidents.

Risk assessment information is held in an organisation wide risk register (Datix Risk Management system). There are regular Corporate and Board Assurance Framework (BAF) risk reports to the Executive Directors; which includes a BAF tracker dashboard. All Serious Incidents (SIs) are reported to the Board via the Director of Nursing, Medical Director or Chief Operating Officer. All staff are responsible for responding to incidents, risks, complaints and near misses in accordance with the appropriate policies. Incident reporting is co-ordinated by the Department of Clinical Governance and Risk Management. Staff are encouraged to report incidents and there continues to be a healthy incident reporting culture which is demonstrated by the percentage of near miss reports against actual incidents with the majority of incidents graded as low or no harm. Information on patient safety incident trends and actions are discussed in the monthly Quality and Risk Management Group (QRMG) which is chaired by the Clinical Governance Lead – a Consultant Anaesthetist, who is a member of the Board's Quality and Risk (Q&R) Committee. Information on staff, visitor and organisational incidents and risks are shared at the Health and Safety Committee and disseminated across the Committee structure. Information on patient safety incident trends and actions are also placed on the Trust's external website in the quarterly Quality and Safety Report. The QRMG reports to the Q&R Committee.

Board of Director Committees consisted in the year of:

- Audit Committee;
- Quality and Risk (Q&R) Committee;
- Performance Committee;
- Strategic Projects Committee;
- Executive Remuneration Committee;
- Charitable Funds Committee (Board of Trustees);

Membership of the Q&R Committee, Performance Committee and Strategic Projects Committee consists of Non-executive Directors (NEDs) and Executive Directors, the Chairs are NEDs. Other Executive Directors, attend as business requires. Two Governors are also in attendance at the Q&R Committee and Audit Committee. During the year the Q&R Committee met seven times, the Performance Committee and Strategic Projects Committee met twelve times, all Committees report to the Board through minutes and written Chair's reports.

During 2017/18 the Q&R Committee was delegated with providing assurance to the Board that there is an effective structure, process and system of control for:

- Clinical Governance;
- Information Governance;
- Non-financial Resource Governance;
- Risk Management;
- Quality Reporting to support assurance for the annual Quality Report/Accounts; and
- Board Assurance Framework (BAF) to support the Annual Governance Statement.

The role of the Performance Committee is to provide assurance, overview and monitoring for the Board on financial governance and reporting, including the cost improvement programme/service improvement programme (CIP/SIP). The Performance Committee provides in year scrutiny for matters affecting the overall business, performance and reputation of the Trust, including:

- In-Year Performance (financial and service performance);
- Capital Investment, supported by the Investment Group;
- Planning and Service Development, including CIP/SIP.

The Investment Group, chaired by the Director of Finance, supports the Performance Committee and has the remit of ensuring that all major investment, disinvestment and development decisions (both revenue and capital) receive appropriate overview and scrutiny. The Key aims of the Group are to establish the overall methodology and controls which govern the Trust's investment and development decisions; ensure that robust processes are followed (e.g. evaluation of fit with the Trust strategy); and evaluate, recommend/approve, scrutinise and monitor investments and developments.

The role of the Strategic Projects Committee is to provide assurance on the Trust's strategic projects/transformation plans in respect of the following programmes: New Royal Papworth Hospital (NPH), Cambridge Transition Programme (CTP), E-Health – Lorenzo Electronic Patient Record (EPR) and the Heart and Lung Research Institute (HLRI).

For information on the Audit Committee see the Audit Committee section of this Annual Report. For information on the Executive Remuneration Committee see the Remuneration section of this Annual Report. For information on the Charitable Funds Committee see the Charity Annual Report and Accounts, published separately – see Charity website <https://www.papworthhospitalcharity.org.uk/governance>

The Trust is a patient centered organisation and places a high priority on the quality of its clinical outcomes, patient safety and patient experience and abides by the principles outlined in NHS Improvement's quality governance framework and/or Well-led, as follows:

- **Quality Strategy:** Fundamentally quality care is cost effective care, as getting it right first time for every patient is cheaper than correcting errors after the event. This principle is embedded within the Trust's Quality strategy which draws together the key elements of patient safety, patient experience and patient outcomes. The Trust's Quality strategy sets out three ambitions (Safe - reduce avoidable harm by 50%; Effectiveness - excellent patient outcomes and experience and Outstanding in care delivery for every patient every time) with annual action plans in the quality Accounts. Risks to quality are listed in the Board Assurance Framework (BAF) and in the risk register. The Medical Director and Director of Nursing review the Quality impact assessments for all new Service Improvement (CIP/SIP) projects;
- **Capabilities and culture:** The Trust has achieved Non-executive Director (NED) engagement in quality through the Quality and Risk Committee (Q&R) and Governor engagement through the Patient and Public Involvement (PPI) Committee and Q&R Committee. The Board of Directors and Council of Governors receive and review the PIPR, including patient safety and patient experience at every meeting. The last external Well-led Review was carried out during 2015/16. The Trust plans to carry out an external self-assessment in 2018/19.
- **Structures and processes:** Quality, in the form of patient quality and safety, and patient experience are standing items for all meetings of the Board of Directors and Council of Governors. The Q&R Committee reviews actions to address quality performance issues. The Trust has engaged with its key external stakeholders on quality through the quality reporting process, which has requested input from

- commissioning groups and local Healthwatch organisations. There is a Guardian of Safe Working Hours and a Lead Healthcare Scientist role established; and
- **Measurement:** The Board reviews its performance metrics through the PIPR and these are linked to the Trust's strategic objectives, national priority indicators, NHS Improvement (NHSI) governance ratings, Commissioning for Quality and Innovation (CQUIN) and local priorities. The PIPR is used to report on quality to the Board on a monthly basis alongside operational and finance performance. The quality elements are informed from the directorate quality reports and the Matrons monthly ward and departmental score card. The Trust has worked with Commissioners on quality matters and meets with the Commissioner's quality team to review the Commissioning Quality dashboard. There has been no quality derogations recorded. The Trust has submitted and will continue to submit evidence for the NHS Quality Surveillance Program and the Specialised services quality dashboard (SSQD). The Trust has a SSQD gatekeeper (Assistant Director Quality and Risk) and Executive lead (Director of Nursing) sign off for the QST portal.

### **Risk**

The risk management function is managed by the department of Clinical Governance and Risk Management, which reports to the Director of Nursing. The Director of Nursing is the Caldicott Guardian. The department of Clinical Governance and Risk Management is supported by a number of Committees which report through the Quality and Risk Management Group (QRMG) to the Quality & Risk (Q&R) Committee of the Board. There is a range of policies in place to describe the roles and responsibilities of staff in identifying and managing risk and these policies set out clear lines of responsibility and accountability. All relevant policies are available for viewing on the intranet and are regularly updated. Over the previous couple of years the Trust has successfully embraced and continues to improve electronic reporting of all risks. During quarter 1 & 2 the process for transferring New Royal Papworth Hospital project risks to Datix was completed by the Project Team. The continued development of senior staff risk skills has enhanced the awareness of the need to record issues and formally bring them to the attention of senior management.

All new risks are identified in-year and escalated to the risk register and reported via the Board Assurance Framework (BAF) if they met the appropriate risk appetite score. Once identified, all risks are assessed with a consistent approach utilising the Trust 5x5 severity and likelihood matrix. During the review process, all risks (financial, safety, clinical project & management) are afforded the correct level of authority dependent on the Residual Risk Rating (RRR) following any recognised control measures which have been identified. Risks confirmed with a RRR of between 1 and 12 are managed by the responsible Directorate. Risks, resulting in a RRR of 15 or more are reviewed by the Lead Executive to provide assurance that the control measures put in place, are effective and that actions are developed to reduce the risk. Where the risk remains high, it is considered for escalation to the BAF for review by the appropriate Board Committee. All risks are also reviewed by the respective directorate management groups, with the Risk Management Group continuing to monitor the process via the dashboard on a quarterly basis.

In addition all organisational strategic risks irrespective of score are added to the BAF to ensure the Board receives full evidence of strategic risk assurance e.g. financial risks and strategies.

The Risk Strategy describes the reporting and role responsibilities from department to the

Board. Open risks are discussed at departmental and directorate meetings, the corporate risk register and the BAF are considered by the Executive Team and Board Committees, with a report going to Audit Committee on a quarterly basis.

The Trust's top principal risks (in-year and future) are summarised below together with mitigations.

Risk Description	Mitigation
<p><b>Workforce Recruitment and Retention</b> The inability to recruit and retain mission critical staff (including registered nurses, other professional staff and all non-medical staff groups) resulting in an impact on clinical services, maintaining capacity, pressure on existing staff and failure to meet NHSI agency ceiling and safer staffing levels. Lack of staff in many areas of the Trust are resulting in delays, increased waiting times, inability to comply with national standards for assessment and the inability to expand the number of clinic sessions. The national shortages of key professional groups such as nursing will have a continued impact on staff at new Royal Papworth Hospital (NPH).</p>	<p>Continued focus on nurse recruitment including overseas and joint campaign with CUH. Attendance at recruitment fairs and University events and recruitment day at the QUBE on the Cambridge Biomedical Campus. Fortnightly internal assessment days. Ensuring we can provide accommodation for the overseas staff recruited.</p>
<p><b>New Royal Papworth Hospital (including Hospital Move 'cut over')</b> Affordability; construction, equipping, Cambridge Transition Programme, ICT and telecoms and cut over planning.</p>	<p>Risk documentation and tracking; Standalone solutions where appropriate; Significant internal audit work performed during 2017/18 (see later in Annual Governance Statement for more detail); Review by the Project Board and Strategic Projects Committee, including 'Go or No Go Decision'; Escalation process to the Board of Directors.</p>
<p><b>Cambridge Transition Programme (part of New Royal Papworth Hospital move)</b> Failure to secure mission critical services prior to move to NPH.</p>	<p>CEOs and Teams at Royal Papworth and CUH are working together to resolve mission critical services with agreement that NPH is a joint endeavour. Alternative plans to joint working are being developed where these are more appropriate.</p>
<p><b>Finances</b> The Trust's financial position due to national NHS financial pressures, risks to delivery of activity, or change in casemix, the move to the new hospital and the need to identify cost improvements have potential risks to impact on quality.</p>	<p>Quality Impact assessments for all CIP/SIP. Continually reviewing environment through CQC matron ward rounds (weekly) and PLACE inspection (1 per year). Escalation to Nursing advisory group and Quality and Risk Committee. Maintenance work plan from estates. Weekly review of Family and Friends feedback escalated to estates if patient environment needs addressing. On-going discussions with Commissioners and Regulators.</p>

### Compliance Statements

The foundation Trust is fully compliant with the registration requirements of the Care

Quality Commission. The last CQC announced inspection was in December 2014 and this assessed the overall rating as 'Good', with two of the five overall assessments rated as 'Outstanding' with the other three rated 'Good'. Since completing the action plan from the visit the Trust has undertaken two internal mock CQC inspections. The first in May 2016 and the second in November 2016 both rated the organisation as 'Good'.

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

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Trust's Operational Plan for 2017/18 was approved by the Board of Directors, supported by the Council of Governors, submitted to and accepted by NHS Improvement (NHSI). The Plan reflected finance and governance requirements (including service and quality aspects), each of which was ascribed a risk rating by NHSI. Achievement of the Plan relied on delivery of cash releasing efficiency savings during the financial year. Progress against delivery of service improvement (CIP/SIP) is monitored throughout the year and updates are presented to the Performance Committee and Board of Directors via reports covering activity, capacity, human resources management, patient safety, patient experience, clinical effectiveness, finance and risk. The process to ensure that resources are used economically, efficiently and effectively across clinical services include directorate and divisional reviews, and the regular monitoring of clinical indicators covering quality and safety. In addition to the agreed annual SIP, further efficiency savings are realised during the year through initiatives, such as on-going tendering and procurement rationalisation. The Trust failed to achieve its key financial targets (with the exception of use of resources rating and capital expenditure) during 2017/18 and submitted a revised forecast out-turn to NHSI in October 2017.

The Trust carried out a refresh of the Financial Strategy via the Financial Recovery Plan which reported to the Board of Directors in October 2017. A monthly review of the risks identified and the progress of initiatives has subsequently been carried out. This provides a focused strategic risk based assessment of the key financial assumptions inherent to the Trust's strategy and therefore the affordability of the Private Finance Initiative (PFI). These risks and related mitigations were considered as part of the two year Operational Plan review for 2017/18 to 2018/19. To enable the Trust to meet the challenging targets for 2017/18 to 2018/19, the Trust has and will continue to review its position with regard to Get it Right First Time (GIRFT), Agency, Procurement and efficiencies highlighted by the Lord Carter review to ensure that the Trust's concentration

is on delivering a value for money efficient service as part of the local health economy. During the year there was introduced into the monthly financial report a 'Bridge plan to Forecast (pre impairment)'.

As part of their annual audit, our external auditors are required to satisfy themselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if in their opinion the Trust has not. Please see the Independent Auditor's Report included within the Annual Accounts for their opinion on the use of resources and a description of the work performed. The objectives set out in the Trust's Internal Audit Plan include ensuring the economical, effective and efficient use of resources and this consideration is applied across all audits. The findings of internal audit reports are reported to the Audit Committee (see later in this Annual Governance Statement).

### **Information Governance**

The Trust has in place an Information Governance policy which sets out the Trust's commitment to ensuring that information is efficiently and effectively handled, managed and safeguarded. The policy establishes an information governance framework which includes up to date policies, procedures and accountabilities. Managers within the Trust are responsible for ensuring that the policy and its supporting standards and guidelines are built into Directorate processes and that there is on-going compliance.

The Trust annually assesses compliance with the requirements of the NHS Digital Information Governance Toolkit for the management and control of risks to information. The Trust's Director of IM&T is the Senior Information Risk Owner (SIRO) and the Director of Nursing is the Caldicott Guardian, both reporting to the Board.

Senior managers across the Trust are information asset owners accountable for a particular group of information assets as part of the Information Governance Management Framework. A regular update on information governance is received by the Quality and Risk (Q&R) Committee of the Board of Directors, which is tasked with providing assurance to the Board. There is an Information Governance Steering Group (IGSG) chaired by the SIRO which reviews/approves policies and procedures/action plans relevant to information governance. The SIRO reports any issues to the Q&R Committee and the Board. The Trust has submitted the Information Governance Toolkit version 14.1, which includes requirements relating to the Statement of Compliance and achieved a level 2 or above for all requirements, scoring 74% overall, graded green.

In 2017/18 there was one serious incident relating to information governance, including data loss or confidentiality breach that was classified as Level 2 in the Information Governance Incident Reporting Tool. The incident occurred in December 2017 and related to a box file containing old CPR audit forms which left the Trust in error, in a decommissioned filing cabinet that had not been adequately emptied. This was reported to the DH and ICO via the IG Toolkit and investigated internally, whereby it was found that although procedures are in place to prevent this, they had been circumvented. The ICO conducted an investigation and agreed that it was a one-off incident rather than a systemic failure and that no further action or penalty was warranted.

### **Annual Quality Report**

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has

issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

The Director of Nursing is the nominated Trust Executive for the Quality Report. The Board of Directors has agreed that the Quality Report will be considered and recommended by the Quality and Risk (Q&R) Committee of the Board. The Q&R Committee was also responsible for deliberating on priorities for inclusion in the Quality Report. The quality priorities were developed in consultation with a range of stakeholders including the Patient and Public Involvement (PPI) Committee of the Council of Governors and clinical colleagues. The Council of Governors endorsed items for inclusion in the report. In June 2017 the Trust went live with an electronic patient record (EPR) system (Lorenzo), the implementation was successful. Work has continued since then to embed and optimise the system and processes. Information to support the quality metrics used in the Quality Report are held in a number of trust systems, including Lorenzo and Datix (electronic risk management system).

The assessment of quality indicators is integrated into the Trust's performance management system, and hence they are subject to review by operational and managerial staff on a monthly basis in a structured framework of performance review. The Trust uses the same systems and process to collect, validate, analyse and report on data in the Quality Report as it does for other reporting requirements. Specified indicators are subject to external audit. Reporting in year has also been supported by the PIPR.

The Trust's Quality Report included within the Annual Report contains reported performance against the 2017/18 priorities and provides information on 2018/19 priorities.

There were eleven patient safety incidents reported as serious incidents in 2018/19, two of which were never events, one was in relation to a retained armature device used to mount a heart valve and the second related to an incorrect rib being selected for biopsy. The Care Quality Commission (CQC) and NHS Improvement (NHSI) were informed immediately. A full root cause analysis investigation took place in each case with learning reported back to staff, full duty of candour was undertaken with the patient and/or family. (For further information see Part 3 of the Quality Report – other information).

The Trust assures the quality of its waiting time data through the use of the Cymbio Dashboard, where carefully selected metrics are monitored on a daily or weekly basis. The migration to the Trust's new patient administration system, Lorenzo has confirmed that there are a number of areas where data quality can be improved both in timeliness of capture and accuracy and a remedial action plan has been agreed to address these areas. In addition, weekly validation of the patient tracking list is undertaken and corrections made in line with the standard operating procedure, as appropriate. Longer waiting patients are checked on both the Lorenzo and other clinical systems to ensure that their waiting time is valid and their treatment expedited if possible. Further completeness checks are carried out on a monthly basis to compare available and unavailable patients on Lorenzo to the waiting list, to ensure that all patients are recorded appropriately on the referral-to-treatment (RTT) 18 week list.

The Trust has not met the 92% target for the year due to capacity constraints caused by high staff turnover. The Trust has put in place a remedial action plan to improve

performance and continues to monitor performance on a monthly basis. The plan indicates recovery of Cardiology RTT by June 2018 and Cardiac Surgery RTT by December 2018. The aggregate RTT position is scheduled for recovery by October 2018.

### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors, clinical audit, and the executive managers and clinical leads within the NHS foundation trust that have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the PIPR, the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, the Quality and Risk Committee, the Performance Committee and Strategic Projects Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Work has been commissioned from the Internal Audit service to review the adequacy and effectiveness of the controls and to develop improvements within the governance process. The work included identifying and evaluating controls and testing their effectiveness, in accordance with NHS Internal Audit Standards. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework on the controls reviewed as part of the internal audit work programme.

#### The Head of Internal Audit (HOIA) overall opinion for 2017/18 is that:

“The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective”.

During the year, nine internal audits were conducted: all received either a substantial or reasonable assurance opinion which provided assurance over the effectiveness of controls in place for those areas. Full findings of all internal audit reviews undertaken for 2017/18 are given below:

- Compliance with the Performance Management and Escalation Policy - Substantial Assurance;
- Key Financial Controls – Substantial Assurance;
- Transfer to SBS - Substantial Assurance;
- Developing and Reporting of the Master Commissioning Programme for the New Royal Papworth Hospital – Substantial assurance;
- Financial Forecasting – Reasonable assurance;
- New Royal Papworth – Operational Readiness – Part II - Reasonable assurance;
- Implementation of Lorenzo - Reasonable assurance;
- Risk Management & Assurance Framework – Reasonable assurance;
- CIP, & Budgetary Control - Reasonable assurance;

Factors and findings which informed the HOIA opinion were they had not issued any ‘no assurance’ (red) opinions to the Trust during the year and they had issued four reports

where a substantial assurance (positive) opinion was provided (see above). They had also issued five audits where a reasonable assurance (positive) opinion was provided (see above).

The internal audit follow up work had also provided assurance on the progress made and the actions taken by management to address the weaknesses found in earlier audit reports and had confirmed that all actions agreed have been implemented.

Work undertaken by internal audit as requested by the Trust following the initial review in respect of **New Papworth Operational Readiness** noted that there had been a good response by the Trust to the original findings, resulting in improvements to core processes and evidence that the Trust had resolved the issues with Project Co through a formal Liaison Committee. On the basis of improvements made to these processes and activity being undertaken to resolve project delays, the internal auditors were able to provide a reasonable assurance opinion that actions were being taken to address the weaknesses previously identified. As sufficient time had not passed at the time of this second review to allow them to provide an opinion on the embeddedness of improved processes, they were unable to conclude that the Board could take substantial assurance. This follow up addressed a number of the issues identified in the original review which had resulted in a 'partial assurance' (a negative opinion). Whilst it was clear that a number of new systems had been designed and developed, aimed at improving the control environment and these were starting to take effect, it was too early to see whether these changes were working as intended or to assess their impact on the project management arrangements. Whilst the internal auditors recognised that the newly appointed Project Director was working to improve governance of the programme, their assessment was based on the situation existing at the time of audit. They did as part of this review identify a number of high priority findings relating to the weakness or absence of key programme management controls. Due to the number and severity of these findings, and in combination with the materialisation of potential costs arising from unplanned structural changes, they were of the view that the Board could only take partial assurance at that time that appropriate controls were in place regarding the delivery of the New Papworth site, although further work undertaken by the Trust following this review resulted in the reasonable assurance opinion noted above.

The Trust's internal audit programme is directed to areas of perceived high risk and where individual weaknesses have been identified the Executive Director lead has ensured action plans have been put in place to address these. Action plans are subject to review as part of the Audit Committee standard review of the audit action log.

My review of effectiveness is also informed in a number of ways, including;

- Head of Internal Audit Opinion – see above;
- Dialogue with Executive Managers within the organisation who have responsibility for the development and maintenance of the system of internal control, the risk management system and the assurance framework;
- The last Care Quality Commission (CQC) Inspection Report dated 27 March 2015 which rated the Trust as "Good";
- Clinical governance reports, including the quarterly and annual Quality and Safety Report (see public website);
- Clinical audit programme (see Quality Report);
- Consultation with Patient and Public Involvement groups, e.g. Patient Experience

Panel, Patient Forum and Patient & Public Involvement Committee of the Council of Governors;

- The results of patient surveys (see Quality Report);
- The results of staff surveys (See Staff Report);
- External Audit management letter and other reports;
- Continued monitoring and reporting on financial performance, including SIP;
- Maintaining cash flow and liquidity;
- Information governance assurance framework including the Information Governance Toolkit;
- Investigation reports and action plans following serious incidents.

### Conclusion

The overall opinion is that no significant control issues (i.e. issues where the risk could not be effectively controlled) have been identified that would impact on the delivery of the Trust's strategic and annual objectives.

My review confirms that Royal Papworth Hospital NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its organisational objectives. The Trust recognises that the internal control environment can always be strengthened and this work will continue in 2018/19.

The Audit Committee has reviewed the overall framework for internal control and has recommended this statement to the Board of Directors.

Approved by the Board and signed by the Chief Executive

Signed:



Stephen Posey  
Chief Executive and Accounting Officer  
24 May 2018

**Royal Papworth Hospital NHS Foundation Trust**

**Quality Report 2017/18**

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## Part 1 Statement on quality from the Chief Executive

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Providing high quality, safe and effective care is at the heart of everything we do here at Royal Papworth Hospital. We are extremely proud to have gained an excellent reputation for quality in heart and lung medicine, but we know we must continually work to improve the care we provide to our patients. This Quality Account provides an overview of the quality of services we have provided to patients during 2017/18 as well as our key priorities for improving quality in the year ahead.

In the last year, our staff and partners have worked extremely hard to maintain our excellent quality standards while also preparing for our move to Royal Papworth House in June and the new Royal Papworth Hospital in September 2018. I am extremely proud that, despite all the changes we are going through as an organisation, we have maintained our excellent scores in the NHS Friends and Family Test, with 97 per cent of our patients saying they would recommend us as a place to receive treatment.

Looking back over the last 12 months, we have made some significant progress towards quality improvement, for example through the successful launch of our Electronic Patient Record system, Lorenzo. Moving to a digital solution for managing patients means that clinicians in all departments have up-to-date information relating to patient care, without having to wait for paper-based records to be transferred across the hospital. This allows them to make better informed, quicker decisions about patient care, and we have already seen a reduction in the number of medication errors in relation to prescribing since the launch of the new system.

Other notable achievements in the last year include introducing an 'All About Me' booklet which assess patients' physical, social, functional and psychological circumstances preoperatively. This provides valuable information to healthcare professionals across the hospital and has helped us to enhance safety and efficiency around patient discharge. Frailty scoring now encompasses the in-house urgent group of patients and has assisted healthcare professionals in planning care for patients pre- and post-operatively.

In 2017/18 the Trust also introduced a falls prevention coordinator who has provided invaluable support to the ward teams in the prevention of falls. Patient falls in Royal Papworth are largely due to patients wanting to mobilise independently. The introduction of falls mats for patients at risk of falls across the Trust has helped in the prevention of patient falls.

Length of stay of routine cardiac surgery patients has seen a reduction throughout the year. This has been due to the efforts of the multidisciplinary team which include daily Consultant led ward rounds, MDT board rounds to ensure patients are progressing along their pathway and early identification and action of extra care needs for discharge.

2017/18 has seen a greater number of patients in the respiratory sleep and support unit being treated as day cases. This has not only improved patient experience but also has released inpatient beds for more acute patients.

2017/18 has seen improvements in the acute coronary syndrome pathway. In the later half of the year all patients referred to us for coronary intervention by this pathway were transferred to Royal Papworth within 72 hrs thereby improving patient experience, reducing patient overall length of stay and achieving national targets.

The year ahead will be an important one for Royal Papworth Hospital. Throughout the year, we are celebrating 100 years since treating our first patients, while also preparing for a historic move to our new hospital on the Cambridge Biomedical Campus. The move to our new, purpose-built hospital, alongside other health and life sciences organisations on the Campus, present huge opportunities to enhance the care we provide to our patients now and in the future. Together with our Board of Directors and Council of Governors, and in consultation with our clinical staff, we have developed a series of quality priorities for 2018/19 that will help us make the most of the opportunities presented by our new hospital. These priorities will be addressed later in the Quality Accounts.

As ever, we rely on the support of all of our stakeholders to continue improving our services and maintain our reputation for care and innovation. I would like to thank all our staff, governors, volunteers and patient support groups for helping us to deliver some significant improvements in the last year, while also helping us prepare for a safe and successful move to our new hospital.

The information and data contained within this report have been subject to internal review and, where appropriate, external verification. Therefore, to the best of my knowledge, the information contained within this document reflects a true and accurate picture of the quality performance of the Trust.



Stephen Posey  
Chief Executive  
24 May 2018

## Information about this Quality Report

We would like to thank everyone who contributed to our Quality Report.

Every NHS trust, including NHS foundation trusts, has to publish a Quality Account each year, as required by the NHS Act 2009, in the terms set out in the *NHS (Quality Accounts) Regulations 2010*.

NHS foundation trusts are also required by NHS Improvement (NHSI) to publish a Quality Report as part of the foundation trust's Annual Report and Accounts. The Quality Report includes all the requirements of the Quality Account regulations but includes additional requirements as set out by Monitor in its *Annual Reporting Manual* and in the document entitled *Detailed Requirements for Quality Reports*. Foundation Trusts are given the option of either publishing their whole Quality Report as their Quality Accounts or removing the additional NHSI requirements. Royal Papworth publishes its Quality Report in its entirety as its Quality Accounts. References to Quality Report and Quality Account should therefore be treated as the same throughout this document. See glossary.

Part 2.2 Statements of Assurance by the Board includes a series of statements by the Board. The exact form of these statements is specified in the Quality Account regulations. These words are shown in *italics*.

Further information on the governance and financial position of Royal Papworth Hospital NHS Foundation Trust can be found in the various sections of the Annual Report and Accounts 2017/18.

To help readers to understand the report, a glossary of abbreviations or specialised terms is included at the end of the document.

## Part 2 Priorities for improvement and statements of assurance from the Board

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### 2.1 Priorities for improvement

Welcome to Part Two of our report. It begins with a summary of our performance during the past twelve months compared to the key quality targets that we set for ourselves in last year's quality report.

The focus then shifts to the forthcoming twelve months, and the report outlines the priorities that we have set for 2018/19, and the process that we went through to select this set of priorities.

This will be followed by the mandated section of Part 2, which includes mandated Board assurance statements and supporting information covering areas such as *clinical audit*, research and development, *Commissioning for Quality and Innovation (CQUIN)* and *data quality*.

Part 2 will then conclude with a review of our performance against a set of nationally mandated quality indicators.

#### Summary of performance on 2017/18 priorities

Our 2016/17 Quality Report set out our quality priorities for 2017/18 under the three quality domains of *patient safety*, *clinical effectiveness* and *patient experience*. See our 2016/17 Quality Account for further detail:

[http://www.papworthhospital.nhs.uk/docs/accounts/Papworth\\_Hospital\\_Quality\\_Account\\_2016\\_2017.pdf](http://www.papworthhospital.nhs.uk/docs/accounts/Papworth_Hospital_Quality_Account_2016_2017.pdf)

The following table summarises the five quality improvement priorities identified for 2017/18 along with the outcomes. The Sign up to Safety Programme work streams carried forward into 2017/18 have now been incorporated into business as usual; the table below demonstrates achievements from the 17/18 Goals.

		Goals 2017/18	Outcomes
1	Sign Up to Safety Year 3	<p>Acute Kidney Injury:</p> <p>Formal audit to look at compliance with AKI pathway and risk assessment alongside Sepsis Pathway.</p> <p>Ongoing education and training</p> <p>Completion of AKI and fluid Management guidelines</p> <p>Aim for reduction in incidence of AKI in cardiac surgery and PPCI patients by April 2018</p> <p><b>Medicines Safety:</b></p> <p>Demonstrate a year on year reduction in prescription errors across the organisation</p>	<p>The management of Acute Kidney injury remains a priority for Royal Papworth Hospital in ensuring the ongoing safety of our patients and is now part of our regular morbidity and mortality monitoring.</p> <p>There is ongoing work to look at compliance of the AKI pathway following the introduction of Lorenzo in June 2017. There has been a reduction in the numbers of AKI in this last quarter, with AKI below 25%, Stage 2 and 3 both below 10%. AKI numbers fluctuate given the acuity of patients seen at Royal Papworth.</p> <p>The numbers of PPCI patients developing an AKI are very low (below 8%), assisted by monitoring of base line renal function at the point of admission and ensuring adequate fluid management to prevent deterioration of renal function following the procedure. Fluid management and AKI guidelines have been completed.</p> <p>The Trust introduced Lorenzo (Electronic Patient Record) in June 2017 which includes a medicines management system and electronic prescribing. Although prescribing incidents have not</p>

		<p>Demonstrate a year on year reduction in unintentional omissions reported across the organisation</p> <p><b>Implementation of Safety Briefings:</b></p> <p>Standardising the language related to safety to improve understanding and culture;</p> <p>Supporting Trust-wide roll out of safety briefing structure.</p> <p>Roll out the safety culture assessment tool across all disciplines and Trust</p>	<p>increased, we have not yet realised a sustained reduction in prescribing incidents. This is a focus of the Medicines Safety Group to monitor and trend and to work with the Lorenzo team to ensure timely and effective actions are taken to support safe prescribing.</p> <p>This goal has been achieved; Since the Introduction of Lorenzo in June 2017 there has been a sustained reduction in the number of reported omitted doses has fallen suggesting that the functionality of Lorenzo medicines management module is having a positive effect on minimising unintentional omissions and medicines safety.</p> <p>This has been achieved through the further roll out of Human Factors training across the organisation. This is ongoing</p> <p>The operational meetings scheduled three times daily at 08:15, 10:30 and 15:00 have provided a platform for rolling out the Trust wide safety briefing initiative. The meetings are attended by ward co-ordinators across the Trust and are chaired by duty Matron and trust operational lead. The format of these meetings is set and the agenda opens with a safety briefing from each clinical area. Attendance is by operational leads, ward co-ordinators, bed managers, the duty Matron and other optional Trust staff.</p> <p>The SCORE Safety Culture tool (supported by EAHSN) has been piloted in one area of the Trust in 17/18 and will be rolled out to other areas in 18/19 starting with the Cath labs</p>
2	Recruitment and retention	<p>Development of a Trust recruitment and retention strategy.</p> <p>Reduce registered nurse vacancy rates to 10%</p> <p>Improve retention/turnover of staff.</p> <p>Focus on staff health and well being to aid retention</p>	<p>The Trust Recruitment and Retention strategy was launched in December 2017. A number of work streams are commenced and will continue to progress throughout 2018/19.</p> <p>Registered nurse vacancy rate improved in the later half of 2017/18 with the Trust becoming a net recruiter of registered nurses.</p> <p>A number of initiatives focusing on staff health and well being are on offer to staff including flu vaccination programme, well being clinics for the over 40's, eye testing clinics, weekly Pilates classes and mindfulness sessions.</p>
3	Quality Improvement	<p>To have QI awareness stand at the mandatory training for the admin and clerical staff members at on the 'CPR' week.</p> <p>80% of staff members to have completed the Yorkshire and Humber AHSN Bronze online training by April 2018.</p>	<p>We have included an introduction of QI awareness at induction for all new staff, highlighting and supporting the Trust's commitment to building QI capability. This is a more effective approach to engaging with front line staff across all disciplines and now a standard part of our induction presentation.</p> <p>During 2017/18 we moved away from the Yorkshire and Humber Bronze on line training for the majority of our staff. In the last year we have focussed on more targeted face to face QI training, delivering and facilitating 3 multi-disciplinary and cross organisational (within the region) workshops. 41 delegates attended the training and the online Bronze training was part of</p>

		<p>Work collaboratively with the EASHN to enhance quality improvement coaching and support with the 'life tool'.</p> <p>Run a monthly face to face classroom based QI teaching session.</p>	<p>this. We also hosted face to face training provided by the Sheffield Microsystem Coaching Academy. Introducing QI methodologies and a systems approach to improving patient flow. This was run in collaboration with our system partners who are also part of our newly formed Cambridge Improvers network Cambridge university Hospitals Foundation Trust, Cambridge and Peterborough Foundation Trust and Eastern Academic Health Science Network. The 2 day course was attended by 31 multidisciplinary delegates from the 4 organisations, with 16 from Royal Papworth Hospital. Feedback from all delegates was overwhelmingly positive.</p> <p>We have developed strong links with Eastern AHSN through the development of the Cambridge Improvers Network and access to the Foundations of Quality Improvement workshops and coaching support facilitated by Eastern AHSN. We have introduced the LIFE QI tool for QI project management and are using this on a monthly basis to support our Mortality and Morbidity monitoring and improvement work. We are also working collaboratively with Eastern AHSN on a joint QI project and initiative following a successful bid for funding to support our QI work in the Trust.</p> <p>Royal Papworth Hospital has facilitated and supported QI training throughout 2017/18. However, we have not achieved delivery of a monthly face to face teaching session. On a background of the national challenges facing the NHS and in light of our impending move, the implementation of our Electronic Patient Record system (Lorenzo) during 2017/18, we have needed to prioritise organisational development to meet the needs of the business. However, we have continued to include and reinforce QI methodologies and approach within in house training and development, which is included on day 4 of the Fundamentals of leadership training.</p>
4	Understanding the harm caused to patients	<p>To develop improvement cycles based on intelligence gathered through monthly monitoring and data capture to improve outcomes for patient and reduce avoidable harm</p> <p>To evidence local speciality clinical morbidity monitoring against identified indicators. Reported quarterly through the business unit and Directorate quarterly quality and Risk reports</p> <p>Develop the use of Datix to assist in the capture of complications and assessment of avoidability</p>	<p>Improvement cycles have been developed by utilising the LifeQI system. This is in place for stroke, bleeding, haemofiltration and surgical site infection. Any changes made are plotted to establish if the change has improved practice.</p> <p>Clinical specialities have developed their own morbidity indicators. The results and any variances are discussed at their business unit meetings and reported on a quarterly basis via the Directorate quarterly quality reports.</p> <p>An avoidable/ unavoidable decision tree has been developed in Datix for the rapid review of critical care morbidity measures. If the incident is categorised as 'avoidable' a further root cause analysis is undertaken within the Datix system.</p> <p>This methodology is also being utilised for the rapid review of pressure ulcers.</p>
5	Realising the benefits from	To realise the agreed benefits and ensure there are	All agreed benefits have been reviewed with both operational and strategic owners.

<p>the Electronic Patient Record (EPR) implementation</p>	<p>plans for tracking actions.</p> <p>To set up an approach to capture benefits and measure them going forward.</p> <p>To ensure benefits are owned both strategically and operationally by the organisation for the full life cycle of the programme.</p> <p>To identify emergent benefits and start to measure them going forward</p> <p>To identify and act upon as necessary any dis benefits</p> <p>To identify and manage any risks or issues related to Benefits</p> <p>To ensure that all agreed benefits have a quality impact assessment that is approved by the Nursing and Medical directors.</p> <p>To review the quality impact assessments for each benefit on a monthly basis.</p> <p>To work with and report benefits to NHS digital according to the schedules.</p>	<p>An approach for tracking and measuring benefits has been set up.</p> <p>The benefits programme is governed through the Director of Nursing and the ICT director who report through the executive directors.</p> <p>Emergent benefits when identified are worked up and allocated to an executive and Operational lead that is responsible for day to day management and delivery.</p> <p>As part of regular progress tracking dis-benefits when identified will be escalated and a plan of how deal with them will be agreed.</p> <p>All risks or issues will be managed by the Trust.</p> <p>Direct Care Time, using the Productive ward activity follows tool, will provide a measure of improvement. The current Trust average is 38% post implementation, with a range of 23-44%. Every ward needs to return to the pre-implementation of &gt;40% to ensure the benefits of this programme can be realised.</p> <p>Quality impact assessments will be ready to be signed off in May 2017. Monthly reports are submitted to the Quality committee</p> <p>Quarterly reports are submitted from the trust that has been approved by the executive directors. The trust benefits lead meet regularly with the NHS digital benefits lead</p>
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## Priorities for 2018/19

Our priorities for 2018/19 reflect the three domains of quality; patient safety, clinical effectiveness and patient experience. Our priorities are:

- Quality Improvement/Patient Safety
- Improve communication with our patients
- Recruitment and Retention
- Well Led
- Safely move the Hospital

To determine the priorities for 2018/19 the Trust has reflected on the detailed 2 year Quality Improvement Plan (linked to the Quality Strategy) as outlined in the Trust Annual Plan 2017/19. In addition, we have reviewed clinical performance indicators for the year and the feedback from service users from national patient surveys, real time feedback from the Trust wide patient experience data collection tool, complaints, compliments, PALS concerns and patient stories. We have used this intelligence to inform priorities for 2018/19. Some priorities for 2017/18 have been rolled forward to 2018/19 in line with the 2 years objectives as stated in the Annual Plan. These priorities have been refreshed with new goals to ensure continuing quality improvement, improved patient experience and assurance of clinical effectiveness. The goals are very specific to enable the Trust to start small and expand, to demonstrate success and roll-out.

Progress and achievement of goals in relation to all 5 priorities will be reported to and monitored by the Quality and Risk Committee (a Committee of the Board of Directors). Reports will also be presented to the Patient and Public Involvement Committee (PPI) and the Council of Governors.

## Priority 1: Quality Improvement / Patient Safety

Royal Papworth Hospital has made a commitment to embed and support Quality Improvement (QI) within the organisation and we recognise the value of continuous clinical quality improvement in supporting clinical effectiveness, improving patient safety and the patient experience. It is also recognised that, although not the primary focus, service improvement and cost improvement will be a beneficial realisation from supporting Quality Improvement.

For 2018/19 the organisation has identified 3 QI projects to support the delivery of the Quality Account priorities. The aim is to align operational leads with coaching support and central QI team support. Projects will be logged and monitored using the LIFEQI project management system. By starting small, we can test our systems in place to support QI and identify any additional resources required going forward as we grow our capability and QI portfolio

### Monitoring of 4 improvement clusters: -

#### 1. Embed an improved safety culture through implementation of SCORE culture tool across the organisation

Safety culture refers to the way patient safety is thought about and implemented within an organisation and the structures and processes in place to support this. Measuring safety culture is important because the culture of an organisation and the attitudes of teams have been found to influence patient safety outcomes and these measures can be used to monitor change over time. One of the benefits of measuring safety culture is that it provides a tangible indicator of the current status and progress over time of organisations and teams implementing improvements.

The SCORE survey is an updated version of the Safety Attitudes Questionnaire (SAQ), which was developed and refined since 1993 and has undergone rigorous validation and reliability research. The SCORE survey is an anonymous, online tool that teams can use to assess their culture. It provides an overview but also detail in specific focus areas such as communication and staff burn out. Once the survey has been completed, the results are provided to that team alone for them to use to start conversations internally about what and how they would like to improve culture. The results are not shared with anyone else and will never be used for bench marking or performance management.

#### Goal for 2018/19

- **Implement SCORE Culture Survey in Cath labs prior to move to NHP and repeat following the move**

#### 2. Deterioration and complications

It is essential that patients have timely detection and prompt, effective management of clinical deterioration. The main areas that need to be addressed to improve the outcomes for patients are the failure to undertake observations or to escalate the findings to an appropriate level of seniority. A team of Advanced Nurse Practitioners support the nursing and medical staff throughout the trust, in the management of the deteriorating patient to ensure timely and efficient care, (ALERT Team). In January 2018, the ALERT team introduced specific training on the recognition of a deteriorating patient and the significance of observation changes, for registered Nurses (including band 4 support workers)

#### Goal for 2018/19

This quality improvement projects overall aim is to reduce the ward incidents in relation to deteriorating patients (2017/18 = 2 reported SIs) who should have been escalated sooner. After the delivery of each training session a cycle of monitoring for the following measures will be undertaken:

- Improvement in timely observations using the electronic VitalPAC system.
- Spot checks of fluid balance charts against the urine output recordings on VitalPAC for patients who have urinary catheters in place.
- Improving the use of SBAR when verbally escalating a patient to the Alert Team
- Explore and introduce the practice of out of hours multidisciplinary safety huddles for Cardiology and Surgical wards
- Evidence of documentation supporting appropriate escalation of patients with high risk or critical early warning scores.

### **3. Medicines Safety / Falls Risk Reduction**

We aim to reduce falls in the frail elderly population at Royal Papworth through rationalisation of poly pharmacy. We are currently scoping the measures for improvement that will apply to this project, considerations include:

The objective is to introduce a change in the way we rationalise medication management, using a screening tool, in order to reduce the falls risk for this patient group and reduce falls. will utilise the QI training provided by Eastern AHSN for the project team to develop their knowledge and skills in QI methodology, utilising the LIFE QI platform to monitor the project. We will introduce the process of screening medications that increase the risk of falls for the high risk patient population, we will provide education and training for the MDT in order to recognise and engage in the medicines rationalisation project and we will engage with the patients to encourage their participation and understanding in the project.

#### **Goal for 2018/19**

- To reduce falls by 10% by April 2019 on one ward in the In House Urgent patient population

### **4. Flow and Transfers**

Royal Papworth Hospital is adopting an NHS Improvement approach called 'Red2Green' which aims to reduce unnecessary delays in patient pathways maintain flow through the organisation and improve patient experience. A 'red day' is categorised as a day when a patient receives little or no value adding acute care. For example, they may not need hospital care but remain in hospital waiting for a diagnostic test. A green day, on the other hand, is a day when a patient receives valuable acute care which progresses towards discharge.

#### **Goals for 2018/19**

- To define appropriate escalation triggers and actions to support flow.
- To look at the role of the operations centre in co-ordinating activity across the site.
- Staff training
- Model the effects of TTOs written at least one day in advance to discharge.
- Embed Pharmacy prescribers at ward level and work with ANPs to support discharge.
- Promote early use of transport booking system.
- Create internal escalation policy for transport issues.
- Liaise with commissioners to refine escalation processes.
- Review discharge planning arrangements
- Develop a criteria lead discharge policy which could be adopted by the organisation.

#### **Build QI capability**

Royal Papworth Hospital has made a commitment to embed and support Quality Improvement within then organisation and we recognise the value of continuous clinical quality improvement in supporting clinical effectiveness, improving patient safety and the patient experience. It is also recognised that, although not the primary focus, service improvement and cost improvement will be a beneficial realisation from supporting Quality Improvement.

#### **Goals for 2018/19**

- **Working with our partners – develop a Cambridge QI network**
  - To develop the network group, set Terms of Reference and meet every 4-6 months
- **Access the QI training delivered by EAHSN**
  - All identified QI leads to have undergone QI training
  - Monitor take up of EAHSN QI training
- **Support and monitor of QI across the organisation**
  - Monthly meeting of the Quality Improvement Steering Group
  - Commission coaching support for the 3 identified QI projects aligned to the Quality account
  - Transition the Clinical Audit department into a Quality Improvement support function

**Executive Lead:**

- Director of Nursing

**Implementation Lead:**

- Associate Medical Director, Clinical Lead for Clinical Governance

**Programme Leads:**

- Asst Director for Quality and Risk
- Clinical Governance Manager
- Medical Education Fellow
- Leadership team

## Priority 2: Improve communication with our patients

Good communication is key to a positive patient experience, patient safety and contributes to an overall good outcome. Intelligence gathered through the last 12 months (Complaints, Patient stories, PALS Concerns) has shown that our patients feel we have not communicated with them as well as we could or should. The Trust has therefore identified the following goals to be monitored throughout 2018/19 in order to address and improve our communication with our patients.

### Increasing Direct Care Time (DCT) through action research project, starting with one ward and then rolling out across the Trust

The measurement of Direct Care Time with patients was originally part of the Productive Care work stream introduced by NHS Institute and designed to help the NHS meet the QIPP (quality, innovation, productivity and prevention) challenge. It helped enable staff to improve the way they work, to release time to allow them to focus on caring for patients. This in turn, increased the amount of direct care time staff could spend with patients.

Activity follows measure minute by minute what a nurse is doing over the period of a shift and this is recorded under key headings, which then calculate in percentage how much time is spent directly or indirectly with the patient and the overall percentage gives the total direct care time.

Following the introduction of Lorenzo, in June 2017, the aim is, long term, to enable staff to spend less time on administration and improve the amount of direct care time whilst also improving safety and care for patients. As part of a research in action project, direct care time will be monitored by the wards, and reported, on a quarterly basis.

#### Goal for 2018/19:

- Improve Direct Care Time: to aim for minimum of 40% DCT
- Wards to monitor DCT through quarterly activity follows
- Report DCT quarterly through PIPR

#### Measures:

- Direct Care Time through activity follows
- Interactional visits by Matrons
- Qualitative and Quantitative reports

### Reducing complaints and PALS Concerns relating to communication

Listening to the patient experience and taking action following investigation of complaints is an important part of our quality improvement framework. In 2017/18 Royal Papworth Hospital received 70 formal Complaints requiring investigation. The overall numbers of complaints received has increased on the numbers received during the previous year when 57 complaints were received (23% increase). Out of the 70 complaints received in 2017/18, 47% were upheld or partly upheld following investigation. Complaints regarding communication and information were the highest reason for complaints (41 out of 70).

Communication / Information	Lack of Clarity / Clarification required	Confidentiality	Conflicting information	Incorrect information	Lack of information to the patient	Lack of response	Other	Query re diagnosis	Sensitive information	Total
	8	2	5	2	12	1	5	1	5	41

#### Goal for 2018/19:

- Monitor complaints on a monthly basis relating to communication issues. To show an overall reduction in complaints relating to communication against baseline at 31/03/2018

## **Evidence of improved communication through patient stories**

Patient stories are a powerful tool in both listening to the experiences of patients and their families but also to convey in real terms the patients experience to service providers. Patient stories can be useful in identifying the positive aspects of their care but also any areas where there may be learning regarding a patients experience. This feedback directly from the patient can be used to allow improvement in processes for other patients and their families.

### **Goal for 2018/19:**

For all patients to feel that they are central to the care they receive at Royal Papworth Hospital and that they have a voice to discuss their experiences in a way that can be shared with the trust.

### **Suggested Measurements:**

- To start meetings with a relevant and appropriate patient story.
- Patient stories to include what 'Always events' patients and their families feel are important so that these are continually refreshed.
- To triangulate Patient stories with feedback from the Trust Friends and Family surveys to give more robust feedback around continual improvement for specific areas
- To include Patient stories in Quality reports across all areas and provide a summary of themes from patient stories on a quarterly basis

### **Executive Lead:**

- Director of Nursing

### **Implementation Lead:**

- Deputy Director of Nursing

### **Programme Leads:**

- Heads of Nursing

## Priority 3: Recruitment and Retention

### Goal

To **retain** a compassionate, expert workforce that is proud to work at Royal Papworth Hospital NHS Foundation Trust and feels developed and supported to make decisions, innovate and improve the lives of our patients.

To **attract** a diverse and skilled candidate pool across all staff groups by developing a strong employment brand through the use of social media and expanding the geographical area of advertising campaigns. Promotion of Royal Papworth's unique selling point 'fantastic reputation'.

To **recruit** staff that share the Trust values ensuring that vacancies are filled in a timely manner. To have efficient recruitment processes and a strong corporate induction that supports the Royal Papworth Hospital brand.

### Rationale

In 2018/19 the Trust will undergo the greatest organisational change in its 100 year history; namely the move to our new facilities at Waterbeach, Royal Papworth House in Huntingdon and Royal Papworth Hospital on the Cambridge Biomedical Campus (CBC) site. The new facilities present an opportunity in terms of attracting staff locally, nationally and internationally to a brand new, purpose-built hospital and to our administrative hub. However, it is also a threat because the move to a new location has caused an increase in turnover across all staff groups and new ways of working and increases in capacity will require an increase in staffing in some areas.

In the second half of 2016/17 the Trust commenced implementation of a 3 year Recruitment and Retention Strategy. The aim of the strategy is to address the Trust's current challenges with recruitment and retention thereby ensuring Royal Papworth is an organisation where staff are expert in what they do, appropriately trained and qualified and feel supported, empowered and enabled to deliver high quality care, first time, every time.

The goals for this Strategy are to retain, attract and recruit the high calibre staff we need to ensure the delivery of safe, effective and timely care. In 2018/19 we need to continue with the implementation of this Strategy and to be flexible and responsive to feedback from staff about what they value and need in terms of support as the move process progresses.

### Baseline –

KPI	Position at Q4 17/18
Staff Friends and Family score (% strongly agree/agree)	Treatment: 100% Recommend to Work: 42%
Appraisal Rate	88.38%
Number of staff signed up to Trust benefit scheme	463
Turnover of staff (annualised) %	21.54%

KPI	Position at Q4 17/18
Reduce time to hire (target 51 days)	51 days
Vacancy rate	8.87%

## Goals for 2018/19

### Retain

Appraise staff, engage with them regarding changes, help to ensure that the organisation is a place that staff want to continue working. Understand why staff leave and look to address those issues

Develop:

- Ensure staff have high quality appraisals.
- Band 4 practitioner program, workforce review including bridging program for existing band 4 assistant practitioners to Nursing associate role
- Deliver a diverse portfolio of flexible learning opportunities for staff to access anytime, any place and which cater for different learning styles, including e-learning.
- Implement and embed careers clinics for staff to access career advice and personal and professional development within the Trust.
- Ensure training and familiarisation for the new hospital and equipment in a timely and accessible way.
- Provide line managers with training and development to lead staff through the organisational change process
- Maintain appraisal rate to 90% across all groups of staff.

### Organisational Change

- Implement an organisational change programme that complies with best practice, trust policies and legislation to support the move to our new facilities
  - Ensure effective and responsive staff communication systems
  - Provide teams with OD support to prepare for the move
  - Senior leaders to be visible and role model positive behaviours
- ### Health and wellbeing
- Review Flexible Working practices, empower staff and managers to develop rosters that maintain services but are attractive to staff.
  - Improve rostering so staff can better balance work and personal life.
  - Continue developing and delivering EDS2 implementation of BME Workforce Equality Standard.
  - Implement the WRES action plan
  - Implement the Workforce Equality Disability Standard requirements
  - Develop and implement Health and Wellbeing Action Plan, including accessible healthy choices for staff such as physical activity schemes, physiotherapy access and mental health initiatives.
  - Increase Staff F+F response rate to at least 20% percent. And response to question back to 61% national average.
  - Celebrate achievement through the promotion of positive stories in internal and external communication networks and schemes such as the Royal Papworth Staff Awards and Long Service Awards.

### Attract

- Continue to develop training and development routes, including Apprenticeship Standards
- Share staff stories on social media that provide potential candidates with real life examples of life at Royal Papworth.
- Improved advertising and website that clearly articulates the benefits of working at the Trust.
- Refresh and increase the use of social media to promote Royal Papworth Hospital achievements and opportunities.
- Emphasis on the fantastic new hospital opening in September 2018.
- Support UK based non-EU nurses in achieving NMC registration
- 'Grow your own' initiatives e.g. supporting FD and BSc apprenticeship in nursing schemes.
- Increase brand recognition with university students by attending more career fairs and building partnerships with course leaders.
- Work collaboratively with CUH on specific areas such as promoting the campus, overseas recruitment, rotation programs and BSC apprenticeship.
- Ensure the Biomedical Campus is used as an attraction 'your career in one place', working with biomedical campus partners to develop new and exciting cross organisational posts.

### Recruit

- Continue to run twice monthly nurse recruitment event and develop tailored approaches for areas that need a focused recruitment effort
- Run monthly recruitment events on the CBC campus in the run up to the opening of the new hospital
- Implement the overseas recruitment programme ensuring the provision of support to recruits to gain NMC registration as quickly as possible
- Maintain time to hire KPIs during the move period
- Identify hard to recruit roles and develop recruitment approaches
- Implement an improved on-boarding and induction process for staff

**Monitoring**

- Workforce KPIs reported to Board and Committees of the Board in PIPR and spotlight reports
- Staff engagement survey results

**Executive Lead:**

- Director of Workforce and OD

**Implementation Leads:**

- Deputy Director of Workforce, Head of Resourcing and Leadership and Development Manager, Head of Communication

**Programme Leads:**

- Recruitment services manager
- HR Manager
- R&R Nurses

## Priority 4: Well Led

### Goal

Ensuring a safe move to our new facilities at Waterbeach, Royal Papworth House, Huntingdon and Royal Papworth Hospital, Cambridge by having effective leadership, management and governance of the programme and ensuring staff are engaged and supported.

### Rationale

The leadership challenge for the Trust in 18/19 is significant. In addition to ensuring the continued delivery of safe, high quality and timely care we must plan and deliver a safe move to our new facilities. The new facilities will provide state of the art facilities for our patients and ensure that Royal Papworth Hospital is in the best position to continue to develop and deliver innovative cardiothoracic services locally, regionally and nationally.

In order to ensure a safe move we will implement a best practice programme management approach with a governance framework that provides oversight and assurance to the Trust Board and our partners. A key element of the move programme is engaging and supporting staff in order to minimise turnover and to have engaged staff who continue to deliver high quality, safe care. Implementing our Workforce Race Equality Scheme action plan and preparing for the implementation of the Workforce Disability Equality Scheme is an important element of our commitment to supporting staff.

The move is the key focus of the leadership at present but we also need to refresh our clinical vision and strategy in order to ensure that we are ready to realise the substantial benefits of our new facilities and equipment and our co-location with Cambridge University Hospital.

### Baseline

The Trust has achieved the first phase of handover of the new facilities hospital and major medical equipment is being installed ahead of second phase handover in July 2018. There is a robust governance programme in place with risks and issues being identified and escalated effectively. The administrative hub, Royal Papworth House at Huntingdon is on track to be opened at the end of June with approximately 250 staff moving to this location. Following a programme of one to one interviews with staff about their concerns and plans, staff communication has been increased and intensified. A monthly staff pulse survey will provide feedback on staff views and concerns and communication content and methodology will be adapted as a result of this feedback as we get closer to the move date and post move.

The WRES action plan detailed the Trust's priority areas for focus in 17/18. This needs to be refreshed in light of the 2017 staff survey results which, although indicating an improvement in BME staff's experience of bullying and harassment, showed a deterioration in the experience of BME staff in relation to discrimination and career progression. The Trust will aim to improve our feedback in the national staff survey from BME by 10% in relation to experiencing discrimination and their view of the equal opportunities afforded for career progression. The Equality and Diversity Group is being reviewed and refreshed and will lead and oversee the implementation of the action plan. The Trust must also consider the requirements of the new WDES and undertake a gap analysis for the Trust.

The Cambridge Transition Programme (CTP) was established to ensure that the mutual benefits for Royal Papworth Hospital from improved patient pathways, service efficiencies and research opportunities are realised, with the opening of the new Royal Papworth Hospital in September 2018. This work, the vision for the Sustainability and Transformation Plan and national specialist commissioning strategy will inform a refresh of the Trust's clinical vision and strategy.

### Goals 2018/19

Ensure a safe move to our new facilities at Waterbeach, Royal Papworth House, Huntingdon and Royal Papworth Hospital, Cambridge.

Implement our Workforce Race Equality Scheme and prepare for the implementation of the Workforce Disability Equality Scheme.

Refresh the Trust's clinical vision and strategy.

## **Monitoring**

The Special Projects Committee of the Board of Directors oversees the master commissioning plan and the delivery programme.

The integrated performance report (PIPR) reports monthly on key workforce metrics for oversight of the Board, Council of Governors and committees of the Board.

The Equality, Diversity and Dignity Committee oversees the implementation of the WRES and WDES.

The Trust Board is responsible for the development of Trust strategy.

### **Executive Lead:**

- Chief Executive

### **Implementation Leads:**

- Executive Team

### **Programme Leads:**

- Deputy Directors
- Leadership & Talent Manager
- Project leads

## Priority 5: Safely Move the Hospital

### Goal

To safely move the Royal Papworth Hospital from its existing site in Papworth Everard to the new hospital site on the Cambridge Biomedical Campus. With particular emphasis on preparing the staff for a safe move during the 2 week cutover period in September 2018.

### Rationale

Moving a whole hospital is a once in a career event, majority of staff have never experienced a whole hospital move before. There are added complexities with moving a heart and lung tertiary centre which include a high number of Critical care patients with complex needs, complex infection control precautions in the Cystic fibrosis population, emergency access patients such as transplant activity, primary percutaneous Catheter interventions (for heart attacks) and the ECMO retrieval service.

Careful planning is required and as such the Hospital Cutover Group was set up and charged with planning and executing a safe move.

### Baseline

Staff have actively engaged in departmental readiness and the operational readiness part of the project is progressing well. All actions within the Hospital Cutover group are being delivered on time and external engagement from stakeholders has been positive, of note the East of England Ambulance service's engagement in planning the patient transfer program. There have been several New Hospital sites visits to date which have aided general familiarisation.

Emergency planning training check was carried out which highlighted the need to increase training provision, mainly due to new starters to roles, with 16% without an appropriate level of training. These training events are now planned and to date have good sign up for attendance.

The hospital Cutover plan has been shared with stakeholders which include the Emergency Planning and Resilience forum, Cambridge University Hospitals Operations team, and commissioners (local and specialist).

### Goals 2018/19

- 75% of clinical staff will have undertaken Clinical Familiarisation prior to move.
- 90% of on call managers / staff will have undergone emergency planning and command and control centre training.
- To achieve and maintain staff vacancies of below 10%
- Rotas are completed in advance of the move articulating operational centre staff (new site and old site) and command and control centre staff, as well as on-call out of hours support.
- Stakeholders will be informed and updated as to progress.
- Go No Go decision is taken in August 2018 ready for the September 2018 Board of Directors meeting.
- The Command and Control centre is set up and run effectively and then day to day running handed to the operational team following cutover.
- The 2 week hospital cutover program is delivered and the patients and staff move safely across to the new site.
- Decommissioning is commenced on the old site.

### Monitoring

Action through the Hospital Cut over group reporting to:

Project management Team and Strategic Projects Committee of the Board of Directors overseeing the master commissioning plan and the delivery programme.

### Executive Sponsor:

- Director of Nursing

### Operational lead:

- Deputy Project Director / Associate Director for Estates and Emergency planning lead / Assistant Director for Quality and Risk

### Project lead:

- Deputy Project Director / Associate Director for Estates and Emergency planning lead / Assistant Director for Quality and Risk

## 2.2 Statements of assurance from the Board

This section contains the statutory statements concerning the quality of services provided by Royal Papworth Hospital NHS Foundation Trust. These are common to all quality accounts and can be used to compare us with other organisations.

The Board of Directors is required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 as amended to prepare quality accounts for each financial year. NHSI has issued guidance to NHS Foundation Trust Boards on the form and content of Annual Quality Reports, which incorporate the legal requirements, in the NHS Foundation Trust Annual Reporting Manual.

Indicators relating to the quality accounts were agreed following a process which included the input of the Quality and Risk Committee (a Committee of the Board of Directors), Governors, the Patient and Public Involvement Committee of the Council of Governors and clinical staff. Indicators relating to the Quality Accounts are part of the key performance indicators reported to the Board of Directors and to Directorates as part of the monitoring of performance.

Information on these indicators and any implications/risks as regards patient safety, clinical effectiveness and patient experience are reported to the Board of Directors, Governors and Committees as required.

Part 2.2 includes statements and tables required by NHSI and the Department of Health in every Quality Account/Report. The following sections contain those mandatory statements, using the required wording, with regard to Royal Papworth Hospital. These statements are *italicised* for the benefit of readers of this account.

*During 2017/18 Royal Papworth Hospital NHS Foundation Trust provided and/or sub-contracted six relevant health services. Royal Papworth Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in six of these relevant health services.*

*The income generated by the relevant health services reviewed in 2017/18 represents 100% of the total income generated from the provision of relevant health services by Royal Papworth Hospital NHS Foundation Trust for 2017/18.*

Full details of our services are available on the Trust web site: [www.papworthhospital.nhs.uk](http://www.papworthhospital.nhs.uk)

## Information on participation in clinical audits and national confidential enquiries

National clinical audits are largely funded by the Department of Health and commissioned by the Healthcare Quality Improvement Partnership (HQIP) which manages the National Clinical Audit and Patients Outcome Programme (NCAPOP). Most other national audits are funded from subscriptions paid by NHS provider organisations. Priorities for the NCAPOP are set by the Department of Health with advice from the National Clinical Audit Advisory Group (NCAAG)

*During 2017/18, 14 national clinical audits and 1 national confidential enquiries covered relevant health services that Royal Papworth Hospital NHS Foundation Trust provides. During 2017/18, Royal Papworth Hospital NHS Foundation Trust participated in 14 of the 14 (100%) national clinical audits and 1 of the 1 (100%) national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.*

*The national clinical audits and national confidential enquiries that Royal Papworth Hospital NHS Foundation Trust participated in, and for which data collection was completed during 2017/18, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.*

<b>National clinical audits relevant to Royal Papworth Hospital</b>		
<b>Participation rate 14/14 (100%)</b>		
<b>Audit Title</b>	<b>Audit Source</b>	<b>Compliance with audit terms</b>
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	National Institute for Cardiovascular Outcomes Research (NICOR)	100%
Adult Cardiac Surgery	National Institute for Cardiovascular Outcomes Research (NICOR)	100%
Cardiac Rhythm Management (CRM)	National Institute for Cardiovascular Outcomes Research (NICOR)	100%
Case Mix Programme (CMP)	Intensive Care National Audit and Research Centre (ICNARC)	100%
Congenital Heart Disease (CHD)	National Institute for Cardiovascular Outcomes Research (NICOR)	100%
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	National Institute for Cardiovascular Outcomes Research (NICOR)	100%
Maternal, New-born and Infant Clinical Outcome Review Programme	MBRRACE-UK - National Perinatal Epidemiology Unit (NPEU)	100%
Medical and Surgical Clinical Outcome Review Programme	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	See breakdown
National Cardiac Arrest Audit (NCAA)	Intensive Care National Audit and Research Centre (ICNARC)	100%
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme	Royal College of Physicians	100%
National Comparative Audit of Blood Transfusion programme	NHS Blood and Transplant	100%
National Emergency Laparotomy Audit (NELA)	The Royal College of Anaesthetists	100% (in December 2017 the NELA eligibility criteria changed and Royal Papworth Hospital

		is no longer eligible to participate)
National Lung Cancer Audit (NLCA)	Royal College of Physicians	100%*
Sentinel Stroke National Audit Project (SSNAP)	Royal College of Physicians	100%

\* The National lung cancer audit records the patients by the hospital in which they were first seen. Since almost no patients are referred direct from their GP to Royal Papworth, the data which is completed by Hospital counts towards the district general hospitals participation rate.

### National Confidential Enquiry into Patient Outcome and Death (NCEPOD) - 100%

A breakdown of the data collection requirement for the national confidential enquiries that Royal Papworth Hospital participated in is presented below:

Title	Cases included	Cases excluded	Clinical Q returned	Case notes returned	Organisational questionnaire returned
Acute Heart Failure	0	4	0	0	0
Perioperative Diabetes <i>(submission deadline 02/05/2018)</i>	6	0	0	0	0

National Audits collect a large volume of data about local service delivery and achievement of compliance with standards, and about attainment of outcomes. They produce national comparative data for individual healthcare professionals and teams to benchmark their practice and performance.

The reports of 11 national clinical audits were reviewed by the provider in 2017/18 and Royal Papworth Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided. Example includes:

Below is a sample of audits discussed at relevant group meetings.

Audit Title	Report Published
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes
Adult Cardiac Surgery	No
Cardiac Rhythm Management (CRM)	Yes
Case Mix Programme (CMP)	Yes
Congenital Heart Disease (CHD)	Yes
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	Yes
Maternal, Newborn and Infant Clinical Outcome Review Programme	Yes
Medical and Surgical Clinical Outcome Review Programme	No
National Cardiac Arrest Audit (NCAA)	Yes
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme	No
National Comparative Audit of Blood Transfusion programme	Yes
National Emergency Laparotomy Audit (NELA)	Yes
National Lung Cancer Audit (NLCA)	Yes
Sentinel Stroke National Audit Project (SSNAP)	Yes

### Examples of actions include:

#### Case Mix Programme – Intensive Care National Audit and Research Centre (ICNARC)

Quality indicators collated and reported via ICNARC are embedded within Royal Papworth Hospital's weekly and monthly reporting in Intensive Care Unit (ITU). Closer scrutiny is given to areas when we appear to be an outlier, for example: readmissions to ITU within 48hrs of transfer to a ward area are now reviewed individually to assess both the appropriateness of initial transfer and the ITU response when the patient was flagged as needing readmission. These events are then all graded using the NCEPOD grading system.

The reports of 165 local clinical audits were reviewed by the provider in 2017/18 and Royal Papworth Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided. A sample of actions are listed below:

### Stroke Clinical Audit

In addition to participating in the national Sentinel Stroke National Audit Project, Royal Papworth Hospital completed a local audit of compliance of stroke care with NICE and Trust guidelines.

Actions taken as a result:

- Written information to stroke patients and families sourced from the Stroke Association
- Ward based stroke champions in place
- Joint therapy sessions between Occupational Therapy and Physiotherapy
- Palliative care invited to join stroke MDT group

### Getting It Right First Time (GIRFT) – Cardiac and Thoracic Surgery

In 2017/18 Royal Papworth Hospital participated in the GIRFT for cardiac and thoracic surgery. The aim is that a national picture of the surgical specialty will emerge that shows the extent to which services differ from department to department and to highlight models of care that result in the best outcomes.

#### Notable practice for Royal Papworth Hospital was:

- Large, high functioning unit with a unique profile
- Excellent clinical outcomes
- Very good day of surgery admissions
- Very good lung cancer resection rates
- Very low blood transfusion rates

#### Improvements and actions identified/taken were:

- Day of surgery admission
- Aortovascular surgery
- Cancellation rates
- Nursing
- Data

### Information on participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by Royal Papworth Hospital NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 3,444. See table below:

Type of research project	No. of participants recruited per financial year			
	2014/15	2015/16	2016/17	2017/18
NIHR portfolio studies	1,175	1,065	1,376	1091
Non-NIHR portfolio studies	367	542	334	243
Tissue bank studies*	2,509 (2675)	2,361 (2,659)	2,369 (2,595)	2,110 (2,290)
<b>Total</b>	<b>4,051</b>	<b>3,968</b>	<b>4,079</b>	<b>3,444</b>

NIHR = National Institute for Health Research

\* Tissue bank studies include 2 studies registered on the NIHR portfolio. Total figure given in brackets to avoid double counting as participants are included in NIHR portfolio studies.

By maintaining a high level of participation in clinical research the Trust demonstrates Royal Papworth's commitment to improving the quality of health care.

During 2017/18 the Trust recruited to 67 studies of which 58 were portfolio studies (2016/17: 60 studies and 50 portfolio studies). There

The Trust recruits to a large number of studies in rare disease groups including pulmonary vascular disease, mesothelioma and idiopathic pulmonary fibrosis. Royal Papworth achieved two global first patient recruited to Clinical Trials this year, one looking at a novel drug for pulmonary vascular disease and the other evaluating a novel device for patients with heart failure.

Quality is at the heart of all our research activities and Royal Papworth ranked as the top recruiting site in the UK for over 40% and in the top 4 highest recruiters for 75% of the multicentre NIHR portfolio studies we supported. The Trust remains committed to improving patient outcomes by undertaking clinical research that will lead to better treatments for patients undergoing care in the NHS. We would like to say thank you to all those who participated in our research over the past year.

## Commissioning for Quality and Innovation (CQUIN) framework

A proportion of Royal Papworth Hospital NHS Foundation Trust's income in 2017/18 was conditional upon achieving quality improvement and innovation goals agreed between Royal Papworth Hospital NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework.

Further details of the 2017/18 national Specialised and non-specialised CQUINs are available electronically at <https://www.england.nhs.uk/nhs-standard-contract/cquin/cquin-17-19/>  
The amount of income available in 2016/17 conditional upon achieving quality improvement and innovation goals was £ £2,569k (2016/17: £2,374k) and the amount received was to be £2,544k [99%] (2016/17: £2,374k [100%]).

For further information on CQUIN performance for 2017/18 see Part 3 of the Quality Report. For further information on CQUIN priorities for 2018/19 see Performance Report section of Annual Report.

## Care Quality Commission (CQC) registration and reviews

*Royal Papworth Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is 'registered without conditions'. The Care Quality Commission has not taken enforcement action against Royal Papworth Hospital NHS Foundation Trust during 2017/18. Royal Papworth Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.*

Royal Papworth Hospital NHS Foundation Trust is subject to periodic review by the CQC and received an announced inspection in the first week of December 2014. See Part 3 – Other information. The report of this inspection is available on the CQC website at [http://www.cqc.org.uk/sites/default/files/new\\_reports/AAAB8932.pdf](http://www.cqc.org.uk/sites/default/files/new_reports/AAAB8932.pdf)

## Data Quality

It is essential that we produce accurate and reliable data about patient care. For example, how we 'code' a particular operation or illness is important as it not only allows us to receive the correct income for the care and treatment we provide, but it also anonymously informs the wider health community about illness or disease trends.

*Royal Papworth Hospital NHS Foundation Trust submitted records during 2016/17 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:*

- which included the patient's valid NHS number was 97.5% for admitted patient care and 99.9% for outpatient care;
- which included the patient's valid General Medical Practice Code (code of the GP with which the patient is registered) was 99.3% for admitted patient care and 99.8% for outpatient care.

## Governance Toolkit Attainment Levels

Good information governance means ensuring that the identifiable information we create, hold, store and share with regard to patient's and staff is done so safely and legally. The information governance

toolkit is the way we demonstrate our compliance with information governance standards. All NHS organisations are required to make annual submissions to NHS Digital in order to assess compliance.

*Royal Papworth Hospital NHS Foundation Trust's information governance assessment report overall score for 2017/18 was 74% and was graded green.* There are 45 standards in the information governance toolkit, 11 of which the Trust attained a Level 3, which is the highest and fully compliant with the standard, on a score of 0 to 3. The Information Governance Toolkit is available on the NHS Digital website: <https://www.igt.hscic.gov.uk/>

## Clinical Coding

Royal Papworth Hospital NHS Foundation Trust was not subject to the Payments by Results clinical coding audit during the reporting period by the Audit Commission. Royal Papworth Hospital's annual clinical coding audit was carried out by Jane Wannacott Ltd during March 2018.

Royal Papworth Hospital has achieved the following Information Governance levels:

1. Information Governance Requirement 14-505: An audit of clinical coding, based on national standards, has been undertaken by a Clinical Classifications Service (CCS) approved clinical coding auditor within the last 12 months. Attainment level 2
2. Information Governance Requirement 14-510: Training programmes for clinical coding staff entering coded clinical data are comprehensive and conform to national clinical coding standards. Attainment level 3

Royal Papworth Hospital NHS Foundation Trust will be taking the following actions to continue to improve data quality:

- Continue to attempt to recruit experienced substantive staff;
- Develop a formal training programme for the current trainees with protected learning time to enable them to progress towards their Accredited Clinical Coding exam;
- Installation of Medicode system to help prevent data quality errors;
- Encourage a robust timely process for documenting cancelled interventions and the reason for them;
- Continue to undertake monthly audits to focus on data quality;
- Programme of coding meetings to be initiated for refresher training and coding updates.

## LEARNING FROM DEATHS

During April 2017 to March 2018, 196 of Royal Papworth Hospital patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 42 in the first quarter; 53 in the second quarter; 55 in the third quarter; 46 in the fourth quarter.

By 25/04/2018, 87 case record reviews and 10 investigations have been carried out in relation to 196 of the deaths. In 1 case a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

34 in the first quarter; 30 in the second quarter; 19 in the third quarter; 14 in the fourth quarter.

One representing 0.5% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. Zero representing 0% for the first quarter; one representing 2% for the second quarter; 0 representing 0% for the third quarter; 0 representing 0% for the fourth quarter.

These numbers have been estimated using the Royal College of Physicians' Structured Judgement Review methodology has been adopted as the agreed method for all case record reviews at Royal Papworth Hospital. Responsibility for case record reviews lies with the Associate Medical Director and Clinical Directors. The case record review process sits alongside existing clinical governance processes such as incident reporting and mortality and morbidity meetings.

Following the introduction of the electronic health record in June 2017, some difficulties have been experienced in conducting case record reviews. A range of different sources currently need to be accessed to perform a case record review and it can be difficult to make clear judgements of the quality of care.

Actions which Royal Papworth Hospital has taken in the reporting period, and proposes to take following the reporting period, in consequence of what Royal Papworth Hospital has learnt during the reporting period:

- One patient's death was considered more than 50% likely to have been potentially avoidable. A subsequent incident investigation concluded that there were no acts or omissions which could have prevented this patient's death.

The case record review process has not revealed any patient safety concerns which had not already been reported as an incident.

Further actions identified:

- Local training updates for all case record reviewers in the Structured Judgement Review methodology - February 2018
- Trial of electronic case record review platform developed by Royal College of Physicians
- Development of the regional East of England *Learning from Deaths* network to learn and share practice from other organisations - supported by Eastern Academic Health Science Network and NHS Improvement - March 2018
- Introduction of case selection for case record reviews based on criteria recommended by the Independent Advisory Group to Royal College of Physicians'
- Agreement with HM Coroner for Cambridgeshire and Peterborough for post-mortem reports to be released earlier to the Trust, when investigations are being conducted

An assessment of the impact of the actions described above which were taken by the provider during the reporting period.

- It is recognised that ongoing support and / or training is required to maintain skills and momentum for completing rapid case note reviews.
- The Trust has opted not to use the electronic case record review platform developed by Royal College of Physicians following a system trial and currently uses an in-house electronic system. A business case is being developed for funding to implement a system which links with our current Datix Risk Management System.
- There has been two meetings of the regional East of England Learning from Deaths network
- The Trust will introduce case selection for case record reviews based on criteria recommended by the Independent Advisory Group to Royal College of Physicians during 2018/19
- HM Coroner for Cambridgeshire and Peterborough has agreed to early release of Post Mortem Reports to facilitate the rapid case note review process

0\* case record reviews and 0 investigations were completed after 01/04/2017 which related to deaths which took place before the start of the reporting period.

0\* representing 0% of the patient deaths before the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the Royal College of Physicians' Structured Judgement Review methodology.

0\* representing 0% of the patient deaths during the previous reporting period 2016/17 are judged to be more likely than not to have been due to problems in the care provided to the patient.

\*Deaths were reviewed during the implementation and trial period of the process during 2016/17. Formal collection of quarterly information on deaths, reviews and investigations began from 01/04/2017.

## Performance against the national quality indicators

The following core set of indicators applicable to Royal Papworth Hospital on data made available to Royal Papworth Hospital by the Health and Social Care Information centre are required to be included in the Quality Accounts.

Indicator	2016/17 (or latest reporting period available)	2017/18 (or latest reporting period available)	Royal Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...	Royal Papworth Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this score or rate and so the quality of its services, by...
The percentage of patients aged 16 or over readmitted to the hospital within 28 days of discharge from the hospital <sup>Note1</sup> [this indicator was last updated in December 2013 and future releases have been temporarily suspended pending a methodology review]	Trust rate was 9.01% for 2011/12 placing the Trust in Band B1.  National average was 11.45%.  Highest rate for an acute specialist trust was 14.09%.  Lowest rate for an acute specialist trust was 0.00%.	Trust rate was 9.01% for 2011/12 placing the Trust in Band B1.  National average was 11.45%.  Highest rate for an acute specialist trust was 14.09%.  Lowest rate for an acute specialist trust was 0.00%.	Readmission rates are low due to the quality of care provided.	We will continue to monitor. Percentages could be distorted by readmissions following an inpatient stay for investigations in which there was no treatment intended for the underlying condition.
The trust's responsiveness to personal needs of its patients during the reporting period [Data from National Inpatient Survey]	Trust score was 79.7 in the 2015 survey.  National average score was 69.6.  National highest score was 86.2.  National lowest score was 58.9.	Trust score was 76.1 in the 2016 survey.  National average score was 68.1.  National highest score was 85.2.  National lowest score was 60.0.	Trust achieves results in the top 10% of trusts in the inpatient survey.	We will continue to use data from the inpatient survey to identify areas for improvement.

Indicator	2016/17 (or latest reporting period available)	2017/18 (or latest reporting period available)	Royal Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...	Royal Papworth Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this score or rate and so the quality of its services, by...
<p>The percentage of staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends</p> <p>[Data from National Staff Survey]</p>	<p>88% of the staff employed by, or under contract to, the trust in the 2016 staff survey would recommend the trust as a provider of care to their family or friends.</p> <p>Average for acute specialist trusts was 88%.</p> <p>The Highest scoring specialist trust was 95%.</p> <p>The Lowest scoring specialist trust was 76%.</p>	<p>86% of the staff employed by, or under contract to, the trust in the 2017 staff survey would recommend the trust as a provider of care to their family or friends.</p> <p>Average for acute specialist trusts was 88%.</p> <p>The Highest scoring specialist trust was 93%.</p> <p>The Lowest scoring specialist trust was 79%.</p>	<p>The Trust is experiencing a period of significant organisational change as a result of the move to new facilities and the implementation of a new EPR system in mid-2017. In addition in 2017 the Trust experienced high levels of vacancies. This caused staff to feel dissatisfied with the level of resources available. These factors undoubtedly impacted negatively on staff satisfaction and engagement.</p>	<p>The Trust will continue to focus on reducing vacancy rates and turnover. We have made good progress in the second half of 2017 on reducing vacancy rates and Quality Standard 3 details the actions we will take to retain, attract and recruit staff.</p> <p>We have implemented an organizational change programme to ensure that there is effective communication and support for managers, teams and individual staff.</p> <p>We will continue to work with Staff Engagement Champions, Staff Governors and Staff Side representatives to disseminate key information and seek feedback on how we can improve staff engagement.</p> <p>See Annual Report – Staff Report section for other information on the 2017 Staff Survey.</p>
Friends and Family Test – Patient	In 2016/17 97.6% of our patients would	In 2017/18 97.4% of our patients would	Royal Papworth hospital continues to score higher	The Trust will continue to monitor F and F scores.

<p>NOT STATUTORY REQUIREMENT</p>	<p>recommend our service. Average for acute specialist trusts was 96.1%. The Highest scoring acute specialist trust was 99.4%. The Lowest scoring acute specialist trust was 74.8%.</p>	<p>recommend our service. Average for acute specialist trusts was 96.2%. The Highest scoring acute specialist trust was 99.3%. The Lowest scoring acute specialist trust was 76.5%.</p>	<p>than other acute specialist Trusts in the friends and family test. Comments received as part of the F and F are reviewed weekly by the individual wards and departments. Improvements made as a result of patient feedback is displayed on our 'you said we did boards'</p>	<p>There are actions in place to improve the F and F response rates for both in patients and outpatients.</p>
<p><b>Indicator</b></p>	<p><b>2016/17 (or latest reporting period available)</b></p>	<p><b>2017/18 (or latest reporting period available)</b></p>	<p><b>Royal Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...</b></p>	<p><b>Royal Papworth Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this score or rate and so the quality of its services, by...</b></p>
<p>The percentage of patients who were admitted to hospital and were risk assessed for VTE during the reporting period [Since Apr 2015 data published quarterly not monthly]</p>	<p>Trust achieved 97.5% for Q1 to Q4 2016/17. Acute Trust average was 95.5% for Q1 to Q4 2016/17. Highest acute provider 100%. Lowest acute provider 79.1%.</p>	<p>Trust achieved 95.8% for 2017/18. Acute Trust average was 95.2% for Q1 to Q3 2017/18. Highest acute provider 100%. Lowest acute provider 77.4%.</p>	<p>With the introduction of Lorenzo VTE risk assessments are now being completed electronically. Trust wide education has continued to ensure VTE documentation on admission and reassessment during admission is complete. Auditing compliance since the introduction of Lorenzo has been time consuming.</p>	<p>The delivery of harm free care is well established and will continue through 2018/19. VTE prevention and prophylaxis will continue to be monitored and reported by exception to the Quality and Risk Management Group. VTE events of which we are notified and have occurred within 90 days of discharge from hospital continue to be subject to a route cause analysis. Ongoing work continues with the Lorenzo team and clinical staff to ensure accurate report generation through Lorenzo</p>
<p>The rate per 100,000 bed days of cases of C.difficile infection reported within the trust during the reporting</p>	<p>Trust rate was 1.5 in 2016/17 for Trust apportioned patients aged 2 years and over (1 case).</p>	<p>Trust rate was 8.1 in 2017/18 for Trust apportioned patients aged 2 years and over (5 cases).</p>	<p>Trust rate and number of cases for 2017/18 includes 2 cases, which the Scrutiny Panel confirmed were not</p>	<p>See Part 3 of report – Other Information.</p>

<p>period<sup>Note 2</sup></p>	<p>[0 cases on Royal Papworth trajectory]</p>		<p>the fault of Royal Papworth and were therefore removed from the trajectory (final number = 3 cases on trajectory).</p> <p>Infection prevention and control is a key priority for the Trust.</p>	
<p><b>Indicator</b></p> <p>The number and, where applicable, rate of patient safety incidents reported within the trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.</p> <p>(i) Number</p> <p>(ii) Rate per 100 admissions</p> <p>(iii) Number and percentage resulting in severe harm/death<sup>Note 3</sup></p>	<p><b>2016/17 (or latest reporting period available)</b></p> <p>(i) Trust number for 2016/17 was 2199.</p> <p>The Acute Specialist Trust highest total was 6399, the lowest was 707 and the average was 2721.</p> <p>(ii) Rate per 100 admissions was not available.</p> <p>The highest, lowest and average Acute Specialist Trust rate per 100 admissions was not available.</p> <p>(iii) 5 resulted in severe harm/death equal to 0.23% of the number of patient safety incidents.</p> <p>The highest Acute Specialist Trust % of incidents resulting in severe</p>	<p><b>2017/18 (or latest reporting period available)</b></p> <p>(i) Trust number for Month 1 to Month 6 in 2017/18 was 1250.</p> <p>The Acute Specialist Trust highest total was 2814, the lowest was 294 and the average was 1448.</p> <p>(ii) Rate per 100 admissions was not available.</p> <p>The highest, lowest and average Acute Specialist Trust rate per 100 admissions was not available.</p> <p>(iii) 2 resulted in severe harm/death equal to 0.16% of the number of patient safety incidents.</p> <p>The highest Acute Specialist Trust % of incidents</p>	<p><b>Royal Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...</b></p> <p>Data is submitted to the National Reporting and Learning System in accordance with national reporting requirements.</p>	<p><b>Royal Papworth Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this score or rate and so the quality of its services, by...</b></p> <p>The Trust continues to demonstrate a strong incident reporting culture which is demonstrated by the majority of incidents graded as low or no harm.</p> <p>All patient safety incidents are subject to a root cause analysis (RCA) and lessons learnt from incidents, complaints and claims are available on the Trust's intranet for all staff to read.</p>

	harm/death was 0.63%, the lowest was 0% and the average was 0.17%.	resulting in severe harm/death was 1.74%, the lowest was 0% and the average was 0.22%.	
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Data Source: Health and Social Care Information Centre portal as at 10/04 2018 unless otherwise indicated

Note 1

Emergency re-admissions within 28 days of discharge from hospital. Percentage of emergency admissions to a hospital that forms part of the trust occurring within 28 days of the last, previous discharge from a hospital that forms part of the trust.

Note 2

The number of *Clostridium difficile* (C. difficile) infections, for patients aged two or over on the date the specimen was taken. A C. difficile infection is defined as a case where the patient shows clinical symptoms of C. difficile infection, and using the local trust C. difficile infections diagnostic algorithm (in line with Department of Health guidance), is assessed as a positive case. Positive diagnosis on the same patient more than 28 days apart should be reported as separate infections, irrespective of the number of specimens taken in the intervening period, or where they were taken. Acute provider trusts are accountable for all C. difficile infection cases for which the trust is deemed responsible. This is defined as a case where the sample was taken on the fourth day or later of an admission to that trust (where the day of admission is day one). The Quality Accounts Regulations requires the C. difficile indicator to be expressed as a rate per 100,000 bed days. If C. difficile is selected as one of the mandated indicators to be subject to a limited assurance report, the NHS foundation trust must also disclose the number of cases in the quality report, as it is only this element of the indicator that Monitor intends auditors to subject to testing.

Note 3

The indicator is expressed as a percentage of patient safety incidents reported to the National Reporting and Learning Service (NRLS) that have resulted in severe harm or death. A patient safety incident is defined as 'any unintended or unexpected incident(s) that could or did lead to harm for one or more person(s) receiving NHS funded healthcare'. The 'degree of harm' for patient safety incidents is defined as follows: 'severe' – the patient has been permanently harmed as a result of the incident; and 'death' – the incident has resulted in the death of the patient. As well as patient safety incidents causing long term/permanent harm being classed as severe, the Trust also reports 'Patient Events that effect a large number of patients' as 'severe' incidents to the NRLS.

## Part 3 Other Information

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### Review of quality performance 2017/18

2017/18 has been another busy year for Royal Papworth Hospital and its staff, with the Hospital treating over 25,000 inpatient/day cases and over 92,500 outpatient episodes from across the UK. For additional information see section 1.2 Performance Analysis of the Annual Report.

The following section provides a review of our quality performance in 2017/18. We have selected examples from the three domains of quality (clinical safety, patient experience and clinical effectiveness of care). These are not all the same as in the 2016/17 quality accounts but reflect issues raised by our patients and stakeholders, which also feature highly in the agenda from the Department of Health. They include information on key priorities for 2017/18 where these have not been carried forward as key priorities for 2018/19. Pulmonary endarterectomy is included as Royal Papworth is the only centre in the UK to provide this surgery. There is also an update on the Extra Corporeal Membrane Oxygenator (ECMO) service for which Royal Papworth Hospital is one of five centres nationally to provide this service for adults.

#### Quality Strategy: Providing excellent care and treatment for every patient, every time

The Quality Strategy 2015 - 2018 is due for review this year, to ensure we continue to deliver excellence in heart and lung care to our patients all of the time.

The Quality Strategy continues to provide direction for building and sustaining the quality agenda for the next two years which will continue through our move to the New Royal Papworth Hospital and beyond.

Quality Strategy Ambitions: What have we achieved in the last year:

- 1. Safe – Reduce Avoidable Harm by 50%**
  - We continue to monitor and review all incidents of patient harm (Moderate Harm and above) reported through our Datix incident reporting system
  - The Sign up to Safety programme completed
  - We have introduced a programme of Human Factors training
- 2. Effectiveness – Excellent Patient Outcomes**
  - We continue to have the best outcomes in the country for our cardiac surgery
  - Clinical Morbidity Outcomes have been agreed in all clinical specialities and are monitored quarterly
  - Speciality Mortality and Morbidity meetings have been reviewed and standardised
  - Safer staffing levels remains a priority and challenge to the Trust in line with the global experience of Registered nurse shortages
  - Introduction of Learning from Deaths
- 3. Experience – Outstanding in care delivery for every patient every time**
  - The Trust has maintained an excellent response from our Friends and Family Test
  - The Patient Advice and Liaison service records compliments received by patients and their family's relating to their experience
  - The number of formal complaints received from patients and their family's remains a very low.
  - National In-patient score
- 4. Quality Improvement-QI**
  - Introduction to QI delivered on professional study day training for all staff
  - QI fellowship
  - QI focus
  - Exploring possibilities for Royal Papworth QI academy

The quality improvement strategy continues to be enacted through the Quality Account priorities.

## Open and Transparent / Duty of Candour

Openness when things go wrong is fundamental to the partnership between patients and those who provide their care. There is strong evidence to show that when something goes wrong with healthcare, the patients who are harmed, their relatives or carers want to be given information about what has happened and would like an apology. Being open about what has gone wrong and discussing the problem promptly and compassionately can help patients come to terms with what has happened and can help prevent such incidents becoming formal complaints or clinical negligence claims. The Trust aims to promote a culture of openness and transparency, which it sees as a prerequisite to improving patient safety and the quality of a patient's experience.

The three most important elements of being open are:

- Providing an apology and explanation of what has happened
- Undertaking a thorough investigation of the incident
- Providing support for the patients involved, their relatives / carers and support for the staff
- Offering feedback on the investigation to the patient and / or carer

The Trust undertook an audit against compliance with the Duty of candour requirements in September 2017. 28 incidents (24 moderate harm and 5 serious incidents) were used for this audit with the results shown below. 0%'s are returned due to not being recorded on Datix.

Criteria	Expected Standard	Standard Achieved
Patient or their family/carer to be informed of suspected patient safety incident within 10 working days.	100%	93% (25/27) 1 N/A
Duty of Candour to be written to patient/family/carer	100%	89% (24/27) 1 N/A
Duty of Candour to include details of the incident	100%	88% (21/24) 3 N/A
Duty of Candour to include an apology	100%	96% (23/24) 3 N/A
Duty of Candour to include a family liaison name	100%	83% (20/24) 3 N/A
Duty of Candour to include family liaison contact details	100%	71% (17/24) 3 N/A
Signed and dated copy of Duty of Candour to be attached to Datix	100%	79% (19/24) 3 N/A
Summary of meeting with patient/family/carer to be attached to Datix	100%	0% (0/1) 27 N/A
If Serious Incident summary to be attached to Datix	100%	100% (5/5) 23 N/A
Copy of Route Cause Analysis and action plan to be offered to patient/family/carer	100%	81% (22/27) 1 N/A
If Serious Incident follow up meeting to be offered to patient/family/carer	100%	100% (4/4) 1 N/A
GP to be notified of patient safety incident in discharge summary/letter	100%	81% (22/27) 1 N/A
GP to be notified of details of patient safety incident	100%	70% (19/27) 1 N/A
GP to be notified of the level of harm of patient safety incident	100%	0% (0/27) 1 N/A

The audit demonstrated good compliance with the Duty of Candour requirements results. In the case of Serious Incidents 100% of patients and or family/carers were offered a follow up meeting and 100% of Serious Incident summaries were attached to Datix. The GP was notified of actions and future actions required in 90% of instances and patients were informed of the suspected incident within 10 working days for 93% of cases. All patients except one were given an apology either in writing or face to face in clinic. There were some good examples of Duty of Candour letters from a range of specialties that included all the information required.

Areas for improvement:

- Family liaison name to be included in letter to patient/family
- Family liaison contact details to be included in letter to patient/family
- Signed and dated copy of Duty of Candour to be attached to Datix
- Summary of meeting with patient/family/carer to be attached to Datix
- Lack of notification to GP as per Trust guidelines

The Trust has embedded the principles of Being Open and Duty of Candour and continues to monitor compliance against this requirement through the Quality and Risk Management Group, providing assurance to the Trust board via the Quality and Risk Committee and to our commissioners.

### **CQC Report: Learning, Candour and Accountability (December 2016)**

A review of the way NHS trusts review and investigate the deaths of patients in England CQC looked at the processes and systems NHS trusts need to have in place to learn from problems in care leading up to the death of a patient. There was a particular focus on people with a mental health problem or learning disability and how trusts investigate the deaths of people in these population groups. The review found there is currently no single framework for NHS trusts that sets out what they need to do to maximise the learning from deaths, and practice varies widely across providers. As a result, the opportunity to improve care for future patients from reviewing and investigating deaths is being missed.

The review focussed on 5 key areas.

- 1. Involvement of families and carers:** How are families and carers treated? Are they meaning fully involved and how do organisations learn from their experiences?
- 2. Identification and reporting:** How are the deaths of people who use services identified and reported, including to other organisations involved in a patient's care, by NHS clinicians and staff, particularly when people die but are not an inpatient at the time of death?
- 3. Decision to review or investigate:** Are there clear responsibilities and expectations to support the decision to review or investigate?
- 4. Reviews and investigations:** Is there evidence that investigations are carried out properly and in a way that is likely to identify missed opportunities for preventing death and improving services?
- 5. Governance and learning:** Do NHS trust boards have effective governance arrangements to drive quality and learning from the deaths of patients?

The report makes recommendations for the improvements that need to be made if the NHS is to be more open about these events, and improves how it learns and acts on them and the Trust undertook a gap analysis against the recommendations in January 2017 which was reviewed by the Quality and Risk Committee. Royal Papworth Hospital has robust processes in place to meet the requirements of the recommendations in relation to:

- Rapid Case Note Review Process (RCR) is in place for all deaths
- Reporting of deaths via Datix incident reporting system is in place with appropriate trigger and escalation
- Mortality Surveillance Group (Board level Committee) is in place to monitor out come from RCRs and other mortality data
- Specialty Mortality and Morbidity (M&M) meetings reviewed and format standardised – reporting actions via Quality and Risk Management group and local Quality and Risk / Business Unit meetings and reports to ensure actions are completed and lessons shared
- The Bereavement team actively capture concerns from families which are fed back to the relevant clinical teams and included in any review
- Family liaison role and Duty of Candour requirements embedded
- Investigation Skills Training provided in house based on the original NPSA RCA training and in house expertise
- Lessons learnt are shared via:
  - Quality and Risk Management group (QRMG)
  - Quality and Safety Grand Rounds
  - Lessons Learnt template on Intranet
  - Business Unit meetings

# Patient safety domain

## Healthcare Associated Infections

Royal Papworth Hospital places infection control and a high standard of hygiene at the heart of good management and clinical practice. The prevention and control of infection was a key priority at Royal Papworth Hospital throughout 2017/18 and remains part of the Trust's overall risk management strategy. Evolving clinical practice presents new challenges in infection prevention and control, which needs continuous review. The Trust is committed to ensuring that appropriate resources are allocated for effective protection of patients, their relatives, staff and visiting members of the public. In this regard emphasis is given to the prevention of healthcare associated infection, the reduction of antibiotic resistance and ensuring excellent levels of cleanliness in the hospital.

There are a number of important infection prevention and control measures to reduce the risk of spread of infection; these include hand hygiene, cleaning, adherence to infection control practices, screening of patients for various organisms and education. The above were audited continuously in 2017/18, as part of the annual infection prevention and control audit programme, and the compliance figures were monitored through the Infection Control Pre and Peri-operative Care Committee (ICPPC). In September the method of reporting of hand hygiene compliance was changed so that non-compliant practice that were corrected after challenge are now visible in the figures; ensuring that we are fully transparent and reporting in line with other regional organisations. In light of this we are unable to provide the full year figures using this new method. However figures for compliance remain above 95% since September 2017, graph available below. The Trust noted a rise in infections and acquisition rates in September 2017 and as a result of this a rapid action plan (RAP) was initiated to ensure that best practice was being followed, and that all preventative measures were in place to reduce these infections. The rise in infections and the RAP were reported to the Board, and monitored through the ICPPC. A supportive visit from NHS Improvement was also requested by the Trust, and took place in November. An action plan was devised from the visit and a follow up visit is scheduled for April 2018. At the time of writing this report (March 2018), the infection rates have returned to acceptable parameters, however these continue to be closely monitored.

During 2017/18 the total number of *Clostridium difficile* cases on our trajectory was three, against a ceiling of five, and the total number of MRSA bacteraemias attributable to the Trust was three, against a ceiling of zero. The MRSA bacteraemia rate is higher than in past years, as detailed in the table below. All MRSA bacteraemias and cases of *C. difficile* are reported to our Commissioners. We perform root cause analysis (RCA)/post infection reviews (PIR), on each case of *C. difficile* or MRSA bacteraemia, to review the events and enable continuous improvement of practice. Any subsequent lessons learned are shared with the Commissioners and discussed at scrutiny panels. If the RCA/PIR does not show any avoidable factors, i.e. there were no lapses in the care of the patient; the case will not be counted against the ceiling target.

### **Carbapenemase-producing Enterobacteriaceae (CPE)**

Carbapenemases are enzymes that destroy carbapenem antibiotics, conferring resistance. Predominantly, they are made by a small but growing number of Enterobacteriaceae strains. There are different types of carbapenemases, of which KPC, OXA-48, NDM and VIM enzymes are currently the most common. Many countries and regions now have a high reported prevalence of healthcare-associated CPE. The Trust has a robust procedure in place to ensure that screening and isolation of patients in relation to CPE, is carried out to minimise the risk of spread. This procedure was produced using the, PHE (2013) Acute trust toolkit for the early detection, management and control of carbapenemase-producing Enterobacteriaceae.

### **Escherichia coli (E.coli)**

*E. coli* forms part of the normal intestinal microflora in humans. Voluntary surveillance of laboratory reports of *E. coli* bacteraemia over the last 15 years has indicated a year on year increase in the number of these infections. In light of this, the mandatory surveillance of *E. coli* bacteraemia was commenced from June 2011. In addition, voluntary surveillance of both *Pseudomonas aeruginosa* and *Klebsiella* species bacteraemia was commenced in April 2017.

A national initiative has been announced by NHS England to reduce healthcare associated Gram-negative blood stream infections (BSI) by 50%, to be met by March 2021. These can be devastating infections, often resulting in an admission to critical care and in some cases mortality.

In 2017/18 the focus was on E.coli infections as these are one of the largest BSI groups. This is supported by the Quality Premium for Clinical Commissioning Groups (CCGs). This scheme was devised to reward CCGs for improvements in the quality of the services they commission. The scheme also incentivises CCGs to improve patient health outcomes, reduce inequalities in health outcomes and improve access to services. The Trust wrote a reduction plan for 2017/18 and this was ratified at Board level. Royal Papworth Trust figures for E.coli bacteraemia are low compared to other Trusts according to data published on the PHE Public Health Profile website (<https://fingertips.phe.org.uk/profile/health-profiles>). This may be due to the preventative initiatives the Trust already has in place. To be compliant with a 10% reduction of cases in 2017-18, Royal Papworth needed to reduce E.coli bacteraemia by one case for the period of April 2017 to end of March 2018. To mid-March the Trust have had 11 E.coli bacteramias, this is the same as figures from last year. Analysis of bacteraemias showed that approximately 50% of them appeared to be community-acquired and the hospital has little influence over them. Within the hospital-acquired group it was concluded that in the majority of cases E.coli bacteraemia resulted from complications after major cardiothoracic surgeries like ischemic bowel, cholecystitis, enteritis. It would be very difficult to prevent such complications and many measures to control E.coli bacteraemia have already been instituted. The Trust will review the reduction plan at the beginning of the next financial year and consider if anything else could be done to tackle Gram-negative bacteraemia problem.

### **Heater- cooler units and M.chimaera infection**

Currently, the Trust is investigating unexpected isolation of Mycobacteria chimaera from broncho-alveolar lavage (the sample taken during bronchoscopy) in 7 patients who undergone cardiothoracic surgery or received ECMO service since September 2017 to date. No epidemiological link is found between cases via bronchoscopes, bronchoscope re-processors or heater coolers, but more information is still required. It was noted that Addenbrookes Hospital also has the same problem; therefore, laboratory contamination cannot be excluded at this stage. None of the patients affected has signs of Mycobacterial disease from the clinical point of view.

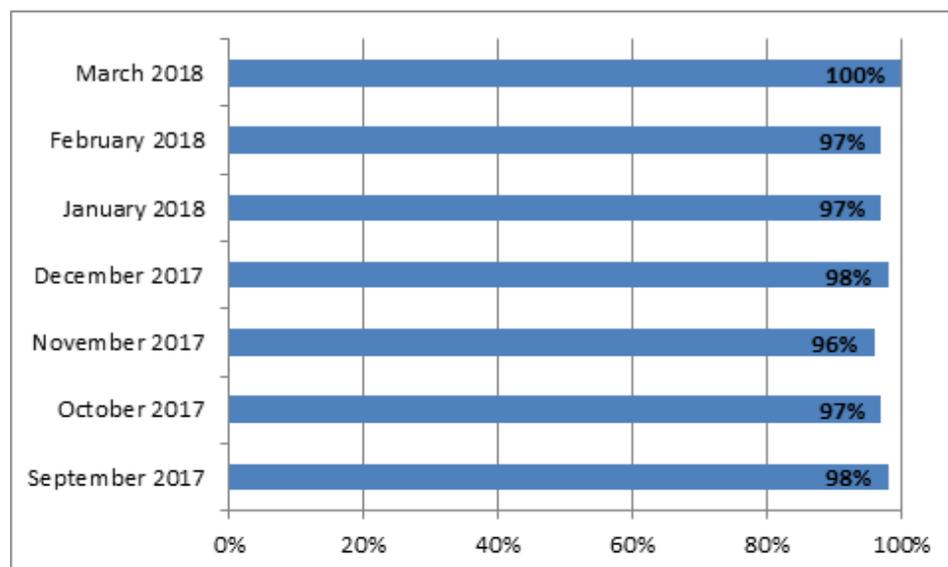
An incident management meeting was convened on 5<sup>th</sup> of March, PHE has been notified and a regional epidemiologist has been involved. The investigation is currently coordinated by the regional Consultant Microbiologist.

Originally linked to transmission via heater-coolers, *M.chimaera*, an environmental non-tuberculous mycobacteria can be a cause of endocarditis, severe disseminated infection and chronic sternal wound infection, which may manifest many years after surgery on bypass.

However, on this occasion heater-coolers are unlikely to be involved in transmission because all fleet was replaced in September 2017 with a new type of machines that have a closed circuit. New heater coolers have a negligible risk of *M.chimaera* transmission and also they have been tested negative for Mycobacteria recently.

All actions necessary to reduce the risk of healthcare associated infection are implemented as required by national policy and are monitored via the Infection Prevention, Pre and Peri-operative Care Committee. We continue to report all significant healthcare associated infections monthly to our Board of Directors and to national surveillance systems.

### **Trust Hand hygiene compliance figures 2017-18 (Sept-Mar)**



## MRSA bacteraemia and C. difficile trajectory infection rates\*

Goals 2015/16	Outcome 2015/16	Goals 2016/17	Outcome 2016/17	Goals 2017/18	Outcome 2017/18	Goals 2018/19
No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	3 MRSA bacteraemia	No MRSA bacteraemia
No more than 5 C. difficile cases *	Total for year =3	No more than 5 C. difficile cases *	Total for year = 0	No more than 5 C. difficile cases *	Total for the year= 3	No more than 4 C. difficile
Achieve 100% MRSA screening of patients according to agreed screening risk assessment	99.1%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment	98%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment	98.7%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment

Data Source: Mandatory Enhanced Surveillance System (MESS) and PHE Health Care Associated Infection Data Capture System

**\*Please note: The figures reported in the table are the number of C.difficile cases and MRSA bacteraemias attributed to the Trust and added to our trajectory ceiling targets.**

### Surgical site surveillance

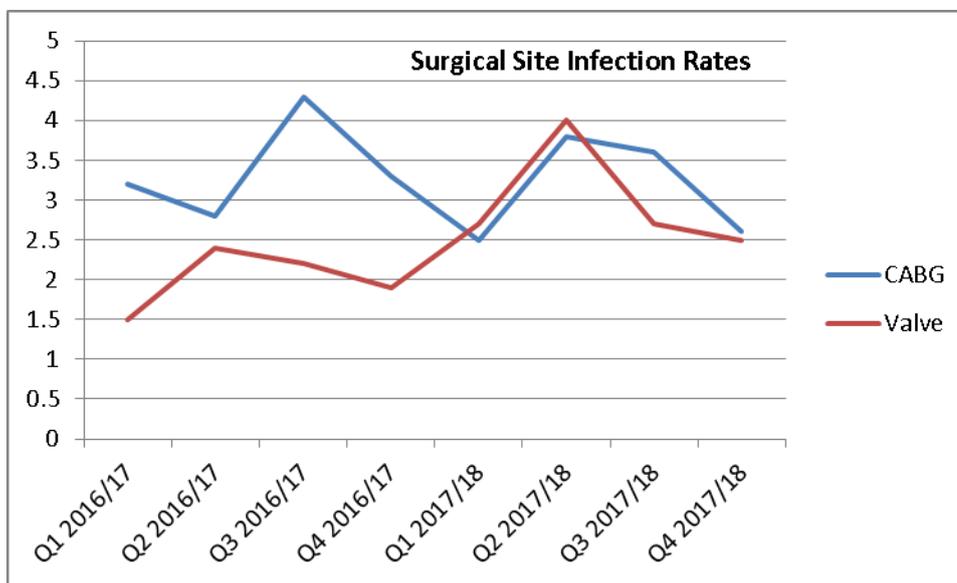
From April 2009 we have undertaken continuous surgical site surveillance of CABG patients to monitor infections post- surgery using the Public Health England (PHE) surveillance protocol. Following a bundle of interventions in pre, intra and post op care in line with NICE guidance CG74 and WHO recommendations this has resulted in a fall in infection rates from 9.85% 2009-2010 to 3.3% for CABG in 2016-2017 for inpatient and readmissions only. Current national benchmark for inpatient and readmissions for SSI in CABG is 3.8% (PHE 2017).

In Q2 2017 there was a noted increase in patients with wound infections/issues not only in CABG and Valve patients but in other patient groups including PTE's and Transplant, not within normal surveillance. This rise was highlighted to all the Cardio-thoracic surgeons, Director and Deputy Director of Nursing, Matrons and Ward areas. On investigation of the incidents no common denominators were found. Multidisciplinary meetings were held to discuss areas of concern including compliance to SSI procedure, environmental cleanliness and impact of Lorenzo on clinical work load.

A comprehensive action plan was produced identifying areas that needed to be addressed to improve the SSI rate. The Infection Control team and Surgical Site Surveillance team re-iterated, and continue to highlight, the importance of good hand hygiene, good skin preparation pre-operatively with Octenisan washes as per protocol, ANTT when changing wound dressings and vigilance in monitoring the wounds in all ward areas. An education spotlight on how to prevent SSI (surgical site infection) was also run by the CCA Education team. Antibiotic prophylaxis guidelines are on display in the anaesthetic rooms to improve compliance and the relevant teams are aware of this.

The following quarter has shown a slight reduction in SSI rates, but we are looking at further ways to reduce SSI by improving information for patients pre-operatively and the introduction of Octenisan nasal gel to reduce nasal colonisation of Staph aureus.

At the end of March, infection rates in CABG +/- for inpatients/readmissions from April 2017-March 2018 currently stand at 3.3%. For the same period, infection rates for Valve only inpatients/readmissions stands at 2.9 %.



## Influenza

The Trust continues to be committed to providing a comprehensive flu vaccination programme for staff and the uptake for “frontline” staff 2017/18 was 78.1%. 1300 vaccines have been ordered by pharmacy for the 2018/19 season, there will also be more vaccines available from Addenbrookes.

In 2017/18, 26 patients with Influenza were admitted to Royal Papworth; 9 of these cases were level 2/3/ECMO patients.

## Sepsis

### Background

Sepsis in patients is a potentially life threatening condition and without treatment can prove fatal. Care failings seem to occur mainly in the first few hours when rapid diagnosis and simple treatment can be critical to the chances of survival. Recent reports by the Surviving Sepsis Campaign (2013) and the Parliamentary Health Service Ombudsman (2013) and more recently the NCEDOD report in 2015 entitled ‘Just Say Sepsis’ have highlighted ongoing shortcomings in early recognition of potential sepsis leading to missed opportunities to save lives.

The Sepsis 6 care bundle was introduced in 2014 and had been adapted from the 2008 Surviving Sepsis Campaign (SSC) Guidelines for the Management of Severe Sepsis and Septic Shock (Daniels 2011). The purpose of using the bundle is to ensure a safe, standardised approach to the initial assessment of patients with potential sepsis and their subsequent management within the ward setting. It is also envisaged that by using the sepsis bundle, the medical and nursing teams will have the knowledge and understanding to recognise and promptly initiate treatment to patients and therefore reduce the complications associated with severe sepsis.

Sepsis management and treatment has also been on the National and Local agenda for CQUINs with current targets aimed at prevention of resistance whilst ensuring the early recognition and treatment of Sepsis continues.

### Method

An initial audit was undertaken at Royal Papworth Hospital in November 2015. The report focused on the use of the bundle on all patients who were identified and managed as having potential Systemic Inflammatory Response (SIRS) / SEPSIS.

The following results were sourced from a retrospective audit undertaken in April 2018, covering the period April 2017 to March 2018. This follow up audit was delayed whilst waiting for the NICE national guidelines to be published in 2016. It should be noted that circumstances during 2017 could have had a significant effect on the results obtained in the audit. In June 2017 Royal Papworth Hospital implemented a transition from paper patient case notes to an electronic patient record system. The implementation was not as smooth as predicted and caused significant issues for staff regarding documentation and sourcing of information. As the following audit relies on determining compliance through the documentation of criteria, this should be taken into account when viewing the results.

As evidenced in the results and following confirmation from the staff on the wards, the introduction of the electronic system had a significant effect on the ability to locate the Sepsis 6 care bundle for this audit. Due to the low numbers of care bundles found, Standards 3 and 10 were not audited.

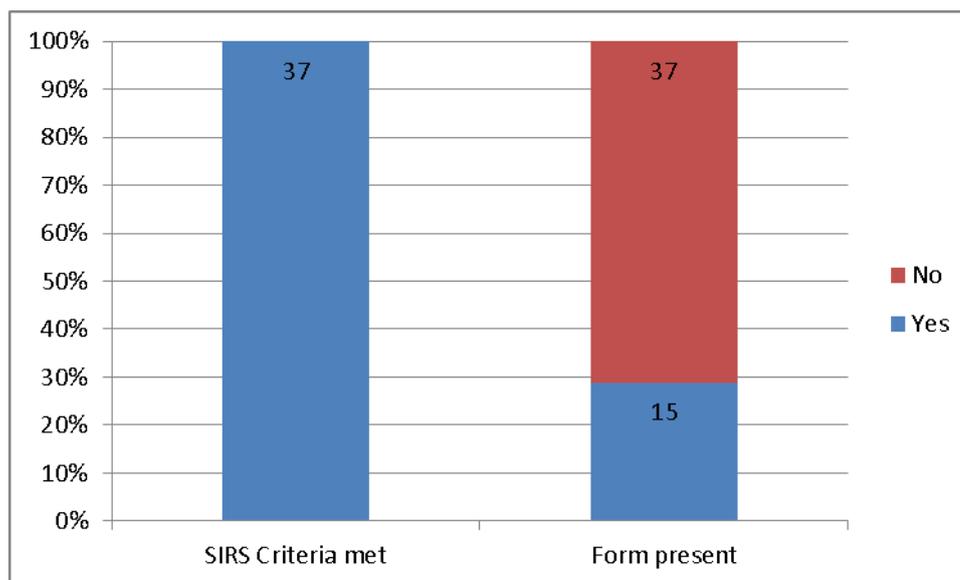
### Standards

	Aspect to be measured	Expected standard
1	SIRS criteria to be met for all patients referred for Sepsis	100%
2	Sepsis 6 care bundle to be present in patient notes	100%
3	Sepsis 6 care bundle documentation to be complete	100%
4	IV Abx to be commenced within one hour of referral	100%
5	ABG/Lactate measured within one hour of referral	100%
6	Blood cultures to be taken within one hour of referral	100%
7	Fluid challenge administered within one hour of referral	100%
8	High Flow Oxygen administered within one hour of referral	100%
9	FBC/Catheterisation commenced	100%
10	Care bundle used until resolved	100%

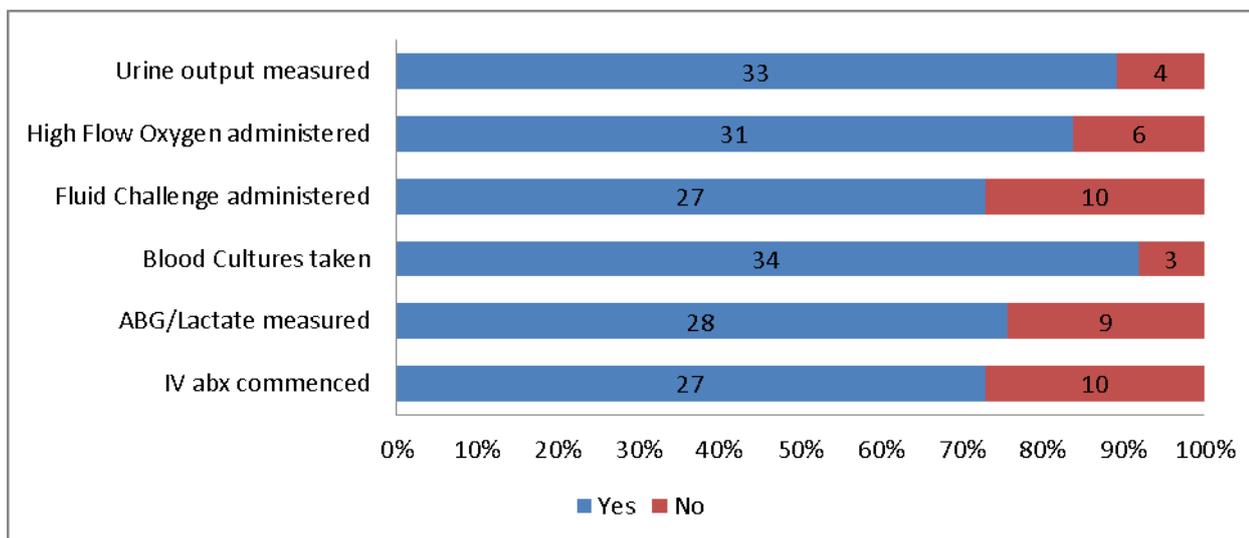
### Results

	Aspect to be measured	Expected standard	Achieved standard 2015	Achieved Standard 2017/18
1	SIRS criteria to be met for all patients referred for Sepsis	100%	91%	100%
2	Sepsis 6 care bundle to be present in patient notes	100%	50%	41%
3	Sepsis 6 care bundle documentation to be complete	100%	79%	N/A
4	IV Abx to be commenced within one hour of referral	100%	89%	73%
5	ABG/Lactate measured within one hour of referral	100%	84%	57%
6	Blood cultures to be taken within one hour of referral	100%	91%	92%
7	Fluid challenge administered within one hour of referral	100%	76%	73%
8	High Flow Oxygen administered within one hour of referral	100%	62%	84%
9	FBC/Catheterisation commenced	100%	87%	89%
10	Care bundle used until resolved	100%	16%	N/A

### SIRS criteria and Form present



## Actions taken within one hour



### Conclusion

The current guidance from SSC highlights the importance of implementation of all the components of the Sepsis bundle to ensure effective management of patients. The results of this audit have again highlighted failures in achieving 100% in the majority of the set standards. The highlighted areas that need significant improvement are ensuring use of the Sepsis 6 Care Bundle and ensuring that within 1 hour Fluid Challenge is administered, ABG/Lactate is measured and IV antibiotics are given. Improvements were seen since the 2015 audit in regards to meeting the SIRS criteria and the undertaking of Blood Cultures, High Flow Oxygen and Urine Output measurement within 1 hour.

### Recommendations and Action Plan

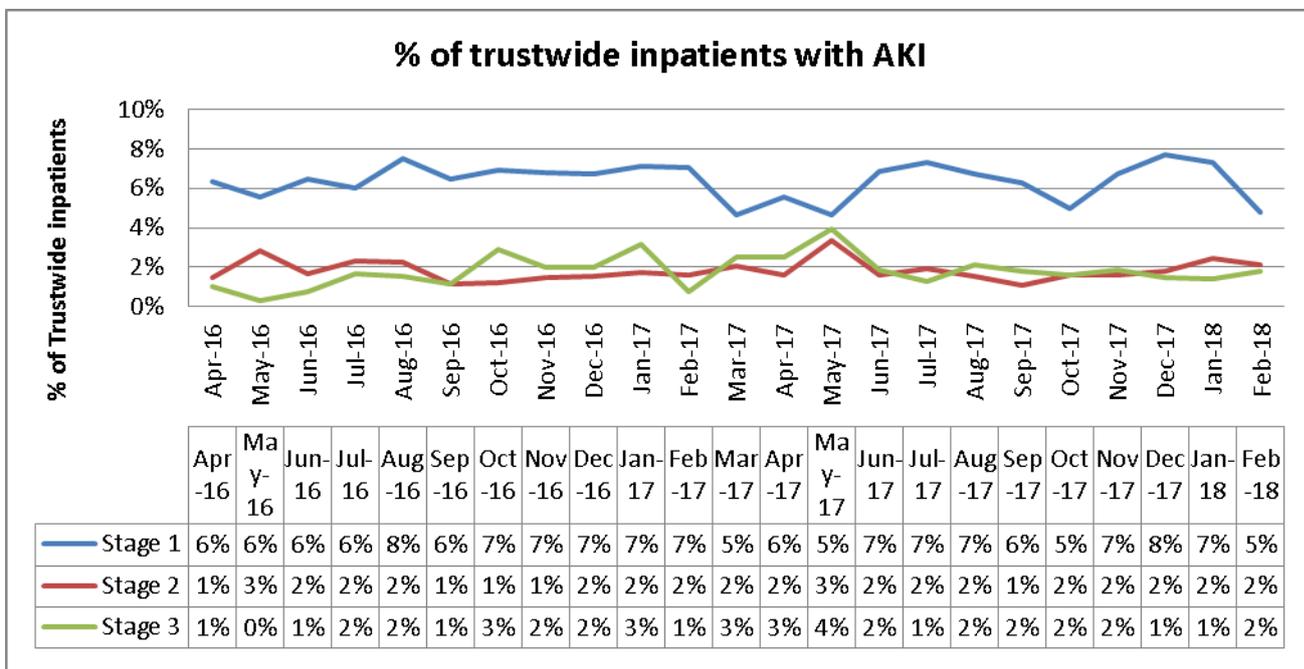
- Continue to deliver training and education on the management of patients with potential or confirmed sepsis on the Professional study day and induction programmes for all trained new staff
- To highlight to all staff during mandatory training the importance of using the electronic sepsis bundle
- Sepsis link nurses on the wards to continue updating their teams on any new developments and also ensure that standards are being met
- To conduct another audit in six months to a year to ensure that the set recommendations have been implemented

## Acute Kidney Injury (AKI)

Acute Kidney injury remains on the agenda at Royal Papworth Hospital. As is shown in the data below, the numbers of patients who develop an Acute Kidney injury continues to fluctuate as one would expect as the incidence can be dependent of the acuity of the patient and also the type of procedure the patient is admitted for. We still see more patients developing stage 1 Acute Kidney injury. Guidelines remain in place for the management of Acute Kidney injury and Fluid management for patients in hospital and these guidelines have recently been reviewed and updated as per NICE recommendations. Previous initiatives to ensure we provide our primary care teams with up to date information of Acute kidney injury when the patient is discharged home continues through the electronic discharge document which is sent directly to the patient's GP on discharge.

Acute Kidney injury remains on the mandatory training schedule for all qualified staff. We continue to report the incidence of Acute Kidney injury through our laboratory reporting system currently in place. The patient is identified as either Acute Kidney injury stage 1, 2 or 3.

With the introduction of our Electronic Patient record system; Lorenzo, in June in 2017, we now have the specific care pathway accessed electronically. There is ongoing training for all staff in accessing and completing these forms. We are going to look at the electronic evidence of compliance with these pathways in the next year.



## Pressure Ulcers

Pressure ulcers (PU) have been defined as ulcers of the skin due to the affect of prolonged pressure in combination with a number of other variables including patient co-morbidities and external factors such as shear and skin moisture. There are five grades of PUs, ranging from 1 to 4, with 3 and 4 being deep tissue injuries, plus suspected deep tissue injury (SDTI) collected from the last quarter of 2017/18.

There is a continued national initiative to eliminate all avoidable PUs; there is a requirement that all NHS organisations carry out a Safety Thermometer harm free care audit every month to collect point prevalence data on any grade 2, 3, 4 PUs in the Trust on census day. This replaced the quarterly PU prevalence audit carried out within the Trust. However the Safety Thermometer does not measure grade 1 PUs, nor does it distinguish if the PU is avoidable or unavoidable to the Trust, and it counts PUs twice if the patient is long stay and is therefore included in subsequent monthly audits. With this in mind we have reintroduced and will continue Trust wide PU prevalence audits, initially every six months, to run alongside the Safety Thermometer monthly audits. This has been increased to x 3 per year and planned to be quarterly 2017/18 financial year.

Actual numbers of Pressure Ulcers:

Grade	2	3	4	SDTIs
Number of reported 2017/18 figures up to end of Feb 2018	15 (4 unavoidable, 11 avoidable)	1 (unavoidable)	0	22 (18 unavoidable, 4 avoidable)
Number reported 2016/17 - figures up to end of Jan.	25 (20 unavoidable, 5 avoidable)	0	0	16 (12 unavoidable, 4 avoidable)

It is important to note that unavoidable pressure ulcers will not stay at a standard rate, and it is not appropriate to compare rates year on year. This is because unavoidable pressure ulcers mainly occur in patients within this Trust who have had complex cardiothoracic surgery with long theatre times, and restrictions on repositioning when they are physically unstable, alongside high doses of vasopressors (drugs to increase circulation to major organs, but restrict circulation to the peripheral areas such as heels), in the critically unwell patient. We continue to scrutinise the RCA investigation findings in this group of patients and these investigations did not identify any actions that could have prevented PUs in this sick group of patients.

### Continued Initiatives for 2018/19 include:

- The scrutiny panel continues to scrutinise all avoidable grade 2, 3, 4 or SDTI PUs developed within the Trust. This is an important tool for identifying lessons learnt and sharing good practice;
- Increase PU prevalence audits, to run alongside Safety Thermometer harm free care monthly audits, to quarterly commencing 2017/18 financial year;
- Continue the Root Cause Analysis (RCA) process for all grade 2, 3, 4 and SDTIs PUs developed within the Trust; of note no grade 4 PUs have developed within the Trust since the PU prevalence audit commenced in 2007;
- Continue DATIX reporting for all grades 2, 3, 4 and SDTI PUs developed within the Trust, and all grade 2, 3 and 4s admitted/transferred into the Trust. In addition the RCA has been incorporated into this DATIX reporting system which has streamlined the PU investigating process
- Ensure that the rates of PUs developed at Royal Papworth Hospital continue to be displayed in all clinical inpatient areas for patients, relatives and staff to see;
- Have a standing agenda item in the Quality and Safety Management meeting to report the PU rates;
- Continue education on PU prevention, identification, reporting and management in Trust-wide mandatory training days, dates for these have been increased for 2017/18, and includes tissue viability link and associate link nurses teaching on the sessions to facilitate their development in the specialty. We are exploring different ways of providing in-house PU prevention training; we are planning to look at on-line quizzes that staff can complete as part of their PU prevention training.

Goal 2017/18	Outcome	Goal 2018/19	Outcome
Mandatory PU training to now include Trust specific clinical scenarios based on PU learning from RCA and PU scrutiny panel findings	Achieved, and on-going	Presently exploring putting in-house PU training on-line; to include mattress training	On-going
Mattress selection flow chart designed and disseminated to assist staff in selecting the correct mattress for the patient based on clinical need, Training for this incorporated into mandatory training.	Achieved, and on-going	New National Guidance is coming re PU definitions and these will need to be disseminated and policies adapted as appropriate. This will run alongside the move to the new Royal Papworth Hospital.	On-going
To continue the Pressure ulcer prevalence audit and increase to quarterly, to run alongside Safety Thermometer monthly audits	Partially achieved, and on-going	To continue the Pressure ulcer prevalence audit and increase to quarterly, to run alongside Safety Thermometer monthly audits. This was only partially achieved in 2017/18 , i.e. prevalence audit carried times 3 per year unable to do 4 <sup>th</sup> quarter due to lack of staff to assist with the prevalence audit. Safety thermometer continues monthly.	Partially achieved and on-going

### Patient Safety Incidents – Severity

Severity	17/18 Q1	17/18 Q2	17/18 Q3*	17/18 Q4*	Total
Near Miss	75	100	72	44	291
No harm	341	436	413	332	1522
Low harm	145	187	115	78	525
Moderate harm	9	5	8	8	30
Severe harm	2	0	0	1	3

Death caused by the incident	0	0	1	1	2
Death UNRELATED to the incident	10	4	1	5	20
Ungraded	0	0	1	97	98
Total	582	732	611	566	2491

Table 3c – Incidents by Severity (Data source: DATIX 05/04/18). \*Incidents still under investigation have not yet been graded

Fluctuating numbers of patient safety incidents have been reported during the financial year. Those graded as near miss (12%), no/low harm over the last 12 months (83%) demonstrates the willingness to report and learn from all types of incidents. There has also been a request for staff to report any organisational incidents e.g. Delays in transfer from theatre to critical care to ensure that issues affecting patient experience are recorded.

The level of investigation carried out after a patient safety incident is determined by the severity of the incident. All moderate harm incidents and above have investigations and associated action plans which are managed by the relevant business unit and monitored by the Quality & Risk Management Group (QRMG). All Serious Incidents (SIs) require a Root Cause Analysis (RCA) and are led by an appointed investigator and monitored by the QRMG. The (\*) signifies a discrepancy in the total number of incidents awarded a severity grading and the total amount of patient incidents in quarter; not all incidents have been finally approved and grading confirmed as at 05/04/2018. Lessons learnt are shared across the organisation via the quarterly Lessons Learnt report on the intranet, Grand Round presentations and local dissemination via Business Units and specialist meetings.

## Never Events

Introduced by the Department of Health, “Never Events” are patient safety incidents that are wholly preventable where guidance or safety recommendations that provide strong systemic protective barriers are available at a national level and have been implemented by healthcare providers. As with all serious incidents these events need prompt reporting and detailed investigation. During the financial year the Trust has reported two Never Events, summarised below:

In April 2017 the Trust reported an incident relating to the retention of a removal plastic device used to mount a heart valve; called an armature. The patient sadly passed away related to his worsening medical condition, at which time the armature was discovered at post mortem. Full disclosure was given to the next of kin under our commitment to Duty of Candour. A detailed investigation was completed and actions identified to prevent a recurrence of this Never Event, which included adding the armature to the Swab and Instrument checklist. Investigation into this included a review by the Medicines and Healthcare Regulatory Agency (MHRA) as this device would not be detectable on imaging; this may lead to a change in the way the product is manufactured.

In October 2017 the Trust reported an incident relating to the incorrect rib being selected for biopsy. Due to the clinical needs of the patient a minimal invasive surgery approach was taken. As a consequence the patient required an unplanned second procedure to identify the correct rib for biopsy. Full disclosure was given to the patient under our commitment to Duty of Candour. A detailed investigation was completed and actions identified to prevent a recurrence of this Never Event. Recommendations: In light of this incident the thoracic surgical team will review the standard approach and consider alternatives such as Video Assisted Thoracoscopy (VATs), peri-operative fluoroscopy or CT guidance.

These incidents have been subject to a full Root Cause Analysis investigation and the report was finalised. The lessons learnt and recommendations have been translated into an action plan which will be monitored for completion by the Quality and Risk Management Group.

## Reducing falls and reducing harm from falls

Falls prevention remains a top priority for the Trust and is monitored through incident reporting and the Safety Thermometer. Under H&S law the Trust has a responsibility to protect all patients from harm and “so far as is reasonably practicable” carry out “suitable and sufficient” risk assessment to ensure they remain safe.

During the calendar year there has been a regular occurrence of assisted falls to the ground, recorded as “near miss”, actual falls have been graded from no harm to moderate and severe harm.

Falls resulting in moderate injury have root cause analysis performed and falls that result in severe harm have a full serious incident investigation. A review of moderate and severe harm falls was carried out in 2017/18 to identify themes and recommendations to be discussed at the Falls MDT group.

There were 2 root cause analyses undertaken on moderate harm incidents and one SI investigation.

The first (23049) involved a patient who was attending Outpatients, and the patient had a history of falls. Unfortunately the patient fell and sustained a hip fracture, outside the building. The patient had a pre-existing one sided weakness and normally required assistance and supervision to mobilise, but on this occasion mobilised independently and fell. The patient was taken to the local hospital and treated there.

*The second (26383) will be provided for the 2<sup>nd</sup> Draft*

The third investigation was on a patient that sadly died. The patient was able to independently mobilise and got up and slipped on a chair leg, sustaining a head injury. The patient was treated according to the Falls Policy, but sustained an extensive Bilateral Sub-Dural Haemorrhage, with no surgical option available. A number of contributory factors were identified through the review and the action resulting was to share the outcome of the report to highlight the good practice for managing an unwitnessed fall. In addition highlight the importance of recording all medical documentation in a timely manner to aid ongoing assessment of the patient and detect any early signs of deterioration.

Concerning the fall that required a serious incident investigation in 2017/18, a number of actions have been addressed as a result;

- A new falls policy has been written with an assessment that reflects the current NICE guidelines and the complexity of the patients at Royal Papworth Hospital.
- A Falls Prevention Nurse has been appointed in December 2017 to ensure that falls prevention remains high on the patient safety agenda.
- Additional fields have been added into Datix to provide more comprehensive analysis of the cause of falls that occur.
- Monies have been made available to transform the current falls assessment onto a Lorenzo EPR version to ensure the falls assessment which is carried out for every patient, is captured on the electronic record.
- Further falls alarms have been purchased and there is on-going training for staff in identifying suitable patients and in how to use the alarms.
- Rostering of staff continues to be monitored closely along with skill mix and there is a clear escalation process when shortages or skill mix anomalies are identified.
- Responsibilities of Bronze on call in supporting staff with staff shortages out of hours outlined.

The table below demonstrates the number of falls per quarter across the year. Falls are reviewed quarterly at the falls meeting which now forms part of the Sisters meeting. The learning from falls incidents is shared at QRMG and among various clinical and nursing forums.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
<b>2013/2014</b>	54	33	34	35	156
<b>2014/2015*</b>	44	42	46	63	195
<b>2015/2016</b>	54	38	44	50	186
<b>2016/2017</b>	57	39	55	30	181
<b>2017/2018</b>	46	30	56	30	162

Data source: DATIX™ 5/4/2018

## Falls incident data by location 1/4/2017 – 1/4/2018

### Incidents by Directorate and Incident date (Month)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Ambulatory Care (from 1.4.2017)	0	1	1	0	0	0	0	0	0	1	0	1	4
Cardiology	5	2	7	4	3	1	3	2	4	3	6	6	46
Estates (Operations)	0	0	1	0	1	0	0	0	0	0	0	1	3
Professional Support Services	1	0	0	0	0	0	1	0	0	0	0	1	3
Radiology	0	0	0	0	0	1	0	0	1	0	0	0	2
Surgery	2	6	3	7	5	4	5	1	3	9	7	9	61
Theatres, Critical Care and Anaesthesia	0	0	0	0	0	1	1	0	0	1	0	0	3
Thoracic	1	1	6	6	7	3	2	3	2	4	6	1	42
Transplant	1	0	0	1	1	1	1	0	1	0	0	0	6
<b>Total</b>	<b>10</b>	<b>10</b>	<b>18</b>	<b>18</b>	<b>17</b>	<b>11</b>	<b>13</b>	<b>6</b>	<b>11</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>170</b>

Data source: DATIX™ 5/4/2018

Work is ongoing to help with reducing the number of patient falls in the Trust. Other initiatives underway include:

- A Falls Prevention patient information leaflet has been produced and is awaiting approval from the senior nursing team.
- There is continuous education for staff on falls from Induction onwards.

### Prevention of venous thromboembolism (VTE)

Substantial progress has been made in supporting best practice for preventing hospital associated thrombosis (HAT) over the past 11 years through the work of the National VTE Prevention Programme but VTE still remains one of the most significant causes of avoidable illness and mortality, with associated treatment and management costs to the NHS of around £640 million every year (All-Party Parliamentary Thrombosis Group Annual Survey Results, November 2017 [www.apptg.org.uk](http://www.apptg.org.uk)).

Best practice in VTE prevention is summarised in NICE Quality Standard 3 (Venous Thromboembolism Prevention Quality Standard <https://www.nice.org.uk/guidance/qs3>) published in June 2010 and recently updated in March 2018. VTE prevention remains a clinical priority at Royal Papworth Hospital and the updated recommendations in the revised NICE quality standard will be incorporated into the Trust procedure on VTE prevention. VTE prevention is well established in the daily clinical care of patients within the Trust.

Royal Papworth Hospital has previously been recognised with a national award from Lifeblood: The Thrombosis Charity, for best VTE Prevention Programme.

The NHS Standard Contract for Acute Services introduced the requirement for a root cause analysis (RCA) on all VTE episodes identified in inpatients and patients discharged within 90 days. The Trust is compliant with this requirement and conducts RCAs on all VTE events known to the Trust. In 2017/18, 32 VTE events were subject to RCA (compared with 29 in 2016/17), of which 22 were deemed to be unavoidable. Nine VTE events are still the subject of ongoing analysis and one event was investigated as part of a wider inquiry which concluded that it was not possible to say definitively if different management of the patient would have prevented the pulmonary embolism. Where the findings of the RCA conclude that more could have been done to reduce the risk of VTE, this is communicated to the patient by their Consultant in line with the statutory Duty of Candour in the NHS.

RCA findings have contributed to further developments in VTE prevention including:

- a greater awareness about VTE prevention amongst the multi-disciplinary team;
- inclusion in the electronic patient record to evidence the use of mechanical prophylaxis;
- collaborative working with pharmacists to monitor chemoprophylaxis.

Actions are reported to and monitored quarterly by the Quality and Risk Management Group.

As an Exemplar Centre for VTE prevention, Royal Papworth Hospital is represented amongst the National Nursing and Midwifery Network (NNMN) which aims to provide a network of innovative nursing and midwifery leaders from the VTE national exemplar centres to implement work stream

strategies around audit, research, education, clinical practice, communication, midwifery and community that aim to improve the quality of care for people at risk of VTE.

The table below illustrates the percentage of patients who were risk assessed for VTE on admission to Royal Papworth Hospital:

		% of In-Patients Risk Assessed for VTE	Quarterly %
April 2017	<b>Q1</b>	97.4	
May 2017		97.0	
June 2017		90 (Lorenzo Launch)	94.8
July 2017	<b>Q2</b>	99.2	
August 2017		98.52	
September 2017		97.67	98.46
October 2017	<b>Q3</b>	98.12	
November 2017		91.50	
December 2017		98.12	95.9
January 2018	<b>Q4</b>	94	
February 2018		93.97	
March 2018		94	94

Data source: UNIFY database as reported in Quality and Risk Management Group Report

Monthly prevalence audit of the appropriateness of VTE prophylaxis is ongoing and reported quarterly to the Quality and Risk Management Group. As illustrated in the table below, 204 patient records have been reviewed between April 2017 to March 2018 and of those, all patients were considered to have received appropriate prophylaxis.

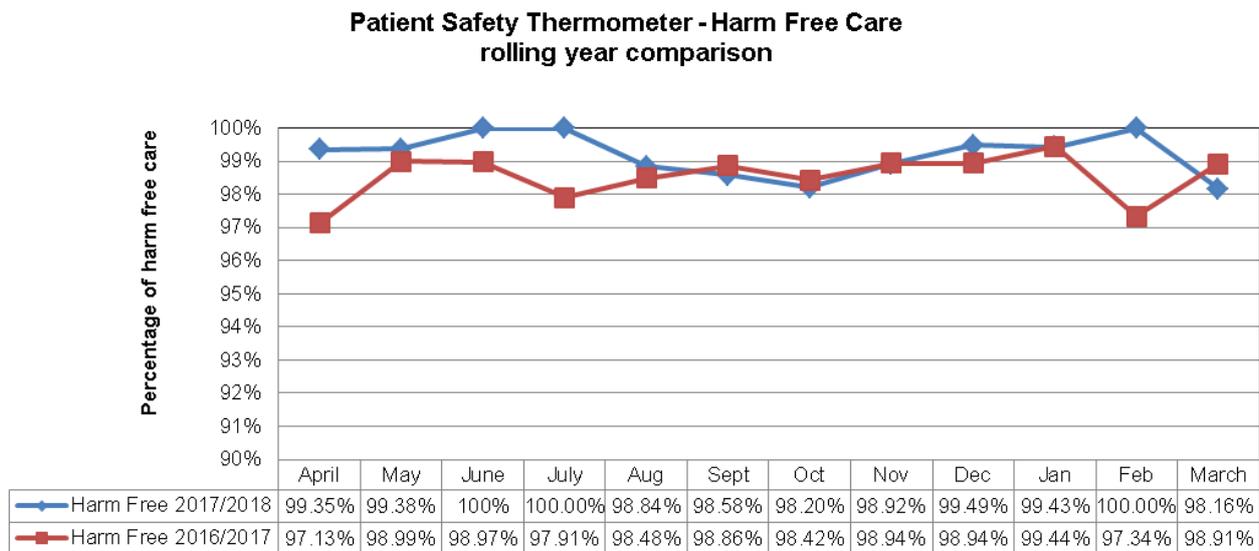
Quarter	Month 17/18	% Appropriate prophylaxis	Average over quarter
1	April	100	<b>Q 1: 27 sets of notes reviewed</b>
	May	100	
	June	No audit	
2	July	No audit	<b>Q 2: 26 sets of notes reviewed</b>
	August	100	
	September	100	
3	October	100	<b>Q3: 66 sets of notes reviewed</b>
	November	100	
	December	100	
4	January 2018	100	<b>Q4: 85 sets of notes reviewed</b>
	February	100	
	March	100	

Reported in Quality and Risk Management Group Report

## Delivery of Harm Free Care

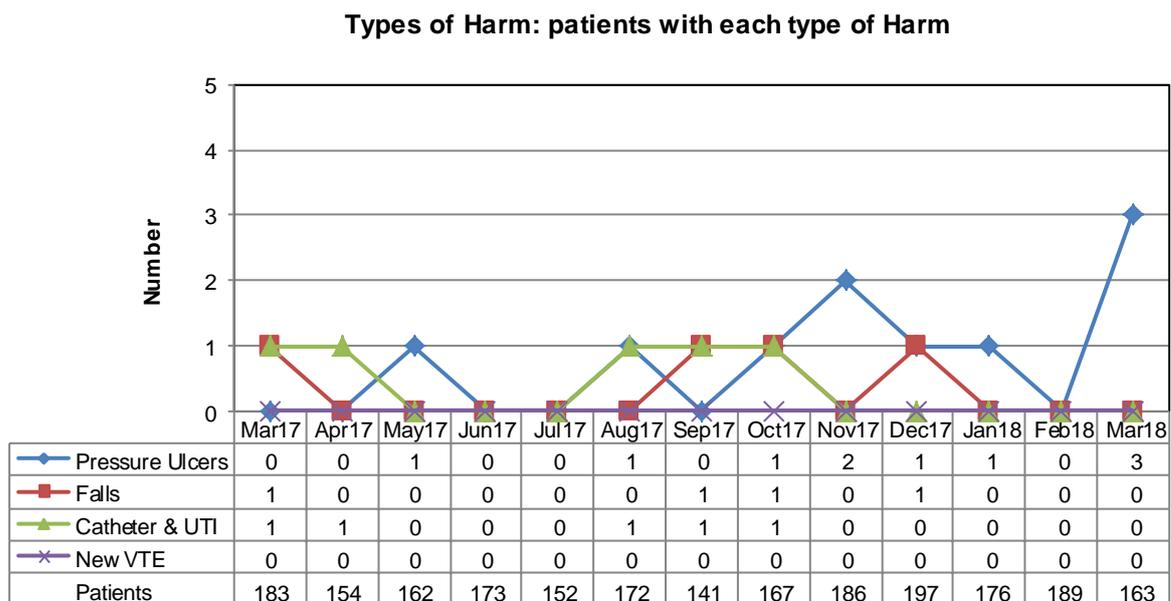
Harm free care is defined by the absence of pressure ulcers, falls, venous thromboembolism (VTE) and catheter-associated urinary tract infections (CAUTI). The Trust continues to use the NHS Safety Thermometer (a point of care survey instrument) whereby teams measure and report harm and the proportion of patients that are “harm-free” during one day each month.

The Table below demonstrates Royal Papworth Hospital’s rolling two year comparison data:



## Safety Thermometer

The graph below provides a breakdown of the types of harm:



## Nurse Revalidation

Nurse Revalidation has been an on-going process since April 2016. Nurses and midwives are required to renew their registration every year and revalidate every three years. Individually nurses receive reminders of their impending revalidation or re registration date through email and can access the document via NMC on-line web page.

All nurses are informed by the NMC of their impending Revalidation date and their need to comply with the new regulations at least three months before the revalidation date is due. It is the individuals' responsibility to provide the evidence that they have complied with the regulations.

Nurses at Royal Papworth Hospital NHS Foundation Trust will have had a meeting (prior to their revalidation date) with their line manager / senior nurse in their Department to show their portfolio of evidence and demonstrate they have met the requirements.

The portfolio of evidence is reviewed and checked against the requirements. The individual completes the 'on line' revalidation document via NMC on line declaring that they have met the requirements and provides the details of the person who reviewed the portfolio of evidence ( a registered nurse).

### Status report

- 100% compliance with Nurse Revalidation over the past 2 years
- As of March 2018 there are 588 Registered nurses in substantive posts,
- No nurses have been asked to submit any further data to support their application.
- The NMC Revalidation dates automatically update on ESR -Electronic Staff Record.
- Nurses are asked to update their revalidation dates on MAPS under the skills section once they have successfully completed the process and their NMC on line account has been updated.

### Safer Staffing Initiatives

The National Quality Board (NQB) has published 'An Improvement resource for adult inpatient wards in acute hospitals'. This is to support the earlier NQB publication in 2016 'Supporting NHS providers to deliver the right staff, with the right skills, in the right place at the right time'. In 2016 the Trust undertook a gap analysis against the guidance and the table below demonstrates the Trust's current position through a self-assessment, against the NQB's expectations for safe, sustainable and productive staffing (2016) is given below:

Safe, Effective, Caring, Responsive and Well-Led Care	
Measure and Improve	Evidence and RAG
- Patient outcomes, people productivity and financial sustainability	Patient outcomes are measured and reported in the PIPR. Nurse productivity and efficiency is measured and reported through NAC in terms of effective roster management and tracking of daily CHPPD delivery.
- Report investigate and act on incidents (including red flags)	Red flags are reported by departments and wards and collated by Matrons. This report goes to NAC. Incidents are reported on Datix. There is a good reporting culture (as reported and evidenced in the Q+R quarterly report). Each incident has local investigation.
- Patient, carer and staff feedback	Patient feedback is gathered and reviewed on a weekly basis (this includes the F+F question). This feedback is reviewed on a weekly basis by the matrons and action taken in real time. Patient and carer stories are captured and shared at several meetings including the Board. There is a regular patient story report to NAC. PALs enquiries and complaints are monitored and reported through patient experience report and PIPR
- Implement Care House per Patient Day (CHPPD)	CHPPD is monitored 3 times a day to track real time care delivery against demand. This report is presented to NAC on a monthly basis. The Trust uses a CHPPD dependency tool to review establishments. These reviewed are shared with the Board on at least an annual basis.
- Develop local quality dashboard for safe sustainable staffing	Ward scorecard is presented at NAC and displayed at ward level. This is also shared with Q+R committee. Q+R committee formally reviewed nurse sensitive indicators against the nurse vacancies (16/5/17) and receives a report as a standing agenda item.

<b>Expectation 1 – Right Staff</b>	
1.1 Evidence based workforce planning	The trust is undergoing a comprehensive workforce review, exploring each patient pathway and the care team which is required to deliver care and treatment along these pathways. This process is called 'Gateway 2' which is part of the preparation for the NPH. The current and agreed CHPPD will be presented to the Board once this is completed.
1.2 Professional judgement	Professional judgement is applied through discussion once a formal review is undertaken (bi-annual, or more frequently should a service change). The use of additional task prompts and ward layout is taken into account when agreeing shift patterns and nursing establishment. There is appropriate challenge to ensure effective use of resources.
1.3 compare staffing with peers	Benchmarking with NCNC annually. And Peer benchmarking with LHC presented to the Board 6/7/17, this is done in the absence of model hospital data for specialist hospitals.
<b>Expectation 2 – Right Skills</b>	
2.1 mandatory training development and education	Stat and tech is planned and delivered against a TNA. This is reported to OEG. Competence is recorded on the roster system. There is access to appropriate CPD to improve competence and knowledge.
2.2 working as a multi professional team	Multi-professional team working is encouraged with all business unit having MDT meetings to aid a MDT approach to care delivery. This has been assisted by the introduction of daily MDT Board rounds. The Trust is yet to add the MDT (other than nursing) to the CHPPD. It is acknowledged that staff other than nurses provide care. This work will form part of the effectiveness work which is monitored through the NAC.
2.3 recruitment and retention	R+R strategy in place and working with NHSI retention program. RN vacancies have improved from 20% to circa 15%, with turnover improving from 20+% to 15% over a six month period. It is acknowledged that retention will continue to be a risk up to and beyond the move to the NPH as staff make decisions around travel to the new site.
<b>Expectation 3 – Right Place and Time</b>	
3.1 productive working and eliminating waste	Effective rostering monitored for nursing at NAC with the rostered being approved at 18% to allow for sickness absence of +3%. The Trust engaged with eth Productive ward series and implemented learning through the Trust, improving direct care time delivery from average of 25% to over 40%.
3.2 efficient deployment and flexibility	The Trust has had an electronic rostering system in place for many years and has been monitoring efficiency for over 2 years. Staffing is discussed at the daily safety briefing and staff are moved to ensure safety across the Trust. Competences are recorded on the roster to ensure staff have the right skills to care on every shift. The Trust utilises flexible working in terms of employee needs to improve retention. The Trust also has a 'pool'.
3.3 efficient employment and minimising agency	Employment from advert to start date is tracked and reported in PIPR. Agency usage is reviewed weekly at EDs and challenged. Each booking of agency nurses is approved by an exec director (usually the DoN) to ensure appropriate use of resource.

## Patient Safety Rounds (PSR)

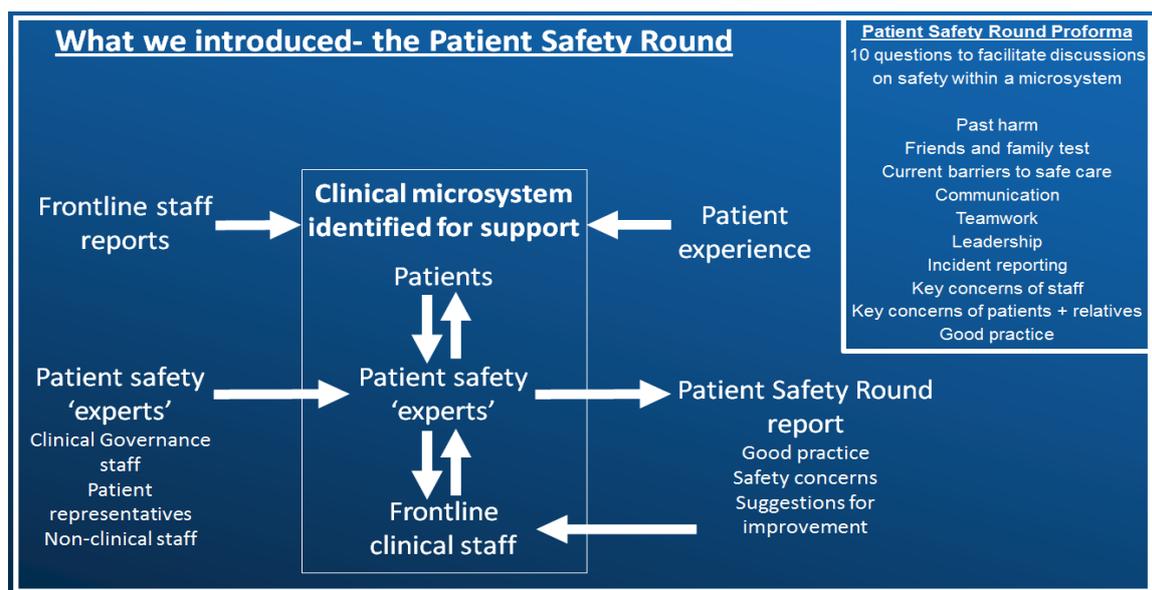
Patient safety is the number one priority for all staff, yet some report dissociation between frontline staff and Patient Safety experts. Patient Safety Rounds may help to bridge this gap to promote patient safety within an organisation. In addition, it is recognised that strong leadership is essential to build a safety-focused organisational culture. Patient Safety Rounds are a method of ensuring that leaders are informed first hand of the patient safety concerns of frontline staff as well as demonstrating visible commitment to safety by listening to staff raising concerns. Patient Safety Rounds can act as a useful tool to:

- demonstrate organisational commitment to patient safety
- support open communication within the organisation
- identify opportunities for change and promote a culture of safety improvement
- encourage reporting of safety incidents, patient harm and near misses

We have been running programme of Patient safety Rounds at Royal Papworth Hospital since 2015. Every year an annual programme of PSR is agreed at the quality and Risk Management group. Each visit is supported by a Matron, Consultant and Senior Manager, Executive Director and where possible, a patient representation. There is always an invitation for a Non-Executive Director to join the PSR

Patient Safety Round participants introduce themselves to the local leadership team who facilitate a brief tour of the area if appropriate. The PSR participants then approach staff and patients using a template of 10 questions to prompt and guide the discussion. The discussion focuses on the following 10 key areas:

- Past harm (patient safety incidents)
- Friends and family test
- Current barriers to safe care
- Communication
- Teamwork
- Leadership
- Incident reporting
- Key concerns of staff
- Key concerns of patients + relatives
- Good practice



During 2017/18 we undertook 6 Patient Safety Rounds:

Date	Clinical Area	Speciality	Report to QRMG
July 2017	Mallard ward -	Surgery	Yes
Sept 2017	VARRIER Jones ward	Cardiology / Surgery	Yes
Oct 2017	Hugh Fleming ward	Cardiology	Yes
Nov 2017	Chest Medical Unit	Thoracic Medicine	No – verbal feedback to the

			ward only
Jan 2018	Hemingford ward	Surgery	Yes
March 2018	Varrier Jones Out Patients	Cardiology / Surgery	Pending

Actions are addressed at the time of the round and taken forward by the relevant teams. The idea is that the PSR prompts an immediate response. However, if required, outstanding can be taken to the relevant Business Unit (BU) and reported through the BU Quality and Risk Report.

#### Patient Safety Rounds 2018/19

A rolling programme of Patient safety Rounds is being agreed for 2018/19 which will include the clinical areas at the new Royal Papworth Hospital from September 2018. We would aim to increase and encourage more patient and public involvement in the Patient Safety Round programme during 2018/19 and we would aim to do this through the Patient and Public Involvement Committee, Patient Experience Group and Patient Experience Panel.

## Patient experience domain

### Patients and Carer Experience Strategy

Collecting Patient Stories is an important component in understanding how patients' perceive the care they have received. Patient Stories involves interviewing patients directly to gather their insights on the service and care provided. Throughout this year the Trust has continued to embed the regular capturing of patient stories. These are collated on a monthly basis with a summary of themes both positive and areas for improvement identified. Patient stories are read back at professional and business unit meetings on a regular basis and influence areas change in practise and service improvement.

Always Events are aspects of the patient experience that are so important to patients and family members that health care providers must aim to perform them consistently for every individual, every time. Institute for Healthcare Improvement (IHI), laid the foundation for the development of IHI's Always Events framework. This framework provides a strategy to help health care providers identify, develop, and achieve reliability in person- and family-centred care delivery processes.

In 2017/18, 'Always events were agreed, finalised and launched at nurses day.

- Privacy will always be maintained
- Patients will always be listened to
- Patient buzzers will always be answered within 2 minutes
- Always include patient, family and friends in planning of care if patient wishes
- Always be open and honest
- Always know that I can speak to a specialist about my plan of care
- Always communicate delays, postponements, cancellations in a timely way.

Further presentations have taken place at:

- patient and carer listening event
- departmental meetings
- Patient and public involvement committee

Further work is required throughout 2018/19 to audit improve and embed 'Always events.

### Patient Stories at Board

There continues to be Board of Directors engagement with patient stories and throughout 2017/18 senior nurses and Matrons have presented on a monthly basis at Board of Directors. Patient stories continue to be presented at a number of professional meetings eg NAC, Sisters forum, OEG, patient experience group and safeguarding group. This has generated sharing and learning within and across staff groups. Sharing and learning from patient stories will continue throughout 2018/19.

## Patient Stories-Matrons

The Matrons liaise with the ward team to identify a patient who would be willing to spend some time reflecting on their experience with the Matron. Feedback is promptly provided to the care team and immediate action is taken if concerns are raised. Individual patient stories are recounted at the start of Trust meetings of all types, including at Trust Board, to help focus the attendees on our patients. The stories are reviewed by Heads of Nursing and the responses themed. A quarterly report is submitted to the Nursing Advisory Committee so the information can be shared with the wider Nursing and Allied Health professional teams.

What is the best thing about your stay?

- Knowledgeable, lovely staff
- Feeling safe
- Professionalism
- Staff are kind and caring

What is the worst thing about your stay?

- My procedure being cancelled
- Frequency of staff changes
- Lots of repeated questions
- Food
- Nothing

Having reflected on your experience of being a patient at Papworth, are you able to suggest areas we can improve on?

- Better communication related to cancellations
- I want to know where I will be in the new hospital

Actions taken from the patients stories:

- A standard operating procedure to manage communication related to late cancellations of procedures has been developed

What would you want us ALWAYS to do?

- Always keep me informed about what is happening
- Always give us privacy
- Always ensure that patients are listened to
- Always include family and friends in care planning
- Always be honest and open about things
- Always ensure that the environment is clean

## Dementia

The Equality Act imposes a duty to make “reasonable adjustments” for disabled persons. Reasonable adjustments are defined as “changes to practice and processes which are implemented to prevent any disabled persons from being at a disadvantage, whether by virtue of a physical feature of the premises or a process that places people with a disability at a disadvantage.”

The health outcomes for patients with Dementia and Learning Disabilities are significantly poorer than the general population. There are a number of reasons for this. It is therefore incumbent on NHS foundation trusts to make those reasonable adjustments and address the health inequalities.

People with learning disabilities have poorer health than their non-disabled peers, differences in health status that are, to an extent, avoidable, and therefore unjust and unfair. The health inequalities faced by people with learning disabilities in the UK start early in life, and result, to an extent, from barriers they face in accessing timely, appropriate and effective health care. People with

a learning disability are four times more likely to die of something which could have been prevented than the general population (Disability Rights Commission, 2006).

The inequalities evident in access to health care are likely to place many NHS Trusts in England in contravention of their legal responsibilities defined in the Disability Discrimination Acts 1995 and 2005 and the Mental Capacity Act 2005. At a more general level, they are also likely to be in contravention of international obligations under the UN Convention on the Rights of Persons with Disabilities.

The Department of Health have continuously emphasised the importance of Primary, Acute and Specialist NHS Trusts in meeting the health care needs of people with learning disabilities (DoH, 2015). The Government's mandate to the NHS 2017-18<sup>1</sup> published by DOH makes it clear that it supports the principles of reducing health inequalities. Patients with Dementia enjoy similar protection from the Equalities act. The prime minister's challenge on dementia 2020 states that:

'We want the person with dementia – with their carer and family – to be at the heart of everything we do. We want their wellbeing and quality of life to be first and foremost in the minds of those commissioning and providing services, recognising that each person with dementia and their carer is an individual with specific and often differing needs including co-morbidities'.

Going into hospital for a person with Dementia can be a difficult and distressing time. Someone with dementia may have to go into hospital for a planned procedure such as an operation, during a serious illness or if they have an accident or fall. This can be disorientating and frightening and may make them more confused than usual. Hospitals can be loud and unfamiliar, and the person may not understand where they are or why they are there.

Royal Papworth Hospital Dementia strategy pledges that:

Patients with dementia will have safe individualised care, be treated with respect, and be well informed whilst in our care. Care is set around what the person needs and who they are. Our patients with dementia will receive the essentials of care that are right first time every time. Patients who are vulnerable and those who require reasonable adjustments are identified daily in the site safety briefing and adjustments are made by senior nurses as necessary and this has become embedded during 2017/18.

Throughout 2017/18 a series of leaflets have been developed to better inform staff on how to work more closely with people who have learning disabilities. An example of this is 'Your patient has a learning disability; PALS "we're here to help"'. Public internet site has been updated to include prompts regarding information about disability access and where the reader can find leaflets to support their stay at Papworth. Additional information (easy read required) 'Getting ready for your stay in hospital' 'Leaving Hospital' and 'tell us what you think'.

The Safeguarding leads ran a very successful workshop for link nurses in 2017/18.

March 2017/18 was safeguarding awareness month. Staff from ward to Board were provided with materials to update and inform them of their responsibilities in relation to safeguarding vulnerable patients. The challenges for 2018/19:

1. To use Lorenzo (EPR) to improve our Ensure that Staff are able to access person centred care plans to address needs recognition, response and recording of reasonable adjustments, activity and outcomes for these patients. The actions below will address this action:
  - Creation of alerts covering Dementia and Learning disabilities including suspected and confirmed diagnosis
  - Creation of smart lists to highlight presence of patient with an alert in hospital.
  - SOP to be devised re use of the alerts
  - To redesign admission paperwork to prompt staff re necessary actions.
2. The safeguarding leads will progress the initiative to publish quarterly safeguarding newsletters to include updates on Dementia and LD for staff throughout 2018/19.
3. With moving to New Royal Papworth Hospital consideration is being given to ensure of dementia friendly environment for our patients

4. We will continue to gain rich feedback from our patients with dementia and LD and their carers.

## Frailty

The multidisciplinary frailty group has progressed with work on identification of frailty throughout 2017/18. This now encompasses all surgical patients including in house urgent patients. The 'All about me' booklet has been embedded for all patients attending preadmission clinic. This provides a rich source of information for proactive discharge planning. The group has presented their work at local and national conferences.

The frailty group has aims and objectives for 2018/19 which include:

1. Progress introduction of comprehensive geriatric assessment for patients >75 yrs.
2. Further development of 'All about me' booklets to include quality of life pre and post surgery
3. Progress Grant application to support research in the domain of frailty and cardiac surgery.
4. Continue to share practise and initiatives at national and international conferences

## Acute Coronary Syndrome (ACS) Activity

The service was under considerable pressure in the later part of 16/17 and first quarter of 17/18, with inpatient bed closures due to norovirus and high staff turnover. A pathway review was undertaken and a number of changes implemented in the second quarter of the year: These included:

- Ad hoc extended weekend lists; lists flexed from a scheduled finish of 1pm to 5pm on Saturday and Sundays when demand requires it.
- Additional evening lists running at least once a week, extended beyond 8pm when required.
- Continual cross cover of the cath labs by consultants so that no sessions are lost through leave or illness.
- A greater number of day case patients consented by a specialist nurse saving consultant time and avoiding delays.
- Optimisation of the process to convert elective cardiology capacity to non-elective ACS lists at short notice.

These changes have resulted in a shift in the 72 hour transfer from referral standard from an average of 70% prior to the changes to delivery of in excess of 99% for the last seven months of the year.

The team are now focusing on reducing the time to treatment for all ACS patients. To support this and effective management of activity growth, a second cycle of process changes within the Cath Lab have been identified. These include:

- Review of procedure times (PCI, EP< diagnostic) and analysis of variations, to allow greater throughput of patients during the same opening hours.
- Cath Lab leader role created to encourage efficient turnaround time of the Cath Labs.

The performance improvements achieved help prepare for the launch of the NSTEMI (Non S-T Elevated ACS pathway) in June 2018, which will see a high risk sub-group of ACS patients transferred directly to the Trust for treatment without needing to be first assessed at a local hospital. This development will result in better outcomes and patient experience and reduce ambulance transfers and beds days in referring hospitals.

## NSTEMI

A new pathway for high risk NSTEMI patients has been developed by RPH with support from Cardiology STP to pilot the pathway for 3 months from June 2018 within this catchment area. This impact is on those patients who would normally be transferred to Hinchingbrooke, CUH and Peterborough Hospitals by EEAST. During the pilot the responding crew will transfer an ECG to RPH and discuss the patient to determine if transfer should be directly to RPH, avoiding an interim admission and further transfer for the patient. Those patients will be re-vascularised (where appropriate) within 24 hours. KPI's for the pilot are under discussion with EEAST and commissioners for finalisation in May 2018.

## Theatre Cancellations

Cancellation of scheduled activity has been an area of concern in 2017/18 with a total number of 602. The five main reasons for cancellations were: Insufficient CCA staff; All CCA beds full with CCA patients; No ward bed available to facilitate transfer of patient out of CCA; Emergency and transplant operations took theatre time.

Key actions undertaken:

- Active recruitment programme both locally and internationally has improved the vacancy picture on CCA – with vacancies falling from 9.3% of registered nurses at the start of the year to 5.5% at the end. This picture looks likely to continue as we move toward the new hospital.
- CCA occupancy averaged at 88% over the year (with a target figure of 85%). Impact on occupancy was multifactorial – but included periods of high acuity as well as delayed flow out of the hospital due to pressures generally with the NHS. Over the year, there were 167 'lost nights' when patients stayed within Royal Papworth CCA rather than transferring to their referring hospital. These are all escalated either to the regional CCA network, executive team or to NHS England for the specialist services.
- Work with the wider hospital team to optimise patient flow outside of CCA, and to maximise ward bed capacity, has been a high priority throughout the year – looking both at staffing levels and recruitment, as well as ways of working.
- CCA, Theatre and Surgical teams work closely on a daily basis to review activity and minimise cancellations.

## Patient Led Assessments of the Care Environment (PLACE) Programme 2017

All healthcare providers are required to undertake part in the national Patient-Led Assessment of the Care Environment (PLACE) annual inspections. PLACE is a national self-assessment tool designed to measure standards of;

- Cleanliness,
- Food
- Privacy, Dignity & Wellbeing,
- Building Condition, appearance & maintenance
- Dementia friendly environment

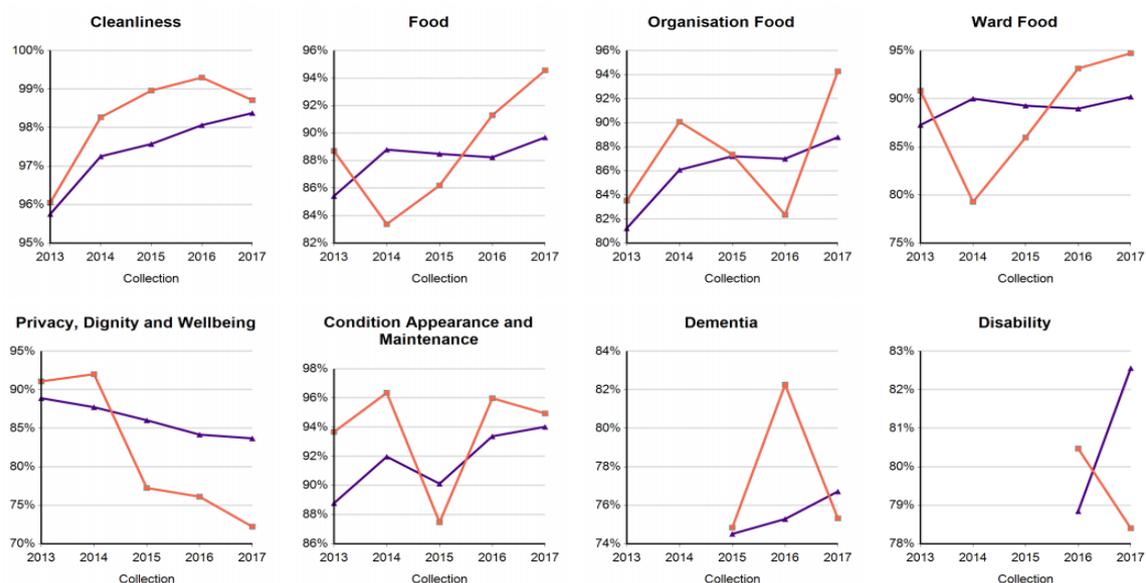
The Health & Social Care Information Centre (HSCIC) provide comprehensive guidance on the organisation and conduct of assessments and separate guidance documents for staff assessors and patient assessors. PLACE assessments are carried out by internal and external assessors within inpatient facilities and the surrounding patients assessed environment. Assessors include Governors, Volunteers, Trust members and representatives from the Trust's facilities contractors. Staff areas and clinical treatments are excluded from this assessment.

### Results from 2017 inspections

The table below demonstrates the Trust performance against the national average, and over the preceding 4 years.

In the Cleanliness, Food, Organisational Food, Ward Food and Condition, Appearance and Maintenance the Trusts performed above the national average. In the remaining categories the Trust scored below the national average – see details below the table.

Site Scores Organisation Average National Average



Source: Health and Social Care Information Centre  
 More information can be obtained on the Health and Social Care Information website

Cleanliness - continued to score above the National Average throughout the site despite frequent staff turnover.

Food - Food scores have seen a further increase this year, and continuing to score well above the National Average.

Privacy, Dignity & Wellbeing - It is expected that the majority of the areas, where the Trust did not score well, in this category will be resolved with the move to new Royal Papworth Hospital and the single en-suite rooms, enhanced patient entertainment systems and a more patient focused care environment will improve the scores.

Condition, Appearance & Maintenance - In line with the move to new Royal Papworth Hospital maintenance works are now of a reactive nature rather than a proactive one, even so we have maintained an above national average score within this category as it is paramount that we continue to deliver a safe, well maintained environment for our patients and visitors.

Dementia and Disability - We continue to maintain respectable scores within these categories, considering the age of the estate the Trust is not fully Dementia or Disability friendly, In some areas it is difficult to achieve fully, but where possible we aim to reach these standards. Again, it is expected that the shortfalls will be rectified with the move to new Royal Papworth Hospital.

### Listening to Patient Experience and Complaints

Listening to the patient experience and taking action following investigation of complaints is an important part of our quality improvement framework. In 2017/18 Royal Papworth Hospital received 70 formal Complaints (57 in 2017/18) requiring investigation (1 complaint had been withdrawn after being registered) (34 inpatient and 39 outpatient complaints). 66 were relating to NHS provided services with 4 complaints relating to private patient services at Royal Papworth Hospital. The overall numbers of complaints received has increased on the numbers received during the previous year when 57 complaints were received (23% increase). Where a patient/family member do not wish to register their concern as a formal complaint we log these concerns as "Enquiries". Investigation of the issues raised follows the same robust process as a formal complaint and a written response, including any actions identified as a result of raising their concern, is provided. The Trust received 33 Enquiries in 2017/18. All formal complaints received have been subject to a full investigation, and throughout the year service improvements have been made as a result of analysing and responding to complaints. Not all complaints are upheld following investigation and the table below shows the number of complaints received per 1,000 patients and of those, the numbers upheld or part upheld. Figure below shows the trend of formal complaints and enquiries received by quarter.

	Number of Patient episodes (Includes In Patients, Out patients and excluding Private Patients)	Number of complaints received	Complaints received per 1000 patient episodes	Complaints upheld
Q1 16/17	30,010	16	0.5	9
Q2 16/17	30,439	16	0.5	10
Q3 16/17	29,672	10	0.3	6
Q4 16/17	29,981	15	0.5	9
Total 16/17	120,102	57	0.5	34
<b>Private Patients Only (In-patients and Out Patients)</b>				
Total 16/17	5,142	3	0.6	2
Q1 17/18	27,390	13	0.5	6
Q2 17/18	29,016	21	0.7	12
Q3 17/18	31,009	10	0.3	8
Q4 17/18	31,368	26	0.8	17**
Total 17/18	118,783	70	0.6	43**
<b>Private Patients Only (In-patients and Out Patients)</b>				
Total 17/18	4,844	4	0.8	3

Number of complaints reported and upheld per 1,000 patient episodes

\* Some of the complaints received in Q4 16/17 were not resolved at the time of initial reporting – this data has been updated with correct end of year figures – Data source DATIX™ as at 06/04/2018. \*\* Some of the complaints in Q4 17/18 have not yet been fully investigated so the outcome of the complaint is not known at the time of reporting - Data source DATIX™ as at 06/04/2018

Out of the 70 complaints received in 2017/18, **61%** were upheld or partly upheld following investigation\*\* (2016/17: 60%). Communication / Information and Delay in Diagnosis/ Treatment or Referral categories are the highest reason for complaints. Further breakdown of the communication / Information category is below. A comparison of complaints raised by primary subject by year is shown below.

Complaints received by primary subject	2017/18	2016/17	2015/15	2014/15
Admission arrangements	0	0	0	1
Staff attitude	2	5	4	4
Clinical Care	8	17	21	20
Nursing Care	5	4	6	2
Catering	0	1	0	1
Patient charges	0	1	0	1
Communication/Information	41	18	20	8
Delay in diagnosis/treatment or referral	9	6	4	6
Discharge Arrangements	2	2	2	0
Equipment Issues	1	1	0	0
Privacy and Dignity	1	0	0	0
Environment - Internal	0	1	0	0
Medication issues	0	0	2	0
Transport Issues	1	1	2	0
Totals	70	57	61	43

Complaints by primary subject (Data source DATIX™ as at 06/04/2018)

Communication / Information	Lack of Clarity / Clarification required	Confidentiality	Conflicting information	Incorrect information	Lack of information to the patient	Lack of response	Other	Query re diagnosis	Sensitive information	Total
	8	2	5	2	12	1	5	1	5	41

Communication / Information Complaints by area	
Cardiology	16
Surgery	8
Critical Care	2
RSSC	3
Respiratory Medicine	6
Thoracic Surgery	1
Oncology	1
Other / Trust wide	2
<b>Total</b>	<b>42</b>

#### Selection of actions taken as a result of upheld and part upheld complaints – 2017/18

We have introduced a recovery plan to improve the turnaround times for MRI reporting
We have reinforced the process to ensure that all bookings, including private bookings go onto the booking tracker as an audit trail of what was requested
We have reviewed the current Competency for removal of epicardial pacing wires (CP017)
We have designed a poster in Thoracic out-patients to highlight that any patient of relative can and should ask to speak to the Nurse in Charge if they have any issues or concerns with their visit.
We have development of an electronic clinic outcome forms which will allow the clinic coordinators to refer back to the original if there were any queries
We have implemented a tracking and monitoring system of required action of escalated outpatient appointments.
We have introduced a process to monitor housekeeping staffing levels and timely delivery of meals.
We have reviewed the non-cancer thoracic surgical pathway to include clarification for the management of existing medications prior to admission.
We have reviewed the Thoracic pre admission clinic letter to include length of time expected to be spent in pre admission clinic
There has been feedback to the staff regarding the increase in complaints about communication. Staff are reminded to be responsive and timely in their communications to ensure patients are fully informed of their planned care
We have replaced the shower mats in Hemingford ward
We have introduced a privacy notice on sides rooms in Critical care to ensure relatives have the opportunity to be updated by staff prior to entering a patient's room.

Further information is available in our quarterly Quality and Safety Reports which are on our web site at

[http://www.papworthhospital.nhs.uk/content.php?/clinical\\_quality/healthcare\\_professionals/clinical\\_governance](http://www.papworthhospital.nhs.uk/content.php?/clinical_quality/healthcare_professionals/clinical_governance)

All Complaints are detailed in the Quarterly Quality and Risk report available on our public website and reviewed at the relevant Business Units and speciality groups for shared learning.

### Care Quality Commission (CQC) Inspections

Royal Papworth hospital has an excellent working relationship with the CQC Relationship Manager. The last CQC announced inspection was on the 3 and 4 December 2014 and following standard practice, an unannounced inspection followed on 14 December 2014. The CQC looked at all the inpatient services, including the Progressive Care Unit and the outpatients department. The CQC talked with patients and staff from all the ward areas and outpatients services. The CQC observed how people were being cared for, talked with carers and/or family members, and reviewed patients' records.

Overall the CQC found that the hospital provided highly effective care with outcomes comparable with or above expected standards. The service was delivered by highly skilled, committed, caring staff and patients were overwhelmingly positive about the care they received at the hospital. The Trust received an overall rating of good with areas of outstanding practice. However, there were areas in which Royal Papworth could improve and action plans have been put in place to address these. The full report is available on the CQC website at [http://www.cqc.org.uk/sites/default/files/new\\_reports/AAAB8933.pdf](http://www.cqc.org.uk/sites/default/files/new_reports/AAAB8933.pdf)

The ratings for Royal Papworth against the five key questions used by the CQC in their inspections of services are shown in the table below

## Ratings

### Overall rating for this trust

Good 

Are services at this trust safe?

Good 

Are services at this trust effective?

Outstanding 

Are services at this trust caring?

Outstanding 

Are services at this trust responsive?

Good 

Are services at this trust well-led?

Good 

### CQC Internal Mock Inspections

A CQC Mock inspection followed an unannounced format and took place on the 06/02/2018. The team were asked to explore the Key Lines of Enquiry (KLOE) and look for good practice and those areas that need improvement. All the reports have been collated and the Trust has received an overall rating on **Good** with caring rated as **outstanding** overall.

Service	Safe	Effective	Caring	Responsive	Well-led	Outcome
Surgery	Good	Good	Good	Requires Improvement	Good	Good
Medicine Respiratory	Good	Good	Outstanding	Good	Good	Good
Cardiology	Good	Good	Outstanding	Good	Good	Good
Medicine overall	Good	Good	Outstanding	Good	Good	Good
CCA	Good	Good	Good	Good	Good	Good
Outpatients and diagnostics	Good	Good	Outstanding	Good	Requires improvement (diagnostics)	Good
Trust wide	Good	Good	Good	Requires Improvement	Good	Good
Overall	Good	Good	Outstanding	Requires improvement	Good	Good

The report has been disseminated to all departments and the recommendations will be actioned at local level. Quality and risk management group will hold departments to account on actions during Q 1 2018/19. Further work is required during 2018/19 to self assess against CQC standard regulations. These include the fundamental standards – the standards below which care must never fall. The work on well led throughout 2017/18 in the Trust will continue during 2018/19 and will be in keeping with the new style CQC inspection regime.

# Clinical effectiveness of care domain

## Donation after Circulatory Death (DCD) procedure

In response to the worldwide shortage of donor hearts for transplantation, The Transplant team at Royal Papworth Hospital has been at the forefront of a new technique that has significantly increased the number of hearts available for transplantation. The research shows that heart transplants from a new group of potential donors - known as DCD transplantation or 'Non-Beating Heart Transplantation' - will save hundreds of lives internationally as the heart transplant waiting list continues to grow and the availability of traditionally procured organs shrink. This innovative technique has enabled surgeons at Royal Papworth to utilise donor hearts which were previously considered unsuitable to transplant. Historically, only hearts from donors who were brain stem dead were transplanted following thorough assessment, but using this method hearts from patients where continued medical treatment has been deemed futile can also be used to potentially save lives. This procedure is proving to be so successful at Royal Papworth, that the hospital has been able to increase the number of people receiving a heart transplant by almost 40% - since the inception of the programme in 2015 there have been 44 DCD Heart Transplants. As a consequence of this increase Royal Papworth is performing 50 or more Heart Transplants per year which means we are the highest volume centre in the UK. Each DCD Heart Transplant undertaken also means that another patient will benefit from a traditionally procured organ when it becomes available.

## Royal Papworth Hospital Adult Cardiac Surgical Outcomes – April 2012 – March 2015 (published 23 September 2016)

Analysis of data from the National Adult Cardiac Surgery Audit for the above period was published on the 23 September 2016. Royal Papworth Hospital's data (excluding emergency and salvage cases as well as all cases of trauma, transplantation, implantation of VAD as a primary procedure, pericardiectomies and ventilated patients pre-operatively) is included in the table below. This shows that Royal Papworth Hospital has a survival rate higher than expected (at or beyond the 95% confidence interval limit).

Case Volume	Crude Survival	Predicted Survival	Risk Adjusted Survival	P value
5592	98.2%	97.2%	98.6%	0.975725830

- The Case Volume is the number of cases over the 3 year period. Where there were multiple procedures in an admission only the first case is counted, and mortality is attributed to this procedure.
- National survival for this group of patient is 97.9%.
- Predicted survival is determined by using a contemporary recalibration of the logistic EuroSCORE risk prediction model.
- Risk adjusted survival is determined from the crude survival and predicted risk.
- P value is the probability that the low survival rate may be due to chance alone, following an analysis which takes into account risk adjusted survival and the overall distribution of survival across the hospitals. All statistical tests are 2 tailed, therefore the 95% limit equates to a p value below 0.025.

This is an excellent result for and confirms the continuing high standards of care that are consistently delivered to our patients by our staff.

## Cancer - 62-day wait for first treatment from urgent GP referral

### **Background**

This is the percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer. For the definition of this indicator see Annex 4.

Royal Papworth Hospital is the tertiary/specialist hospital for lung cancer in the west half of the Anglia region. Patients seen by their GP with suspected lung cancer are referred first to their local

district general hospital (DGH), and then onto Royal Papworth for further investigation if lung cancer seems likely, and if the recommended treatment is likely to be potentially curative. The main treatment modality delivered at Royal Papworth is thoracic surgery. Patients who require chemotherapy, radiotherapy or other treatments are treated at Cambridge University Hospitals or at their referring trust.

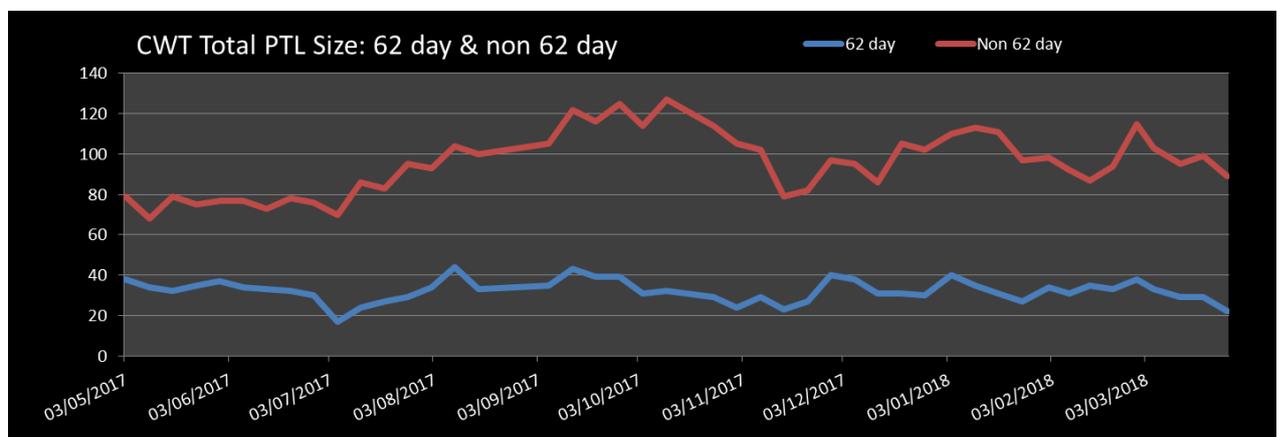
Like all other hospital trusts, Royal Papworth is expected to treat 85% of patients referred on this pathway within 62 days of referral. For the purposes of cancer waiting times (CWT) where patients are seen at multiple hospitals, a patient is split between the 'first seeing' hospital and the treating hospital. The network pathway means that Royal Papworth is not the first Trust to see any patients and therefore Royal Papworth is only accountable for 50% of any pathway where the patient is treated here. This means the numbers of treatments Royal Papworth records is very small for the 62 day pathway, which is only a small percentage of the patients it has on its Patient tracking list at any one time. Where patients are referred to Royal Papworth late (after 16 days as agreed in accordance with the regional best practice Lung pathway) it has been agreed that these breaches can be negotiated to be reallocated to the referring hospital, although these are not reflected in the nationally reported figures.

Data on patients treated are recorded on a national system, Open Exeter. Open Exeter records the hospital first seeing the patient (2 week wait) and the hospital treating the patient. The majority of patients that come through the service do not appear against Royal Papworth's figures because they are first seen for their 2 week wait appointment at their DGH, and after we are involved in their diagnostics are referred back to their original DGH or onward to a tertiary centre that provide non-surgical treatments that are not provided at Royal Papworth as mentioned above. A new guideline on allocations for breaches between hospitals has been developed and tested from April 2017 but has not been currently reportable through Open Exeter. However a new digital system is being introduced from June 2018 onwards that now reallocates breaches in line with the new 38 day Inter provider Transfer rules. These are based on the days that the 62 day patients are seen at the different stages along the pathway, and are broken down into 2 areas, investigating and treating. The new rule is dependent on where the onward referral is received along the pathway. This not only effects how the breach is shared but also the positive treatment.

**Performance against the 62-day target**

For 2017/18 Royal Papworth is very likely to achieve its full year cancer waiting time target (CWT) for 62-day patients after before and after reallocations, subject to March data being confirmed (see figures for 2017/18 and comparative figures for 2016/17 below).

We have seen increased number of referrals coming into the system and the team have worked very hard to maintain the same level of service. We have seen increase in the number of 31 day patients that have been treated and an increase in the size of our Patient tracking list PTL that shows the number of cancer and potential cancer patients t the team are monitoring at any one time. Although we may only treat approximately 5 to 14 patients a month on a 62 day pathway (this is a score of 2.5 to 7.0 as patients are shared) but the graph below shows how many patients in total are being looked after diagnosed or seen on our MDTs at any one time.



In June 2016 an agreed a Rapid Action Plan and local monitoring to achieve 85% for the 62 day target by February 2017, was implemented with the support of NHSe. Following the achievement of the target last year, the quarterly meetings held with NHSe have continued as they were seen as

very positive in cementing the collaborative working relationship between us that had resulted in a greater understanding of our PTL size and not just the 62 day patients.

The rapid actions below have now become embedded and are now business as usual.

- Meeting referring DGHs to facilitate early referral to Royal Papworth (by day 15);
- Appointing a Cancer Pathway Tracker;
- Developing the internal pathway with a target of 24 days from referral to decision to treat (DTT);
- Agreeing local performance metrics to be reviewed monthly;
- A senior manager to be accountable for achievement of plan and target.

Additional factors included:

- Thoracic surgeons very responsive and flexible to achieve target dates which has facilitated us in meeting the 31 day standard also.
- Updated multidisciplinary team (MDT) notes to include target dates;
- An enormous amount of work by the teams involved to progress pathways and achieve targets;
- The 62 day target remains difficult to achieve due to the small denominator.
- Trust reviewing and apprising different cancer tracking systems to change the now proven and implemented manual process to a more effective electronic process as the service pressure and pathway changes become more complex.

## Royal Papworth Leads in Transplant Survival Rates

Royal Papworth hospital has continued to measure extremely well against the other transplant centres in the U.K. and these achievements have been highlighted by NHS Blood and Transplant's (NHSBT) Annual Report 2016/17. Royal Papworth Hospital has the lowest offer decline rate in the country meaning that we are looking at every possible donor to assess if this donor can be converted to a successful Transplant. We are the only centre in the country that will send one of our DCPs to scout potential donors in an attempt to increase the donor pool by active donor management prior to the retrieval teams' arrival at the donor hospital. We are also by far the busiest Retrieval team in the country.

Royal Papworth has the best risk adjusted 30 day, 1 year and 5 year survival post Heart Transplant and the best risk adjusted 90 day, 1 year and 5 year survival post Lung transplantation.

All of this comes under the backdrop of increasing clinical pressures and staff shortages so these achievements are even more remarkable and indicative of the dedication of the team.

## Respiratory Extra Corporeal Membrane Oxygenator (ECMO)

Royal Papworth Hospital is one of five centres to provide in England the highly specialised Respiratory Extra-Corporeal Membrane Oxygenation (ECMO) Service, including specialised retrieval of patients from referring hospitals.

ECMO supports patients with severe potentially reversible respiratory failure by oxygenating the blood through an artificial lung machine. The extracorporeal life support is used to replace the function of failing lungs, usually due to severe inflammation or infection. ECMO is used to support patient groups with potentially reversible respiratory failure such as Acute Respiratory Distress Syndrome (ARDS) sometimes seen in patients with community-acquired pneumonia or seasonal flu. The aim of ECMO in respiratory failure is to allow the injured lung to recover whilst avoiding certain recognised complications associated with conventional ventilation. It is high risk and is only used as a matter of last resort. The procedure involves removing blood from the patient, taking steps to avoid clots forming in the blood, adding oxygen to the blood and removing carbon dioxide, then pumping the blood back in the patient.

ECMO is a complex intervention and is only performed by highly trained specialist teams including intensive care consultants, ECMO specialists, perfusionists as well as ECMO-trained nurses. ECMO is a form of support rather than a treatment and its aim is to maintain physiological homeostasis for as long as it takes to allow the lung injury or infection to heal. This usually means a support time between five and 14 days but sometimes ECMO support is required for longer.

ECMO support can also be used to support patients presenting with life threatening conditions referred to tertiary cardiothoracic centre, such as severe acute heart failure. This sort of ECMO support is not part of the nationally commissioned Respiratory ECMO Service but Royal Papworth Hospital has been offering this for a number of years to many patients. The hospital is registered with the international Extracorporeal Life Support Organisation (ELSO) and is renowned for its experience using ECMO. This long experience in providing a high-quality ECMO service is recognised in the success of the residential Royal Papworth ECMO course that attracts national and international delegates, with more than 350 delegates from 5 continents having attended too far. The multidisciplinary team has contributed to multiple scientific communications and articles published in the medical literature.

From December 2011 the service provided by Royal Papworth became part of the national network of services that provides a year-round ECMO service to all hospitals in the country. This includes the retrieval on ECMO of patients from the referring hospital by a dedicated highly specialised team. Royal Papworth works very closely with the other 4 national ECMO centres and NHS England to ensure all patients have immediate access, all week long and at any time of the day or night, irrespective of their location. Our consultant Intensivists also provide specialist advice by phone to referring centres when patients are not deemed suitable for ECMO.

In 2014 the service expanded to include a follow up clinic. All patients are seen 6 months after discharge from Royal Papworth by a consultant in respiratory medicine or intensive care, and an ECMO specialist nurse. The aim of the clinic is to provide ongoing support where required, evaluate their respiratory function to ensure best treatment is offered and measure quality of life after ECMO to allow us to refine how we deliver the service.

To ensure best practice across many hospitals, Royal Papworth is inviting team members of all referring intensive care units to attend an annual meeting to review indications and outcomes, as well as share areas of best practice. The last annual meeting was held in Cambridge in October 2017. The 5 centres providing ECMO in England meet at least twice a year to review practices and outcomes, and have weekly phone conference to ensure access to the service is maintained.

### Summary of ECMO activity at Hospital since December 2011 - March 2018

\*discharge from Royal Papworth

Year	Referrals	Accepted	Supported with ECMO	Survival to discharge* (ECMO)	Survival to discharge* (all accepted)	30 day survival (ECMO)	30 day survival (all accepted)
Dec 2011/12	25	15	10	50%	66%	50%	66%
2012/13	111	28	22	68%	75%	64%	71%
2013/14	116	35	32	75%	77%	71%	71%
2014/15	152	40	37	76%	75%	77%	75%
2015/16	202	54	50	70%	70%	68%	68%
2016/17	149	36	35	86%	83%	83%	80%
2017/18	177	50	46	78%	78%	68%	62%

Whilst difficult to compare due to the multiple conditions treated and the absence of risk stratification, survival is in keeping with international figures. The Extra Corporeal Life Support Organisation (ELSO) registry shows in January 2018 a survival of 59% for patients supported with respiratory ECMO. \* indicates interim figure as some patients are still supported.

## Pulmonary Endarterectomy

Pulmonary hypertension is a rare lung disorder in which the arteries called pulmonary arteries that carry blood from the right side of the heart to the lungs become narrowed, making it difficult for blood to flow through the blood vessels. As a result, the blood pressure in these arteries rises far above normal levels. It is a serious disease that leads to right heart failure and premature death. Patients usually present with symptoms of exertional breathlessness and as there are no specific features, the diagnosis is usually made late in the disease process. There is medical treatment available for some forms of Pulmonary Hypertension.

Chronic thromboembolic pulmonary hypertension (CTEPH) is one type of PH and is important to recognise as it is the type of PH that is most treatable. The disease begins with blood clots, usually from the deep veins of the legs or pelvis moving in the circulation and lodging in the pulmonary arteries (this is known as a pulmonary embolism). In most people these blood clots dissolve and cause no further problems. In a small proportion of people the blood clots partially dissolve or don't dissolve at all and leave a permanent blockage/scarring in the pulmonary arteries leading to CTEPH. There are now three treatments for CTEPH and all are available at Royal Papworth, licenced drug therapy for inoperable patients, balloon pulmonary angioplasty for inoperable patients and the guideline recommended treatment pulmonary endarterectomy surgery. The pulmonary endarterectomy (PEA) operation removes the inner lining of the pulmonary arteries to clear the obstructions and to reduce the pulmonary artery pressure back to normal levels. This allows recovery of the right side of the heart with a dramatic improvement in symptoms and prognosis for the patient.

Since 2000 Royal Papworth hospital was commissioned to provide this surgery for the UK, and since 2001 it was also designated as one of the seven adult specialist PH medical centres. With better understanding of the disease, CTEPH is increasingly recognised in the UK, but still probably remains under diagnosed. Over the last few years there has been a large increase in pulmonary endarterectomy surgery at Royal Papworth and the hospital has been at the forefront of international developments in this field with multiple research publications and participation in international conferences, most recently the 6<sup>th</sup> World Symposium in PH where a Royal Papworth surgeon delivered the main lecture on CTEPH treatment. Doctors from all over the world visit regularly to learn the operation and hospital surgeons have also travelled to assist surgeons in their own hospitals. In addition we run regular Masterclasses in CTEPH attracting international medical delegates. There is also an annual nursing study day conducted by the pulmonary endarterectomy nurses where health care professionals from within the Trust and from other PH centres are invited to attend.

In 2017 Royal Papworth performed 197 PTE, with 97% survival in hospital and a reduced length of stay compared with previous years as the recovery protocols have become more efficient. The whole care pathway for PEA surgery has also been updated and revised to include all the recent developments.

The increased work load and need for better coordination with referring centres was recognised and a third PEA nurse specialist has been appointed to complement the team. The PEA specialist nurses in conjunction with Multidisciplinary team and the discharge co-ordinator meet to review patient feedback and refreshed the care pathway for PEA patients. The pathway was analysed and new opportunities for early referral and engagement of specialists recognised. An algorithm for assessment and use in identifying complex elements of care including; physical, psychological and social needs has been developed.

## A Great Relief for Patients

Since the first balloon pulmonary angioplasty (BPA) in October 2015, the programme has only strengthened its impact. Chronic thromboembolic pulmonary hypertension (CTEPH) is normally treated surgically, through a pulmonary endarterectomy (PEA) that removes blockages in the lung arteries. Unfortunately, for various reasons, 30-40% of patients are inoperable. These patients are managed lifelong with complex and expensive pulmonary hypertensive medications. We have had confirmation that this service will be commissioned from April 2018.

## Lorenzo

Lorenzo is an electronic patient record (EPR) system that went live within the Trust in June 2017. The new EPR is just one part of a multi-faceted programme to help revolutionise how patient care is delivered over the coming years at the trust. Through the introduction of the new system we have demonstrated how good use of IT can help improve safety and care for patients for example as a trust we have improved our digital maturity creating over 500,000 clinical documents and with Electronic Prescriptions and Medicines Administration (EPMA) for all patient episodes; with early evidence of improving medicines safety. Our technology transformation programme is now fully underway, and we are now in the process of making a bid for Department of Health funding to support a Lorenzo Exemplar programme to further support digitisation as part of our wider transformation strategy at Royal Papworth to deliver benefits to our patients and staff. Over the first seven months following the introduction of the system while there have been some concerns over recording and reporting of key patient safety measures such as Venus

Thromboembolism (VTE). The IT department is continuing to work closely with clinical governance and the clinical teams to address these issues ensuring a safer and improved patient experience

## Text message reminders

Royal Papworth introduced the use of text message reminders for out-patient appointments in September 2017. Patients receive a text message seven days before their appointment giving them the appointment details and a telephone number to ring if they aren't able to attend. The information is drawn directly from Lorenzo via an interface designed by the Royal Papworth IT team, meaning the service is completely automated.

All the information in the text message is extracted directly from Lorenzo, and there are therefore some appointments where it is more challenging to give patients one accurate appointment time in a message. For example where patients attend multiple appointments on the same day – for example Transplant patients attending for echo and for a clinic consultation, or patients seeing multiple members of the oncology MDT.

The aim of text message reminders is to reduce the numbers of patients who Do Not Attend (DNA) their outpatient appointment and therefore make better use of the hospital's resources. Overall the Trust has a DNA rate around 10% (November 2017), but there is quite significant variation between clinics. In addition, a number of areas in the hospital have been telephoning patients to remind them of their clinic appointments so the introduction of a text message service allows this time to be spent on other tasks.

The Outpatient areas have been asking patients to record a mobile number on Lorenzo so we can maximise the use of the service. We will continue to monitor DNA rates until mid 2018 to understand the impact on DNAs.

## Association of Anaesthetists of Great Britain and Ireland's (AAGBI) Annual Congress

A team from The Royal Papworth NHS Foundation Trust won first prize at the Association of Anaesthetists of Great Britain and Ireland's (AAGBI) Annual Congress for their original research on Extra Vascular Lung Water.

The research, led by Consultant Anaesthetists Dr Andrew Klein and Dr Nicola Jones, was shortlisted from 180 abstracts submitted to the Congress in Liverpool – the largest meeting of Anaesthetists in the UK, with over 1,000 delegates.

The Royal Papworth team were awarded first prize for 'Best Original Research' after being chosen ahead of eight other finalists who gave presentations on the day.

Supported by Consultant Surgeon Mr David Jenkins, Critical Care Scientist Stefanie Curry, Cardiac and ICU Fellow Dr Vasileios Zochios, Clinical Trials Coordinator Melissa Earwaker, and Clinical Fellows in Anaesthetics Dr Gregoire Blandszun and Angus Butchart, the research looked at the risk of perfusion lung injury in patients who have had pulmonary endarterectomy (PTE) surgery. PTE patients are at a higher risk of developing a pulmonary oedema – excess fluid in the lungs – and the study aimed to find a non-invasive way of getting an earlier indication of whether there is a reperfusion injury occurring.

Dr Klein said: "We studied a new monitor in patients undergoing pulmonary endarterectomy (PTE) surgery to see if we could predict the most common complication of this surgery, acute lung injury. This is the first study of its kind to validate this interesting technology as a predictor of lung injury. "Potentially, this would allow us to target patients at increased risk of lung injury with specific treatments and monitor their response to treatment."

Stefanie presented the research at the Congress. She said: "It's great to get the recognition everyone involved in the research deserves. The study requires a lot of data collection over different time points making it very labour intensive, but it has all been a fantastic team effort".

The Royal Papworth team started the research just over a year ago and are analysing all the data and preparing the final manuscript for publication in the near future.

## Quality Performance against NHS Improvement selected metrics

Throughout 2017/18 we have continued to measure our quality performance against a number of metrics. The Table below sets out our performance against the national operational metrics identified in Appendix 3 to NHS Improvement's (NHSI's) Single Oversight Framework which are applicable to Royal Papworth.

### Operational performance Metrics

Indicator	Target pa	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	YTD actual
18 weeks Referral to Treatment (RTT)*	>92%	90.21%	88.88%	86.22%	85.45%	85.47%	82.10%	83.80%	84.83%	83.51%	84.27%	84.17%	83.21%	83.21%
62 day cancer wait *	>85%	100.00%	100.00%	92.90%	100.00%	100.00%	90.00%	100.00%	87.50%	100.00%	100.00%	100.00%	100.00%	97.53%
31 day cancer wait	>96%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	96.60%	100.00%	95.00%	100.00%	100.00%	99.30%
6 week wait for diagnostic	>99%	99.34%	99.39%	99.34%	99.55%	99.28%	99.42%	99.66%	99.83%	99.53%	99.33%	99.11%	99.04%	99.40%
C. difficile (sanctioned)	Less than 5	0	0	0	0	0	0	2	0	0	0	0	3	5
Number of patients assessed for VTE on admission	>95%	97.30%	97.00%	90.00%	99.00%	98.50%	97.70%	98.10%	91.50%	92.00%	94.00%	94.00%	94.00%	95.26%

\*This indicator has been subject to independent assurance. KPMG's assurance report can be found in Annex3 to the Quality Report. The definition of this indicator can be found in Annex 4 to the Quality Report.

## A listening organisation

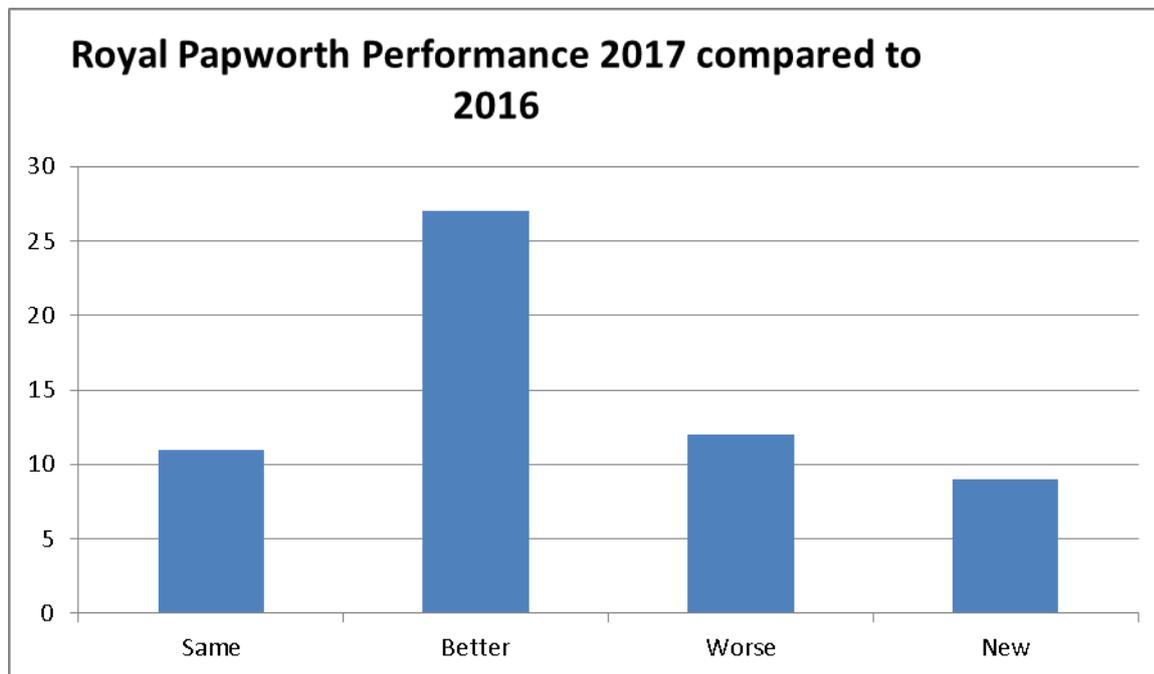
### What our patients say about us

#### 2017 National Adult Inpatient Survey

The in-patient survey is carried out by Quality Health on behalf of the Care Quality Commission.

Overall the Trust maintained or improved on the previous year's performance with 38 indicators remaining the same or improving. The response rate was 59%.

This table demonstrates that the Trust did better than the 2016 in patient survey on 27 indicators, the same on 11 indicators and worse on 12 indicators. The Board are asked to note that although 12 indicators have worsened they remain better than the national average.



The responses to questions that the Trust performed worse than last year;

Number	Question	% change
6	Length of time waiting for hospital admission	1%
14	Noise at night	3%
16	Hospital Cleanliness	3%
18	Brought in own medications and able to take when required	1%
26	Nurses able to answer important questions	2%
27	Confidence and Trust in Nurses	1%
30	Identity of nurse in charge of care	4%
38	Enough emotional support	1%
41	Were you in pain	1%
50	Discharge delays	3%
55	When you left hospital did you know the plan for the next steps	2%
56	Given printed information on discharge	1%

Each of these questions will be explored and an action plan formulated where necessary. It is acknowledged that the Trust has many priorities currently so the action plan responses will be appropriate and proportionate.

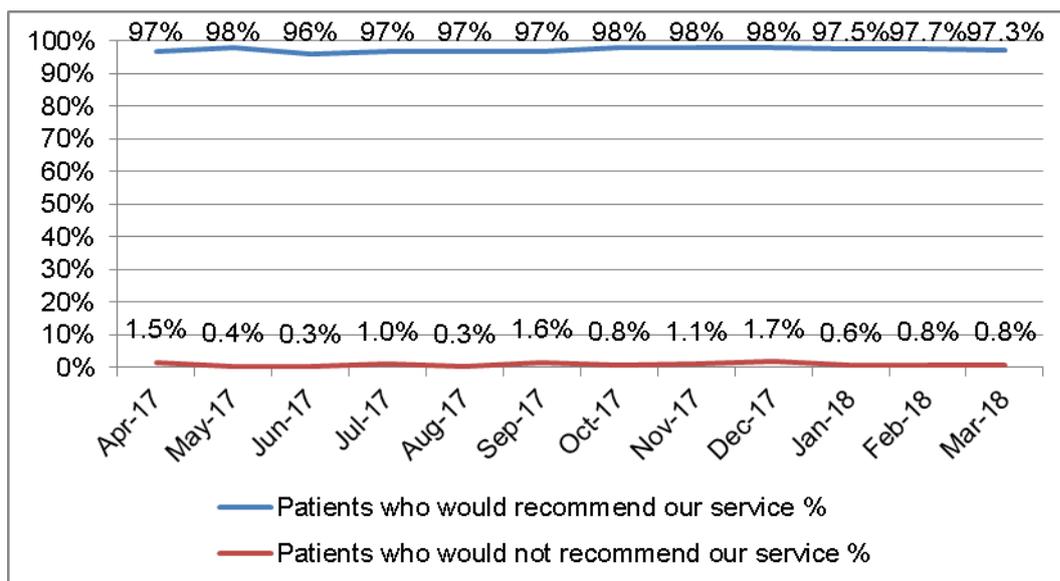
Please note that the above represents the quantifiable answers and does not include demographic information utilising 50 of the 80 questions.

## NHS “friends and family” test to improve patient experience and care in hospital

From 1 April 2012, a new question was added to the patient experience survey that is conducted amongst a sample of patients admitted to Royal Papworth Hospital. The question is "how likely is it that you would recommend this services to a friend or family?" using an "extremely likely" to "not at all likely" scale. The question is used in other organisations and industries and is believed by the Department of Health to give a real time reflection of standards within a hospital. It allows hospitals to compare themselves and learn from the best performing Trusts. Hospitals are required to ask the question to a minimum of 10% of their inpatients and the responses are fed back to the Board. Scores are publicly available, alongside other measures of clinical quality.

In this Trust, the responses are reviewed at the weekly Matrons meeting, led by the Director of Nursing and actions monitored. These are reported to every meeting of the Board.

### Friends and Family inpatient results 2017/18



“Neither” or “don’t know” excluded from numerator

[www.england.nhs.uk/statistics/statistical-work-areas/friends-and-family-test/](http://www.england.nhs.uk/statistics/statistical-work-areas/friends-and-family-test/)

### Patient Support Groups

Royal Papworth has several patient support groups, which include:

**The Mesothelioma Social Group – PMSG** ([www.papworthmesosocial.com](http://www.papworthmesosocial.com)) meets monthly. The group is for patients and their carers to get together with others experiencing similar concerns and issues. There is opportunity to share ideas and talk freely with supportive people. Some meetings will involve a presentation from an expert about an issue of interest such as breathlessness, exercise, clinical trials and treatments, recent developments with Mesothelioma UK. At other times the group will go out for a social event such as cream tea at Anglesey Abbey or a cruise along the River Cam. There is also ample opportunity at the meeting for participants to chat over refreshments. Later in the afternoon there is a chance for carers only to meet to discuss their experiences and share their worries with support from a clinical nurse specialist.

Royal Papworth Hospital is one of the few hospitals lucky enough to have secured further funding from Mesothelioma UK to support the input of a clinical nurse specialist for 15hrs / week. Kate Slaven has been in this role for 2 years and is currently chair of the social group.

Over the past year we have established our Facebook page and Twitter accounts. Our website is under development and we hope to have this fully functioning by summer 2018. Social media is helping our members to access support remotely when they may not be able to attend the meetings in person.

The DVD developed and funded by the group, "Mesothelioma – the journey", has been adopted by Mesothelioma UK. The DVD is now offered to all new mesothelioma patients nationwide at the time of their diagnosis. It includes interviews with specialist doctors and nurses talking about the disease, treatment options and help available. The DVD also includes inspirational patients and carers talking about their personal experiences of living with this condition.

Mesothelioma Awareness Day is an important day and is on Friday 6th July 2018. This year we will hold the event in the grounds of the Royal Papworth Hospital and Papworth Village Hall. Stephen Posey, Chief Executive, will be updating us on the move to the new hospital, and we will be offering information, raising public and health professional awareness of the disease at this event. There will be a release of doves and cream teas will be served to those attending.

Members of PMSG state that on first coming to the group they were "welcomed with warmth; the general atmosphere of the group being so welcoming and fun". The group is vibrant and fun and members have been surprised at how much they "look forward to attending" each month. Another member commented "what helped was knowing we were not alone and that so many others had been and were going through what we were going through".

### **The "Pulmonary Hypertension Matters" Support Group**

The PHMSG for patients with Pulmonary Hypertension continues to be run by patients with the support of specialist staff from the PH team. Voluntary speakers this year have included a talk from a Royal Papworth volunteer who regularly attends the Pulmonary Endarterectomy (PEA) clinic so patients can ask him about his experience of PEA, a talk from a clinical trials coordinator describing how clinical trials work and a presentation from the Director of the PEA service, and there were Specialist Nurse Q&A sessions.

The group meetings are well attended with 35-40 members at most meetings and twice as many at the Christmas party in November. We welcomed ten new members to the group over the year. Young adults transitioning their care from Great Ormond Street Hospital are encouraged to attend the support group as a way of finding out about the Pulmonary Vascular Diseases Unit prior to attending the hospital for the first time.

The group is advertised in several ways; members produce a four page quarterly newsletter and information on the support group can be found on the Pulmonary Hypertension Association UK forum website and social media Facebook page. A small number of patients from other specialist centres such as Sheffield and London also attend the support group.

The group is friendly and sociable and offers support to individuals and their families; members have reported that meeting other patients with the same condition has helped them enormously, for example patients considering PTE surgery have had the opportunity to meet members and their families who have already gone through this procedure. One of the members still comes to the meetings following their transplant surgery and has shared their experience of this aspect as well.

Fundraising this year has enabled staff to be provided with a Minolta to measure overnight oxygen saturations for patients in the community. The group is always receptive to ideas on how this money can be spent.

What various patients have said about the Support Group PH Matters this year:-

*"I have been attending the Royal Papworth Pulmonary Hypertension Support Group as a patient for over 10 years. The PVDU team lead by Dr Joanna Peke-Zaba continues to support the patient Pulmonary Hypertension support group. The staff are dedicated to educating members of the support group in this rare life threatening lung condition. They show through their presentations to the group their expertise in treating both new and old patients. They educate patients on the types of treatment available for Pulmonary Hypertension, including medications, and PTE surgery".*

*“The PVDU teams’ knowledge of this condition is unsurpassed and it is that knowledge that enables them to look after all their patients as individuals and tailor their treatments to the individual patients needs”.*

*“The team give people hope when all seems so bleak at times .They ensure that all patients get the best treatment that is available”.*

*“The Royal Papworth Pulmonary Hypertension support group run by patients for patients with the support of the PVDU team, allows news members to meet other patients and their families with Pulmonary Hypertension, it encourages them to learn about their condition through education and patient experience at the group meetings. It allows them to understand they are not alone in this rare illness. This support can be invaluable as a newly diagnosed patient in my experience. They are given an insight into research and development and future trials and treatments available”.*

*“The support group membership has continued to grow every year by at least 10 members a year. In November each year we have a Christmas party for the patients and their families over 90 members attend these parties, Also members of the PVDU team attend these parties with their families. We have a children's activity table run by patients for the children at the party, the children really enjoy making Christmas crafts to take home with them. It is a lovely social event enjoyed by all”.*

### **The Royal Papworth Pulmonary Fibrosis Support Group**

The PFS group was established in 2010 to provide information for individuals with pulmonary fibrosis, to give them support and to establish regular opportunities for the patients and their carers to meet.

Meetings are held every other month at The Hub in Cambourne and are regularly attended by an average of 50-70 participants. The meetings are planned and managed by a small committee who organise speakers and refreshments and give participants plenty of time to socialise.

An annual picnic is now part of the programme and has been successful in bringing together the families of the members as a way to thank them for their support. Recently communication with Idiopathic Pulmonary Fibrosis (IPF) sufferers has been widened with the development of a website accessed through the Trust’s public homepage and a regular newsletter. A Pulmonary Fibrosis Patient Awareness Day for patients and carers is planned for March 2017.

Many of the members are regular attenders and find the meetings invaluable. What various patients have said about the Pulmonary Fibrosis Support Group this year:

“Speaking to others with IPF has been extremely helpful”

“Attending the support group meetings has helped my understanding of IPF”

“Going to the meetings has helped me to feel less isolated and alone”

“May I thank you and the team for a wonderful first meeting for us both, we came into the meeting not knowing what to expect, we were both so weighed down with the diagnosis, but after the very enjoyable afternoon, we both felt a great load had been lifted off our shoulders, we came out feeling much more positive.”

### **The Transplant Patient Support Group**

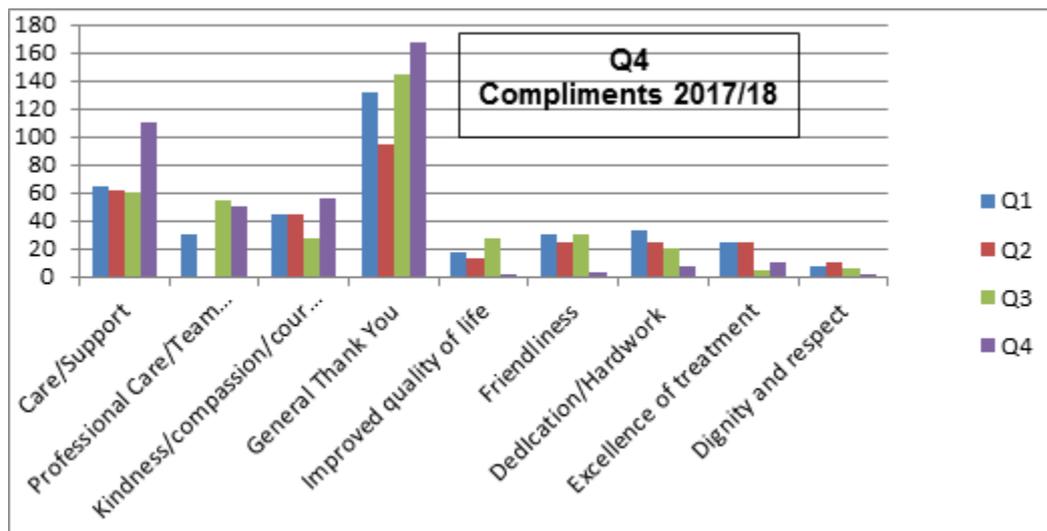
The Transplant programme has had another very productive year, in 2017.18, with 102 transplants (our most ever) including 56 Hearts and 46 Lungs/heart-lungs. The DCD Heart programme has gone from strength to strength supported by charitable donations and at the year-end we have performed a staggering 44 Heart Transplants, with 16 of these this year. Alongside this our patient outcomes are held up as internationally outstanding and coupled with the National Cardiothoracic Transplant

This year the Transplant Patients Support Group has continued to meet four times a year and now produces its own Newsletter and has a very active Facebook page. We hold an annual patient get together to showcase some of the innovations and changes in Transplantation and to allow patients an opportunity to chat with staff in a more informal setting and to network with others.

## Compliments from patients and families

The Patient Advice and Liaison service (PALS) records compliments received by patients and their family's relating to their experience

The table below describes the themes and number of compliments in Q1 – Q4 2017-18.



### Areas Praised:

In Quarter 4 Royal Papworth Hospital received a total 410 of compliments from across the hospital. These take a variety of forms – verbal, letters, thank you cards, e-mails and suggestion cards.

Areas praised included:

Cardiothoracic Surgeons	RSSC
Cardiac Day Ward	Professional Services
Cardiac Outpatients	Princess Ward
CMU	Lung Defence
Palliative Care	TCCA
Cardiac Support	Transplant
CF Ward	Thoracic Day Ward
Hemingford Ward	Varrier Jones Ward
Mallard Ward	CEO
PALS	Hugh Fleming

The following table records the keys compliment themes identified in the letters, thank you cards, emails etc. Some compliments identify more than one theme:

Compliment Themes	2016/2017				2017/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Care/Support	104	106	90	79	64	62	61	110
High Quality of Professional Care/Team Work	41	30	48	32	30	0	55	51
Kindness/Compassion/Courtesy	53	30	66	46	44	44	28	56
General Thank You	130	149	116	122	132	95	145	167
Improved quality of life/Recovery/Making a Difference	24	23	21	15	17	13	28	2
Friendliness	20	27	20	18	31	25	30	4
Dedication/Hard Work	16	20	27	20	33	25	21	8
Excellence of Treatment	28	27	27	15	25	24	5	10
Dignity and Respect	4	9	12	4	8	11	6	2
<b>Total</b>	<b>420</b>	<b>421</b>	<b>427</b>	<b>351</b>	<b>384</b>	<b>299</b>	<b>379</b>	<b>410</b>

Examples of the compliments:

- I will be celebrating 6 years with the gift of a new heart.
- The care and attention I received was second to none.
- We had the best care possible.
- Thank you so much for your care and compassion you showed to my dad.
- You will always be remembered fondly. We will always sing your praises.
- God bless you all I am alive because of you.
- The compassion and dignity you showed was outstanding and for that we are truly grateful.
- We greatly appreciate your efforts and pray blessings upon each and every one of you.
- Being here was home from home, only with more drugs, more rest and less doggy cuddles!

## What our staff say about us

### Staff Survey 2017

NHS Improvement's Quality Report requirements state that the two following indicators are reported on within the Quality Report.

Subject Questions	2016	2017	% change
KF21: Percentage of staff believing that the organization provides equal opportunities for career progression or promotion	88%	90%	+1%
KF26: Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	20%	16%	-4%

Notes:

KF21 Equal opportunities – the higher the score the better

KF26 Experiencing bullying etc. – the lower the score the better

For more information on the Staff Survey, see the Staff Report section of the Annual Report.

## Royal Papworth 100 Staff Awards

On Wednesday 28 March 2018, we held a special staff awards ceremony to mark our centenary. We received more than 160 nominations for our staff awards this year and faced the difficult decision of choosing 15 winners for awards ranging from 'Change Champion of the Year' to 'Outstanding Leader' and a 'Volunteer's Lifetime Achievement Award'.

## Valuing Volunteers

We continue to be indebted to our volunteers. They give their time, energy and experience to aid patients and staff and contribute greatly to the 'patient experience'. It has been found that volunteers enrich the lives of patients and their families, contributing significantly to the overall success of patient care. All the staff and patients at Royal Papworth are extremely grateful for the hard work and commitment which our volunteers provide. For more information see the Foundation Trust section of our Annual Report.

## Summary of CQUIN performance 2017/18

	Scheme	Total Available £'k	Achievement						Comments	RAG Status
			Q1	Q2	Q3	YTD	Forecast			
			£'k	£'k	£'k	£'k	£'k	%		
NHS	GE3: Medicines Optimisation	251.803	37.77	45.3	45.32	128.4	251.80	100%		Green
	IM2: CF Patient Adherence	220.558	55.02	55.02	55.02	165	220.56	100%		Green
	IM4: Complex Device Optimisation	147.038	36.66	36.66	36.66	110	147.04	100%		Green
	Adult Critical Care Discharge	110.279	0.00	0.00	0.00	0.00	110.28	100%	year end	Green
	Angio to CABG reduction in waiting times	110.279	16.50	16.50	27.51	60.52	88.02	80%		Amber
	New Papworth Hospital	1000.000	250	250	250	750	1000.00	100%		Green
	1a Improvement of health and wellbeing of NHS staff	29.169	7.29	7.29	7.29	21.88	29.17	100%		Green
	1b Healthy food for NHS staff, visitors and patients	29.169	0.00	0.00	0.00	0.00	29.17	100%	year end	Green
	1c Improving the uptake of flu vaccinations for frontline clinical staff within Providers	29.169	0.00	0.00	0.00	0.00	29.17	100%	year end measure	Green
	2a Timely identification of sepsis in acute inpatient settings	21.876	2.19	5.47	5.47	13.13	18.60	85%		Amber
2b Timely treatment of sepsis in acute inpatient settings	21.876	5.47	5.47	5.47	16.41	21.88	100%		Green	
2c Antibiotic Review	21.876	5.47	5.47	5.47	16.41	21.88	100%		Green	
2d Reduction in antibiotic consumption	21.876	5.47	5.47	5.47	16.41	21.88	100%		Green	
6 Offering advice and guidance	87.507	21.88	21.88	21.88	65.63	87.51	100%		Green	
7 NHS E Referrals	87.507	21.88	21.88	21.88	65.63	87.51	100%		Green	
9a Tobacco screening	21.877	5.47	5.47	5.47	16.41	21.88	100%		Green	
9b Tobacco brief advice	21.877	5.47	5.47	5.47	16.41	21.88	100%		Green	
9d Alcohol screening	21.877	5.47	5.47	5.47	16.41	21.88	100%		Green	
9e Alcohol brief advice or referral	21.877	5.47	5.47	5.47	16.41	21.88	100%		Green	
Engagement in STP process	145.845	36.46	36.46	36.46	109.4	145.85	100%		Green	
Risk reserve linked to achievement of the Trust's prior year control total	145.845	36.46	36.46	36.46	109.4	145.85	100%		Green	
<b>Total</b>		<b>2569.18</b>	<b>560.39</b>	<b>571.23</b>	<b>582.23</b>	<b>1714</b>	<b>2543.64</b>	<b>99%</b>		

The CQUIN (Commissioning for Quality and Innovation) payment framework enables commissioners to reward excellence, by linking a proportion of English healthcare providers' income to the achievement of quality improvement goals. Since the first year of the CQUIN framework (2009/10), many CQUIN schemes have been developed and agreed.

The two main commissioning contracts at Royal Papworth have different CQUIN targets in place. Nationally determined CQUINs cover both contracts, with the remainder down to local negotiation between the Trust and commissioner. The individual CQUIN targets are weighted resulting in the final financial value paid for achievement of each area. Non-achievement of a particular CQUIN results in a reduction of income equivalent to the CQUIN weighting multiplied by the overall CQUIN value. The 2017/19 CQUINs have been agreed and are listed in this year's annual report.

## Annex 1: What others say about us

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### **NHS Specialised Commissioning East of England Hub Statement Response 2017/18**

The Trust has not received a response to date.

### **Cambridgeshire and Peterborough Clinical Commissioning Group**

What comes across strongly is that ensuring high quality basic patient care and patient experience is prioritised eg: falls, communication. This comes across as really caring about the patient.

Not consistent in putting facts forward eg: AKI has plenty of them, decrease in meds incidents has none. Same with initiatives being SMART.

The development of a learning culture and culture of improvement is really excellent. I am particularly impressed by the attention to training, to systems and processes and clinical discussion. I think the account would benefit from making more explicit about the positive impact all of this great work will have on patients and families.

Central focus for the coming year is the move and the preparation; this is clearly a huge undertaking.

The audit and research activity is exemplary; this may be expected however to continue to sustain this in light of operational pressures is to be congratulated.

Clearly some positive benefits from the introduction of Lorenzo including VTE reporting and reduction in medication errors.

The support groups part is my favourite; it is refreshing, heart warming and demonstrates how patients, families and staff are keen to go the extra mile.

### **Healthwatch Cambridgeshire**

The Trust has not received a response to date.

### **Cambridgeshire County Council, Health Committee**

The Health Committee within its health scrutiny capacity received the Quality Account from the Royal Papworth Hospital Trust on 21st May 2018. This did not provide the committee with time to fully review the Trusts Quality Account for 2017/18.

However the Committee would like to comment that the "Summary of Progress" against the 2017-18 Quality Priorities provides a clear overview. The committee would also like to acknowledge the changes that the Trust is currently going through and looks forward to receiving the Quality Accounts in good time for review next year.

### **Patient and Public Involvement Committee (PPI) Committee of the Council of Governors**

The Quality Accounts once again reflect the excellent work carried out at Royal Papworth Hospital. The PPI Committee had early sight of the priorities for this year and were invited to help set a priority. The Committee chose to focus on improving communications (Priority 2) as through the year we had noticed a small increase in complaints and PALS enquiries where communication with the patient or relative could be improved. The Committee also chose the indicator for the Auditors – Surgical Site Infection Rates. I am pleased to see the celebration of this good work included for the future and thank everyone involved in delivering the performance targets for 2017/18. The Staff Awards Ceremony formally congratulated the staffs, both clinical and non-clinical, who are so involved either individually or in teams in ensuring Royal Papworth continues to achieve the impressive results of previous years.

## Annex 2: Statement of Directors' responsibilities in respect of the Quality Report

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

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

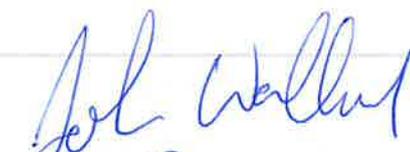
In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2016/17 and supporting guidance
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2017 to 24 May 2018
  - Papers relating to quality reported to the Board over the period April 2017 to 24 May 2018
  - Feedback from Cambridge and Peterborough Clinical Commissioning Group dated 24 May 2018
  - Feedback from NHS Specialised Commissioning East of England dated 24 May 2018
  - Feedback from the Patient and Public Involvement Committee (PPI) Committee of the Council of Governors dated 23 May 2018
  - Feedback from Healthwatch Cambridgeshire has not been received to date;
  - The Trust's "Quality and Safety Report: Quarter 4 and annual Summary 2018";
  - The 2017 National Inpatient Survey
  - The 2017 National Staff Survey
  - The Trust's Annual Governance Statement 2017/18
  - The Head of Internal Audit's annual opinion of the Trust's control environment dated 9 April 2018
  - CQC Inspection Reports published 27 March 2015
- The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered.
- The performance information reported in the Quality Report is reliable and accurate.
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice.
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- The Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report

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

By order of the Board

Date: 24 May 2018


Chairman

Date: 24 May 2018

Chief Executive

## Annex 3: Limited Assurance Report on the content of the Quality Report and Mandated Performance Indicators

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### INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF ROYAL PAPWORTH NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Council of Governors of Royal Papworth NHS Foundation Trust to perform an independent assurance engagement in respect of Royal Papworth NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the 'Quality Report') and certain performance indicators contained therein.

#### Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the following two national priority indicators (the indicators):

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period;
- Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers;

We refer to these national priority indicators collectively as the 'indicators'.

#### Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2017/18* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the *Detailed Requirements for external assurance for quality reports for foundation trusts 2017/18*.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- **Board minutes and papers for the period April 2017 to May 2018;**
- **papers relating to quality reported to the board over the period April 2017 to May 2018;**
- **feedback from commissioners, dated 24 May 2018;**
- **feedback from governors, dated 23 May 2018;**
- **feedback from Overview and Scrutiny Committee, dated 23 May 2018;**
- **the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;**
- **the 2017 national inpatient survey, dated 16 January 2018;**
- **the 2017 national staff survey, dated 6 March 2018;**

- **Care Quality Commission Inspection, dated 27 March 2015;**
- **the 2017/18 Head of Internal Audit's annual opinion over the trust's control environment, dated 9 April 2018; and**
- **any other information included in our review.**

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Royal Papworth NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Royal Papworth NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### **Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Royal Papworth NHS Foundation Trust.

### **Conclusion**

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicator in the Quality Report subject to limited assurance has not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

KPMG LLP

KPMG LLP

Chartered Accountants

Botanic House, 100 Hills Road, Cambridge, CB2 1AR

24 May 2018

## Annex 4: Mandatory performance indicator definitions

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### Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways

#### *Source of indicator definition and detailed guidance*

The indicator is defined within the technical definitions that accompany *Everyone counts: planning for patients 2014/15 - 2018/19* and can be found at [www.england.nhs.uk/wp-content/uploads/2014/01/ec-tech-def-1415-1819.pdf](http://www.england.nhs.uk/wp-content/uploads/2014/01/ec-tech-def-1415-1819.pdf)

Detailed rules and guidance for measuring referral to treatment (RTT) standards can be found at <http://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waiting-times/rtt-guidance/>

#### *Detailed descriptor*

E.B.3: The percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the period

#### *Numerator*

The number of patients on an incomplete pathway at the end of the reporting period who have been waiting no more than 18 weeks

#### *Denominator*

The total number of patients on an incomplete pathway at the end of the reporting period

#### *Accountability*

Performance is to be sustained at or above the published operational standard. Details of current operational standards are available at: [www.england.nhs.uk/wp-content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf](http://www.england.nhs.uk/wp-content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf) (see Annex B: NHS Constitution Measures).

#### *Indicator format*

Reported as a percentage

## Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers

### *Detailed descriptor<sup>1</sup>*

PHQ03: Percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer

### *Data definition*

All cancer two-month urgent referral to treatment wait

### *Numerator*

Number of patients receiving first definitive treatment for cancer within 62 days following an urgent GP (GDP or GMP) referral for suspected cancer within a given period for all cancers (ICD-10 C00 to C97 and D05)

### *Denominator*

Total number of patients receiving first definitive treatment for cancer following an urgent GP (GDP or GMP) referral for suspected cancer within a given period for all cancers (ICD-10 C00 to C97 and D05)

### *Accountability*

Performance is to be sustained at or above the published operational standard. Details of current operational standards are available at: [/www.england.nhs.uk/wp-content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf](http://www.england.nhs.uk/wp-content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf) (see Annex B: NHS Constitution Measures).

<sup>1</sup> Cancer referral to treatment period start date is the date the acute provider receives an urgent (two week wait priority) referral for suspected cancer from a GP and treatment start date is the date first definitive treatment commences if the patient is subsequently diagnosed. For further detail refer to technical guidance at [www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_131880](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_131880)

## ANNEX 5 Glossary

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### C

Cardiac surgery	Cardiovascular surgery is surgery on the heart or great vessels performed by cardiac surgeons. Frequently, it is done to treat complications of ischemic heart disease (for example, coronary artery bypass grafting), correct congenital heart disease, or treat valvular heart disease from various causes including endocarditis, rheumatic heart disease and atherosclerosis.
Care Quality Commission (CQC)	The independent regulator of health and social care in England. The CQC monitor, inspect and regulate services to make sure they meet fundamental standards of quality and safety and we publish what we find, including performance ratings to help people choose care. <a href="http://www.cqc.org.uk">www.cqc.org.uk</a>
CCA	Critical Care Area.
Clinical audit	A quality improvement process that seeks to improve patient care and outcomes by measuring the quality of care and services against agreed standards and making improvements where necessary.
Clostridium difficile (C. difficile or C. diff)	<p>Clostridium difficile (C. difficile) are bacteria that are present naturally in the gut of around two-thirds of children and 3% of adults. C. difficile does not cause any problems in healthy people. However, some antibiotics that are used to treat other health conditions can interfere with the balance of 'good' bacteria in the gut. When this happens, C. difficile bacteria can multiply and produce toxins (poisons), which cause illness such as diarrhoea and fever.</p> <p>There are ceiling targets to measure the number of C. difficile infections which occur in hospital.</p>
Coding	An internationally agreed system of analysing clinical notes and assigning clinical classification codes
Commissioning for Quality Innovation (CQUIN)	A payment framework that enables commissioners to reward excellence by linking a proportion of the Trust's income to the achievement of national and local quality improvement goals.

### D

Data Quality	The process of assessing how accurately the information we gather is held.
DATIX	Incident reporting system and adverse events reporting.
DCD	Non-beating heart donors.
Dementia	Dementia is a general term for a decline in mental ability severe enough to interfere with daily life.
Department of Health (DH or DoH)	The government department that provides strategic leadership to the NHS and social care organisations in England. <a href="http://www.dh.gov.uk/">www.dh.gov.uk/</a>

### E

Extracorporeal membrane oxygenation (ECMO) ECMO is a technique that oxygenates blood outside the body (extracorporeal). It can be used in potentially reversible severe respiratory failure when conventional artificial ventilation is unable to oxygenate the blood adequately. The aim of ECMO in respiratory failure is to allow the injured lung to recover whilst avoiding certain recognised complications associated with conventional artificial ventilation. The procedure involves removing blood from the patient, taking steps to avoid clots forming in the blood, adding oxygen to the blood and pumping it artificially to support the lungs.

## F

Foundation Trust (FT) NHS foundation trusts were created to devolve decision making from central government to local organisations and communities. They still provide and develop healthcare according to core NHS principles - free care, based on need and not ability to pay. Royal Papworth Hospital became a Foundation Trust on 1 July 2004.

## G

Governors Foundation trusts have a Council of Governors. For Royal Papworth the Council consists of 18 Public Governors elected by public members, 7 Staff Governors elected by the staff membership and 4 Governors nominated by associated organisations.

## H

Health and Social Care Information Centre The Health and Social Care Information Centre is a data, information and technology resource for the health and care system.

Healthwatch Healthwatch is the consumer champion for health and social care, gathering knowledge, information and opinion, influencing policy and commissioning decisions, monitoring quality, and reporting problems to inspectors and regulators.

Hospital standardised mortality ratio (HSMR) A national indicator that compares the actual number of deaths against the expected number of deaths in each hospital and then compares trusts against a national average. This, along with a similar system more recently introduced, the Summary Hospital-level Mortality Indicator (SHMI), are both not applicable to Royal Papworth Hospital as a specialist Trust due to case mix.

## I

Indicator A measure that determines whether the goal or an element of the goal has been achieved.

Information Governance Toolkit Information governance ensures necessary safeguards for, and appropriate use of, patient and personal information. The toolkit provides NHS organisations with a set of standards against which compliance is declared annually.

Inpatient survey An annual, national survey of the experiences of patients who have stayed in hospital. All NHS Trusts are required to participate.

## L

Local clinical audit A type of quality improvement project that involves individual healthcare professionals evaluating aspects of care that they themselves have selected as being important to them and/or their team

## M

Methicillin-resistant Staphylococcus aureus (MRSA)	<i>Staphylococcus aureus</i> ( <i>S. aureus</i> ) is a member of the Staphylococcus family of bacteria. It is estimated that one in three healthy people harmlessly carry <i>S. aureus</i> on their skin, in their nose or in their mouth, described as colonised or a carrier. Most people who are colonised with <i>S. aureus</i> do not go on to develop an infection. However, if the immune system becomes weakened or there is a wound, these bacteria can cause an infection. Infections caused by <i>S. aureus</i> bacteria can usually be treated with methicillin-type antibiotics. However, infections caused by MRSA bacteria are resistant to these antibiotics. MRSA is no more infectious than other types of <i>S. aureus</i> , but because of its resistance to many types of antibiotics, it is more difficult to treat.
Multi-disciplinary team meeting (MDT)	A meeting involving health-care professionals with different areas of expertise to discuss and plan the care and treatment of specific patients.
<b>N</b>	
National clinical audit	A clinical audit that engages healthcare professionals across England and Wales in the systematic evaluation of their clinical practice against standards and to support and encourage improvement and deliver better outcomes in the quality of treatment and care. The priorities for national audits are set centrally by the Department of Health and all NHS trusts are expected to participate in the national audit programme.
National Institute for Health and Care Excellence (NICE)	NICE is an independent organisation responsible for providing national guidance on promoting good health and preventing and treating ill health <a href="http://www.nice.org.uk/">http://www.nice.org.uk/</a>
National Institute for Health Research (NIHR)	The National Institute for Health Research (NIHR) is a UK government body that coordinates and funds research for the National Health Service. It supports individuals, facilities and research projects, in order to help deliver government responsibilities in public health and personal social services. It does not fund clinical services.
National Institute for Health Research (NIHR) Portfolio research	The National Institute for Health Research Clinical Research Network (NIHR CRN) Portfolio is a database of high-quality clinical research studies that are eligible for support from the NIHR Clinical Research Network in England.
Never events	Never events are serious, largely preventable patient safety incidents that should not occur if the relevant preventative measures have been implemented. Trusts are required to report if a never event does occur.
NHS Improvement (NHSI)	NHS Improvement is responsible for overseeing foundation trusts and NHS trusts, as well as independent providers that provide NHS-funded care. NHSI offers the support these providers need to give patients consistently safe, high quality, compassionate care within local health systems that are financially sustainable. By holding providers to account and, where necessary, intervening, NHSI help the NHS to meet its short-term challenges and secure its future. From 1 April 2016, NHS Improvement is the operational name for an organisation that brings together: <ul style="list-style-type: none"> <li>• Monitor</li> <li>• NHS Trust Development Authority</li> <li>• Patient Safety winow, including the National Reporting and Learning System</li> <li>• Advancing Change Team</li> <li>• Intensive Support Teams</li> </ul> NHSI builds on the best of what these organisations did, but with a

change of emphasis. Its priority is to offer support to providers and local health systems to help them improve

**NHS Safety Thermometer** The NHS Safety Thermometer is a local improvement tool for measuring, monitoring and analysing patient harms and 'harm free' care. From July 2012 data collected using the NHS Safety Thermometer is part of the Commissioning for Quality and Innovation (CQUIN) payment programme.

**NHS number** A 10 digit number that is unique to an individual, and can be used to track NHS patients between organisations and different areas of the country. Use of the NHS number should ensure continuity of care.

## P

**PALS** The Patient Advice and Liaison Service (PALS) offer confidential advice, support and information on health-related matters. They provide a point of contact for patients, their families and their carers.

**Patient and Public Involvement Committee (PPI)** A Committee of the Council of Governors that provides oversight and assurance on patient and public involvement.

**PEA (formally PTE)** Pulmonary Thromboendarterectomy or Pulmonary endarterectomy.

**PLACE** Patient-led assessments of the care environment (PLACE) is the system for assessing the quality of the hospital environment, which replaced Patient Environment Action Team (PEAT) inspections from April 2013.

**Pressure ulcer (PU)** A pressure ulcer is localized injury to the skin and/or underlying tissue usually over a bony prominence, as a result of pressure, or pressure in combination with shear and/or friction.

**Percutaneous coronary intervention (PCI)** The term percutaneous coronary intervention (sometimes called angioplasty or stenting) describes a range of procedures that treat narrowing or blockages in coronary arteries supplying blood to the heart.

**Primary percutaneous coronary intervention (PPCI)** As above, but the procedure is urgent and the patient is admitted to hospital by ambulance as an emergency

**Priorities for improvement** There is a national requirement for trusts to select three to five priorities for quality improvement each year. This must reflect the three key areas of patient safety, patient experience and clinical effectiveness.

## Q

**Quality Account** A Quality Account is a report about the quality of services by an NHS healthcare provider. The reports are published annually by each provider, including the independent sector, and are available to the public. The Department of Health requires providers to submit their final Quality Account to the Secretary of State by uploading it to the NHS Choices website by June 30 each year. The requirement is set out in [the Health Act 2009](#). Amendments were made in 2012, such as the inclusion of quality indicators according to [the Health and Social Care Act 2012](#). NHS England or Clinical Commissioning Groups (CCGs) cannot make changes to the reporting requirements.

**Quality Report** Foundation trusts are required to include a quality report as part of their annual report. This quality report has to be prepared in accordance with NHSI annual reporting guidance, which also incorporates the quality accounts regulations. All trusts have to publish quality accounts each year, as set out in the regulations which came into force on 1 April 2010.

The quality account for each foundation trust (and all other types of trust) is published each year on NHS Choices.

## R

Root Cause Analysis (RCA)	Root Cause Analysis is a structured approach to identify the factors that have resulted in an accident, incident or near-miss in order to examine what behaviors, actions, inactions, or conditions need to change, if any, to prevent a recurrence of a similar outcome. Action plans following RCAs are disseminated to the relevant managers.
Royal Papworth Hospital or Royal Papworth	Royal Papworth Hospital NHS Foundation Trust.

## S

Safeguarding	Safeguarding means protecting people's health, wellbeing and human rights, and enabling them to live free from harm, abuse and neglect. It is fundamental to creating high quality health and social care.
SDTIs	Suspected deep tissue injuries
Serious incidents (SIs)	There is no definitive list of events/incidents that constitute a serious incident but they are incidents requiring investigation. <a href="https://www.england.nhs.uk/wp-content/uploads/2015/04/serious-incident-framwrk-upd.pdf">https://www.england.nhs.uk/wp-content/uploads/2015/04/serious-incident-framwrk-upd.pdf</a>
Sign up to Safety	A national initiative to help NHS organisations and their staff achieve their patient safety aspirations and care for their patients in the safest way possible. At the heart of Sign up to Safety is the philosophy of locally led, self-directed safety improvement.
Systematic Inflammatory Response Syndrome (SIRS)	An inflammatory state affecting the whole body, frequently a response of the immune system to ischemia, inflammation, trauma, infection, or several insults combined.

## U

UNIFY	NHS England data collection, analysis & reporting system.
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## V

VAD	Ventricular Assist Device.
Venous thromboembolism (VTE)	VTE is the term used to describe a blood clot that can either be a deep vein thrombus (DVT), which usually occurs in the deep veins of the lower limbs, or a blood clot in the lung known as a pulmonary embolus (PE). There is a national indicator to monitor the number of patients who have been risk assessed for VTE on admission to hospital.

**Royal Papworth Hospital  
NHS Foundation Trust**

**Group accounts for the  
year ended  
31 March 2018**

Presented to Parliament pursuant to  
Schedule 7, paragraphs 24 and 25 of the  
National Health Service Act 2006



# Independent auditor's report

## to the Council of Governors of Royal Papworth Hospital NHS Foundation Trust

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 1. Our opinion is unmodified

We have audited the financial statements of Royal Papworth Hospital NHS Foundation Trust ("the Trust") for the year ended 31 March 2018 which comprise the Consolidated and Trust Statements of Comprehensive Income, the Consolidated and Trust Statements of Financial Position, the Consolidated and Trust Statements of Changes in Taxpayers' Equity, the Consolidated and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

#### In our opinion:

- the financial statements give a true and fair view of the state of the Group and the Trust's affairs as at 31 March 2018 and of the Group and Trust's income and expenditure for the year then ended; and
- the Group and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2017/18 and the Department of Health Group Accounting Manual 2017/18.

#### Basis for opinion

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

#### Overview

**Materiality:** £2.9m (2016-17:£2.9m)  
Group financial statements as a whole 1.9% (2016-17: 1.9%) of total operating income

**Coverage** 100% (2016-17: 100%) of group total operating income

#### Risks of material misstatement vs 2016-17

<b>Recurring risks</b>	Valuation of land and buildings	◀▶
	Accuracy and valuation of NHS and non-NHS receivables	◀▶

## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2016-17):

All of these key audit matters relate to the Group and the parent Trust.

	The risk	Our response
<p><b>Valuation of land and buildings</b></p> <p>(£147 million, including £119 million of buildings in Assets under Construction; 2016-17: £30 million)</p> <p><i>Refer to pages 15 to 19 (accounting policy) and page 39 (financial disclosures).</i></p>	<p><b>Subjective valuation</b></p> <p>The appropriate basis for valuing the Trust's land and buildings depends on whether it is a specialised or non-specialised operational asset.</p> <p>Specialised assets are valued at depreciated replacement cost of a modern equivalent asset that has the same service potential of the existing property.</p> <p>Non-specialised operational assets are valued at current value in existing use.</p> <p>The Trust is in the process of relocating from its site at Papworth Everard to the Cambridge Biomedical Campus where a new hospital has been built under the Public Finance Initiative (PFI) and is currently being made operational. The move is planned to take place in September 2018.</p> <p>The Trust's new PFI hospital has been valued by an external valuer. The Trust's existing site at Papworth Everard would normally be subject to a desktop valuation review. However, due to the pending move no valuation has been performed this year.</p> <p>The Trust's current site at Papworth Everard has both specialised and non-specialised operational assets. The remaining useful lives of those assets depend on the Trust's plans for each building after the move to the Cambridge Biomedical Campus is complete.</p> <p>There is a risk that the Papworth Everard land and buildings valuation and useful economic lives do not reflect the future use of the site.</p> <p>The valuation of the PFI hospital, which is recognised in the Statement of Financial Position as an Asset Under Construction, is dependent on the accuracy of the records provided to the valuer and the expertise of the Trust's valuer.</p> <p>The appropriate valuation of land and buildings therefore relies on: the expertise of the valuer; the accuracy of the records provided to the valuer to prepare the valuation; the move date to the new hospital; and the future use of the Papworth Everard land and buildings.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Assessing valuer's credentials:</b> critically assessing the scope, qualifications, experience and independence of the Trust's external valuer;</li> <li>— <b>Benchmarking assumptions:</b> comparing the Trust's assumptions to externally derived data in relation to the Papworth Everard land and buildings carrying value and critically assessing the assumptions in the external PFI valuation;</li> <li>— <b>Review of PFI asset records:</b> inspecting the records provided to the valuer and comparing them to the records provided to the Trust by the PFI contractor to ensure the accuracy of the input data for the PFI valuation;</li> <li>— <b>Methodology choice:</b> critically assessing the valuation basis of the Papworth Everard land and buildings by inspecting the Trust's operational plans and Board minutes regarding the future use of the site after the relocation to the Cambridge Biomedical Campus.</li> </ul>

	The risk	Our response
<p><b>Accuracy and valuation of trade receivables</b></p> <p>(£5 million; 2016-17: £6 million)</p> <p><i>Refer to pages 14 to 27 (accounting policy) and pages 43 and 44 (financial disclosures).</i></p>	<p><b>Subjective estimate</b></p> <p>The Trust had £5 million in NHS and non-NHS receivables at year end. Of this, £2 million were NHS receivables and £3 million were non-NHS receivables.</p> <p>The risk presented by NHS receivables is different to that of non-NHS receivables.</p> <p>NHS receivables are subject to an 'agreement of balances' exercise which is undertaken between all NHS bodies to agree the value of receivables at year end. 'Mismatch' reports are available setting out discrepancies between the submitted balances.</p> <p>There is a risk that the Trust has material mismatches with other NHS bodies for which it cannot provide sufficient evidence to support the validity of its recognised receivable.</p> <p>Non-NHS receivables are not subject to an agreement of balances exercise. There is a risk that the Trust has recognised receivables to which it is not entitled. There is also a risk that the Trust's non-NHS receivables are not recoverable.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Test of detail:</b> obtaining the outcome of the agreement of balances exercise with other NHS bodies. Where there were mismatches over £145,000 we sought explanations and supporting evidence to verify the Trust's entitlement to the receivable;</li> <li>— <b>Test of detail:</b> testing a sample of other trade receivables to supporting documentation and, where available, cash receipts after year end;</li> <li>— <b>Test of detail:</b> testing a sample of transactions before and after year end to supporting documentation to agree the items were correctly recorded at year end;</li> <li>— <b>Historical comparisons:</b> assessing the Trust's assumptions behind the provision for bad debts against available data on the historic payment performance of counterparties and our own knowledge of recent bad debts affecting the NHS sector.</li> </ul>

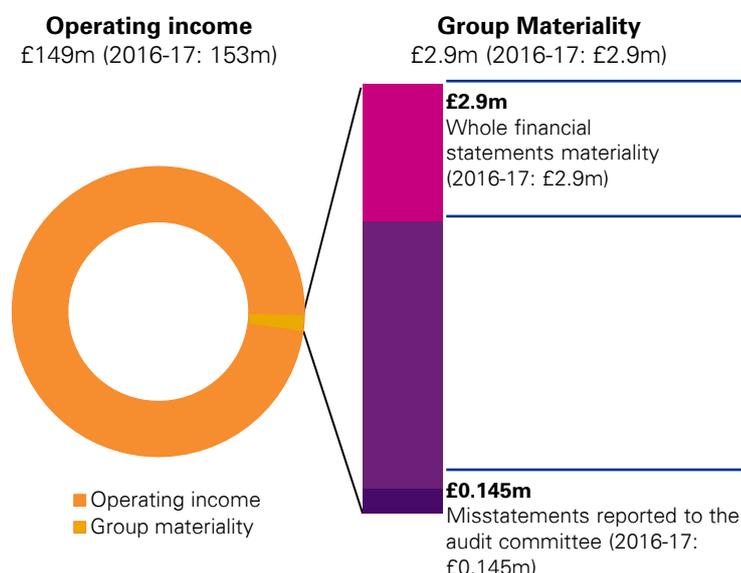
### 3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £2.9 million (2016/17: £2.9 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.9% (2016/17: 2.0%)). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

Materiality for the parent Trust's financial statements as a whole was set at £2.8 million (2016/17: £2.9 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.9% (2016/17: 2.0%)).

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.145 million (2016/17: £0.145 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group comprises the Trust and its charity, the Royal Papworth Hospital Charity. In auditing the Group financial statements we have performed procedures on the Charity's financial information based on a component materiality of £2.9 million (2016/17: £2.9 million).



#### 4. We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### 5. We have nothing to report on the other information in the Annual Report

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

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

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

##### Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18.

##### Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

#### 6. Respective responsibilities

##### Accounting Officer's responsibilities

As explained more fully in the statement set out on page 89, the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention

to dissolve the Group and parent Trust without the transfer of its services to another public sector entity.

##### Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

#### REPORT ON OTHER LEGAL AND REGULATORY MATTERS

##### We have nothing to report on the statutory reporting matters

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

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

## Our conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources is qualified

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

### Qualified conclusion

Subject to the matters outlined in the basis for qualified conclusion paragraph below we are satisfied that in all significant respects Royal Papworth Hospital NHS Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2018.

#### *Basis for qualified conclusion*

The Trust's outturn position for 2017/18 is a deficit of £54 million (£9 million before impairments of property, plant and equipment). This £9 million pre-impairment deficit represents an £8m deterioration against its initial budget for the year of a £1 million deficit. The shortfall against budget was due to a decline in income as a result of capacity challenges. The Trust agreed a revised plan with its regulator during the year of an £11 million deficit and achieved an improved position against this of £9 million deficit.

The Trust continues to evolve its existing Board approved long term plan for financial sustainability as it moves into the new hospital. Achieving financial breakeven in the medium term will be dependent on delivering significant income generating or cost saving initiatives.

These issues are evidence of weaknesses in arrangements for future sustainable delivery of the Trust's strategic priorities.

#### [Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources](#)

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

#### [Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources](#)

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out below together with the findings from the work we carried out on each area.

Significant Risk	Description	Work carried out and judgements
<b>Financial sustainability</b>	<p>The NAO Code of Audit Practice requires us to consider 'sustainable resource deployment'.</p> <p>The delivery of the new PFI hospital and other financial pressures in the NHS system could expose the Trust to operational and financial challenges in terms of financial sustainability.</p>	<p>Our work included:</p> <ul style="list-style-type: none"><li>Reviewing 2017/18 financial outturn against budget and achievement of cost improvement schemes against plan;</li><li>Review of the five year financial strategy.</li></ul> <p><b>Our findings on this risk area:</b></p> <ul style="list-style-type: none"><li>The Trust has incurred a deficit of £9 million before impairments to property, plant and equipment against an initial budget of £1 million deficit. The Trust agreed a revised plan with the regulator of an £11 million deficit and achieved an outturn of £9 million deficit;</li><li>The Trust has a Board approved five year financial strategy and has used this to develop plans and initiatives to improve its financial position. The Trust must succeed in a number of income generating and cost saving initiatives to return to breakeven in the medium term.</li></ul>

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

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

## **CERTIFICATE OF COMPLETION OF THE AUDIT**

We certify that we have completed the audit of the accounts of Royal Papworth Hospital NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

*SBeavis*

**Stephanie Beavis**

**for and on behalf of KPMG LLP (Statutory Auditor)**

*Chartered Accountants*

Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR

24 May 2018

## FOREWORD TO THE ACCOUNTS

### ROYAL PAPWORTH HOSPITAL NHS FOUNDATION TRUST

These accounts for the year ended 31<sup>st</sup> March 2018 have been prepared by the Royal Papworth Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.

Signed:



Stephen Posey  
Chief Executive  
Date: 24 May 2018

## CONSOLIDATED AND TRUST STATEMENT OF COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 31 MARCH 2018**

		Group 2017/18	Trust 2017/18	Group 2016/17	Trust 2016/17
	NOTE	£000	£000	£000	£000
<b>OPERATING INCOME</b>					
Operating income from patient care activities	2	134,191	134,191	135,513	135,513
Other operating income	3	14,628	14,578	17,444	15,928
<b>TOTAL OPERATING INCOME FROM CONTINUING OPERATIONS</b>		<b>148,819</b>	<b>148,769</b>	152,957	151,441
Operating expenses	4-6	(199,858)	(198,635)	(147,777)	(147,099)
<b>OPERATING SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS</b>		<b>(51,039)</b>	<b>(49,866)</b>	5,180	4,342
Finance income	7	246	58	564	86
Finance expenses	8	(904)	(904)	-	-
Public Dividend Capital dividends payable	24	(2,305)	(2,305)	(1,818)	(1,818)
<b>NET FINANCE COSTS</b>		<b>(2,963)</b>	<b>(3,151)</b>	(1,254)	(1,732)
Gains/(losses) on disposal of non-current assets		(26)	(85)	1	1
Movement in fair value of investments	11	210	-	1,022	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(53,818)</b>	<b>(53,102)</b>	4,949	2,611
<b>OTHER COMPREHENSIVE INCOME</b>					
Gain on revaluations	10.1/10.2	269	269	13	13
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>		<b>(53,549)</b>	<b>(52,833)</b>	4,962	2,624

The notes on pages 12 to 54 form part of these accounts.

## CONSOLIDATED AND TRUST STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

		Group 31 March 2018	Trust 31 March 2018	Group 31 March 2017	Trust 31 March 2017
	NOTE	£000	£000	£000	£000
<b>NON-CURRENT ASSETS</b>					
Intangible assets	9	611	611	621	621
Property, plant and equipment	10	161,966	161,742	37,136	36,908
Investments	11	9,263	-	8,805	-
Trade and other receivables	13	38	38	97	97
<b>Total non-current assets</b>		<b>171,878</b>	<b>162,391</b>	<b>46,659</b>	<b>37,626</b>
<b>CURRENT ASSETS</b>					
Inventories	12	3,880	3,862	3,977	3,962
Trade and other receivables	13	9,759	10,714	48,889	49,256
Non-current assets for sale	14	-	-	19	19
Cash and cash equivalents	15	51,627	50,224	36,716	34,721
<b>Total current assets</b>		<b>65,266</b>	<b>64,800</b>	<b>89,601</b>	<b>87,958</b>
<b>TOTAL ASSETS</b>		<b>237,144</b>	<b>227,191</b>	<b>136,260</b>	<b>125,584</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	16	(36,272)	(36,258)	(16,736)	(16,715)
Other liabilities	17	(47)	(47)	(19)	(19)
Borrowings	18	(2,006)	(2,006)	-	-
Provisions	19	(631)	(631)	(42)	(42)
<b>Total current liabilities</b>		<b>(38,956)</b>	<b>(38,942)</b>	<b>(16,797)</b>	<b>(16,776)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>198,188</b>	<b>188,249</b>	<b>119,463</b>	<b>108,808</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	18	(96,444)	(96,444)	(10,000)	(10,000)
Provisions	19	(742)	(742)	(412)	(412)
<b>Total non-current liabilities</b>		<b>(97,186)</b>	<b>(97,186)</b>	<b>(10,412)</b>	<b>(10,412)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>101,002</b>	<b>91,063</b>	<b>109,051</b>	<b>98,396</b>
<b>FINANCED BY:</b>					
<b>TAXPAYERS' EQUITY</b>					
Public dividend capital	24	121,910	121,910	76,410	76,410
Revaluation reserve		9,113	9,113	8,844	8,844
Income and expenditure reserve		(39,960)	(39,960)	13,142	13,142
<b>OTHERS' EQUITY</b>					
Charitable fund reserves	32	9,939	-	10,655	-
<b>TOTAL TAX PAYERS' AND OTHERS EQUITY</b>		<b>101,002</b>	<b>91,063</b>	<b>109,051</b>	<b>98,396</b>

The financial accounts on pages 8 to 54 were approved by the Board on 24 May 2018 and signed on its behalf by:

Signed:

Stephen Posey  
Chief Executive  
Date: 24 May 2018

**CONSOLIDATED AND TRUST STATEMENT OF CHANGES IN  
TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Trust			Total	Charitable	Group
	Public Dividend Capital	Income and Expenditure Reserve	Revaluation Reserve		Fund Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000
<b>Taxpayers' and others' equity at 1 April 2016</b>	64,210	10,531	8,831	83,572	8,317	<b>91,889</b>
<b>Changes in taxpayers' equity for 2016/17</b>						
Total Comprehensive Expense for the year	-	2,611	-	2,611	2,338	<b>4,949</b>
Revaluation - Property, Plant and Equipment	-	-	13	13	-	<b>13</b>
Public dividend capital received	12,200	-	-	12,200	-	<b>12,200</b>
<b>Taxpayers' and others' equity at 31 March 2017</b>	<b>76,410</b>	<b>13,142</b>	<b>8,844</b>	<b>98,396</b>	<b>10,655</b>	<b>109,051</b>
<b>Taxpayers' and others' equity at 1 April 2017</b>	<b>76,410</b>	<b>13,142</b>	<b>8,844</b>	<b>98,396</b>	<b>10,655</b>	<b>109,051</b>
<b>Changes in taxpayers' equity for 2017/18</b>						
Total Comprehensive Income for the year	-	(53,102)	-	(53,102)	(716)	<b>(53,818)</b>
Revaluation - Property, Plant and Equipment	-	-	269	269	-	<b>269</b>
Public dividend capital received	45,500	-	-	45,500	-	<b>45,500</b>
<b>Taxpayers' and others' equity at 31 March 2018</b>	<b>121,910</b>	<b>(39,960)</b>	<b>9,113</b>	<b>91,063</b>	<b>9,939</b>	<b>101,002</b>

The notes on pages 12 to 54 form part of these accounts.

**CONSOLIDATED AND TRUST STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2018**

		<b>Group</b> <b>2017/18</b>	Group 2016/17	<b>Trust</b> <b>2017/18</b>	Trust 2016/17
	<b>NOTE</b>	<b>£000</b>	£000	<b>£000</b>	£000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating surplus/(deficit)		<b>(51,039)</b>	5,180	<b>(49,866)</b>	4,342
<b>NON CASH INCOME AND EXPENSE:</b>					
Depreciation and amortisation	9/10	<b>3,662</b>	4,578	<b>3,658</b>	4,578
Net Impairments	5	<b>44,698</b>	17	<b>44,698</b>	17
Income recognised in respect of capital donations		-	(40)	<b>(949)</b>	(40)
(Increase)/decrease in inventories		<b>100</b>	617	<b>100</b>	617
Increase in receivables and other assets		<b>1,762</b>	3,580	<b>1,039</b>	3,408
Increase in trade and other payables		<b>10,054</b>	(1,772)	<b>10,054</b>	(1,600)
Increase/(decrease) and other liabilities		<b>28</b>	(323)	<b>28</b>	(323)
Increase/(decrease) in provisions		<b>919</b>	28	<b>919</b>	28
NHS Charitable fund – net movements in working capital, non-cash transactions, non operating cash flows		<b>(1,095)</b>	9	-	-
<b>Net cash generated from / (used in) operating activities</b>		<b>9,089</b>	11,874	<b>9,681</b>	11,027
<b>Cash flows from investing activities</b>					
Interest received		<b>50</b>	86	<b>50</b>	86
Payments for land, property, plant and equipment		<b>(16,364)</b>	(3,868)	<b>(16,364)</b>	(3,868)
Proceeds from disposal of property, plant and equipment		-	1	-	1
Receipt of cash donations to purchase capital assets		-	40	-	40
Payments for intangible assets		<b>(287)</b>	(144)	<b>(287)</b>	(144)
Prepayment PFI capital contribution cash		<b>(20,569)</b>	(30,312)	<b>(20,569)</b>	(30,312)
NHS Charitable fund – net cash flows from investing activities		-	44	-	-
<b>Net cash used in investing activities</b>		<b>(37,170)</b>	(34,153)	<b>(37,170)</b>	(34,197)
<b>Net cash outflow before financing</b>		<b>(28,081)</b>	(22,279)	<b>(27,489)</b>	(23,170)
<b>Cash flows from financing activities</b>					
Public dividend capital received		<b>45,500</b>	12,200	<b>45,500</b>	12,200
Other loans received		<b>8,250</b>	10,000	<b>8,250</b>	10,000
Other loans repaid		<b>(8,250)</b>	-	<b>(8,250)</b>	-
Capital element of PFI payments		<b>(450)</b>	-	<b>(450)</b>	-
Interest paid		<b>(90)</b>	-	<b>(90)</b>	-
Interest paid on PFI obligations		<b>(812)</b>	-	<b>(812)</b>	-
PDC dividends paid		<b>(1,156)</b>	(2,002)	<b>(1,156)</b>	(2,002)
<b>Net cash generated from financing activities</b>		<b>42,992</b>	20,198	<b>42,992</b>	20,198
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>14,911</b>	(2,081)	<b>15,503</b>	(2,972)
<b>Cash and cash equivalents at 1 April</b>		<b>36,716</b>	38,797	<b>34,721</b>	37,693
<b>Cash and cash equivalents at 31 March</b>	15	<b>51,627</b>	36,716	<b>50,224</b>	34,721

The notes on page 12 to 54 form part of these accounts.

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

With effect from 1 January 2018, the name of the Trust was changed from Papworth Hospital NHS Foundation Trust to Royal Papworth Hospital NHS Foundation Trust.

#### **Basis of preparation**

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (DHSC GAM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DHSC GAM 2017/18 issued by the Department of Health and Social Care. The accounting policies contained in that manual follow IFRS and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS foundation trusts, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the DHSC GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

#### **Accounting convention**

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

#### **Going concern**

There is no presumption of going concern status for NHS foundation trusts. Directors must decide each year whether or not it is appropriate for the NHS Foundation Trust to prepare its accounts on the going concern basis, taking into account best estimates of future activity and cash flows.

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the NHS Foundation Trust's ability to continue as a going concern. The financial statements should be prepared on a going concern basis unless management intends, or has no alternative but, to apply to the Secretary of State for the NHS Foundation Trust's dissolution without the transfer of its services to another entity.

Key matters relating to the Trust's financial position are:

- The Trust reported a financial deficit of £8.4m pre impairment and donated assets and a bottom line deficit of £53.1m for the 2017/18 financial year;
- The Trust received £45.5m structural debt re-financing in the form of PDC funding in March 2018;
- The Trust's Operational Plan for 2018/19 indicates a £15.8m deficit pre impairment and donated assets and a bottom line deficit of £16.8m;
- To achieve the deficit positions highlighted above the Trust will be required to achieve CIP of £9.5m in 2018/19;
- The Trust is planning to have cash balances of £4.2m at the end of 2018/19;
- Contracts with Commissioners have been signed, which give a level of assurance for the expectations of continued service delivery and appropriate cash flows for the Trust during 2018/19;
- The Trust has commenced a PFI scheme for a new Hospital on the 5 February 2018 and linked to this will be a disposal of the current site in 2018/19.

Royal Papworth Hospital NHS Foundation Trust's Board of Directors has carefully considered the principle of 'Going Concern', after making enquiries, and considering the uncertainties that are described in the preceding paragraphs, the Directors have a reasonable expectation that the Trust will have access to adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

## 1.1 Consolidation of Subsidiary

The NHS Foundation Trust is the Corporate Trustee of the Royal Papworth Hospital Charitable Fund, a registered charity. The NHS Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a subsidiary because the NHS Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the Charitable Fund and has the ability to affect those returns and other benefits through its power over the fund.

The Charitable Fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard FRS (102). On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the NHS Foundation Trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

The Charitable Fund includes all incoming resources in full in the Statement of Financial Activities as soon as the following three factors are met: entitlement, probable receipt and measurement.

Legacy income is accounted for as incoming resources once the receipt of the legacy becomes probable. Receipt is normally probable when:

- there has been a grant of probate;
- the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- any conditions attached to the legacy are either within the control of the charity or have been met.

The Charitable Fund financial statements are prepared in accordance with the accruals concept. A liability (and consequently, expenditure) is recognised in the financial statements when there is a legal or constructive obligation, capable of reliable measurement, arising from a past event.

Investment comprises of shares traded on a daily basis where the valuation is based on the market value at the date of the Statement of Financial Position and also cash held with the investment managers for future investment in equity.

All gains and losses on investment are taken to the Statement of Comprehensive Income as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value (or date of purchase if later).

## 1.2 Associate entities

Associate entities are those over which the NHS Foundation Trust has the power to exercise a significant influence. Associate entities are recognised in the NHS Foundation Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the NHS Foundation Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution e.g.

share dividends are received by the NHS Foundation Trust from the associate. However, where the NHS Foundation Trust's proportion of an associate's cumulative profits or losses at year end are less than £50,000; no adjustment is made to the cost of the investment on the basis of immateriality. The NHS Foundation Trust does not have any material associates.

### **1.3 Income recognition**

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the NHS Foundation Trust is under contracts from commissioners in respect of healthcare services. Where material, income relating to patient treatment spells which are partially complete at the financial year end is accrued, the income being apportioned across financial years by reference to length of stay.

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

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

### **1.4 Short-term employee benefits**

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

### **1.5 Pension costs**

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://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.

Employer's pension cost contributions are charged to the operating expenses as and when they become due.

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

### **1.6 Expenditure on other goods and services**

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

## 1.7 Property, Plant and Equipment

### ***Capitalisation Recognition***

Property, plant and equipment assets are capitalised if they are capable of being used for a period which exceeds one year and:

- are held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to or service potential be provided to the NHS Foundation Trust;
- the cost of the item can be measured reliably;
- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, 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;
- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

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

### **Measurement**

#### ***Valuation***

All property, plant and equipment assets are initially measured at cost (for leased assets, fair value) including any costs directly attributable to acquiring or constructing the asset and bringing them to a location and condition necessary for them to be capable of operating in the manner intended by the NHS Foundation Trust.

All assets are measured subsequently at fair value.

#### ***Property***

All land and buildings used for the NHS Foundation Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Valuations are carried out by professionally qualified valuers in accordance with the Valuation Standards published by the Royal Institute of Chartered Surveyors (previously the RICS Appraisal and Valuations Standards). Revaluations are performed on at least a 5 yearly basis, with an interim valuation every 3 years; to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. The timing of these valuations will be adjusted, to become more frequent or less frequent, depending on the situation in the market. Fair values are determined as follows:

- Land - existing use value
- Non-specialised buildings - existing use value (see below)
- Specialised buildings - depreciated replacement cost based on a modern equivalent basis

For non-operational properties including surplus land, the valuations are carried out at fair value based on alternative use.

The latest asset valuation for the existing Royal Papworth Hospital and off-site dwellings in Papworth Everard was undertaken in 2014/15 at the prospective valuation date of 1 April 2015. The valuation at that date was accounted for on 31 March 2015. See Note 10.

A valuation of the New Royal Papworth Hospital PFI site was carried out in 2017/18 by the NHS Foundation Trust's externally appointed independent valuer, Boshiers and Company, Chartered Surveyors. The effective date of valuation was the 31st March 2018 and has been accounted for in the 2017/18 accounts. See Note 10.

Non-Specialist assets on the existing Royal Papworth Hospital site have been valued at Existing Use Value (EUV), with the economic life of these buildings beyond the date of the move to the new site. This is due to unconfirmed status of the existing site disposal at this time. The NHS Foundation Trust's intention is to dispose of the site at a future date; however, this is not certain at this stage and not resolved at the balance sheet date, therefore, the NHS Foundation Trust considers EUV to be the appropriate valuation method.

#### *Assets in the Course of Construction*

Assets in the course of construction for service or administration purposes are valued at cost and are valued by professional valuers as part of the 5 or 3 yearly valuations or when they are brought into use. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS23 for assets held at fair value. Depreciation on these assets commences when the asset is brought into use.

#### *Equipment*

For non-IT operational equipment depreciated historical cost is considered to be a satisfactory proxy for current value but this will be kept under review and advice on fair value sought from external sources if considered appropriate. For operational IT equipment, in view of its generally short life nature, depreciated historical cost is considered to be a satisfactory proxy for current value. Equipment surplus to requirements is valued at net recoverable amount.

#### **Subsequent expenditure**

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

#### **Depreciation**

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

The estimated useful life of an asset is the period over which the NHS Foundation Trust expects to obtain economic benefits or service potential from it.

Property, plant and equipment assets which have been reclassified as 'Held for sale' cease to be depreciated upon reclassification.

Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the NHS Foundation Trust, respectively.

### **Revaluation gains and losses**

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

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

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

### **Impairments**

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

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

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

The carrying values of property, plant and equipment assets are reviewed for impairments in periods if events or changes in circumstances indicate carrying values may not be recoverable.

### **De-recognition**

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- i. The asset is available for immediate sale in its present condition subject only to the terms which are usual and customary for such sales;
- ii. The sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amounts. Assets are de-recognised when all material sale contract conditions have been met.

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 operating income or operating expenses respectively. On disposal, the balance for the asset in the revaluation reserve is transferred to the income and expenditure reserve.

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

### **Donated, government grant and other grant funded assets**

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

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

### **Private Finance Initiative (PFI) transactions**

PFI transactions which meet the IFRIC12 definition of service concession, as interpreted in HM Treasury's FREM, are accounted for as 'on Statement Financial Position' by the NHS Foundation Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment when it is brought into use, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The assets contributed (cash payments) by the NHS Foundation Trust to the PFI operator before the asset is brought into use are recognised as prepayments during the construction phase of the contract.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

### **Useful economic life**

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the NHS Foundation Trust's professional valuers.

The current ranges of estimated lives being used are:

	<b>Min Life</b>	<b>Max Life</b>
	<b>Years</b>	<b>Years</b>
Buildings	1	80
Dwellings	3	39

Leaseholds are depreciated over primary lease term.

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

Equipment is depreciated on current cost evenly over the estimated life of the asset using the following lives:

	<b>Min Life</b>	<b>Max Life</b>
	<b>Years</b>	<b>Years</b>
Medical Equipment and Engineering Plan and Equipment	5	15
Furniture	10	10
Soft Furnishings	7	7
Office and Information Technology Equipment	5	5
Set-up Costs in New Buildings	5	5
Vehicles	5	5

At the end of each reporting period a transfer is made from the revaluation reserve to the income and expenditure reserve in respect of the difference between the depreciation expense on the revalued asset and the depreciation expense based on the asset's historic cost carrying value.

## 1.8 Intangible assets

### ***Recognition***

Intangible assets are non-monetary assets without a physical substance which are capable of being sold separately from the rest of the NHS Foundation Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential is provided to the NHS Foundation Trust for more than one year; their cost can be reliably measured; and they have a cost of at least £5,000. Where internally generated assets are held for service potential, this involves a direct contribution to the delivery of services to the public.

### ***Internally generated intangible assets***

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

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the NHS Foundation Trust intends to complete the asset and sell or use it
- the NHS Foundation Trust has the ability to sell or use the asset

- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset
- adequate financial, technical and other resources are available to the NHS Foundation Trust to complete the development and sell or use the asset and
- the NHS Foundation Trust can measure reliably the expenses attributable to the asset during development.

### Software

Purchased computer software, where expenditure of at least £5,000 is incurred, which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

### Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use valued at fair value under IFRS 13, if it does not meet the requirement of IAS 40 or IFRS 5.

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

### Amortisation

Intangible assets are amortised over their expected useful economic lives on a straight line basis or in the case of software the shorter of the term of the licence or the expected useful economic life using the following lives:

	<b>Min Life</b>	<b>Max Life</b>
	<b>Years</b>	<b>Years</b>
Software	5	5

## 1.9 Revenue government and other grants

Government grants are grants from government bodies other than income from commissioners or NHS Trusts for the provision of services. Grants from the Department of Health and Social Care are accounted for as government grants, as are grants from the Big Lottery Fund.

Government grants for capital purposes are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

Where the government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

## 1.10 Inventories

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

## 1.11 Financial Instruments and financial liabilities

### ***Recognition***

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the NHS Foundation Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or service is made.

Financial assets and financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with accounting policy for leases described below at note 1.13.

All other financial assets and financial liabilities are recognised when the NHS Foundation Trust becomes a party to the contractual provisions of the instrument.

### ***De-recognition***

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the NHS Foundation Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

### ***Classification and Measurement***

Financial assets are categorised as 'Loans and receivables'. Financial liabilities are classified as 'Other financial liabilities'.

### ***Financial assets and financial liabilities at "fair value through income and expenditure"***

Financial assets and liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The NHS Foundation Trust's loans and receivables comprise: Cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective

interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

### ***Other Financial liabilities***

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

### ***Impairment of financial assets***

At the Statement of Financial Position date, the NHS Foundation Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a provision for the impairment of receivables.

A receivable will be written off when either all avenues of collection have been exhausted or it is no longer economically viable to pursue the outstanding amount.

## **1.12 Cash and cash equivalents**

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

These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see note 29). Account balances are only off set where a formal agreement has been made with the bank to do so.

## **1.13 Leases**

### **Finance Leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as property, plant and equipment and a

corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

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

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

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

### **Operating Leases**

Other leases are regarded as operating leases and the rentals charged to operating expenses on a straight line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the term of the lease.

Income received by the NHS Foundation Trust from operating leases is recognised in other operating income on a straight line basis over the term of the lease.

### **Leases of Land and Buildings**

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

## **1.14 Provisions**

The NHS Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount for which it is probable that there will be a future outflow of cash or other resource and that a reliable estimate can be made of the amount; the amount recognised in the Statement of Financial Position is the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the HM Treasury's discount rate of -0.8% in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.1% (2016/17: 0.24%) in real terms.

### **Clinical negligence costs**

NHS Resolution operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHS Resolution, which, in return, settles all clinical negligence claims. The contribution is charged to expenditure. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the NHS Foundation Trust is disclosed at note 19, but is not recognised in the NHS Foundation Trust's accounts.

### **Non-clinical risk pooling**

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Foundation Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The NHS Foundation Trust does not include any amounts in its financial statements relating to these cases. The annual membership contributions, and any

'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

### 1.15 Contingent assets and liabilities

Contingent assets (that is, assets arising from past events and whose existence will only be confirmed by one or more future events not wholly within NHS Foundation Trust's control) are not recognised as assets but disclosed in a note to the financial statements where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 20 unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

### 1.16 Public dividend capital

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

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the NHS Foundation Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable.

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

The actual dividend figure is included in the Statement of Comprehensive Income and the receivable/payable arising is included in the Statement of Financial Position.

### 1.17 Value added tax (VAT)

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

### 1.18 Corporation tax

An NHS Foundation Trust is a Health Service Body within the meaning of s519A of the Income and Corporation Tax Act 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for HM Treasury to dis-apply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) of the Income and Corporation Taxes Act 1988). Accordingly, a Foundation Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits from these activities exceed £50k per annum. There are no such profits and therefore no liability for corporation tax in relation to the year ended 31 March 2018 or prior periods.

### 1.19 Foreign exchange

The functional and presentational currencies of the NHS Foundation Trust are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the NHS Foundation Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at “fair value through income and expenditure”) are translated at the spot exchange rate at 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

### 1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirement of the HM Treasury Financial reporting Manual (FReM). See note 29.

### 1.21 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 NHS foundation trusts not been bearing their own risks (with insurance premiums then being incurred as normal revenue expenditure). See note 30.

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

## 1.22 Gifts

Gifts are items 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.

## 1.23 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, who are responsible for making strategic decisions.

## 1.24 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

## 1.25 Accounting standards that have been issued but have not yet been adopted

The following accounting standards or interpretations have been issued by the International Accounting Standards Board, but have not yet been implemented. The NHS Foundation Trust cannot adopt new standards unless they have been adopted in the DHSC GAM issued by Department of Health and Social Care, which in turn only adopts them once adopted in HM Treasury FReM. The HMT FReM generally does not adopt an international standard until it has been endorsed by the European Union for use by listed companies. In some cases, the standards may be interpreted in the HMT FReM and therefore may not be adopted in their original form. The standards listed below are not expected to have an impact on the NHS Foundation Trust's accounts except where indicated.

*Standards issued or amended but not yet adopted in HMT FReM*

- IFRS 9 Financial instruments – Expected to be effective from 2018/19.
- IFRS 14 Regulatory deferral accounts – Not yet EU endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.
- IFRS 15 Revenue from contracts with customers – Expected to be effective from 2018/19.
- IFRS 16 Leases – Expected to be effective from 2019/20.
- IFRS 17 Insurance contracts – Expected to be effective from 2021/22.
- IFRIC 22 Foreign currency transactions and advance consideration - Expected to be effective from 2018/19.
- IFRIC 23 Uncertainty over income tax treatments - Expected to be effective from 2019/20.

## 1.26 Critical judgements and key sources of estimation uncertainty

In the application of the NHS Foundation 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.

### Property valuation

The NHS Foundation Trust's estate has been valued as explained at note 1.7.

### Intangible assets

The intangible assets balance is composed entirely of software under development and software licences. These are stated at historic depreciated cost on the basis that this is not materially different from their fair value.

### Allowances for impaired receivables

Allowances are made for impaired receivables for estimated losses arising from the subsequent inability or refusal of patients or commissioners to make the required payment. Further detail is given at notes 13.2 and 13.3.

### Private Finance Initiative

An assessment of the NHS Foundation Trust's Private Finance Initiative (PFI) scheme has been made, and it has been determined that the PFI scheme in respect of the new hospital building should be accounted for as an on-Statement of Financial Position asset under IFRIC 12. This requires a judgement to be made around how to model the scheme in order to determine the required accounting entries. The key judgements were to initially value the hospital at the cost of construction, to attribute asset lives up to 80 years on certain components and to identify the components of the hospital subject to lifecycle maintenance, which should be accounted for separately.

An estimate has also been used to determine total future obligations under PFI contracts as disclosed in note 22, in relation to future rates of inflation. The estimate does not affect the carrying value of liabilities in the Statement of Financial Position at 31 March 2018, or the amounts charged through the Statement of Comprehensive Income.

## 2. OPERATING INCOME FROM PATIENT CARE ACTIVITIES

### 2.1 Patient income by source

	2017/18	2016/17
	£000	£000
NHS Foundation Trusts	9	51
NHS Trusts	11	19
NHS England	93,590	89,794
Clinical Commissioning Groups	30,298	34,601
Department of Health and Social Care	25	-
NHS Other	2,058	2,006
Non NHS:		
- Private patients	8,151	8,985
- Overseas chargeable patients	49	50
- Other	-	7
<b>Total revenue from patient care activities</b>	<b>134,191</b>	<b>135,513</b>

Income of £561k relating to patient treatment spells which were partially complete at 31 March 2018 (£807k – 31 March 2017) has been recognised in the 2017/18 accounts under the accounting policy described in note 1.3.

## 2.2 Operating segments

IFRS8 requires income and expenditure to be broken down into the operating segments reported to the Chief Operating Decision Maker. The NHS Foundation Trust considers the Board to be the Chief Operating Decision Maker because it is responsible for approving its budgets and hence responsible for allocating resources to operating segments and assessing their performance. The Foundation Trust has seven clinical directorates: cardiology; cardiac surgery, thoracic surgery; thoracic medicine; respiratory support and sleep centre; transplant; and clinical diagnostics (which includes theatres, critical care, anaesthetics, radiology and pathology). The clinical and diagnostics directorate largely supports the services provided by the first six. The Foundation Trust's operating segments reflect the service that it provides. Income is reported to the Board on a regular basis by service:

### Patient income by service

	2017/18			2016/17		
	Inpatients £000	Outpatients £000	Total £000	Inpatients £000	Outpatients £000	Total £000
Cardiology	31,364	5,090	<b>36,454</b>	32,789	8,612	41,401
Cardiac surgery	24,758	706	<b>25,464</b>	22,103	1,013	23,116
Thoracic surgery	10,474	220	<b>10,694</b>	8,511	297	8,808
Respiratory support and sleep centre	6,797	3,987	<b>10,784</b>	7,699	4,543	12,242
Thoracic medicine	11,843	2,588	<b>14,431</b>	13,394	3,367	16,761
Transplant/Ventricular assist devices	16,322	-	<b>16,322</b>	12,192	-	12,192
Clinical and diagnostics	14,627	-	<b>14,627</b>	15,519	-	15,519
<b>Total of income from reporting segments</b>	<b>116,185</b>	<b>12,591</b>	<b>128,776</b>	112,207	17,832	130,039
Other patient related activity			<b>20</b>			77
Market Forces Factor (inpatients and outpatients)			<b>5,395</b>			5,397
<b>Total revenue from patient care activities per note 2.1</b>			<b>134,191</b>			<b>135,513</b>

Cardiology (heart) deals with all aspects of the diagnosis, management and treatment of heart condition in adults. Cardiac surgery includes coronary artery bypass grafting and valve repair and replacement. Thoracic surgery (lungs) provides a 24 hour thoracic surgery service, including surgery for lung cancer. The respiratory support and sleep centre provides ventilator support and sleep medicine. Transplant/Ventricular Assist Devices relates to the transplantation of cardiothoracic organs, and bridging therapy before transplantation. Thoracic medicine includes the treatment of pulmonary vascular diseases and cystic fibrosis. Further explanation of the activity of each segment can be found in the Directors' report.

Expenditure is not analysed into these segments as part of reporting to the Board because the cost of developing such analysis would be excessive and the NHS Foundation Trust is not presenting an analysis of the surplus for the year on a segmental basis. An analysis of assets and liabilities by operating segment is also not reported to the Board or otherwise available.

All income for each patient service above is received from external commissioners as follows:

	<b>2017/18</b>	2016/17
	<b>£000</b>	£000
NHS England	<b>93,590</b>	89,794
Cambridgeshire and Peterborough CCG	<b>12,234</b>	14,273
West Suffolk CCG	<b>4,124</b>	4,631
West Norfolk CCG	<b>2,856</b>	3,414
Ipswich & East Suffolk CCG	<b>1,754</b>	1,668
Bedfordshire CCG	<b>1,937</b>	2,013
East and North Hertfordshire CCG	<b>1,171</b>	1,416
South Lincolnshire CCG	<b>1,153</b>	1,408
West Essex CCG	<b>1,035</b>	1,267
South Norfolk CCG	<b>498</b>	676
Great Yarmouth and Waveney CCG	<b>358</b>	373
North Norfolk CCG	<b>216</b>	275
North East Essex CCG	<b>338</b>	313
Other CCGs	<b>2,623</b>	2,874
Other NHS	<b>1,208</b>	1,211
<b>Subtotal</b>	<b>125,095</b>	125,606
Welsh Health Boards	<b>714</b>	690
Scottish Health Board	<b>75</b>	22
Northern Ireland Health Boards	<b>87</b>	83
Private patients	<b>8,151</b>	8,985
Other non-NHS	<b>49</b>	57
<b>Total patient service income</b>	<b>134,171</b>	135,443
Other patient related activity	<b>20</b>	70
<b>Total revenue from patient care activities per note 2.1</b>	<b>134,191</b>	135,513

Under the terms of its trust license, the NHS Foundation Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the trust license and are services that commissioners believe would need to be protected in the event of trust failure. This information is provided in the table below:

	<b>2017/18</b>	2016/17
	<b>£000</b>	£000
Income from services designated (or grandfathered) as commissioner requested services	<b>134,191</b>	135,513

### 2.3 Overseas visitors (relating to patients charged directly by the NHS Foundation Trust)

	<b>2017/18</b>	2016/17
	<b>£000</b>	£000
Income recognised this year	<b>49</b>	50
Cash payments received in-year	<b>3</b>	54
Amounts added to provision for impairment of receivables	<b>35</b>	7
Amounts written off in-year	<b>13</b>	8

## 2.4 Private patient income

As a result of the Health and Social Care Act 2012 changes to the way the cap on private patient income of NHS Foundation Trusts is enforced came into effect during 2012/13.

As from 1 October 2012 Foundation Trusts are obliged to make sure that the income they receive from providing goods and services for the NHS (their principle purpose) is greater than their income from other sources (e.g. private patient work).

This effectively means that the former private patient cap has been removed.

## 3. OTHER OPERATING INCOME

	Group		Trust	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Research and development NHS Levy	680	1,022	680	1,022
Education and training	2,988	3,436	2,988	3,440
Charitable and other contributions to expenditure	-	40	1,416	899
Non-patient care services to other bodies	-	-	-	-
Merit award funding	1,204	1,112	1,204	1,112
Staff lodging	565	463	565	463
Staff recharges*	2,562	2,156	2,882	2,192
Research and development gross up**	2,897	2,235	2,897	2,445
NHS Charitable income:				
Incoming resource excluding investment income	1,786	2,716	-	-
Sustainability and transformation fund income	-	2,970	-	2,970
Other income	1,946	1,294	1,946	1,385
	<b>14,628</b>	17,444	<b>14,578</b>	15,928

\* Staff recharges have been shown gross in income and expenditure.

\*\* Funding received to cover costs of research and development incurred in the year.

## 4. OPERATING EXPENSES

### 4.1 Operating expenses comprise:

	Group		Trust	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Executive Directors' costs*	1,272	1,023	1,272	1,023
Non-Executive Directors' costs	141	118	141	118
Staff costs	86,382	83,439	86,382	83,439
Drug costs	5,700	5,838	5,700	5,838
Supplies and services - clinical	36,066	36,485	36,066	36,485
Supplies and services - general	4,786	5,127	4,786	5,127
Establishment	1,301	1,801	1,301	1,801
Research & Development	1,193	789	1,193	789
Transport	726	485	726	485
Premises	5,367	3,156	5,367	3,168
Increase/(decrease) in provision for impairments of receivables	464	580	464	580
Depreciation of property, plant and equipment	3,412	4,289	3,408	4,285
Amortisation of intangible assets	250	293	250	293
impairments of property, plant and equipment	44,698	10	44,698	10
Impairments of intangibles	-	7	-	7
Audit services - statutory audit	52	48	52	48
Other auditors remuneration - other assurance services	7	10	7	10
NHS Charitable Funds - statutory audit services	4	4	-	-
Consultancy	1,225	345	1,225	345
Internal audit and counter fraud services	58	64	58	64
Clinical negligence	680	499	680	499
Charges to operating expenditure for on-SoFP IFRIC 12 PFI schemes on IFRS basis	702	-	702	-
Other	4,145	2,685	4,157	2,685
NHS Charitable Funds - other resources expended	1,227	682	-	-
	<b>199,858</b>	<b>147,777</b>	<b>198,635</b>	<b>147,099</b>

\* Includes third party agency fees for interim services of Director of Operations 2016/17 (value is gross of VAT)

### 4.2 Audit services

The Council of Governors has appointed KPMG LLP (KPMG) as external auditors of the NHS Foundation Trust from 1 April 2015. The audit fee for the statutory audit is £52,100 (2016/17: £47,500), excluding VAT. This is the fee for an audit in accordance with the Audit Code issued by Monitor in March 2011 and includes a non-recurrent fee in respect of PFI accounting. A further £7,400 has been paid for other services in relation to the Quality Report opinion £7,400 (2016/17: £7,400 for the Quality Report opinion and £3,000 for tax services).

The engagement letter signed on 27 November 2015 states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) in respect of services provided in connection with or arising out of the audit shall in no circumstances exceed £1 million in the aggregate in respect of all such services.

External auditors will also receive remuneration of £4,450 (2016/17: £4,450), excluding VAT, for the statutory audit of the NHS Charity.

### 4.3 Operating leases

#### 4.3.1 As lessee

##### Payments recognised as an expense

	2017/18 £000	2016/17 £000
Minimum lease payments	<u>1,106</u>	<u>1,303</u>

##### Total future minimum lease payments

	2017/18 £000	2016/17 £000
Payable:		
Not later than one year	1,028	1,133
Between one and five years	1,014	1,834
After five years	-	-
	<u>2,042</u>	<u>2,967</u>

The NHS Foundation Trust has entered into a number of leases for medical equipment, land and property.

There are 2 (2016/17: 2) leases where the capital value of the equipment (including VAT) exceeded £250k. All other leases are for equipment with a capital value (including VAT) under this amount. The lease rental is fixed at the outset of the leases.

The NHS Foundation Trust has 6 (2016/17: 6) leases relating to land used for the purpose of car parking. The leases are all for a period of 10 years or less. Four leases include an early termination clause; two of 6 months' notice if the NHS Foundation Trust ceases to operate on its current site, one of 6 months' notice and one of 12 months' notice if the NHS Foundation Trust ceases occupation of its current site. One lease includes a break clause 3 years after its commencement date. There is no option in one of the leases to terminate before the end of the lease term.

The NHS Foundation Trust leases a building used as office space. The original lease was for a 15 year period. A variation to the lease was entered into in April 2013 extending the terms of the lease to April 2019 and agreeing a fixed annual rental charge. The lease will come to an end in April 2019.

The Trust has made provision in these accounts for the costs of the leases the Trust will no longer require following the move to the new hospital in September 2018.

#### 4.3.2 As lessor

##### Rental revenue

	2017/18 £000	2016/17 £000
Other	19	11
<b>Total rental revenue</b>	<b>19</b>	<b>11</b>

##### Total future minimum lease payments

	2017/18 £000	2016/17 £000
Receivable:		
Not later than one year	<u>6</u>	<u>14</u>

The NHS Foundation Trust has an agreement to rent out office and laboratory space to an organisation involved in medical research. The agreement is a short term lease agreement which will terminate on 30 June 2018.

## 5 IMPAIRMENT OF ASSETS

	2017/18 £000	2016/17 £000
Net impairments charged to operating surplus/(deficit) resulting from:		
Loss or damage from normal operations	-	10
Impairment of New Papworth Hospital	44,698	-
Unforeseen obsolescence	-	7
	<u>44,698</u>	<u>17</u>

During the year, a valuation of the New Royal Papworth Hospital PFI site was carried out by the NHS Foundation Trust's externally appointed independent valuer, which resulted in an impairment of £44,698k being the difference between construction cost of the asset £163,598k and its depreciated replacement cost £118,900k.

## 6 EMPLOYEE COSTS AND NUMBERS

### 6.1 Employee costs

	Group		Trust		
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000	
Salaries and wages	*	69,586	65,507	69,586	65,507
Social security costs	*	6,753	6,895	6,753	6,895
Apprenticeship levy		325	-	325	-
Employer contributions to NHS Pensions Agency		7,902	7,877	7,902	7,877
Temporary staff (including agency)		3,088	4,183	3,088	4,183
<b>Employee benefit expenses</b>	*	<u>87,654</u>	84,462	<u>87,654</u>	<u>84,462</u>

All employee benefit expenses have been charged to revenue. The total employer pension contributions paid for the year is £7,978k (2016/17: £7,872k).

\* Excludes Non-Executive Directors' salary costs. These salary costs are included in note 4.1.

## **Pension Costs**

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

### ***a) Accounting valuation***

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

### ***b) Full actuarial (funding) valuation***

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

The 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 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. 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.

### ***c) Scheme provisions***

The NHS Pension Scheme provided defined benefits, which are summarised below. The list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

#### *Annual Pensions*

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80<sup>th</sup> for the 1995 section and of the best of the last three years' pensionable pay for each year of service, and 1/60<sup>th</sup> for the 2008 section of reckonable pay per year of membership. Members who are practitioners as

defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as 'pension commutation'.

#### *Pensions Indexation*

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in Retail Prices in the 12 months ending 30<sup>th</sup> September in the previous calendar year. From 2011/12, the Consumer Price Index (CPI) has been used to replace the Retail Prices Index (RPI).

#### *Ill-health Retirement*

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity.

#### *Death Benefits*

A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

#### *Early Retirement*

For early retirements other than those due to ill-health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

#### *Additional Voluntary Contributions (AVC's)*

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

NEST is a Workplace Pension Scheme operated by the Government; it is an alternative pension scheme (to the Superannuation Scheme) which is not NHS specific. It is a defined contribution, off statement of financial position scheme (as it is not exclusively NHS). The number of employees opting in and the value of contributions have been negligible. The cost in 2017/18 was £3k (2016/17 £3k).

## 6.2 Staff Exit Packages

	2017/18		2016/17	
	Number of other departures agreed	Total number of exit packages by cost band	Number of other departures agreed	Total number of exit packages by cost band
£25,001-£50,000	1	1	-	-
£50,001-£100,000	1	1	-	-
Total number of exit packages by type	2	2	-	-
		<b>£000</b>		<b>£000</b>
Total resource cost		<b>97</b>		<b>-</b>

Exit packages are agreed with due regards to national terms and conditions, adherence to local policies and procedures and a risk assessment.

### 6.3 Average number of persons employed

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	Total	Total	Total	Total
	Number	Number	Number	Number
<b>Permanently Employed</b>				
Medical and dental	206	218	206	218
Administration and estates	374	371	375	371
Healthcare assistants and other support staff	340	336	340	336
Nursing, midwifery and health visiting staff	561	596	561	596
Scientific, therapeutic and technical staff	141	145	141	145
Health care science staff	74	77	73	77
<b>Other</b>				
Bank staff	53	40	53	40
Agency/contract staff	59	45	59	45
Other	2	3	2	3
<b>Total</b>	<b>1,810</b>	<b>1,831</b>	<b>1,810</b>	<b>1,831</b>

### 6.4 Retirements due to ill-health

In the year to 31 March 2018, there were nil early retirements agreed on the grounds of ill-health (31 March 2017: 2). The estimated additional pension liability in respect of early retirements agreed on the grounds of ill-health is £nil (31 March 2017: £115k); the cost of which is borne by the NHS Business Services Authority – Pensions Division. This information has been supplied by NHS Pensions.

### 6.5 Directors' remuneration

The aggregate amounts payable to directors were:

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	Total	Total	Total	Total
	£000	£000	£000	£000
Salary *	1,151	958	1,153	958
Taxable benefits	9	3	9	3
Employer's pension contributions	119	90	119	90
<b>Total</b>	<b>1,279</b>	<b>1,051</b>	<b>1,281</b>	<b>1,051</b>

\* Includes third party agency fees for interim services of Director of Operations 2016/17 (value is gross of VAT)

Further details of directors' remuneration can be found in the remuneration report.

**7 FINANCE INCOME**

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
Interest revenue:				
Investments in listed equities	188	475	-	-
Short term investments and deposits	17	82	17	80
Bank accounts	41	7	41	6
	<b>246</b>	<b>564</b>	<b>58</b>	<b>86</b>

**8 FINANCE EXPENSES**

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
Loans from the Department of Health and Social Care	92	-	92	-
Main finance costs on PFI scheme obligations	711	-	711	-
Contingent finance costs on PFI scheme obligations	101	-	101	-
	<b>904</b>	<b>-</b>	<b>904</b>	<b>-</b>

**9 INTANGIBLE ASSETS**

2017/18	Computer Software Purchased	Intangible Assets Under Construction	Total Intangible Assets
	£000	£000	£000
Gross cost at 1 April 2017	3,502	-	3,502
Additions purchased - Trust/release of accrual	(5)	292	287
Disposals	(101)	-	(101)
<b>Gross cost at 31 March 2018</b>	<b>3,396</b>	<b>292</b>	<b>3,688</b>
Accumulated amortisation at 1 April 2017	2,881	-	2,881
Provided during the year	250	-	250
Disposals	(54)	-	(54)
<b>Accumulated amortisation at 31 March 2018</b>	<b>3,077</b>	<b>-</b>	<b>3,077</b>
<b>Net book value</b>			
- Purchased at 31 March 2018	281	292	573
- Donated at 31 March 2018	38	-	38
<b>Total at 31 March 2018</b>	<b>319</b>	<b>292</b>	<b>611</b>

2016/17	Computer Software Purchased £000	Intangible Assets Under Construction £000	Total Intangible Assets £000
Gross cost at 1 April 2016	3,438	-	3,438
Additions purchased - Trust	85	-	85
Impairment charged to operating expenses	(21)	-	(21)
<b>Gross cost at 31 March 2017</b>	<b>3,502</b>	<b>-</b>	<b>3,502</b>
Accumulated amortisation at 1 April 2016	2,602	-	2,602
Provided during the year	293	-	293
Disposals	(14)	-	(14)
<b>Accumulated amortisation at 31 March 2017</b>	<b>2,881</b>	<b>-</b>	<b>2,881</b>
<b>Net book value</b>			
- Purchased at 31 March 2017	565	-	565
- Donated at 31 March 2017	56	-	56
<b>Total at 31 March 2017</b>	<b>621</b>	<b>-</b>	<b>621</b>

**10 PROPERTY, PLANT AND EQUIPMENT****10.1 Property, plant and equipment at the financial year end comprise the following elements:**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>2017/18</b>									
Cost/valuation at 1 April 2017	24,421	9,756	928	3,592	29,245	126	4,175	257	72,500
Additions purchased - Trust/release of accrual	-	(18)	-	24,301	194	-	359	4	24,840
Additions leased - Trust	-	-	-	146,901	-	-	-	-	146,901
Additions purchased - cash donations	-	-	-	940	-	9	-	-	949
Impairments charged to operating expenses	-	-	-	(44,698)	-	-	-	-	(44,698)
Revaluations	-	-	-	-	75	-	-	-	75
Disposals	-	-	-	-	(26)	-	-	-	(26)
<b>At 31 March 2018</b>	<b>24,421</b>	<b>9,738</b>	<b>928</b>	<b>131,036</b>	<b>29,488</b>	<b>135</b>	<b>4,534</b>	<b>261</b>	<b>200,541</b>
Accumulated depreciation at 1 April 2017	-	5,063	152	-	26,345	111	3,478	215	35,364
Provided during the year	-	1,853	61	-	1,161	8	318	11	3,412
Revaluations	-	-	-	-	(194)	-	-	-	(194)
Disposals	-	-	-	-	(7)	-	-	-	(7)
<b>Accumulated depreciation at 31 March 2018</b>	<b>-</b>	<b>6,916</b>	<b>213</b>	<b>-</b>	<b>27,305</b>	<b>119</b>	<b>3,796</b>	<b>226</b>	<b>38,575</b>
<b>Net book value</b>									
- Purchased at 31 March 2018 - Trust	23,537	1,704	506	11,196	1,930	9	701	29	39,612
- Purchased at 31 March 2018 - NHS Charity	85	-	139	-	-	-	-	-	224
- On-SoFP PFI contract at 31 March 2018	-	-	-	118,900	-	-	-	-	118,900
- Government granted at 31 March 2018	-	883	-	-	-	-	-	-	883
- Donated at 31 March 2018	799	235	70	940	253	7	37	6	2,347
<b>Total at 31 March 2018</b>	<b>24,421</b>	<b>2,822</b>	<b>715</b>	<b>131,036</b>	<b>2,183</b>	<b>16</b>	<b>738</b>	<b>35</b>	<b>161,966</b>

**10.2 Property, plant and equipment at the financial year end comprise the following elements:**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>2016/17</b>									
Cost/valuation at 1 April 2016	24,421	9,760	928	625	28,722	154	3,958	257	68,825
Additions purchased - Trust	-	(17)	-	2,967	558	8	217	-	3,733
Impairments charged to operating expenses	-	-	-	-	(23)	-	-	-	(23)
Revaluations	-	13	-	-	-	-	-	-	13
Disposals	-	-	-	-	(12)	(36)	-	-	(48)
<b>At 31 March 2017</b>	<b>24,421</b>	<b>9,756</b>	<b>928</b>	<b>3,592</b>	<b>29,245</b>	<b>126</b>	<b>4,175</b>	<b>257</b>	<b>72,500</b>
Accumulated depreciation at 1 April 2016	-	2,476	75	-	25,028	138	3,218	203	31,138
Provided during the year	-	2,587	77	-	1,344	9	260	12	4,289
Impairments charged to operating expenses	-	-	-	-	(13)	-	-	-	(13)
Disposals	-	-	-	-	(14)	(36)	-	-	(50)
<b>Accumulated depreciation at 31 March 2017</b>	<b>-</b>	<b>5,063</b>	<b>152</b>	<b>-</b>	<b>26,345</b>	<b>111</b>	<b>3,478</b>	<b>215</b>	<b>35,364</b>
<b>Net book value</b>									
- Purchased at 31 March 2017 - Trust	23,537	3,546	389	3,592	2,496	15	685	34	34,294
- Purchased at 31 March 2017 - NHS Charity	85	-	143	-	-	-	-	-	228
- Government granted at 31 March 2017	-	946	-	-	4	-	-	-	950
- Donated at 31 March 2017	799	201	244	-	400	-	12	8	1,664
<b>Total at 31 March 2017</b>	<b>24,421</b>	<b>4,693</b>	<b>776</b>	<b>3,592</b>	<b>2,900</b>	<b>15</b>	<b>697</b>	<b>42</b>	<b>37,136</b>

In March 2015 the NHS Foundation Trust achieved financial closure on the plans to go ahead with the construction of the New Royal Papworth Hospital on the Cambridge Biomedical Campus.

The finalisation of the contract has led to the NHS Foundation Trust considering the fair value of the existing site, the remaining economic use to be derived from the site assets and the appropriate value of the existing site at 31 March 2018.

A valuation of the existing site at 31 March 2015 was carried out by external valuers Boshiers and Company, Chartered Surveyors, in accordance with the requirements of the HM Treasury Financial Reporting Manual, Department of Health and Social Care Foundation Trust Annual Reporting Manual and International Financial Reporting Standards (IFRS).

The buildings and dwellings not expected to be of value to the NHS Foundation Trust following its relocation to the new site, or any expected existing use value, were valued to reflect their remaining economic life. Land, buildings and dwellings expected to have continued existing use value after the relocation were valued on that basis.

The existing site and off-site dwellings are still operational property and will be for a majority of the coming financial year 2018/19. The land and buildings have not yet been declared surplus, there is no alternative planning permission approved for any of the sites and no asset is currently being marketed for sale.

The NHS Foundation Trust is of the opinion that the fair value of its land, buildings and dwellings has not changed from the 31 March 2015 valuation. The NHS Foundation Trust's land, buildings and dwellings have therefore not been revalued in year.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. A valuation of the New Royal Papworth Hospital PFI site was carried out in the 2017/18 financial year, by the NHS Foundation Trust's externally appointed independent valuer, Boshiers and Company, Chartered Surveyors. The effective date of valuation was the 31st March 2018. More detail about the valuation process is contained in the accounting policies, note 1.7 and impairment of assets, note 5.

## 11 INVESTMENTS

The investments relate to the NHS Charity and comprise of shares, and also cash held with the investment managers for future investment in equity.

	<b>31 March 2018 £000</b>	31 March 2017 £000
<b>Investment Managers</b>		
Market value at 1 April	<b>6,362</b>	6,713
Add: Additions of shares	<b>552</b>	747
Less: Disposals at carrying value	<b>(498)</b>	(2,120)
Net gain on revaluation	<b>210</b>	1,022
<b>Market value at 31 March</b>	<b><u>6,626</u></b>	<b><u>6,362</u></b>
Historic cost at 31 March	<b>4,832</b>	4,662
Cash held with Investment Managers at 31 March	<b>2,637</b>	2,443

The valuation of the investments is at 31 March 2018 and may not be realised at the date the investments are disposed of.

At 31 March 2018 5,000 (31 March 2017: 5,000) shares were held with a market value of £382,806 (31 March 2017: £370,288) in Findlay Park Funds American USD Dis., which represents 5.8% of the total market value of shares held.

Shares were purchased and sold during the year by the NHS Foundation Trust's Investment Managers. The historic cost represents the value of shares after purchases and sales at 31 March 2018 before the shares were revalued.

Cash held with the NHS Foundation Trust's Investment Managers is for future investment. The majority of cash held is the balance of the sale proceeds from the sale of shares, less the purchase of shares, with some additional cash as a result of dividend income received. Cash held by the NHS Foundation Trust's Investment managers for re-investment is all held within the UK.

## 12 INVENTORIES

	<b>Group</b>		<b>Trust</b>	
	<b>31 March 2018 £000</b>	31 March 2017 £000	<b>31 March 2018 £000</b>	31 March 2017 £000
Drugs	<b>453</b>	411	<b>453</b>	411
Consumables	<b>3,409</b>	3,551	<b>3,409</b>	3,551
NHS Charity - gift shop	<b>18</b>	15	-	-
<b>TOTAL</b>	<b><u>3,880</u></b>	<u>3,977</u>	<b><u>3,862</u></b>	<u>3,962</u>

The cost of inventories recognised as an expense and included in 'operating expenses' amounted to £25,749k (2016/17: £24,115k).

An additional £20k (2016/17: £9k) was recognised as a write-down expense.



### 13.2 Analysis of impaired receivables

	<b>31 March 2018 £000</b>	31 March 2017 £000
<b>Ageing of impaired receivables</b>		
Current	183	25
0 - 30 days	-	73
30 - 60 days	-	24
60 - 90 days	-	33
90 - 180 days	124	195
Over 180 days	868	396
<b>TOTAL</b>	<b>1,175</b>	<b>746</b>

### 13.3 Analysis of non-impaired receivables

	<b>31 March 2018 £000</b>	31 March 2017 £000
<b>Ageing of non-impaired receivables</b>		
Current	4,215	1,211
0 - 30 days	535	2,772
30 - 60 days	351	637
60 - 90 days	180	534
90 - 180 days	69	621
Over 180 days	(127)	640
<b>TOTAL</b>	<b>5,223</b>	<b>6,415</b>

## 14 NON-CURRENT ASSETS HELD FOR SALE

	<b>Group</b>	<b>Trust</b>
Most recently held as:		
	<b>Buildings excluding dwellings £000</b>	<b>Buildings excluding dwellings £000</b>
NBV of non-current assets for sale and assets in disposal groups at 1 April 2017	19	19
Less assets disposed of in the year	(19)	(19)
<b>NBV of non-current assets for sale and assets in disposal groups at 31 March 2018</b>	<b>-</b>	<b>-</b>

The Asset Held for Sale in 2016/17 related to surface matting purchased during 2015/16 to surface a new offsite car park. The matting proved to be not fit for purpose. The NHS Foundation Trust disposed of this matting during 2017/18.

**15 CASH AND CASH EQUIVALENTS**

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
At 1 April	36,716	38,797	34,721	37,693
Net change in year	14,911	(2,081)	15,503	(2,972)
<b>Balance at 31 March</b>	<b>51,627</b>	<b>36,716</b>	<b>50,224</b>	<b>34,721</b>
<b>Made up of:</b>				
Government Banking Services	49,697	720	49,697	720
National Loan Fund	-	27,500	-	27,500
Cash at commercial banks and in hand	1,930	8,496	527	6,501
<b>Cash and cash equivalents as in statement of cash flows</b>	<b>51,627</b>	<b>36,716</b>	<b>50,224</b>	<b>34,721</b>

The change to the calculation of net cash balances used when calculating the PDC dividend restricts the NHS Foundation Trust's investment options. The NHS Foundation Trust's surplus cash is invested in short term deposits with the National Loans Fund where applicable. The reduction in interest earned by keeping cash surplus in government banking is less than the impact of not including them in the PDC dividend calculation.

Interest earned on these deposits is accrued in the financial statements and is disclosed on the face of the Statement of Comprehensive Income.

Surplus cash balances held by the NHS Charity are either invested in a notice account or invested in short term deposits with a small range of approved commercial banks.

As at 31 March 2018 £nil was held on short term deposit (31 March 2017: £27.5m) by the NHS Foundation Trust and £0.2m (31 March 2017: £0.2m) was held on short term deposit by the NHS Charity.

**16 TRADE AND OTHER PAYABLES**

Current	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
NHS Payables - revenue	7,211	1,720	7,211	1,720
Other trade payables - revenue	3,892	4,113	3,892	4,092
Other trade payables - capital	9,059	545	9,059	545
Receipts in advance	3,385	3,068	3,385	3,068
Other taxes payable	1,860	1,768	1,860	1,768
Accruals	8,744	4,412	8,730	4,412
PDC dividend payable	973	-	973	-
Other payables	1,148	1,110	1,148	1,110
<b>TOTAL</b>	<b>36,272</b>	<b>16,736</b>	<b>36,258</b>	<b>16,715</b>

## Non-current

The Group has no non-current trade and other payables.

Outstanding pension contributions of £1,114k falling within one year are included within 'Other payables' for the year to 31 March 2018 (31 March 2017: £1,110k).

## 17 OTHER LIABILITIES

	<b>Current</b>	
	<b>31 March</b>	31 March
	<b>2018</b>	2017
	<b>£000</b>	£000
Deferred Income	<b>47</b>	19

## 18 BORROWINGS

	<b>Current</b>		<b>Non-current</b>	
	<b>31 March</b>	31 March	<b>31 March</b>	31 March
	<b>2018</b>	2017	<b>2018</b>	2017
	<b>£000</b>	£000	<b>£000</b>	£000
Loans from Department of Health	-	-	10,000	10,000
Obligations under PFI contract	2,006	-	86,444	-
	<b>2,006</b>	-	<b>96,444</b>	10,000

The loan from Department of Health and Social Care in 2016/17 represents a bridging loan from the Secretary of State for Health against the sale of land at the existing Royal Papworth hospital site at Papworth Everard to support working capital. The repayment date of the loan is 18 March 2022. Interest on the loan is charged at 0.59%.

## 19 PROVISIONS

	<b>31 March 2018</b>			31 March 2017
	<b>Pensions relating to other staff</b>	<b>Other</b>	<b>Total</b>	Pensions relating to other staff
	<b>£000</b>	<b>£000</b>	<b>£000</b>	£000
<b>At 1 April 2017</b>	<b>454</b>	-	<b>454</b>	426
Change in the discount rate	86	-	<b>86</b>	62
Arising during the year	-	867	<b>867</b>	0
Utilised during the year	(34)	-	<b>(34)</b>	(34)
<b>At 31 March 2018</b>	<b>506</b>	<b>867</b>	<b>1,373</b>	454
<b>Expected timing of cash flows:</b>				
- not later than one year;	43	588	<b>631</b>	42
- later than one year and not later than five years;	145	279	<b>424</b>	119
- later than five years.	318	-	<b>318</b>	293
<b>Total</b>	<b>506</b>	<b>867</b>	<b>1,373</b>	454

The lease dilapidations provision relates to costs the NHS Foundation Trust is likely to incur carrying out remedial and/or dilapidation works at the end of some of its land and building leases. The majority of the costs are likely to be incurred during 2018/19 once services have been transferred to the New Royal Papworth Hospital in September 2018.

Other provisions relates to payments due on 1 July 2019 or if earlier, the date upon which the NHS Foundation Trust disposes of the existing Royal Papworth Hospital site, to release pre-emption

rights and restrictive covenant on the site. It also relates to payments due to be made by the NHS Foundation Trust under one building and five equipment operating leases from 17 September 2018 (equipment) and 31 December 2018 (site) until their termination dates, as the NHS Foundation Trust will no longer require the associated assets once it moves to the New Royal Papworth Hospital in September 2018.

The balance on provisions relates to staff pension costs for staff who took early retirement, before 6 March 1995 and staff entitled to injury benefit. This is settled by a quarterly charge from the NHS Pensions Agency.

The amount included in the provision of NHS Resolution at 31 March 2018 in respect of clinical negligence liabilities of the NHS Foundation Trust is £10,298k (31 March 2017: £9,517k).

## **20 CONTINGENT ASSETS AND LIABILITIES**

The value of contingent liabilities in respect of NHS Resolution legal claims at 31 March 2018 is £5k (31 March 2017: £5k).

There are no contingent assets.

## **21 CAPITAL AND CONTRACTUAL COMMITMENTS**

The value of commitments under capital expenditure contracts at the end of the financial year was £8.9m (31 March 2017: £11.3m). There were no commitments under finance leases at the end of the financial year (31 March 2017: £nil).

These commitments relate to orders that had been raised for equipment relating to the new hospital which were not delivered to site at the year end. These will be funded from Trust resources in 2018/19 as part of the new hospital equipping programme.

Details of commitments in respect of operating leases can be found at note 4.3.1.

## **22 ON SOFP PFI ARRANGEMENTS**

On 12th March 2015 the NHS Foundation Trust concluded contracts under the Private Finance Initiative (PFI) with NPH Healthcare Ltd for the construction of a new 310 bed hospital and the provision of hospital related services.

The PFI scheme was approved by the NHS Executive and HM Treasury as being better value for money than the public sector comparator. Under IFRIC 12, the PFI scheme is deemed to be on-Statement of Financial Position, meaning that the hospital is treated as an asset of the NHS Foundation Trust, being acquired through a finance lease. The payments to NPH Healthcare Ltd in respect of the facility (New Royal Papworth Hospital) have therefore been analysed into finance lease charges and service charges. The accounting treatment of the PFI scheme is detailed in the accounting policies note.

The service element of the contract was £702k. The hospital was handed over to the NHS Foundation Trust in February 2018 and will be fully operational in September 2018. Payments under the scheme commenced in February 2018. The agreement is due to end in March 2048.

The value of the scheme at inception was £163,598k, but was subsequently re-valued to £118,900k on 19th February 2018 to depreciated replacement cost on a modern equivalent asset basis.

Finance charges include both interest payable and contingent rent payable. Contingent rent is variable dependent of the future rate of inflation using the Retail Price Index (RPI).

## 22.1 PFI finance lease obligations

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
<b>Gross PFI finance lease liabilities</b>	<b>88,450</b>	-	<b>88,450</b>	-
<b>Of which liabilities are due</b>				
- not later than one year;	2,006	-	2,006	-
- later than one year and not later than five years;	8,403	-	8,403	-
- later than five years.	78,041	-	78,041	-
Finance charges allocated to future periods	-	-	-	-
<b>Net PFI liabilities</b>	<b>88,450</b>	-	<b>88,450</b>	-
- not later than one year;	2,006	-	2,006	-
- later than one year and not later than five years;	8,403	-	8,403	-
- later than five years.	78,041	-	78,041	-

## 22.2 PFI total unitary payments obligations

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
Total future payments committed in respect of the PFI arrangement	541,827	-	541,827	-
<b>Of which liabilities are due</b>				
- not later than one year;	14,127	-	14,127	-
- later than one year and not later than five years;	58,748	-	58,748	-
- later than five years.	468,952	-	468,952	-

## 22.3 Analysis of amounts payable to service concession operator

	Group		Trust	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	£000	£000	£000	£000
Unitary payment payable to service concession operator	2,002	-	2,002	-
<b>Consisting of:</b>				
- Interest charge	711	-	711	-
- Repayment of finance lease liability	450	-	450	-
- Service element and other charges to operating expenditure	702	-	702	-
- Contingent rent	101	-	101	-
- Addition to lifecycle prepayment	38	-	38	-
	<b>2,002</b>	-	<b>2,002</b>	-

## 23 EVENTS AFTER THE REPORTING YEAR

There have been no events after the reporting year end that requires disclosure in these accounts.

## 24 PUBLIC DIVIDEND CAPITAL

The dividend payable on public dividend capital is based on the pre-audit actual (rather than forecast) average relevant net assets at an annual rate of 3.5% (see note 1.16).

The NHS Foundation Trust received £45.5m structural debt re-financing in the form of PDC funding in March 2018. In 2016/17, £12.2m public dividend capital was drawn down during the year to fund capital injection payments for the New Royal Papworth Hospital.

## 25 RELATED PARTY TRANSACTIONS

Royal Papworth Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

The key management personnel of the NHS Foundation Trust are the Executive and Non-Executive Directors of the NHS Foundation Trust. The total number of Directors to whom benefits are accruing under a defined benefit scheme is 7 (2016/17: 6).

	<b>2017/18</b>	2016/17
	<b>£000</b>	£000
Remuneration payment	<b>1,151</b>	775
Employer contribution to the NHS Pension Scheme	<b>119</b>	90
	<b>1,270</b>	865

The remuneration payment relating to the highest paid director is £168k (2016/17: £167k). The highest paid director had an amount of £38k accrued pension and an amount of £115k accrued lump sum at the year end. Further information is available in the Remuneration Report, which is included within the NHS Foundation Trust's Annual Report.

During the year none of the senior managers of the NHS Foundation Trust or parties related to them has undertaken any material transactions with the NHS Foundation Trust.

Dr S Lintott, a Non-Executive Director of the NHS Foundation Trust, held various positions within the University of Cambridge, particularly in relation to fundraising. During the year the NHS Foundation Trust made payments to the University of Cambridge of £407k (2016/17: £224k) for staff recharges relating to medical staff. At the 31 March 2018 the NHS Foundation Trust has £0k (31 March 2017: £235k) owing to the University of Cambridge relating to staff recharges.

Mr M Millar, a Non-Executive Director of the NHS Foundation Trust, held the position as Independent Chair of the Finance, Planning and Performance Group for the Cambridge and Peterborough Sustainability and Transformation Programme, which is hosted by Cambridge and Peterborough NHS Foundation Trust. During the year the NHS Foundation Trust made payments to the Cambridge and Peterborough NHS Foundation Trust of £329k (2016/17: £233k). At the 31 March 2018 the NHS Foundation Trust has £58k (31 March 2017: £58k) owing to Cambridge and Peterborough NHS Foundation Trust.

In partnership with the University of Cambridge, Cambridge University Hospitals NHS Foundation Trust and Cambridgeshire and Peterborough NHS Foundation Trust, the NHS Foundation Trust set up an Academic Health Science Centre. The partnership vehicle, called Cambridge University Health Partners (CUHP) is a company limited by guarantee. The objects of CUHP are to improve

patient care, patient outcomes and population health through innovation and the integration of service delivery, health research and clinical education.

The CUHP is regarded as a related party of the NHS Foundation Trust. During the year the NHS Foundation Trust made a payment of £103k (2016/17: £103k) to the CUHP for its share of the CUHP running costs. At 31 March 2018 there was £26k owing by the NHS Foundation Trust to CUHP (31 March 2017: £52k). There were no amounts written off during the year and there are no provisions for doubtful debts at 31 March 2018 in respect of CUHP (31 March 2017: £nil). The Chief Executive, Chairman and the Non-Executive Director University nominee, nominated by the University of Cambridge, are 3 out of 12 Directors of the CUHP.

The NHS Foundation Trust is also a member of the Eastern Academic Health Science Network (EAHSN) which is involved with the local Health Education and Innovation Cluster (HIEC) and hosts the national Small Business Research Initiative (SBRI) Healthcare.

The Department of Health and Social Care is regarded as a related party. During the year Royal Papworth Hospital NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

	Income		Current Receivables	
	2017/18	2016/17	At 31 March 2018	At 31 March 2017
	£000	£000	£000	£000
NHS England	<b>94,805</b>	94,210	<b>643</b>	1,374
NHS Cambridgeshire and Peterborough CCG	<b>12,233</b>	14,273	-	296
NHS West Suffolk CCG	<b>4,160</b>	4,649	<b>251</b>	-
Health Education England	<b>2,989</b>	3,247	<b>838</b>	858
NHS West Norfolk CCG	<b>2,861</b>	3,414	-	-
Department of Health and Social Care	<b>2,252</b>	2,013	<b>17</b>	1,443
NHS Bedfordshire CCG	<b>1,941</b>	2,013	-	-
NHS Ipswich and East Suffolk CCG	<b>1,760</b>	1,668	<b>111</b>	4
NHS Blood and Transplant	<b>1,183</b>	1,287	<b>71</b>	46
NHS East and North Hertfordshire CCG	<b>1,172</b>	1,415	-	-
NHS South Lincolnshire CCG	<b>1,156</b>	1,408	<b>108</b>	7
NHS West Essex CCG	<b>1,035</b>	1,267	-	-

The figures above differ from those in note 2.2 due to the inclusion of sundry income.

The related party organisations listed above are those where income for the year to 31 March 2018 is greater than £1,000k.

Under the new reforms, the NHS Foundation Trust's lead commissioner from 2013/14 is NHS England – Specialised Commissioning Midlands and East (East of England). The NHS Foundation Trust has reached an agreement on a contract to provide healthcare services of £118.4m for 2018/19.

	Expenditure		Current Payables	
	2017/18	2016/17	At 31 March 2018	At 31 March 2017
	£000	£000	£000	£000
NHS Pension Scheme	7,902	7,872	1,114	1,110
HM Revenue & Customs - NI Contributions	7,078	6,918	1,860	1,768
Cambridge University Hospitals NHS Foundation Trust - medical, staffing, pathology and other services	3,757	1,841	1,315	838
NHS England	1,303	4	5,787	172
NHS Resolution (formerly NHS Litigation Authority)	663	505	3	31
South Cambridgeshire District Council	635	665	-	-
Cambridgeshire and Peterborough NHS Foundation Trust	533	291	86	58

The related party organisations listed above are those where expenditure for the year to 31 March 2018 is greater than £500k.

The NHS Foundation Trust is the Corporate Trustee of the Royal Papworth Hospital Charitable Fund, a registered Charity. The NHS Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a key related party of the NHS Foundation Trust. The NHS Foundation Trust has consolidated the NHS Charity into the NHS Foundation Trust's accounts (see note 1.1).

## 26 FINANCIAL RISK MANAGEMENT

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

### Market risk

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. A significant proportion of the NHS Foundation Trust's transactions are undertaken in sterling and so its exposure to foreign exchange risk is minimal. It holds no significant investments other than short-term bank interest and the NHS Foundation Trust's income and operating cash flows are subsequently independent of changes in market interest rates.

### Credit risk

Credit risk is the possibility that other parties might fail to pay amounts due to the NHS Foundation Trust. Credit risk arises from deposits with banks and financial institutions as well as credit exposures to the NHS Foundation Trust's commissioners and other receivables. Surplus operating cash is only invested with banks and financial institutions that are rated independently with a minimum score of A1 (Standard and Poor's), P-1 (Moody's) or F1 (Fitch). The NHS Foundation Trust's net operating costs are incurred largely under annual service agreements with NHS commissioning bodies, which are financed from resources voted annually by Parliament. As NHS commissioning bodies are funded by government to buy NHS patient care services, no credit

scoring of these is considered necessary. An analysis of the ageing of receivables and provision for impairments can be found at note 13 'Trade and other receivables'.

### Liquidity risk

Liquidity risk is the possibility that the NHS Foundation Trust might not have funds available to meet its commitments to make payments. Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. NHS Foundation Trusts are required to assess liquidity as one of the two measures in the Continuity of Services Risk rating set out in Monitor's Risk Assessment Framework.

## 27 FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

### Financial assets

	Group		Trust	
	Total £000	Loans & receivables £000	Total £000	Loans & receivables £000
NHS receivables	2,032	2,032	2,032	2,032
Accrued income	2,440	2,440	2,270	2,270
Other receivables (net provision for impaired debts)	2,076	2,076	3,201	3,201
Other investments	9,263	9,263	-	-
Cash at bank and in hand	51,627	51,627	50,224	50,224
<b>Total at 31 March 2018</b>	<b>67,438</b>	<b>67,438</b>	<b>57,727</b>	<b>57,727</b>
NHS receivables	3,493	3,493	3,493	3,493
Accrued income	2,438	1,851	2,406	1,836
Other receivables (net provision for impaired debts)	3,615	3,615	4,014	3,612
Other investments	8,805	8,805	-	-
Cash at bank and in hand	36,716	36,715	34,721	34,721
<b>Total at 31 March 2017</b>	<b>55,067</b>	<b>54,479</b>	<b>44,634</b>	<b>43,662</b>

### Financial liabilities

	Group		Trust	
	Total £000	Other financial liabilities £000	Total £000	Other financial liabilities £000
NHS payables	7,211	7,211	7,211	7,211
Other payables	16,932	16,932	16,932	16,932
Accruals	8,744	8,744	8,730	8,730
Provisions under contract	867	867	867	867
Borrowings excluding finance leases and PFI liabilities	10,000	10,000	10,000	10,000
Finance leases and PFI liabilities	88,450	88,450	88,450	88,450
<b>Total at 31 March 2018</b>	<b>132,204</b>	<b>132,204</b>	<b>132,190</b>	<b>132,190</b>
NHS payables	1,720	1,720	1,720	1,720
Other payables	7,536	7,536	7,515	7,515
Accruals	4,412	4,412	4,412	4,412
Provisions under contract	454	454	454	454
Borrowings excluding finance leases and PFI liabilities	10,000	10,000	10,000	10,000
<b>Total at 31 March 2017</b>	<b>24,122</b>	<b>24,122</b>	<b>24,101</b>	<b>24,101</b>

## Notes:

In accordance with IFRS 7, the fair value of the financial assets and liabilities (held at amortised cost) are not considered significantly different to book value.

**28 MATURITY OF FINANCIAL LIABILITIES**

	Group		Trust	
	At 31 March 2018 £000	At 31 March 2017 £000	At 31 March 2018 £000	At 31 March 2017 £000
Less than one year	35,482	23,711	35,468	23,690
In more than one year but not more than two years	2,388	34	2,388	34
In more than two years but not more than five years	16,293	85	16,293	85
Greater than five years	78,041	292	78,041	292
	<b>132,204</b>	<b>24,122</b>	<b>132,190</b>	<b>24,101</b>

**29 THIRD PARTY ASSETS**

The NHS Foundation Trust held £2,329k cash at bank at 31 March 2018 (31 March 2017: £227k) relating to Health Enterprise East, a research and development company limited by guarantee for which the NHS Foundation Trust is the host organisation. This amount is held to offset any possible liabilities that might fall to be settled on behalf of Health Enterprise East. These balances are excluded from the cash and cash equivalents figure reported in the NHS Foundation Trust's Statement of Financial Position. £nil cash at bank and in hand at 31 March 2018 (31 March 2017: £nil) was held by the NHS Foundation Trust on behalf of patients.

**30 LOSSES AND SPECIAL PAYMENTS**

	2017/18		2016/17	
	No. of cases	Value of cases £000	No. of cases	Value of cases £000
<b>Losses:</b>				
Overpayment of salaries	9	9	11	9
Fruitless payments	1	-	-	-
Private patients	1	12	7	1
Overseas visitors	1	13	1	8
Other	272	21	10	1
<b>Total losses</b>	<b>284</b>	<b>55</b>	<b>29</b>	<b>19</b>
<b>Special payments:</b>				
Loss of personal effects	8	2	5	3
Other	1	-	-	-
<b>Total special payments</b>	<b>9</b>	<b>2</b>	<b>5</b>	<b>3</b>
<b>Total</b>	<b>293</b>	<b>57</b>	<b>34</b>	<b>22</b>

These payments are calculated on an accruals basis but exclude provisions for future losses. There were no individual cases in 2017/18 (2016/17: nil) where a debt write off exceeded £100k.

**31 FOREIGN CURRENCY**

During the year income with a value of £nil was received in foreign currency (2016/17: £nil) and expenditure with a value of £751k was paid to suppliers in foreign currency (2016/17: £202k).

**32 CHARITABLE FUND RESERVE**

	<b>Balance 1 April 2017 £000</b>	<b>Incoming Resources £000</b>	<b>Resources Expenses £000</b>	<b>Balance 31 March 2018 £000</b>
Restricted Fund Balance	4,939	3,081	(3,596)	<b>4,424</b>
Unrestricted Fund Balance	5,716	3,120	(3,321)	<b>5,515</b>
<b>Total</b>	<b>10,655</b>	<b>6,201</b>	<b>(6,917)</b>	<b>9,939</b>

The main purpose of the charitable funds held on trust is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the Royal Papworth Hospital NHS Foundation Trust.

Where there is a legal restriction on the purpose to which a fund may be used the fund is classified as a restricted fund. The major funds in this category are for the purpose of research, the transplant service and the treatment of heart patients.

Other funds are classified as unrestricted, which are not legally restricted but which the Trustees of the Charity have chosen to earmark for set purposes. These funds are classified as 'designated' within unrestricted funds and are earmarked for the payment of medical equipment leases contracted for by the NHS Foundation Trust and future payments for the direct benefit of the staff and patients within the NHS Foundation Trust.



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