



Papworth Hospital
NHS Foundation Trust

Annual Report & Accounts 2016/17



Care | Innovation | Valued | Excellence

**Papworth Hospital
NHS Foundation Trust**

**Annual Report
and Accounts**

April 2016 to March 2017

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

Contents

1	Performance Report	4
1.1	Overview of Performance	4
1.2	Performance Analysis	13
2	Accountability Report	19
2.1	Directors' Report	19
2.2	Remuneration Report	26
2.3	Staff Report	36
2.4	Disclosures set out in the <i>NHS Foundation Trust Code of Governance</i>	45
2.5	NHS Improvement's <i>Single Oversight Framework</i>	51
2.6	Board of Directors	52
2.7	Audit Committee	59
2.8	Council of Governors	63
2.9	Foundation Trust Membership	72
2.10	Sustainability	75
2.11	Equality and Diversity Report	77
2.12	Statement of Accounting Officer's Responsibilities	80
2.13	Annual Governance Statement	81

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 22 May 2017.

* Monitor became NHS Improvement from April 2016

Care

Innovation

Valued

Excellence

1. Performance Report

1.1 Overview of Performance

Statement from Chief Executive Officer

As we end 2016/17, it is a time to reflect on what has been a year of achievement, challenge and change for Papworth Hospital. Significant progress was made this year in relation to building the New Papworth Hospital. It was wonderful for me to see so many of Papworth's friends and supporters at the topping-out ceremony in November 2016 where the true scale and ambition of the project became clear. The 400-day milestone has now been passed and we can begin to look forward to treating our patients in state-of-the-art, purpose built facilities on the Cambridge Biomedical Campus in Spring / Summer of 2018.

Whilst the new Hospital remains a key focus, staff have not let this distract them from the most important task of providing the highest quality services to the Papworth patients of today. This has been evident in the superb clinical outcomes in all of our clinical areas; we have the best cardiac surgical outcomes in the UK, are a positive outlier in interventional cardiology and are recognised as one of the few "go to" centres in the world for specialist training and knowledge dissemination.

Papworth Hospital has always been synonymous with innovation and research, and this year saw many successes in this area. These include the ongoing successful clinical application of the Donation after Circulatory Death (DCD) heart transplant research programme, a paper in Science from the Cystic Fibrosis (CF) team and Papworth Hospital joining the new Mesothelioma Network. Papworth innovation won the software/ICT/Assistive Technology category in the 2016 HEE NHS Innovation Competition with an App that automatically matches organ donors to an ideal recipient from a pool of potential candidates without the need for manual selection. Papworth's continued commitment to excellence was also demonstrated when the Trust won the CHKS Top Hospitals 2016 Specialist Trust data quality award, for its commitment to driving improvement in the quality of its data to the highest standard.

Everyone at Papworth takes immense pride in the excellent work carried out at our Hospital and we will be making still further improvements as we move to the new Hospital on the Cambridge Biomedical Campus in 2018. The new Hospital will provide a high quality, patient-focussed environment with particular emphasis placed on correct clinical adjacencies, streamlined patient pathways and high quality services. Single patient bedrooms will ensure patient privacy and will minimise the risk of hospital acquired infections.

The new Hospital also provides the opportunity to develop joint plans with the University of Cambridge to create a Heart and Lung Research Institute (HLRI), which will be co-located with Papworth Hospital on the Cambridge Biomedical Campus. The HLRI is a joint venture between the University of Cambridge and Papworth Hospital. The overall goal of the development is to create an outstanding interdisciplinary environment that will enable the delivery of transformative basic and translational research in cardiovascular and respiratory health and disease leading to significant developments in patient care. A significant fundraising endeavour is now underway to facilitate the building of the Institute, which will open within three years of the completion of new Papworth Hospital.

Papworth Hospital and the wider NHS continues to operate within an increasingly challenging financial climate, however the Trust finished the year with a £2.6 million surplus. Our staff also treated over 25,000 inpatients/day cases and there were over 92,500 outpatient attendances at our clinics with exceptional outcomes and patient and staff feedback. I would like to take the opportunity to thank and recognise that our staff have all worked tirelessly again this year, to make sure that our patients and families receive care that is excellent, compassionate and safe.

We have worked closely with our Commissioners and other partners in the wider health economy. There is now recognition that the issues of health and social care require a collaborative approach, and we are committed to working together with our partners and continuing the constructive dialogue that we have participated in this year.

We are delighted that so many members of our foundation trust community have taken a keen interest in the Hospital this year, for example, by attending our Annual Members' Meeting, Staff Awards ceremony and patient engagement forums. We are once again particularly grateful to our Governors' dedication and unstinting support of the work of the Trust and the Board of Directors. Papworth is also what it is thanks to the support that it receives from former patients, volunteers, our communities and our fundraisers. I would like to thank them most sincerely for all they do. Papworth is also what it is, thanks to the support it receives from former patients, volunteers, our communities and our fundraisers. I would like to thank them most sincerely for all they do. And finally, a huge thanks to all of those who ran, volunteered or came along to the hugely successful 'Chariots of Fire', including the eight transplant recipients, raising critical funds that made Donation after Circulatory Death (DCD) transplantation possible at Papworth Hospital.

I am proud to have been appointed Chief Executive at Papworth Hospital, and I look forward to continue working with its staff and supporters. We know that the year ahead will bring many more challenges, but I am confident that Papworth Hospital's track record for exceptional performance and delivering the highest quality of care and clinical services will continue.



Stephen Posey
Chief Executive
22 May 2017

Overview of Performance

The purpose of the Overview is to give the user a short summary that provides 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

Papworth Hospital NHS Foundation Trust ("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.

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. Papworth has since been licenced by the Regulator (previously named Monitor, now NHS Improvement).

Papworth Hospital has an associated charity – the Papworth Hospital NHS Foundation Trust Papworth Charity (Hospital Charity) - registration number 1049224. From 2013/14, 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.

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 Papworth Hospital NHS Foundation Trust.

Our Services

Whilst 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). Papworth Hospital has the largest respiratory support and sleep centre (RSSC) in the UK.

The Hospital treated over 25,000 inpatient/day cases and over 92,500 outpatient episodes in 2016/17 from across the UK. Papworth Hospital's services are internationally recognised and include cardiology, respiratory medicine, cardiothoracic surgery and transplantation.

New Papworth Hospital

In March 2015 Papworth Hospital reached financial close on the New Papworth Hospital PFI project. The land for the new hospital, which is over 7-acres in size and centrally located on the Cambridge Biomedical Campus, was acquired in December 2014 paving the way for work to begin as soon as financial close was reached. The Trust will move from its current site to the new hospital in Spring / Summer of 2018.

The state-of-the-art new 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

400 day update

The Hospital held an information event for staff and patients as part of its 400-day countdown to the opening of New Papworth. On the day, nearly 300 staff members engaged in a series of keynote talks - sharing recent developments of our upcoming move with a keen focus on six key themes:

- What is my role?
- Where will I be?
- Travel plans
- Amenities and catering
- Residential accommodation
- Behind the Scenes look at 'Papworth @ Justinian House'

The hospital also welcomed external stakeholders at the 'Papworth 400 Engagement Evening', including Astra Zeneca, Cambridge University Hospitals (CUH) and the Cambridgeshire Alliance for Independent Living (CAIL). The talk was well received by attendees, and useful connections were made for future collaborative work.

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 provided 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 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 has been under way in the last few years to facilitate the building of the Institute which will aim to open within three years of the completion of new Papworth Hospital.

Research and Development (R&D)

Recruitment and Research Activity

During 2016/17 we enrolled 1,376 patients across a balanced portfolio of 50 studies that were open to recruitment with 55% of these studies being interventional (testing of new therapies and treatments) vs. 45% observational in design (see the Quality Accounts for further information). In addition to this recruitment activity we managed the follow up visits for over 120 ongoing studies.

Recruitment to nationally recognised portfolio studies increased by 20% over the recruitment achieved in 2015/16.

Papworth ranked as the top recruiting site in the UK for 30% of the multicentre NIHR portfolio studies we supported. For the fourth year running, Papworth was the fifth highest recruiting NHS Trust within the East of England for NIHR portfolio research. The Department has worked hard to improve processes both within the department and with the clinical teams. This is resulting in faster approval times for studies with a median reduction from 24 to 12 days within the last two years. In addition, there has been an increase in studies recruiting to time and target.

R&D Highlights

- Papworth Hospital has been the recipient of a £2.35 million grant with effect from 1 April 2017 from the Victor Dahdaleh Foundation and British Lung Foundation for a mesothelioma research programme led by Dr Robert Rintoul.
- The HTA funded multi-centre AMAZE Trial, lead by Mr Samer Nashef has reached the two year follow-up stage and the results have been submitted to the HTA.
- Dr Muhunthan Thillai was awarded a £120K grant to run a multidisciplinary study evaluating risk stratification of cardiac disease in pulmonary sarcoidosis
- An exciting collaboration has started between the RSSC team and Ophthalmology team at Hinchingsbrooke who are investigating the link between glaucoma and sleep apnoea.
- Transplant are continuing to build on the recent Donation after Circulatory Death (DCD) work and Mr Tsui is leading a study on reconditioning of marginal donor hearts declined for transplantation with machine perfusion which is funded by Heart Research UK.
- Links with the University of Cambridge have increased with two new appointments: Dr Mark Toshner as a University Lecturer and Professor Stefan Marciniak as Chair of Respiratory Medicine.

Research Impact and Publications

Over 200 papers with Papworth authors were published during 2016 and in 2017 to date across a breadth of clinical disciplines. Of these, 50 articles were published in journals with impact factor of five or more.

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 Council of Governors and 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 2016/17 was £3.3 million. 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 2018 deadline.

Further information on Papworth Hospital Charity is available at 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, chosen for 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 Papworth Hospital NHS Foundation Trust.

The Chairman and the Chief Executive of 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 2016/17

In response to the worldwide shortage of donor hearts for transplantation, a research team at Papworth Hospital, supported by Papworth Hospital Charity, has developed a new technique that significantly increases the number of hearts available for transplantation. The research shows that heart transplants from a new group of potential donors - known as Donation after Circulatory Death (DCD) transplantation or 'Non-Beating Heart Transplantation' - could save hundreds of lives internationally as the heart transplant waiting list continues to grow. This innovative technique has enabled surgeons at Papworth to utilise donor hearts which were previously considered too damaged to transplant. This procedure is proving to be so successful at Papworth that the hospital has been able to increase the number of people receiving a heart transplant by almost 50%. Papworth continues to offer this pioneering surgery to its patients by securing charitable funds; as to date, there is no national programme to support this heart transplantation technique, its further development is therefore reliant on funding from charitable sources.

MICRA transcatheter pacing system

On 24 February 2017, Papworth performed its first surgical implant of a MICRA transcatheter pacing system. Presenting with atrial fibrillation and bradycardia (slow heart rate), the three patients treated on the day, were ideal candidates for a single chamber pacemaker.

MICRA is 93% smaller than traditional pacemakers. Its size enables a minimally invasive approach, by implanting the pacemaker into the heart through a vein in the leg.

Celebrating 21 Years of Thoracic Oncology

Papworth colleagues were joined by friends and supporters to mark the 21st anniversary of the Thoracic Oncology Unit at Papworth Hospital, at a celebratory dinner in Queen's College, Cambridge. Key speakers including Mr Francis Wells, Dr David Gilligan and Dr Robert Rintoul shared the pivotal milestones in the service's history that have shaped its success. This history ranged from the innovative Two-Stop Clinic set up by Mr Francis Wells, Director of Thoracic Services, in 1995, to the £2.5m grant from the British Lung Foundation (BLF) and Victor Dahdaleh Charitable Foundation this year, the largest grant ever awarded to Papworth, for mesothelioma research.

Strategy and business plan

At Papworth, 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, with 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 Papworth 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

Challenges	Strategic initiatives
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
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
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
Meeting the financial challenges	Achieve long term financial model income plan
	Implement the Service Improvement Programme and realise the benefits
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 2017/18 are:

Risk Description	Mitigation
<p>Workforce Recruitment and Retention The inability to recruit and retain mission critical staff (including registered nurses and other professional staff) resulting in an impact on clinical services, maintaining capacity, pressure on existing staff and failure to meet NHSI agency ceiling and safer staffing levels. The national shortages of key professional groups such as nursing will have a continued impact on staff at Papworth Hospital (NPH).</p>	<p>Further media coverage of New Hospital to support national and international recruitment campaign. Recruitment and Retention (R&R) group to support R&R focus at all directorate meetings. Reinvestment in Recruitment and Retention Nurse. Clinical supervision and career clinics to support nurse retention. Careers at Papworth work to continue, workforce and skill mix review introducing ANPs and band 4s. Test site for Nursing associate role pilot. Utilising on-framework agencies only, weekly monitoring and reporting with outside framework and price caps.</p>
<p>Cambridge Transition Programme Failure to secure mission critical services prior to move to NPH.</p>	<p>CEOs and Teams at Papworth and CUH are working together to resolve mission critical services with agreement that NPH is a joint endeavour. Alternative plans to joint working being developed where these are more appropriate.</p>
<p>Finances The Trust's financial position due to national NHS financial pressures, 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>
<p>New Papworth Hospital affordability; construction, equipping, Cambridge Transition Programme and ICT and telecoms</p>	<p>Risk documentation and tracking; Review by the Project Board and Strategic Projects Committee; Standalone solutions where appropriate; Escalation process to the Board of Directors</p>
<p>EPR Implementation Training, User access, income protection.</p>	<p>Risk documentation and tracking; Review by the EPR Board and Strategic Projects Committee; Escalation process to the Board of Directors</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.

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the 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 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 surplus of £2.61m for the 2016/17 financial year;
- The Trust's Operational Plan for 2017/18 – 2018/19 indicates a £1.06m deficit pre impairment in 2017/18 (deficit of £29.06m post impairment) and a £12.08m deficit in 2018/19 (deficit of £14.31m post impairment);
- To achieve the deficit positions highlighted above, the Trust will be required to achieve CIP of £6.0m in 2017/18 and an additional £6.8m in 2018/19;
- The Trust is planning to have cash balances of £16.9m at the end of 2017/18 and £12.0m 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 2017/18 and 2018/19;
- The Trust will be entering into a PFI for a new Hospital in the spring / summer of 2018 and linked to this will be a disposal of the current site.

After making enquiries, the Directors have a reasonable expectation that 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 Papworth Hospital measures its performance, more detailed integrated performance analysis and long term trends.

Meeting Specialist Healthcare Needs – Treating More Patients

2016/17 has been another busy year for Papworth Hospital and its staff, and demand for the specialist services provided by our dedicated staff continues to rise with over a 5.5% increase in the number of patients seen at the hospital to 117,797. The table below provides information on the increased demand for Papworth's specialist services.

Inpatients and day cases

	2016/17	2015/16	2014/15	2013/14	2012/13
Cardiology	8,843	8,548	8,118	8,135	8,509
Cardiac Surgery	2,418	2,561	2,613	2,398	2,508
Thoracic Surgery (incl PTE)	888	907	918	848	670
Respiratory Support and Sleep Centre	7,096	6,901	6,975	7,059	6,897
Transplant/Ventricular Assist Devices	885	949	913	908	779
Thoracic Medicine	5,081	4,809	4,427	4,472	4,380
Total	25,211	24,675	23,964	23,820	23,743

Outpatients

	2016/17	2015/16	2014/15	2013/14	2012/13
Cardiology	37,122	34,416	31,681	26,076	22,006
Cardiac Surgery	5,557	6,139	4,657	4,521	5,077
Thoracic Surgery	1,367	1,510	1,270	955	881
Respiratory Support and Sleep Centre	24,614	22,161	21,039	20,399	17,290
Transplant/Ventricular Assist Devices	3,435	3,476	3,442	3,198	2,910
Thoracic Medicine	20,491	19,264	19,105	17,742	17,027
Total	92,586	86,966	81,194	72,891	65,191

Control of Infection

MRSA bacteraemia and C. difficile infection rates

Goals 2015/16	Outcome 2015/16	Goals 2016/17	Outcome 2016/17	Goals 2017/18
No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia
No more than 5 C. difficile cases *	Total for year =3 sanctioned*cases	No more than 5 C. difficile cases *	Total for year =0 sanctioned*cases	No more than 5 C. difficile cases *
Achieve 100% MRSA screening of all patients	99.1%	Achieve 100% MRSA screening of patients according to agreed screening risk assessment	98% for first three quarters	Achieve 100% MRSA screening of patients according to agreed screening risk assessment

Data Source: Mandatory Enhanced Surveillance System (MESS) * method for counting changed from 2015/16

* Papworth sanctioned cases are those that occur more than two days after admission to 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 2016/17 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 Papworth.

Operational performance Metrics

Indicator	Plan	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	YTD Actual
18 weeks Referral to Treatment (RTT)	92%	93.7%	93.78%	93.45%	93.65%	93.76%	93.76%	93.96%	93.66%	93.15%	92.70%	92.96%	92.53%	92.53%
62 day cancer wait *	85%	50%	57.1%	100%	84.6%	100%	100%	90%	90.9%	100%	83%	100%	90%**	87.5%**
31 day cancer wait	96%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6 week wait for diagnostic C. difficile (sanctioned)	>99%	99.3%	99.1%	99.3%	99.38%	99.49%	99.38%	99.40%	99.30%	99.27%	99.18%	99.32%	99.29%	99.31%
	5	0	0	0	0	0	0	0	0	0	0	0	0	0

*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.

**provisional April 2017

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 Papworth 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 Papworth against the five key questions used by the CQC in their inspections of services are shown in the following 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 ●

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

Incident Reporting

The Trust continues to demonstrate 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 (see table).

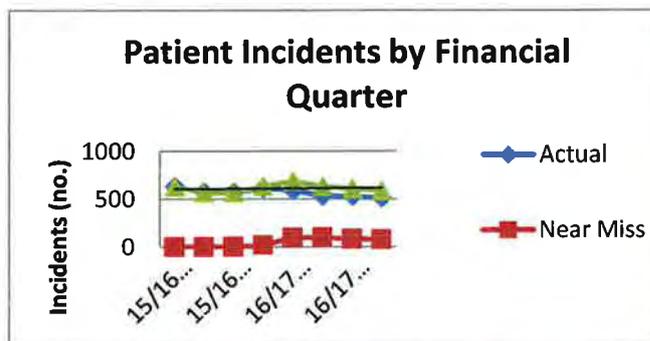


Figure 1: Patient Safety Incidents Actual v. Near miss (Data source: DATIX 11/04/17)

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

2016 National Adult Inpatient Survey

Papworth Hospital performed very well in the latest National Inpatient Survey. As well as having the best response rate in the region, we continue to be one of the top performing trusts nationally.

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

Oncology/62 day cancer waits

Like all other hospital trusts, Papworth is expected to treat 85% of patients referred on a 'fast track' pathway with suspected lung cancer within 62 days of referral. As 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 2016/17 but was achieved.

For further information see Part 3 of the Quality Report – patient experience domain.

Financial Review 2016/17

This part of the Annual Report provides a review of the financial performance for the year ending 31 March 2017. The Trust achieved its key financial targets during 2016/17 with the exception of NHSI's agency ceiling.

Summary of financial performance

As at 31 March 2017, the Trust had delivered the following performance:

	Plan/Target	Year end
EBITDA *	£8,165k	£8,834k
Year-end surplus	£1,809k	£2,611k
Cash Balance	£22,065k	£34,721k
Use of resources rating	1	3

*Earnings Before Interest, Tax and Amortisation

- The year-end surplus of £2,611k included Sustainability and Transformation funding of £2,970k;
- The capital programme was underspent by £1,324k due mainly to movement of new Papworth building variations into 2017/18 and the general capital contingency, which was not utilised;
- The cash balance of £34,721k was favourable to plan by £12,656k due to lower capital injection payments as a result of delays in the New Papworth project, a more favourable working capital position and below plan capital programme.

2016/17 Income by Commissioner and Service

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

2016/17 Income by Commissioner

	£'000
NHS England	89,794
Cambridgeshire and Peterborough CCG	14,273
West Suffolk CCG	4,631
West Norfolk CCG	3,414
Ipswich & East Suffolk CCG	1,668
Bedfordshire CCG	2,013
East and North Hertfordshire CCG	1,416
South Lincolnshire CCG	1,408
West Essex CCG	1,267
Other CCGs	4,511
Other NHS	2,076
Private patients	8,985
Other non-NHS	57
Total patient service income	135,513

2016/17 Income by Service

	£000's
Admitted patient care	
Cardiology	32,789
Cardiac surgery	22,103
Thoracic surgery	8,511
Respiratory Support and Sleep Centre	7,699
Transplant/Ventricular Assist Devices	12,192
Thoracic Medicine	13,394
Critical care/other	15,596
MFF (inpatients and outpatients)	5,397
Total Admitted Patients	117,681
Outpatients	
Cardiology	8,612
Cardiac surgery	1,013
Thoracic surgery	297
Respiratory Support and Sleep Centre	4,543
Thoracic Medicine	3,367
Total Outpatients	17,832
Grand total (Inpatients and Outpatients)	135,513

Looking Ahead - Financial Plan 2017/18-2018/19

Papworth 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 2017/18-2018/19 incorporate the national 'must dos' included in *Delivering the Forward View: NHS Planning guidance 2016/17-2020/21* – see

following table.

Key Drivers of the Plan	
The nine 'must dos' for 2017-19	In Plan
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	✓
New Papworth	
Completion of key in year milestones for new Papworth	

In setting the 2017/18 and 2018/19 Operational Plan Papworth has followed the planning guidance "NHS Operational Planning Guidance 2017-19" issued on 22 September 2016. Papworth 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 2018. The impacts of this move have been reflected in the Operational Plan submissions.

The Trust is planning to deliver a £1.06m pre impairment deficit in 2017/18 (deficit of £29.15m post impairment) and a £12.29m deficit in 2018/19 (deficit of £14.52m 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.

Environmental matters

See sustainability section of Annual Report.

Social, community and human rights matters

See Staff Report and Sustainability Report.

Operations outside of the United Kingdom (UK)

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

Any important events since end of the financial year affecting Papworth

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

Stephen Posey
Chief Executive and Accounting Officer
22 May 2017

2. Accountability Report

2.1 Directors 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 seven individuals served as EDs, including the Interim Chief Executive and Interim Director of Operations. The previous Chief Executive retired on the 24 March 2016 and the new Chief Executive took up post on the 14 November 2016. The previous Director of Operations (now Deputy Chief Executive) was Interim Chief Executive between these dates.

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 on request. Anyone who wishes to see the Register of Directors' Interests should make enquiries to the Trust Secretary at the following address: The Trust Secretary, Papworth Hospital NHS Foundation Trust, Papworth Everard, Cambridge, CB23 3RE.

Political Donations

No political donations have been made by Papworth Hospital NHS Foundation Trust in the 2016/17 financial year. No political donations were made in previous years.

Cost allocation and charging

During the year 2016/17, 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 Papworth is under no obligation 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 2016/17. 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 2016/17, 89% (2015/16: 87% of non-NHS invoices were settled within 30 days of invoice date. The Trust paid £0 (2015/16: £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 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 Papworth Hospital NHS Foundation Trust's performance, business model and strategy.

Quality and Safety

Quality Strategy

At Papworth 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 Papworth Hospital 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.

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

Enhanced Quality Governance Reporting/Review against NHS Improvement's Quality Governance Framework

The foundation trust has had regard to NHS Improvement's quality governance framework in arriving at its overall evaluation of the organisation performance, internal control and board assurance framework. During 2015/16 an externally facilitated review against the governance framework was undertaken as required every three years by NHS Improvement (NHSI). Recommendations were made and these have formed the basis of an action plan which is being implemented. Further information on plans to improve governance of quality can be found in the Annual Governance Statement and Quality Report.

Commissioning quality priorities 2016/17

The Commissioning Quality Priorities for 2016/17 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 Papworth in 2016/17 were as follows:

National CQUINs
TR1: Adult Critical Care timely discharge
GE2: Activation System for Patients with Long Term Conditions
IM1: Reducing Cardiac Surgery Non-Elective Inpatient Waiting
GE4: Clinically Optimal Device
New Papworth Hospital
CCG CQUINs
1a: Introduction of Health and Wellbeing Initiatives – Option B
1b: Healthy food for NHS staff, visitors and patients
1c: Improving the uptake of flu vaccinations for front line clinical staff
4a: Reduction in antibiotic consumption Improving the uptake of flu vaccinations for front line clinical staff
4b: Empiric review of antibiotic prescriptions
Engagement and Participation in Local System Wide Work
UEC4: Proactive management of Frailty
PCP1: Dementia Discharge Summaries
Building Quality Improvement (QI) Capability

The Trust received 100% of its CQUIN funding. For further information on CQUINs see the Quality Report.

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

National CQUINs
GE3: Hospital Medicines Optimisation
IM2: Cystic Fibrosis Adherence
IM4: Complex Device Optimisation
Local: Adult Critical Care timely discharge
Local: CABG reduce waiting times
CCG CQUINs
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

Papworth's Quality Account Priorities 2016/17

- Sign Up To Safety;
- Understanding our complication rates to improve outcomes for patients
- Workforce developments – to continue to meet patients' needs in a competitive market whilst ensuring financial compliance;
- Improvements in self-administration of medicines and patient involvement in care;

- Building quality improvement training/capability.

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

The Trust's quality priorities 2017/18

To determine priorities for 2017/18 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 2017/18 reflect the three domains of quality, patient safety and clinical effectiveness & patient experience. They are:

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

For further information see Part 2 of the Quality Report.

Income disclosure required by Section 43(3A) of the NHS Act

The income from the provision of goods and services for the purposes of the health service in England during 2016/17 was greater than the income from the provision of goods and services for any other purposes. Private patient income was £9.0m (6.6% of total patient income).

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 on 13 April 2016.

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

Improvements in patient/carer information

The Board of Directors is committed to providing patients and carers with good quality information to ensure that patients have greater power, protection and choice enabling them to make decisions in key aspects of their healthcare and treatment.

A policy for the development, review and monitoring of all patient information is in place and this ensures that patient literature is regularly reviewed by appropriate clinical staff and updated as required to remain in keeping with current best practice. Patient literature is also assessed by a reading panel comprising non-clinical staff and external volunteers to ensure it is easily understood before publication. Processes are in place to ensure that all patient information is reviewed at least once every two years and periodic 'spot checks' of areas around the hospital are undertaken to ensure that out of date information is removed. Published patient information is also accessible electronically via the Trust's website to enable patients to proactively source information related to their healthcare.

Patient and Public Involvement

Papworth 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 2016/17, Papworth Hospital received 57 (2015/16: 61) 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

Transforming outcomes for lung cancer A large 'standing-room only' group gathered at the Royal Society of Medicine on 11 November 2016 to learn about the steps, networks and cutting-edge technology to transform outcomes for lung cancer. The meeting was run by the thoracic surgery team from Papworth with strong support from the recently formed East of England Thoracic Surgery group. This collaboration comprises the thoracic surgery teams from St.Bartholomew's Hospital in London, Basildon Hospital, Essex, Norfolk & Norwich Hospital as well as Cambridge. Together, the group provides thoracic surgery to almost 10 million people.

Speakers included the former president of the European Association of Cardiothoracic Surgery, a leading biotech company, a consultant interventional radiologist, anaesthetist and surgeons from Italy, Canada and elsewhere in the UK. Mr Coonar, Chairman of the event and recent President of the Royal Society Medicine cardiothoracic section spoke about the power of teams, networks, technology and lung resection by ever smaller incisions including port-only surgery. He commented: "The tools to dramatically change the lung cancer story are already here! Yes we need prevention. We also need to start screening and have the full armoury available to us."

Elizabeth Marks donated her Invictus Games gold medal to Papworth following her treatment here. Later in the year, HRH Prince Harry presented the medal to staff including Dr Alain Vulysteke and Jo-anne Fowles, members of the ECMO team who helped to save Elizabeth's life.

Staff Engagement Champions celebrated a year in the role acting as a voice for their team and helping to shape our staff communications.

Organ Matching app developed at Papworth Wins Innovation Award. The app which automatically matches organ donors to an ideal recipient from a pool of potential candidates without the needs for manual selection was named winner of the Software/ICT/Assistive Technology Category in the NHS Innovation Competition run by Health Enterprise East.

Patient Safety Award for Acute Kidney Injury (AKI) Work. AKI is a top safety priority nationally. The project, designed to improve the recognition, prevention and treatment of AKI, looked at developing new pathways, training and improving discharge communication with primary care. All wards now have an AKI champion.

The Nursing establishment for New Papworth Hospital was agreed using the Care Hours Per Patient Day tool.

Papworth awarded Best Heart and Lung Team at British Transplant Games.

The Papworth Transplant Sport Team was presented with the trophy for the Best Heart and Lung team at the Westfield Health British Transplant Games in Liverpool.

Ward-based Advanced Nurse Practitioners (ANPs) programme commences. Roll out from the pilot ANPs began with the aim of improving patient flows, giving clinical career structure for nurses and improving junior doctors' experience.

Staff support Chariots of Fire relay race, by running, volunteering or cheering along their colleagues as Papworth is the sole benefactor of all funds raised in the 1.7 mile relay race through Cambridge.

Papworth is to be a part of the new Mesothelioma Network, following funding from the Victor Dahdaleh Foundation. The grant will be used to support clinical trials, tissue banking and other patient-focused research in mesothelioma at Papworth now and in the future on our new site on the Cambridge Biomedical Campus.

European Reference Network (ERN), Papworth Hospital has joined forces with 900 other UK and European healthcare units to cooperate between specialists for the diagnosis and treatment of rare complex diseases. The highly specialised healthcare units from 26 countries will begin collaboratively working together on a wide range of issues as part of an expert collaborative group called the European Reference Network (ERN). Papworth is offering its expertise in complex respiratory diseases including cystic fibrosis, non-cystic fibrosis bronchiectasis, and pulmonary hypertension.

Further information on achievements in 2016/17 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 2016/17:

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 (from 14 November 2016)
Roy Clarke	Director of Finance
Joanne Dale	Director of Operations (from 23 May 2016 to 3 February 2017)
Roger Hall	Medical Director
Elizabeth Horne	Director of Human Resources
Eilish Mildane	Chief Operating Officer (from 24 April 2017) *
Josie Rudman	Director of Nursing Director of Nursing and Interim Chief Operating Officer (4 February to 23 April 2017)
Claire Tripp	Interim Chief Executive (to 13 November 2016) Deputy Chief Executive (from 14 November 2016)

*Appointed after year end but prior to the signing of the Annual Report 2016/17

Stephen Posey
Chief Executive and Accounting Officer
22 May 2017

2.2 Remuneration Report

During 2016/17 there were no changes to the Non-executive Directors (NEDs) on the Board; two NEDs were re-appointed for a second term of three years from November 2016 to October 2019, the University of Cambridge nominee NED was re-appointed for a second term of three years from January 2017 to December 2019. Also the Chairman was appointed for a second term of three years from February 2017 to January 2020.

In November 2016, the new Chief Executive took up post, the Director of Operations having held the post of Interim Chief Executive for eight months following the retirement of the previous Chief Executive. The Director of Operations was appointed Deputy Chief Executive in November 2016 and subsequently, a Chief Operating Officer was appointed, taking up her role in April 2017. 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 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.

At its meeting on the 28 January 2016, the Executive Remuneration Committee determined that the salaries for the Chief Operating Officer, Director of Nursing and Director of Human Resources should be increased in line with the median salary of Foundation Trusts with a turnover of £100 - £200 million, the increases to be phased over 2015/16 and 2016/17, with the first payment back-dated to 1 April 2015. The second payment was made with effect from 1 October 2016 following assessment that the respective post-holders had performed satisfactorily on delivering the annual plan.

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 assessment of performance at annual appraisal, and specifically achievement of agreed personal objectives that reflect the long and short term objectives of the Trust	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 £142,500	Two Senior Managers	Remuneration Committee. National Terms and Conditions – Consultants (England) 2003	When determining salary levels, an individual's role, and performance together with independently sourced data are considered. For medical staff National terms and conditions for Consultants apply.	See table 1- Remuneration to March 2017
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 www.nhsbsa.nhs.uk/pensions .
Clinical Excellence Award Scheme	Medical Director and Interim 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 2016/17
- (2) There are no significant differences in 2016/17 between the remuneration policy for senior managers and the general policy for employees' remuneration
- (3) The remuneration policy for 2016/17 does not include provision for performance-related bonuses or other such schemes.
- (4) There is no provision for the recovery of 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 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 2016/17

		First Appointed	Re-appointed From	Expiry/End of Term of Office
John Wallwork	Chairman	1 Feb 2014	1 Feb 2017	31 Jan 2020
Karen Caddick	Non-executive Director	1 Nov 2013	1 Nov 2016	31 Oct 2019
David Hughes	Non-executive Director	1 Nov 2013	1 Nov 2016	31 Oct 2019
Susan Lintott	Non-executive Director	1 Dec 2012	1 Dec 2015	30 Nov 2018
Mark Millar	Non-executive Director	1 Nov 2011	1 Nov 2014	31 Oct 2017
Nick Morrell	Non-executive Director	1 Jan 2014	1 Jan 2017	31 Dec 2019
Ron Zimmern	Non-executive Director	1 Dec 2012	1 Dec 2015	30 Nov 2018
Stephen Posey	Chief Executive	14 Nov 2016	Not Applicable	6 month notice period
Claire Tripp	Interim Chief Executive Deputy Chief Executive	25 Mar 2016 14 Nov 2016	To 13 Nov 16 Not Applicable	6 month notice period
Roy Clarke	Director of Finance	30 Nov 2015	Not Applicable	6 month notice period
Joanne Dale	Interim Director of Operations	23 May 2016	Not Applicable	3 Feb 2017
Roger Hall	Medical Director	22 May 2015	Not Applicable	6 month notice period
Elizabeth Horne	Director of Human Resources	1 June 2004	Not Applicable	6 month notice period
Josie Rudman	Director of Nursing Director of Nursing and Interim Chief Operating Officer	18 Mar 2014 4 Feb 2017	Not Applicable To 17 Apr 2017	6 month notice period

Attendance of Non-executive Directors at Executive Remuneration Committee Meetings

Name		25 Aug 2016
John Wallwork	Chairman	✓
Karen Caddick	Non-executive Director	✓
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	x

✓ Attended meeting x Apologies received
 The Committee was advised by the Director of Human Resources

Attendance of Governors at Appointments Committee Meetings

Governor Members	Category	6 April 2016	15 Jul 2016
Janet Atkins	Public	✓	✓
Barry Crabtree-Taylor	Public	✓	x
Glenn Edge	Public	✓	✓
Keith Jackson	Public		✓
Graham Jagger (Chair and Lead Governor)	Public	✓	✓
John Lodge	Public	✓	✓
Cheryl Riotto	Staff	x	✓
Stephen Webb	Staff	x	✓

✓ Attended meeting x Apologies received
 The Trust Secretary and Director of Human Resources were in attendance at these meetings

No remuneration increase was awarded to the Chairman and NEDs in 2016/17. During the 2016/17 the Council of Governors agreed the reinstatement of 'home to work' mileage expenses. For values see Remuneration table.

Disclosures required by the Health and Social Care Act 2012

Directors received expenses for 2016/17 of £11,280 (2015/16: £10,600). Expenses to the value of £8,780 (2015/16: £8,740) 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 14 (2015/16: 15) serving Directors. 11 (2015/16: 9) Directors received expenses.

Governors received expenses for 2016/17 of £2,499 (2015/16: £3,460). Expenses are a reimbursement of amounts directly incurred in the performance of an individual Governor's duties.

At March 2017 the Council consisted of 28 (2015/16: 29) Governors and due to changes in the year there were a total of 30 (2015/16: 30) serving Governors. 6 Governors received expenses (2015/16: 8)

Remuneration Report (Audited Information)

Table 1: Year ended 31 March 2017 (audited information):

Name and Title	Salary and Fees ¹	Taxable Benefits ²	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 Zimmerm – Non-executive Director	10 - 15	-	-	10 – 15
Mr S Posey – Chief Executive (from 14/11/16) ⁹	55 - 60	-	130.0 - 132.5	185 – 190
Mr R Clarke – Director of Finance	110 - 115	-	50.0 - 52.5	160 – 165
Mrs J Dale – Interim Director of Operations (from 23/5/16 to 2/2/17) #	145 - 150	-	-	145 – 150
Dr R Hall – Medical Director ⁶	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 / Interim 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)

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.

Table 2: Year ended 31 March 2016 (audited information):

Name and Title	Salary and Fees ¹	Taxable Benefits ² (total to the nearest £100)	All Pension-related Benefits (bands of £2,500)	Total (bands of £5,000)
	(bands of £5,000) £'000			
Prof. J Wallwork – Chairman	35 – 40	1,900	-	40 – 45
Mrs K Caddick – Non-executive Director	10 – 15	-	-	10 – 15
Mr D Hughes – Non-executive Director	10 – 15	-	-	10 – 15
Dr S Lintott – Non-executive Director	10 – 15	-	-	10 – 15
Mr M Millar – Non-executive Director	10 – 15	-	-	10 – 15
Prof. N Morrell – Non-executive Director	10 – 15	-	-	10 – 15
Dr R Zimmer – Non-executive Director	10 – 15	-	-	10 – 15
Mr S Bridge – Chief Executive	175 – 180	-	-	175 – 180
Mr R Clarke – Director of Finance (from 30/11/15)	35 – 40	-	37.5 - 40.0	75 – 80
Dr R Hall – Medical Director (Interim prior to 22/05/15) ⁷	165 – 170	-	20.0 - 22.5	190 – 195
Miss E Horne – Director of Human Resource	90 – 95	-	45.0 - 47.5	135 – 140
Ms J Payling – Director of Finance (to 11/09/15)	40 – 45	-	35.0 - 37.5	75 – 80
Mrs J Rudman – Director of Nursing	95 – 100	-	57.5 – 60.0	155 – 160
Mr R Swain – Director of Finance (13/09/15 to 27/11/15)	5 – 10	-	-	5 – 10
Mrs C Tripp – Interim Chief Executive (Director of Operations until 24/03/16)	105 – 110	-	62.5 – 65.0	170 – 175

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 £35,832 relating to a Clinical Excellence Award and 21% of the total Salary and Fees relates to clinical duties not part of the management role;
- Salary and Fees includes £35,484 relating to a Clinical Excellence Award and 21% of the total Salary and Fees relates to clinical duties not part of the management role;
- No performance related remuneration was paid in 2015/16 or 2016/17;
- Includes a 10% non-consolidated/non pensionable element at risk of claw-back.

Table 3: 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 pension age 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
Stephen 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 17/4/17)	2.5 – 5.0	2.5 – 5.0	35 – 40	90 – 95	470	45	516
Mrs C Tripp – Interim Chief Executive (to 13/11/16) – Deputy Chief Executive (from 14/11/16)	10.0 – 12.5	30.0 – 32.5	50 – 55	150 – 155	804	232	1,036

Table 4: Pension Entitlements of Senior Managers 31 March 2016 (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 pension age at 31 March 2016	Lump Sum at Pension age Related to Accrued Pension at 31 March 2016	Cash Equivalent Transfer Value at 1 April 2015	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2016
	(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 Bridge – Chief Executive (to 24/3/16)			70 - 75	215 - 220	1,529		1,529
Mr R Clarke – Director of Finance (from 30/1/15)	0 - 2.5	0 - 2.5	25 - 30	70 - 75	277	6	297
Dr R Hall – Medical Director (Interim Medical Director to 21/5/15)	0 - 2.5	5.0 - 7.5	30 - 35	95 - 100	657	46	711
Miss E Horne – Director of Human Resource	2.5 - 5	7.5 - 10.0	35 - 40	105 - 110	591	53	651
Ms J Payling – Director of Finance (to 11/9/15)	0 - 2.5	0 - 2.5	35 - 40	60 - 65	383	11	411
Mrs J Rudman – Director of Nursing	2.5 - 5.0	2.5 - 5.0	30 - 35	90 - 95	423	42	470
Mrs C Tripp – Director of Operations (Interim Chief Executive from 25/3/16)	2.5 - 5.0	10.0 - 12.5	40 - 45	120 - 125	720	75	804

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 0.0%;
- 5 In calculating the actuarial value of the CETV as at 31 March 2017 the NHS Pension 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 Mr S Bridge no longer pays into the pension scheme and figures since 2011/12 have not been provided by the NHS Pension Agency.
- 8 There are no employers contributions to stakeholder pensions.
- 9 Mrs J Dale, Interim Director of Operations, was not a member of the pension scheme.

Fair Pay Multiple

	2016/17		2015/16
Band of Highest Paid Director's Total Remuneration (£'000)	165-170	Band of Highest Paid Director's Total Remuneration (£'000)	175-180
Median Total Remuneration	28,162	Median Total Remuneration	28,180
Ratio	5.95	Ratio	6.3

The mid-point of the banded remuneration of the highest paid Director in the Foundation Trust in the financial year 2016/17 was £167,500 (2015/16: £177,500). This was 5.95 times (2015/16: 6.3 times) the median remuneration of the workforce, which was £28,162 (2015/16: £28,180). 38 employees in 2016/17 (2015/16: 19) received remuneration in excess of the highest paid Director. Remuneration ranged from £167,287 to £338,630 (2015/16: £178,749 to £252,469).

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 2016. 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 2016. 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
22 May 2017

2.3 Staff Report

People Strategy 2015-19

The Trust's People Strategy underpins the way in which we recruit and select new staff and details how individuals will be supported and developed whilst working for the Trust. As plans for the relocation to New Papworth Hospital gather pace, and in the context of significant cost pressures, it is designed to ensure that we continue to deliver excellent care and implement changes in practice, including working differently and extending operational hours.

It has three key objectives:

- Strengthening the Trust's recruitment capabilities
- Improving staff retention
- Strengthening the Trust's ability to change

Operational objectives have been established to ensure that the strategy is delivered, with performance metrics used to monitor progress. However, in line with other NHS Providers, is having to manage national shortages in registered nurses and other professional staff and this is recognised as a key risk. Papworth remains confident that the measures we are putting in place will ensure we continue to meet safer staffing guidelines and bring us back into line with NHSI's agency price cap - for further information see key risks in Overview of Performance section.

Investor in People

The Trust has been reaccredited as an Investor in People (IIP) and also retained the associated Health and Wellbeing Award. This marks the 16th consecutive year that the Trust has held this nationally-renowned accolade. The IIP report highlighted that the Trust had a clear vision and values, continually fostering a culture of mutual support and encouraging the sharing of ideas and feedback.

Staff Engagement, Consultation and Involvement

'PapworthLife' is our overarching staff engagement programme centred around the Trust's core values. Developed in consultation with staff, it provides resources and information on our vision, values and expected behaviours:

PapworthLife:

Leading with care

Instilling innovation

Feeling valued

Encouraging excellence

Our Staff Engagement Strategy, informed by extensive staff feedback, focuses on four key themes:

1. Clarifying our vision, values and expected behaviours;
2. Defining our staff pathway to enable staff to develop and pursue their career aspirations;
3. Providing greater two-way communication and opportunities for staff to engage with senior managers;
4. Improving our working environment.

Our 'staff engagement champions' continue to play a significant role in communication between senior management and staff. The role of the 'champions' – and we have nearly

200 – is to ensure that key messages about projects and corporate programmes 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. A monthly Team Brief system ensures that line managers provide their staff with key messages from the Trust Board and Executive Directors, with feedback and/or requests for further information encouraged.

Staff are also extensively engaged in projects associated with New Papworth Hospital, both in terms of planning the move and in determining how services will be delivered in the new hospital. Departmental Operational Readiness and Commissioning (DORAC) groups have been established throughout the Trust to ensure that staff have the opportunity to contribute views and ideas which will influence key decisions impacting on future working practices in their departments.

All policies, procedures, clinical guidelines and other relevant information can be found on the Trust's intranet. Staff are involved in contributing to business planning through Directorate structures, whilst the formal communication of key information, including performance management, financial activity and staff survey results, is the responsibility of the Operational Executive Group which comprises senior managers from all areas in the Trust.

Partnership Working

The Trust is fully committed to partnership working. It is regarded as an imperative to enable the Trust to address productivity and efficiency gains in a challenging financial environment. Pro-active engagement with the Staff-Side in relation to local pay reforms continues, with a particular focus on reducing agency staff expenditure in order to remain within the National Agency Caps introduced by NHS Improvement.

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.

Disability Information

We have been 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. Our commitment is further endorsed with the Investor in People Health and Wellbeing Good practice award.

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

Papworth Hospital's Occupational Health Service has been formally assessed for SEQOHS (Safe Effective Quality Occupational Health Service) accreditation and the outcome is awaited. 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.

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 2016/17, 30 employees were referred for counselling by Occupational Health, with 17 employees accessing the Cambridge Consultancy in Counselling services. This compares to the situation on 2015/16 when 26 staff were referred, with 14 accessing the service. Feedback from the counselling sessions, constrained by data protection/client confidentiality, has been positive.

In addition, our staff continue to utilise the services of other support agencies which are freely available through signposting and recommendation from Occupational Health.

Richmond Fellowship

The Richmond Fellowship is a well-established specialist provider of mental health services and individuals can self-refer for support. Occupational Health has given contact details to five members of staff in 2016/17, a number of whom are currently receiving support.

Musculoskeletal Conditions

Musculoskeletal disorders (MSD) remain one of the main reasons for staff sickness absence. In 2016/17, 93 staff with MSD were referred to Occupational Health. We continue to provide a dedicated Musculoskeletal Clinic which enables early intervention and prevention to reduce time lost through sickness absence. A back-care specialist is employed to assist with this initiative.

Seasonal Influenza Vaccination Programme

Immunisation of frontline staff against influenza reduces the transmission of infection to vulnerable patients. This 'flu vaccination programme was delivered during autumn and as in previous years, continues to be well-received by staff. Occupational Health staff, well supported by nurse vaccinators, ensured that clinics were provided in key clinical/easily

accessible locations within the Trust. This resulted in 75.4% of front line staff being immunised, an increase from 65.9% staff in 2015/16. The 2017/18 vaccination programme will begin in October 2017.

Staff Survey

The Trust's Staff Engagement Strategy and 'Papworth Life' aim to ensure that all staff are engaged through a range of systems and initiatives. Staff can contribute their views and suggestions through a variety of channels, including the annual NHS national staff survey, which provides an opportunity to feedback on many different aspects of working at the Trust. The results of the survey are primarily used to measure staff engagement and to help improve staff experiences, which, in turn, will result in the delivery of better patient care.

Whilst the Trust is only required to survey a sample of its staff, we believe that all staff should be given the opportunity to participate, particularly as we supplement the national survey with specific questions relating to staffs' intentions with regard to the relocation from the current site in 2018. Consequently, all staff employed on 1 September 2016 were invited to complete the 2016 survey.

This elicited a response rate of 53%, which was the average response rate for acute specialist trusts in England. The Trust's response rate in 2015 was 55%.

The survey measures key indicators structured around the four pledges to staff in the NHS Constitution, plus three additional themes: equality and diversity; errors and incidents; patient experience measures. Two key findings in the survey relate to:

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

The results for these two findings were, as follows:

	2016		2015		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	4.18	4.17	Deterioration 0.19
Overall staff engagement	3.88	3.98	4.01	4.01	Deterioration 0.03

* 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		2015		Trust Improvement/ Deterioration
	Trust	National Average*	Trust	National Average*	
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	89%	86%	89%	88%	No change
Quality of appraisals	3.27	3.21	3.29	3.23	Deterioration 0.02

Percentage of staff appraised in last 12 months	89%	87%	91%	88%	Deterioration 2%
Percentage of staff reporting errors, near misses or incidents witnessed in the last month	93%	92%	92%	92%	Improvement 1%* *Improvement in reporting
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	19%	20%	18%	21%	Deterioration 1%

* 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		2015		Trust Improvement/ Deterioration
	Trust	National Average*	Trust	National Average*	
Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months	10%	7%	9%	6%	Deterioration 1%
Percentage of staff/ colleagues reporting most recent experience of harassment, bullying or abuse	40%	47%	36%	37%	Improvement 4%
Staff satisfaction with resourcing and support	3.36	3.43	3.50	3.48	Deterioration 0.14
Effective use of patient/ service user feedback	3.72	3.81	3.88	3.80	Deterioration 0.16
Staff recommendation of the organisation as a place to work or receive treatment	3.99	4.12	4.18	4.17	Deterioration 0.19

* compared to other acute specialist trusts

The Operational Executive Group has considered the results of both the national and local staff survey and will feedback to staff via management groups/directorates. Each directorate will identify a minimum of three priority actions to inform their performance scorecard and the wider Trust action plan. Staff feedback is recognised as being extremely important and we will encourage maximum involvement through the staff engagement champions and the Team Briefing system. We will engage with our staff both to address the bottom ranking scores and also to maintain/improve more favourable scores.

Our leadership and management development programmes will use the staff survey scores to identify areas where positive management action is required, supporting individuals to develop strategies and behaviours to meet this objective.

Conscious of the need to support the health and well-being of our workforce, we have introduced a range of physical activity schemes for staff (e.g. fitness classes, guidance to reduce sedentary behaviour), improved 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 mental health first aid training.

The Joint Staff Council, Nursing Advisory Committee, and Health, Safety and Wellbeing Group will continue to contribute to addressing the Trust's key priorities in order to achieve a positive impact on the staff survey results.

Papworth People Staff Achievement Awards 2016

Teams and individuals were recognised in the Papworth People Staff Achievement Awards 2016. A total of 45 awards were given out in eight categories at the awards ceremony which held in September 2016. Judged by the Patient and Public Involvement Committee, the awards honoured both individuals and teams in the following categories: Leading with Care; Instilling Innovation; Feeling Valued; Encouraging Excellence; Volunteer of the Year; Working in Partnership; Lifetime Achievement; and the Chairman's Award for Outstanding Achievement.

Policies to Counter Fraud and Corruption

In common with all NHS organisations, Papworth 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.

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 2017, 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)	33	28	61
Other Employees	1390	416	1806
Total	1428	452	1880

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 2015	Adjusted FTE days lost to Cabinet Office definitions	FTE - Days Available	FTE - Days Lost to Sickness Absence	Average Sick Days per FTE
1,743	13,570	636,341	22,014	7.8

Source: HSCIC - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse
 Period covered: January to December 2016
 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 2016/17 The Trust engaged Consultants to undertake work on a number of projects including: New 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 no exit packages in 2016/17.

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	0	0
£50,001 – £100,000	0	0	0
£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	0	0
Total resource cost	0	0	0

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	0	0
Exit payments following Employment Tribunals or court orders	0	0
Non-contractual payments requiring HMT approval	0	0
	[2015/16: 0]	[2015/16: 0]
Total	0	0
Of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	0	0

Reporting high paid off-payroll arrangements

Table 1: For all off-payroll engagements as of 31 March 2017, for more than £220 per day and that last for longer than six months

No. of existing engagements as of 31 March 2017	7
Of which...	-
No. that have existed for less than one year at time of reporting.	4
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.	1
No. that have existed for four or more years at time of reporting.	2

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 6th April 2017.

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017, for more than £220 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 2016 and 31 March 2017	2
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	2
No. for whom assurance has been requested	2
Of which...	-
No. for whom assurance has been received	2
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 2016 and 31 March 2017

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
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.	14

Table 4: Staff costs

	Group			
	Permanent £000	Other £000	2016/17 Total £000	2015/16 Total £000
Salaries and wages	64,165	1,342	65,507	65,221
Social security costs	6,895	-	6,895	5,524
Employer's contributions to NHS pensions	7,877	-	7,877	7,888
Agency/contract staff	-	4,183	4,183	4,390
Total gross staff costs	78,937	5,525	84,462	83,023
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	78,937	5,525	84,462	83,023
Of which Costs capitalised as part of assets	-	-	-	-

Table 5: Average number of employees (WTE basis)

	Group			
	Permanent Number	Other Number	2016/17 Total Number	2015/16 Total Number
Medical and dental	204	14	218	207
Administration and estates	371	-	371	371
Healthcare assistants and other support staff	336	-	336	337
Nursing, midwifery and health visiting staff	596	-	596	622
Scientific, therapeutic and technical staff	145	-	145	148
Healthcare science staff	77	-	77	80
Agency and contract staff	-	45	45	34
Bank staff	-	40	40	39
Other	3	-	3	-
Total average numbers	1,732	99	1,831	1,840
Of which Number of employees (WTE) engaged on capital projects	-	-	-	-

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 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 2016/17. 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 adjacent to the new 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 Papworth roles. The Board of Directors does not consider this to effect 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. The result of the review and action plan were presented to the Board in January 2016 and informed Board appraisals and objective setting for 2016/17.

Compliance Statement

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 Papworth Chairman 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 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

Code of Governance reference	Summary of requirement	Disclosure
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	See Directors' Report.

	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.	
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.
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.
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 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	Governors have not exercised this power.

	<p>report.</p> <p>* 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).</p> <p>** As inserted by section 151 (6) of the Health and Social Care Act 2012) "</p>	
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.
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;	See Audit Committee section

	<ul style="list-style-type: none"> <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. 	
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 2016/17.
E.1.5	The board of directors should state in the annual report the 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.	See Council of Governor 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	<p>The annual report should include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; <input type="checkbox"/> information on the number of members and the number of members in each constituency; and <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. 	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 remuneration 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

Papworth Hospital NHS Foundation Trust is in Segmentation 1 – maximum autonomy. This segmentation information is the Trust's position as at 9 March 2017 which was 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	2016/17 Q3 score	2016/17 Q4 score
Financial sustainability	Capital service capacity	1	1
	Liquidity	1	1
Financial efficiency	I&E margin	1	1
Financial controls	Distance from financial plan	1	1
	Agency spend	3	4
Overall scoring		1	3

The agency rating score is a 3 in Q3 and 4 in Q4 resulting from spending on the Electronic Patient Record project, critical care and cardiac physiologists. This triggers an override which brings the overall rating down to a 3.

For more information on our financial performance during 2016/17 see the Performance Report section of the Annual Report.

2.6 Board of Directors

The Board of Directors

The Trust Board became the Board of Directors on 1 July 2004, when the Trust formally became an NHS Foundation Trust. 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 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 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 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 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 Papworth Hospital from 1997 to 2002. He was also Director of Research and Development at 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.

He has served three years as a member of the Board and has been recently re appointed for a further three year term.

Dave is Deputy Chairman of the Board, Chair of the Performance 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. She is currently Senior Bursar of Downing College, University of Cambridge, a position she has held for the last nineteen 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 was 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 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 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 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 successor to the Public Health Genetics Unit which he established in Cambridge in June 1997 and served as its Director until 2010.

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 (from 14 November 2016)

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.

Mrs Joanne Dale, Interim Director of Operations (from 23 May 2016 to 3 February 2017)

Joanne was appointed as Interim Director of Operations in May 2016. She held responsibility for the day to day management of the hospital. Most recently Joanne worked at Hinchinbrooke Hospital with initial responsibility for Surgery and Clinical Support Services; this was followed by a period covering the Chief Operating Office role and undertaking project work until early May 2016.

Previously Joanne was Director of Operations for Surgery and Deputy Chief Operating Officer at Hull and East Yorkshire Teaching Hospitals, a large tertiary centre providing a range of specialist services including Cardiothoracic Surgery. Joanne has held senior management roles in a number of acute hospital Trusts in Yorkshire and the North West with operational, corporate and strategic portfolios.

Joanne has experience in operational management, large scale estate and operational transformation, performance management and recovery. With over 30 years in the NHS she draws on this and her wealth of experience to support organisations with transformational change.

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 Papworth Hospital.

Miss Elizabeth Horne, Director of Human Resources

Elizabeth was appointed as Director of Human Resources in June 2003 with responsibility for all aspects of human resources and Executive Lead for supporting the Council of Governors. 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 Josie Rudman, Director of Nursing (from February 2017 also Interim Chief Operating Officer)

Josie was appointed as Director of Nursing in March 2014. Josie first came to 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, Interim Chief Executive (from 25 March 2016 to 13 November 2016)
And Deputy Chief Executive (from 14 November 2016)**

Claire was appointed as Director of Operations in October 2008 after previously holding the position of Director of Nursing from November 2005. Claire joined Papworth in January 1989 as a Staff Nurse on the Critical Care Unit. She became Thoracic Services Manager in 2000 and in 2003 she was promoted to become the General Manager of Thoracic Services. As Director of Operations and Deputy CEO, Claire is responsible for the day to day management of the hospital. Claire provides executive lead for Information Management & Technology, medical equipment and the relocation planning to the new Hospital on the Cambridge Biomedical Campus

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	Audit	Performance	Quality & Risk	Executive Remuneration
Number of meetings 2016/17	9	5	11	7	1
K Caddick	8/9	5/5		5/7	1/1
R Clarke	9/9		10/11		
R Hall	7/9			5/7	
E Horne	8/9		10/11		
D Hughes	8/9		10/11		1/1
S Lintott	8/9	3/5			0/1
M Millar	9/9	5/5	9/11		1/1
N Morrell	5/9			4/7	0/1
S Posey ¹	4/4		5/5		
J Rudman	8/9			7/7	
C Tripp	8/9		9/10		
J Wallwork	8/9				1/1
R Zimmern²	7/9		7/11	6/7	0/1

<p><input type="checkbox"/> 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>¹ Part year membership.</p>	<p>^A All Directors are members.</p> <p>^B 3 NEDs members. See Audit Committee section of Annual Report.</p> <p>^C Membership 3 NEDs plus Medical Director and Director of Nursing.</p> <p>^D Membership 3 NEDs plus Chief Executive, Director of Finance, Director of Human Resources, Deputy Chief Executive and Chief Operating Officer.</p> <p>^E Membership only Chairman and NEDs. See Remuneration section of Annual Report.</p>
---	---

The dates of the Board of Directors' meetings in 2016/17 were:

28 Apr 2016	20 May 2016	30 Jun 2016	28 Jul 2016	29 Sep 2016
24 Nov 2016	15 Dec 2016	26 Jan 2017	30 Mar 2017	

Contacting the Directors

Directors can be contacted via Business Services: Tel: 01480 364240

Email: business.services@papworth.nhs.uk

Corporate Affairs Office, Papworth Hospital NHS Foundation Trust, Papworth Everard, Cambridge CB23 3RE

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 2016/17 was:

Mark Millar (Chair)
Susan Lintott
Karen Caddick

Meetings and Attendance of Members

Name	24 May 16	14 Jul 16	10 Nov 16	25 Jan 17	15 Mar 17
Mark Millar (Chair)	✓	✓	✓	✓	✓
Karen Caddick	✓	✓	✓	✓	✓
Susan Lintott	✓	x	✓	✓	x

✓ Attended meeting

x 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 and Performance Committee. The Audit Committee requested that all Committees undertake a review of the Trust's risk appetite and this was undertaken in Quarter 4.

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 2016/17 the contract for Internal Audit and Counter Fraud services was renewed for a further year to cover 2017/18.

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. The retiring External Auditor, PricewaterhouseCoopers LLP, was thanked for their previous work with the Trust. No issues of concern were raised by them.

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 2016/17. 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 22 May 2017.

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 – 2016/17

During 2016/17, 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;
- Counter Fraud Plan and progress report;
- Reference Costs Audit and Methodology;
- Clinical Coding Audit;
- Anti-Fraud & Bribery update;
- Board Assurance Framework;
- NHS Shared Business Services (NHSSBS);
- Contract for Internal Audit and Counter Fraud Services;
- Annual review of Standing Financial Instructions, Standing Orders and Scheme of Delegation and amendments relating to NHSSBS;
- 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 2016/17 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 and is kept under review by the Audit Committee.

External Auditors

The External Auditors of 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 £51,950 (2015/16: £51,950), excluding VAT. This was for the statutory audit of accounts for the 12 months ending 31 March 2017 (including consolidation of Charity accounts), and services carried out in relation to these, and for external assurance on the Quality Report as mandated by NHS Improvement.

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, 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 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

Frank Butcher

Frank recently retired from over 40 years working in overseas aid and development, latterly with the United Nations. He initially trained as an Engineer and Environmentalist and has experience in negotiating with national governments and planning service improvements and delivery. Frank had a quadruple bypass operation at Papworth in 2002 and his wife is presently a patient in the Sleep Centre.

Julia Fleming

Julia worked at Papworth Hospital as Senior Secretary to the East Anglian Regional Cardiac Unit for 23 years from 1961. She has maintained her links and a great interest in the Hospital's progress ever since. She is a member of the Patient and Public Involvement Committee and very keen that Papworth Hospital continues to provide excellent care for all its patients and holds its position in the forefront of cardiac and chest medicine and research.

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 - Lead Governor

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 GMC Associate and member of ACCEA and other remuneration committees; previously he was Chair and Lead Trustee of the Cambridge and District Community Mediation Service from 2006 to 2011.

Dr Richard Hodder

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 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 Dunncliffe

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

Glenn Edge

Having retired from the RAF in 2006, Glenn completed 5 years with Cambridgeshire County Council, as Head of Passenger Transport before joining his father and becoming a full time arable farmer and businessman. Glenn is a Papworth patient and is involved with the hospital as a patient representative on the Anglia Lung Network Cancer Group. He has also assisted in a recent Peer Review and is currently engaged on a research project team as a patient representative.

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.

Ian Macgregor

Ian is a retired Director of a financial services company, where he had worked for the past forty years. He is actively involved in a number of local and national organisations whose members volunteer their time and talents to serve communities both locally and further afield. Ian has been a Papworth Hospital patient.

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

Rob Graham

Rob recently retired from financial services where he undertook many roles including Non-Executive Directorships on the board of ailing companies. Rob's wife received a heart/lung transplant at Papworth in 2013 which has transformed their lives and this has encouraged Rob to support Papworth Hospital. Since 2015 Rob has been the Co-Chair of the NHSBT Cardiothoracic Transplant Patients Group and he is also a committee member of the Papworth Transplant Patients Representative Group.

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. Keith is also actively involved in various committees within the Hospital.

John Lodge

John was a non-executive director of Papworth Hospital from 2002 to 2012 and holds a number of current non-executive and charitable positions as well as being an Essex County Councillor for the Saffron Walden Division.

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.

Adrian Shelton

Public Governor for Rest of England.

Staff Governors

Caz Dyer, Allied Health Professionals

Caz has worked in Radiology at Papworth since 2003 in various radiographer roles including Lead of general imaging and bone densitometry (Dxa). Since April 2014 Caz has been the Radiology Business Manager. She still enjoys a small clinical workload which includes Dxa reporting, but her main role is the management of the radiology department. As well as the day to day management of the service her role also includes clinical audit, workforce development, and service improvement projects within radiology.

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 twenty five years. Helen has held senior nursing posts in the Intensive Care Unit and the Research & Development Department. In September 2015 Helen was promoted to Trust Matron. Prior to this Helen worked as the Lead Nurse for Practice Development in which she works closely with the Director and Assistant Director of Nursing to deliver the quality strategy across nursing and allied health professionals within Papworth Hospital.

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.

Tony Williams, Ancillary, Estates & Others

Tony is a member of the Estates Team.

Cheryl Riotto, Nurses

Cheryl is the Matron for Transplant and Ambulatory 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. Cheryl has been a Matron since 2013 and is responsible for managing the nursing teams within the Transplant Unit, Cardiac Day Ward, Cardiac Outpatients and Cardiac Rehab.

Helen Rodriguez, Administrative, Clerical & Managers

Helen has worked at Papworth Hospital since 1992 in a variety of roles as a consultant secretary, then admin manager for the surgical team and Information Governance Manager covering the data protection requirements for the hospital. Helen's current role is Patient Access Manager for the Booking Team helping to monitor and improve waiting times and delivering timely in-patient admissions and out-patient appointments for the various specialties within cardiology, cardiac surgery and thoracic surgery.

Dr Stephen Webb, Doctors

Dr Webb was appointed Consultant in Anaesthesia and Intensive Care at Papworth Hospital in 2008. Dr Webb's clinical, educational and research interests lie in cardiothoracic anaesthesia and intensive care, clinical audit, quality improvement and patient safety. He is the Lead Clinician for Clinical Governance at Papworth and chairs the Quality & Risk Management Group.

Appointed Governors**Ann-Marie Ingle**

Chief Nurse, Cambridge University Hospitals.

Cllr Peter Topping

Cambridgeshire County Council

Cllr Nick Wright

South Cambridgeshire District Council (SCDC covers Papworth Everard).

Caroline Edmonds

Secretary of the School of Clinical Medicine, University of Cambridge

Terms of Office of Governors as at 31 March 2017

Elected Public Constituency	Name	First Elected	Re-Elected	End of Current Term of office
Cambridgeshire	Frank Butcher	Sept 2014	n/a	Sept 2017
	Julia Fleming	Sept 2008	Sept 2011 Sept 2014	Sept 2017
	Gill Francis	Sept 2014	n/a	Sept 2017
	Richard Hodder	Sept 2014	n/a	Sept 2017
	Graham Jagger	Sept 2013	Sept 2016	Sept 2019
Suffolk [* served from Sept 2010 to Sept 2013 in another constituency]	Barry Crabtree-Taylor*	Sept 2013	Sept 2016	Sept 2019
	Julia Dunicliffe	Sept 2009	Sept 2012 Sept 2015	Sept 2018
	Glenn Edge	Sept 2014	n/a	Sept 2017
	Vacancy	-	-	-
Rest of England and Wales	Rob Graham	Sept 2016	n/a	Sept 2019
	Keith Jackson	Sept 2011	Sept 2014	Sept 2017
	John Lodge	Sept 2014	n/a	Sept 2017
	Harvey Perkins	Sept 2016	n/a	Sept 2019
	Adrian Shelton	Sept 2016	n/a	Sept 2019
Norfolk	John Fiddy MBE	Sept 2014	n/a	Sept 2017
	Ian Macgregor	Sept 2012	Sept 2015	Sept 2018
	Mr Peter Munday	Sept 2014	n/a	Sept 2017
	Bob Spinks	Sept 2013	Sept 2016	Sept 2019
Elected Staff Constituency	Name	First Elected	Re-Elected	End of Current Term of office
Doctors	Stephen Webb	Sept 2011	Sept 2014	Sept 2017
Nurses	Helen Munday	Sept 2013	Sept 2016	Sept 2019
	Cheryl Riotto	Sept 2011	Sept 2014	Sept 2017
Allied Health Professionals	Caz Dyer	Sept 2013	Sept 2016	Sept 2019
Scientific & Technical	Katrina Oates	Sept 2011	Sept 2014	Sept 2017
Administrative, Clerical & Management	Helen Rodriguez	Sept 2013	Sept 2016	Sept 2019

Ancillary, Estates and Others	Tony Williams	Sept 2016	n/a	Sept 2019
Appointed Governor	Name	Start of Term of Office	Re-elected	End of Current Term of office
University of Cambridge	Caroline Edmonds	Oct 2016	n/a	As agreed between organisations
Cambridge University Hospitals NHS FT	Ann-Marie Ingle	Nov 2015	n/a	As agreed between organisations
Cambridgeshire County Council	Peter Topping	Sept 2016	n/a	As agreed between organisations
South Cambridgeshire District Council	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, Papworth Hospital NHS Foundation Trust, Papworth Everard, Cambridge, CB23 3RE.

Contacting the Governors

Governors can be contacted via the Business Services Office, by telephoning 01480 364240, by emailing business.services@papworth.nhs.uk or by writing to: Corporate Affairs Office, 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 2016.

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 – Administrative, Clerical & Management; Allied Health Professionals; Ancillary, Estates and Others; and Nurses.

Information on election results:

Cambridgeshire - contested election- Governor re-elected;
Suffolk - uncontested election- one Governor re-elected, one vacancy;
Norfolk - uncontested election- Governor re-elected;
Rest of England and Wales - uncontested election – three Governors elected;
Administrative, Clerical & Management - uncontested election- Governor re-elected;
Allied Health Professionals - uncontested election- Governor re-elected;
Allied Health Professionals - uncontested election- 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 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 the Annual Members' Meeting; Staff Awards Ceremony, launch of Dementia Strategy;
- 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, HealthWatch, Charitable Funds Committee;
- Member engagement with the Trust through PALS (Patient Liaison and Advice Service) & Business Services ;
- Active Volunteer structure.

Table of Attendance of Directors at Council of Governors' Meetings

Name	20 Jul 2016	15 Sep 2016	17 Nov 2016	8 Mar 2017
John Wallwork (Chairman)	✓	✓	✓	x
Stephen Posey ¹			✓	✓
Claire Tripp	✓	✓	✓	
Karen Caddick	x	x	x	x
Roy Clarke	✓	✓	✓	✓
Joanne Dale ¹		x	✓	
Roger Hall	✓	✓	✓	
Elizabeth Horne	✓	✓	✓	
David Hughes		x	x	✓
Susan Lintott		x	x	x
Mark Millar		x	x	x
Nick Morrell		x	x	x
Josie Rudman		✓	✓	
Ron Zimmern	✓	x	x	x

✓ Indicates attendance at meeting.

x Indicates did not attend.

¹ Part year membership

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. Governors are long established members of the Papworth Hospital Charity Committees and this continues.

Table of Governor Attendance at Council of Governors' Meetings 2016/17

Name	20 July 16	15 Sept 16	17 Nov 16	8 Mar 17
Atkins, Janet ¹	x	x		
Butcher, Frank	x	✓	✓	✓
Crabtree-Taylor, Barry	x	✓	✓	x
Dunncliffe, Julia	x	✓	✓	✓
Dyer, Carolyn	✓	✓	✓	x
Edge, Glenn	✓	✓	✓	✓
Edmond, Caroline ¹		✓	✓	✓
Fiddy, John	✓	✓	✓	✓
Fleming, Julia	✓	✓	✓	x
Francis, Gill	x	✓	✓	✓
Graham, Rob ¹		✓	x	✓
Hadley, Robert ¹	✓	x		
Hodder, Richard	✓	✓	✓	x
Ingle, Ann-Marie	x	x	x	x
Jackson, Keith	✓	✓	✓	✓
Jagger, Graham	✓	✓	✓	✓
Johnston, Judith ¹	✓			
Lodge, John	✓	✓	✓	✓
Macgregor, Ian	x	x	✓	x
Munday, Helen	✓	x	x	x
Munday, Peter	✓	✓	✓	✓
Oates, Katrina	x	✓	x	✓
Perkins, Harvey ¹		✓	x	✓
Riotto, Cheryl	✓	✓	✓	✓
Rodriquez, Helen	x	✓	✓	✓
Shelton, Adrian ¹		✓	x	x
Spinks, Bob	✓	x	✓	✓
Topping, Peter ¹		x	x	x
Webb, Stephen	x	✓	✓	✓
Tony Williams ¹		x	✓	✓
Wright, Nick	x	x	✓	✓

Not a Governor
 ✓ In attendance
 x Apologies received

2.9 Foundation Trust Membership

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 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 2017:

Membership by constituency as at 31 March 2017		
Public Membership Profile	Number of Members	% of total
Cambridgeshire	2,691	36.1%
Norfolk	1,284	17.2%
Suffolk	1,130	15.2%
Rest of England & Wales	2,345	31.5%
Sub-total	7,450	100.0%
Constituencies – Staff*	Number of Members	% of total
Nurses	848	38.8%
Doctors	380	17.4%
Allied Health Professionals	273	12.5%
Scientific & Technical	90	4.1%
Ancillary, Estates & Others	105	4.8%
Administrative, Clerical & Management	490	22.4%
Sub-total	2,186	100.0%
Total Membership	9,636	

*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 sets out how the Council of Governors plans to discharge its role and responsibilities with particular reference to the Governors' role of being responsible for representing the interests of the membership. The Strategy includes direction on how Governors will provide regular and effective communication with members, to keep them informed about what is happening at the Trust and, crucially, improve engagement with stakeholders. This will give Papworth Hospital patients, carers and the wider public a better understanding of what Governors can do and

provide an opportunity for the membership to influence the future development of the hospital. Membership recruitment continues using the website, leaflets, and posters.

Visiting schools, colleges and a University

Representatives from Papworth were out and about at various schools, colleges and a university during September and October 2016. These events gave us the opportunity to engage with students from Year 11 upwards as well as parents and teachers. The aim was to promote the NHS and Papworth Hospital as a future career choice. Nicola Taylor, Talent Full Care Administrator, said: "It is really important that Papworth engages with young people. These are our workforce of the future. We've had very positive feedback not only in nursing, medicine, physio, apprenticeships, but also those interested in science careers. One of the students thanked us for 'opening up the option of working for the NHS as a possible career' as they would not have thought about it previously."

Cambridge Science Festival 2017

Papworth was delighted to have the opportunity to contribute to this year's Cambridge Science Festival, at Cambridge Biomedical Campus. The two-week event was themed around 'Getting Personal', hosting a wide range of workshops encouraging visitors of all ages, to explore the world of 'science' and engage them in insightful discussions. On the 26 March 2017 Papworth delved into a world full of discovery by getting up close and personal a hands on, practical experience with a range of exciting activities involved in saving people's lives at the hospital.

Annual Members' Meeting and Staff Achievements Awards Event

The twelfth Papworth Hospital Annual Members' Meeting and Insight event was held on 15 September 2016 at Papworth Village Hall. Foundation trust members from across the East of England and beyond heard how the Trust had performed and then enjoyed the Papworth Hospital Insight event which featured a number of talks including: Balloon Pulmonary Angioplasty by Consultant, Stephen Hoole and our Quality Accounts and Clinical Performance by Director of Nursing, Josie Rudman, and Medical Director, Roger Hall.

As part of this event, individual members of staff and teams were recognised, across a number of categories, for their dedication to Papworth Hospital at the fifth Papworth Life Staff Achievement Award with over 45 teams and individuals recognised.

Valuing Volunteers

We continue to be indebted to our volunteers, approximately 100 at present. Our volunteers work is equivalent to 11 full time members of staff; they give their time, energy and experience to aid patients and staff and contribute greatly to the 'patient experience'. All the staff and patients at Papworth are extremely grateful for the hard work and commitment which our volunteers provide.

The areas of the hospital where volunteers help have grown yet again throughout the year and as suitable volunteers are recruited new areas are being considered where their help can be utilised. With the support and guidance of the Patient Advice and Liaison Service (PALS) team, they currently assist in the following areas:

- Meet and greet desk;
- Ward Visitors;
- "Dementia Friends" Ward Visitors;

- Chaplaincy Visitors;
- Gift Shop;
- Trolley Service around the wards;
- Early morning newspaper delivery service to all wards;
- Administration on wards and in office areas;
- Reading Panel for patient and public documents;
- Serving as patient and carer representatives on hospital committees;
- Assisting Housekeeping team on wards;
- Assisting in Clinics;
- Critical Care Reception;
- Gardening;
- Assisting in the distribution and collection of patient experience surveys and patient leaflets;
- Helping in Heritage Centre; and
- Helping at fundraising events.

The hospital acknowledges the huge contribution that our volunteers make by inviting them to attend an annual Christmas lunch.

If you are interested in hearing more about the work of Papworth's volunteers please contact the PALS team via the PALS Office, by emailing 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, with the impending move to New Papworth Hospital there is minimal opportunity for further "spend to save" investment, due to the limited payback period. So the concentration has 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 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 (5,459,224.7 Kwh Actual). This has been achieved against a background of increasing activity and a consequential increase in energy consumption.

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							
		2012/13	2013/14	2014/15	2015/16	2016/17	2012/13	2013/14	2014/15	2015/16	2016/17			
Greenhouse Gas Emissions	Direct GHG Emissions													
	Electricity (GJ)	21,651	21,149	20,904	20,235	20,383	595,959	653,089	667,874	677,343	677,737			
	Gas (GJ)	40,677	44,580	36,608	35,881	36,481	399,485	400,135	321,557	280,616	247,988			
	Oil (GJ)	380	698	635	554	588	13,221	9,424	9,684	6,406	7,940			
	Total	62,708	66,427	58,147	57,816	57,452	1,008,665	1,062,688	999,115	964,365	933,665			
Waste Minimisation and Management	Clinical Waste for Incineration (Tonnes)	294	296	311	318	306	123,464	121,596	128,314	142,036	143,666			
	General Waste (Tonnes)	269	322	320	345	331	35,965	43,078	38,019	42,122	45,755			
Finite Resources	Water (M ³)	57,534	62,010	50,294	55,289	54,552	113,900	123,691	107,389	112,377	109,098			

For information on 2008/09 to 2011/12 see previous Trust Annual Reports http://www.papworthhospital.nhs.uk/content.php?/about/governance/our_performance_and_annual_report

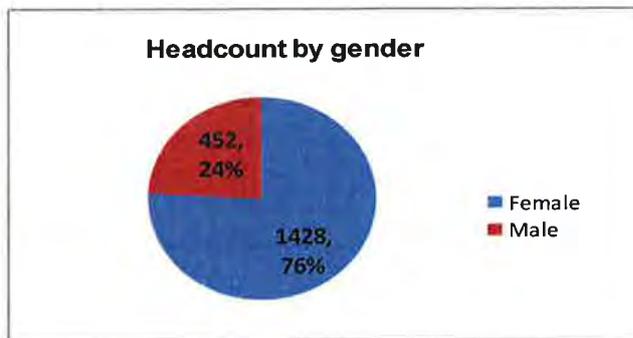
In 2012 the Trust changed their utility procurement with a greater focus on Gas than Oil for cost and energy efficiency reasons.

2.11 Equality and Diversity Report

Workforce Profile – 31 March 2017

1 Gender

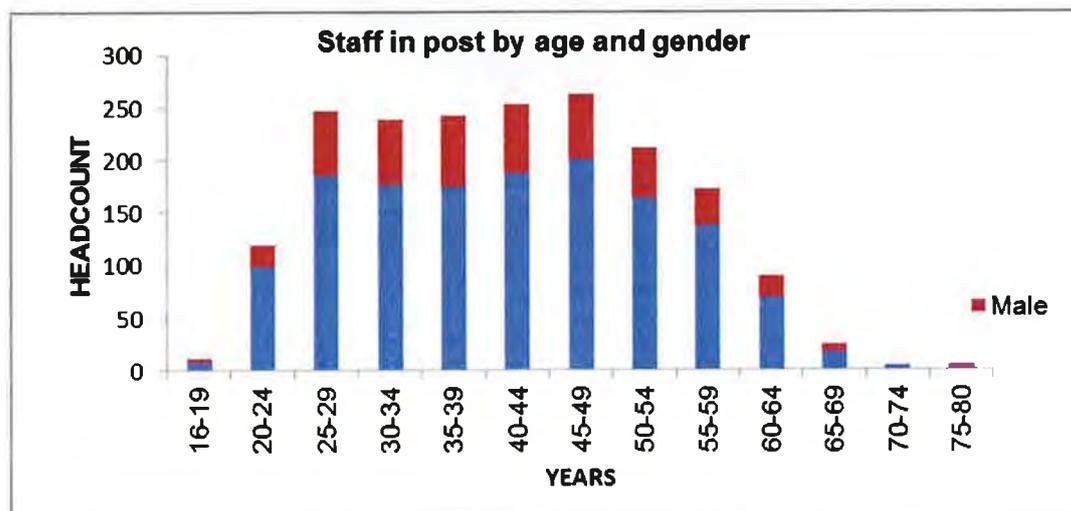
The Hospital had 1880 employees at 31st March 2017, excluding hosted services, of which, 1306 were full time employees and 574 were part time.



Gender	FULL TIME		PART TIME		TOTALS	
	Headcount	% of workforce	Headcount	% of workforce	Headcount	% of workforce
Female	905	48.14%	523	27.82%	1428	75.96%
Male	401	21.33%	51	2.71%	452	24.04%
Total staff	1306	69.47%	574	30.53%	1880	100.00%

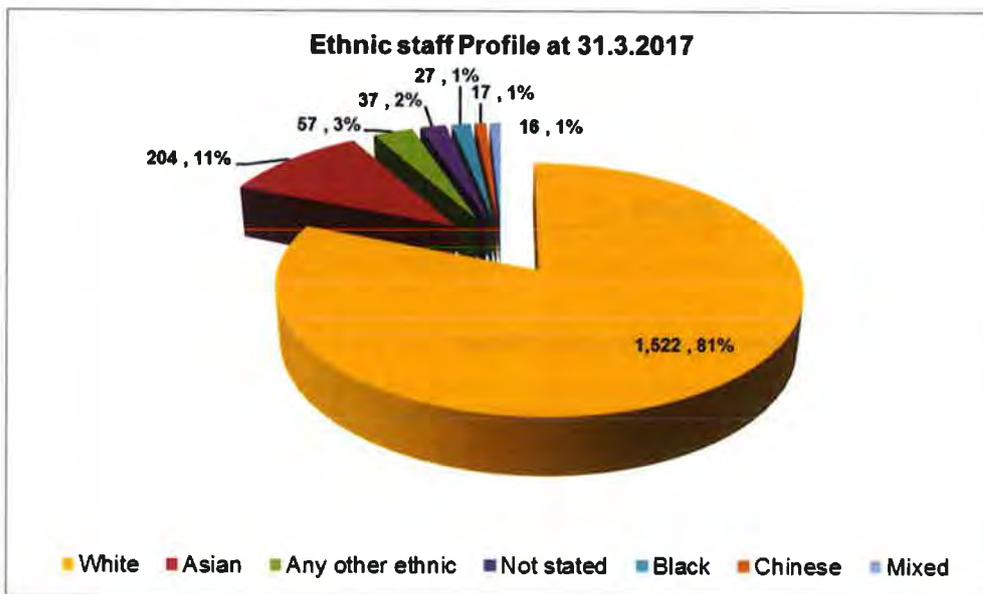
2 Age by Gender

The age profile of the workforce gender is as follows:



Age Group	Female	Male	Total	% of staff
16-19	8	4	12	0.6%
20-24	99	20	119	6.3%
25-29	186	61	247	13.1%
30-34	177	62	239	12.7%
35-39	175	67	242	12.9%
40-44	188	65	253	13.5%
45-49	201	61	262	13.9%
50-54	164	48	212	11.3%
55-59	138	34	172	9.1%
60-64	69	21	90	4.8%
65-69	17	7	24	1.3%
70-74	4	0	4	0.2%
75-80	2	2	4	0.2%
Grand Total	1428	452	1880	100.0%

3 Ethnicity



4 Sexual Orientation

Sexual Orientation	Headcount	% of workforce
Heterosexual	1244	66.17%
Not responded	425	22.61%
I do not wish to disclose my sexual orientation	188	10.00%
Bisexual	12	0.64%
Gay	6	0.32%
Lesbian	5	0.27%
Grand Total	1880	100.00%

5 Disability

Disabled	Female		Male		Totals	
	Headcount	% of workforce	Headcount	% of workforce	Headcount	% of workforce
No	766	40.74%	251	13.35%	1017	54.10%
Not responded	579	30.80%	172	9.15%	751	39.95%
Yes	58	3.09%	13	0.69%	71	3.78%
Not Declared	25	1.33%	16	0.85%	41	2.18%
Grand Total	1428	75.96%	452	24.04%	1880	100.00%

6 Religious belief

Religious Belief	Headcount	% of workforce
Christianity	867	46.12%
Not responded	413	21.97%
Atheism	212	11.28%
I do not wish to disclose my religion/belief	208	11.06%
Other	118	6.28%
Hinduism	31	1.65%
Islam	24	1.28%
Buddhism	4	0.21%
Judaism	2	0.11%
Sikhism	1	0.05%
Grand Total	1880	100.00%

2.12 Statement of Accounting Officer's responsibilities

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

The 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 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 Papworth Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Department of Health Group Accounting 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;
- ensure that the use of public funds complies with the relevant legislation, *delegated authorities and guidance*; and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed:


Stephen Posey
Chief Executive

Date: 22 May 2017

2.13 Annual Governance Statement

Executive summary

My annual governance review of 2016/17 confirms that 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 2017/18. 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 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 Papworth Hospital NHS Foundation Trust for the year ended 31 March 2017 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

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 Papworth Integrated Performance Report (PIPR) was launched during 2016/17 which allows for triangulation of quality, operational activity and finances. Scrutiny of quality metrics takes place at the internal 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 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 Trusts' 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 has been a drive to move all paper risk information onto the system and this has been achieved along with the central provision of regular Corporate and Board Assurance Framework (BAF) risk reports to the Executive Directors; which now includes a BAF tracker dashboard. All Serious Incidents (SIs) are reported to the Board via the Director of Nursing, Medical Director or Director of Operations (from February 2017 title became 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;
- Executive Remuneration Committee;
- Charitable Funds Committee (Board of Trustees);

Membership of the Q&R Committee and Performance 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. During the year the Q&R Committee met seven times and the Performance Committee met eleven times, both Committees report to the Board through minutes, exception reports and verbal reports from the Chair and Executive Lead. During 2016/17 Chairs of Committees also provided written Chair's reports to Board meetings.

During 2016/17 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 Capital Planning Group;
- Planning and Service Development, including Service Improvement Programme.

During 2016/17 the Performance Committee was further supported by the introduction of an Investment Group, chaired by the Director of Finance, which 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.

For information on the Audit Committee see the Audit Committee section of the Annual Report. For information on the Executive Remuneration Committee see the Remuneration section of the Annual Report. For information on the Charitable Funds Committee see the Charity Annual Report and Accounts.

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, 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 reports on patient safety and patient experience at every meeting. Following an external Well-led Review carried out during 2015/16 the action plan is almost completed. The Trust plans to carry out a self-assessment commencing in 2017/18;
- **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 ensured input from commissioning groups and local Healthwatch organisations. During the year a Guardian of Safe Working Hours and Lead Healthcare Scientist role were established; and
- **Measurement:** The Board reviews its performance metrics and these are linked to the Trust's strategic objectives, national priority indicators, NHS Improvement governance ratings, Commissioning for Quality and Innovation (CQUIN) and local priorities. The integrated quality report has been replaced by the Papworth

Integrated Performance Report (PIPR) where quality is reported 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 and the Deputy Chief Executive is the Senior Information Risk Officer (SIRO). 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.

In September 2016 the risk management process was reinvigorated and modernised to meet the needs of the Board. All new risks identified in-year and escalated to the risk register were 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 Board Assurance Framework are considered by the Executive Team and Board Committees, with a report going to Audit Committee on a quarterly basis.

An internal audit of risk management and Board Assurance Framework carried out at the end of 2016 resulted in a partial assurance (negative) opinion based on the fact that although the Trust could demonstrate development of a robust risk management

framework at policy and process level, there remained a number of significant issues with embedding the framework in the management of the Trust. As a result of this and concerns raised by the Audit Committee on risk appetite the Board undertook a review of risk appetite in Quarter 4 and has committed to an increased focus on risk when driving the Board's agenda and future decision making.

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

Risk Description	Mitigation
<p>Workforce Recruitment and Retention The inability to recruit and retain mission critical staff (including registered nurses and other professional staff) resulting in an impact on clinical services, maintaining capacity, pressure on existing staff and failure to meet NHSI agency ceiling and safer staffing levels. The national shortages of key professional groups such as nursing will have a continued impact on staff at Papworth Hospital (NPH).</p>	<p>Further media coverage of New Hospital to support national and international recruitment campaign. Recruitment and Retention (R&R) group to support R&R focus at all directorate meetings. Reinvestment in Recruitment and Retention Nurse. Clinical supervision and career clinics to support nurse retention. Careers at Papworth work to continue, workforce and skill mix review introducing ANPs and band 4s. Test site for Nursing associate role pilot. Utilising on Framework agencies only, weekly monitoring and reporting with outside framework and price caps.</p>
<p>Cambridge Transition Programme Failure to secure mission critical services prior to move to NPH.</p>	<p>CEOs and Teams at Papworth and CUH are working together to resolve mission critical services with agreement that NPH is a joint endeavour. Alternative plans to joint working being developed where these are more appropriate.</p>
<p>Finances The Trust's financial position due to national NHS financial pressures, 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>
<p>New Papworth Hospital affordability; construction, equipping, Cambridge Transition Programme and ICT and telecoms</p>	<p>Risk documentation and tracking; Review by the Project Board and Strategic Projects Committee; Standalone solutions where appropriate; Escalation process to the Board of Directors</p>
<p>EPR Implementation Training, User access, income protection.</p>	<p>Risk documentation and tracking; Review by the EPR Board and Strategic Projects Committee; Escalation process to the Board of Directors</p>

Compliance Statements

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

Commission. In December 2014 the CQC undertook an announced inspection and 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 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 2016/17 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 achieved its key financial targets during 2016/17 with the exception of NHSI's agency ceiling.

A Financial Strategy Risk Assessment (FSRA) was undertaken in January 2016 and every month since then which has provided 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 have been considered as part of the two year Operational Plan review for 2017/18 to 2018/19 and where risks have crystallised these have already been included. 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.

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. 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 Audit Committee section of Annual Report).

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 Connecting for Health Information Governance Toolkit for the management and control of risks to information. The Trust's Deputy Chief Executive 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, which includes requirements relating to the Statement of Compliance and achieved a level 2 or above for all requirements, scoring 80% overall, graded green.

In 2016/17 there were no serious incidents relating to information governance, including data loss or confidentiality breach, that were classified as Level 2 in the Information Governance Incident Reporting Tool. No incidents were reported to the Information Commissioners Office.

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. Information to support the quality metrics used in the Quality Report are held in a

number of trust systems, including Datix (electronic risk management system), iPM PAS (patient administration database) and Winpath (electronic pathology system) supported by analysis of reporting, national returns and sample testing of medical records.

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 2016/17 priorities and provides information on 2017/18 priorities.

There was one patient safety incident reported as a serious incident in January 2017 which was in relation to a misplaced NG tube and met the criteria for a never event. The patient was not harmed by the incident and full disclosure under Duty of Candour took place with the patient and their family. The Care Quality Commission (CQC) and NHS Improvement (NHSI) were informed immediately. A full root cause analysis investigation took place with learning reported back to staff. (For further information see Part 3 of the Quality Report – other information).

The Trust assures the quality of its waiting time data by carrying out monthly validation of all patients on the waiting list whose current wait is in excess of 14 weeks. These longer waiting patients are checked on both the iPM PAS and other clinical systems to ensure that their waiting time is valid. Further completeness checks are carried out on a monthly basis to compare available and unavailable patients on iPM PAS to the waiting list, to ensure that all patients are recorded appropriately on the referral-to-treatment (RTT) 18 week list. The Trust has met the 92% target for the year against a backdrop of growing operational pressures. Whilst this is a real achievement, there is more work to be done to reduce patient waiting times particularly in the Trust's cardiology division where RTT performance dipped below the 92% target in quarter 4 of 2016/17. The Trust has put in place a remedial action plan to improve performance and continues to monitor performance on a monthly basis.

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 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 and the Performance 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 overall opinion for 2016/17 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, 10 internal audits were conducted: there was one ‘no assurance’ (red negative) opinion and four ‘partial assurance’ (amber red negative) opinions, relating to two key performance indicator deep dives in cardiology and surgery, the Board Assurance Framework and risk management audit and the New Papworth Hospital governance and operational readiness audit. There were also four substantial or reasonable assurance opinions which provided assurance over the effectiveness of controls in place for those areas and no advisory audit which found no significant issues of concern. Full findings of all internal audit reviews undertaken for 2016/17 are given below:

- Key Performance Indicator Deep Dives (CADs) - Reasonable assurance;
- Private patient Invoicing - No Assurance;
- Well Led Governance Follow Up - Substantial Assurance;
- Key Performance Indicator Deep Dives Cardiology - Partial Assurance;
- Financial Forecasting - Substantial Assurance;
- New Papworth Hospital – Partial Assurance;
- Board Assurance Framework and Risk Management - Partial Assurance;
- Key Financial Controls – Substantial Assurance;
- Key Performance Indicator Deep Dives (Surgery) – Partial Assurance;
- Information Governance – advisory.

In concluding their overall opinion for 2016/17 internal audit took into account the findings of their internal audit work including the findings of their follow up work which has provided assurance on the progress made and the actions taken by management to address the weaknesses found in audit reports. This is shown in more detail below.

Private Patient Invoicing. The audit identified a number of weaknesses with the process that needed to be addressed including no formal procedures which increased the risk that activity undertaken was not recorded and thus coded, increasing the risk of financial loss to the Trust. Internal Audit follow up undertaken during the year confirmed that all management actions had been implemented to address the issues raised.

Key Performance Indicator Deep Dives – 1) Cardiology 2) Surgery: The testing undertaken as part of these reviews identified a lack of Standard Operating Procedures in place, impacting on the clarity of data capture and validation. Some inaccurate data being presented to the Surgical Directorate was also identified. Internal Audit follow up undertaken during the year confirmed that management actions were in the process of being implemented.

New Papworth Hospital: The audit review focussed on the governance arrangements in

place to monitor and report on the operational readiness of the Trust in respect of the move to New Papworth. A number of groups had amber and red risks at the time of review, and adequate project plans were still under consideration. Also, no formal Committee of the Board had been identified to receive updates and oversee the project. Internal Audit follow up undertaken during the year confirmed that one high priority and two medium priority management actions have been fully implemented, with the remaining medium priority management action substantially complete. In respect of the two low priority management actions, these are currently in the process of being implemented (March 2017). The Board has agreed to set up a new Strategic Projects Committee.

Risk Management and BAF: The audit identified that the Trust was able to demonstrate development of a robust risk management framework at the policy and procedure level, however at the time of the audit there remained a number of significant issues with the embedding of this framework in the management of the Trust. In particular, issues were noted with the effective use of the Board Assurance Framework to drive decision making at Board level. In respect of this review whilst management actions are not due to be implemented until 2017/18, Internal Audit follow up work has identified that a number of the management actions are in the process of being implemented.

The Head of Internal Audit Opinion in respect of governance also took into consideration the results of the **Well Led Governance Follow Up Review** which resulted in a substantial assurance opinion. This review was designed to give assurance to the Trust that the recommendations made by Deloitte in 2015 were being managed towards completion and where the Board had received reports on progress that these were accurate.

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;
- Care Quality Commission (CQC) Inspection Report dated 27 March 2015 which rated the Trust as "Good";
- Results of CQC internal mock inspections;
- 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 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 2017/18.

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
22 May 2017

Papworth Hospital NHS Foundation Trust

Quality Report 2016/17

Contents

Part 1	Statement of Quality from the Chief Executive	3
Part 2	Priorities for improvement and statements of assurance from the Board	5
	<u>Priorities for 2017/18</u>	9
Priority 1	Sign Up to Safety	10
Priority 2	Recruitment and Retention	15
Priority 3	Quality improvement	18
Priority 4	Understanding the Harm caused to Patients	19
Priority 5	Realise the Quality Benefits from the EPR Implementation	20
	Statements of assurance from the Board	22
Part 3	Other Information	34
	Patient Safety Domain	37
	Patient Experience Domain	50
	Clinical Effectiveness of Care Domain	59
Annex 1	What others say about us	
Annex 2	Statement of Directors' responsibilities in respect of the Quality Report	
Annex 3	Limited Assurance Report on the content of the Quality Report and Mandated Performance Indicators	
Annex 4	Mandatory performance indicator definitions	
	Glossary	

Part 1 Statement on quality from the Chief Executive

This Quality Account sets out the approach we are continually taking to improve quality at Papworth Hospital and translates our Quality Strategy into improvements in patient care. I am therefore delighted to introduce my first Quality Account for Papworth Hospital - a view of the quality of services we provided during 2016/17.

Significant progress was made this year in relation to building the New Papworth Hospital. It was wonderful for me to see so many of Papworth's friends and supporters at the topping-out ceremony in November 2016 where the true scale and ambition of the project became clear. The 400-day milestone has now been passed and we can begin to look forward to treating our patients in state-of-the-art, purpose built facilities on the Cambridge Biomedical Campus (CBC). The move to the CBC will allow Papworth Hospital to work alongside some of the world's leading healthcare companies and organisations including Cambridge University Hospitals, giving patients immediate access to a range of services. Fund raising has also commenced to expand cardiorespiratory research in Cambridge, with the creation of a new Heart and Lung Research and Education Institute (HLRI) jointly established by Papworth Hospital and the Cambridge University, to sit alongside the new Papworth Hospital. The Institute will allow for significant expansion of the current heart and lung disease research capacity.

The last year has seen many successes in innovation and research. These include the ongoing successful clinical application of the DCD heart transplant research programme, a paper in Science from the CF team and Papworth Hospital joining the new Mesothelioma Network. Papworth innovation won the software/ ICT/Assistive Technology category in the 2016 HEE NHS Innovation Competition with an App that automatically matches organ donors to an ideal recipient from a pool of potential candidates without the need for manual selection.

At Papworth we pride ourselves on the ability to deliver state of the art medicine with excellent outcomes. However it is important always to strive for improvement in the care given to our patients and look at new and innovative ways to do this. High quality care is only achieved when all three dimensions of care (safety, clinical effectiveness and positive patient experience) are present, not just one or two of them, and our Quality Strategy and Quality Account priorities re-confirm our commitment that every patient has the right to feel safe and cared for whilst accessing our services. Whether we are caring for our patients here in our existing buildings or in the new building, patients can expect the same attention to detail and high levels of care from every member of our staff.

Papworth has a track record of providing good quality care, treatment delivery and a reputation for being open, honest and transparent to enable sharing and learning when things go well or indeed when things go wrong. The most recent Care Quality Commission visit in December 2014 rated the Hospital as 'Good' overall with 'Outstanding' in care and effectiveness.

Performance against national and local quality indicators are reported to the Board of Directors and Council of Governors. Our commitment to high quality care will continue through our quality priorities for 2017/18, which have been developed in consultation with clinical staff, governors and other stakeholders and reflect the specialist nature of our work. These priorities will be addressed later in the Quality Accounts.

The support of all our stakeholders is vital to us in maintaining and building on our current achievements. I would like to thank all our staff, governors, volunteers and patient support groups for their input and support in helping us to progress against our objectives during the year.

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
May 2017

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 Monitor requirements. 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 Papworth Hospital NHS Foundation Trust can be found in the various sections of the Annual Report and Accounts 2016/17.

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

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 2017/18, 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 2016/17 priorities

Our 2015/16 Quality Report set out our quality priorities for 2016/17 under the three quality domains of *patient safety*, *clinical effectiveness* and *patient experience*. See our 2015/16 Quality Account for further detail:

<http://www.papworthhospital.nhs.uk/docs/accounts/Papworth-Hospital-Quality-Report-16-06-22.pdf>

The following table summarises the five quality improvement priorities identified for 2016/17 along with the outcomes. The first priority relates to the 3-5 year Sign up to Safety Plan and the results / achievements are after 2 years. The Sign up to Safety programme continued through 2016/17. The goals from 2015/16 were carried over and progress monitored on a quarterly basis with an annual report in 5 areas (including the new project, number 6) with the 5th priority improving physiological assessment in patients with Duchenne Muscular Dystrophy having been completed in 2015/16:

		Goals 2016/17	Outcomes
1	Sign Up to Safety	<p>Acute Kidney Injury (AKI)</p> <ul style="list-style-type: none"> 50% of Cardiac surgery and PPCI patients who develop AKI will be managed using the AKI pathway by 2017–On-going 10% reduction in incidence of AKI in cardiac surgery and PPCI patients by April 2018–On-going <p>*Monthly data is collected and shows us that results continue to fluctuate month by month on the incidence of AKI in both our Cardiology and Cardiothoracic patient populations. Stage 1 AKI remains at around 30% incidence with our cardiothoracic patients and approximately 10% with our Cardiology patients, which is in line with the national average.</p> <p>Formal handover within Thoracic Medicine</p> <ul style="list-style-type: none"> 80% formal structured handovers amongst the medical team in Thoracic Medicine by March 2017. 	<p>Achieved</p> <p>On-going*</p> <p>Project superseded by safety briefing in sign up to safety (priority 1 for 2017/18)</p>

		<p>Medicines Safety</p> <ul style="list-style-type: none"> Reduce prescription errors by 50% by April 2016 on one ward – In progress Goal extended to Trust wide during March 2017. <p>*Demonstrable reduction of prescription errors across the Trust in 16/17 – this may be affected by the introduction of Lorenzo.</p> <ul style="list-style-type: none"> Reduction of unintentional Omissions by 50% on one ward. Goal extended to Trust wide during 2016/17. <p>*Ongoing work around reducing unintentional omissions continues Red BIB and Buddy system introduced to all areas RCA form added to Datix to increase learning from incidents.</p> <p>Perioperative complications</p> <ul style="list-style-type: none"> Reduce perioperative complications in complex aortic surgery by 50% by April 2018 – On-going. Progress against baseline will be reported on in March 2017. <p>Implementation of Safety Briefings in Thoracic (New for 2016/17)</p> <p>Goal The aim is to improve the safety culture in the organisation. This will be achieved by:-</p> <ul style="list-style-type: none"> Standardising the language related to safety to improve understanding and culture; Incorporating a specific safety briefing conversation into twice daily ward handovers; Introducing a weekly directorate safety briefing with representation from each ward; Introducing a ward-to-board safety information dissemination process via the Matron team; Supporting Trust-wide roll out of safety briefing structure. <p>*Plan to roll out Safety Culture Assessment tool Trust wide in 17/18</p>	<p>Ongoing*</p> <p>Not achieved*</p> <p>Achieved</p> <p>Achieved*</p>
2	Understanding our complication rates to improve outcomes for our patients	<p>By 2017 we will have introduced monthly measurement of surgical morbidity focussing on the following complications:</p> <ul style="list-style-type: none"> Increasing the reporting of complications via Datix (incident reporting system) to provide a year 1 baseline data on reported complications; Return to theatre for bleeding post cardiac surgery (excluding PEA, VAD and Transplant); Patients who bleed > 1 litre post cardiac surgery (excluding PEA, VAD and Transplant); In hospital stroke following cardiac surgery (excluding PEA, VAD and Transplant); Stage 3 Acute Kidney injury requiring renal replacement therapy. To evidence monthly presentation of surgical morbidity focusing on the identified complications above 	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Achieved*</p>

		*This is now going to be incorporated into Quality Priority 4 2017/17	
3	Workforce developments to continue to close the gap	<ul style="list-style-type: none"> Expand the number of apprentices; Fully embed the Care Certificate for unregistered clinical staff new to healthcare; Continue the recruitment and development of the Assistant Practitioner role ; Embed Education Series for professional development (registered/unregistered staff); Enable greater standardisation around levels of practice, roles, education and training to support greater flexibility within the workforce; Create a mapping tool to support all clinical staff that will identify, encourage and value horizontal career development within the Trust; Expand the Advance Nurse Practitioner workforce using changes in nursing numbers (bed closures, skill mix changes and changes to junior doctor numbers); Improving the health and well-being of our workforce to improve retention, including access to exercise and healthy food choices; Develop an integrated workforce plan for the new hospital; Reduce overall turnover. <p>* to be continued with next year's priority 2: Recruitment & Retention</p>	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p> <p>Partially achieved*</p> <p>Achieved but work on-going</p> <p>Partially achieved*</p> <p>Achieved</p> <p>Achieved</p> <p>Partially achieved*</p> <p>Not achieved*</p>
4	Improvement of patient involvement in their care and self-administration of medication uptake	<ul style="list-style-type: none"> To perform a baseline audit to ascertain numbers of patients currently self-administering medicines from June 2016 to September 2016; To review the procedure of self-administration of medicines; To implement a standard procedure for the safe self-administration of medication; To reduce medication related incidences related to self-administration of medicines; To increase the number of patients who self-administer to improve patient experience; To develop further information for patients on expectations for rehabilitation and how they can help themselves to recover. <p>* New tool to be piloted in May 2017 and the rolled out once any feedback has been incorporated. The policy has been updated and will be finalised once the long term tool has completed its pilot. Then we will re-audit number of patients self-administering to see the effect of this work</p>	<p>Achieved</p> <p>In progress</p> <p>In progress</p> <p>Awaited *</p> <p>In progress</p> <p>In progress</p>
5	Building quality improvement capability	<ul style="list-style-type: none"> A minimum of 50% of staff will have received 'novice' quality improvement capability training; Review Quality Improvement (QI) and SIP training and development opportunities available within Papworth - who does what, when, where, for whom; Learning from national/international/external events will be applied to quality improvement projects at Papworth; Staff will apply PDSA (plan, do, study, act) 	<p>Not achieved- to be continued with next year's priorities</p> <p>Achieved</p> <p>Not achieved- to be continued with next year's priorities</p> <p>Not achieved- to be</p>

		<p>when testing and introducing small scale projects;</p> <ul style="list-style-type: none"> • Access QI training and development resources and opportunities offered by the Eastern Academic Health Science Network (EAHSN) and Sign Up To Safety (SU2S); • Integrate QI, SIP, human factors, clinical audit and patient safety training and development into clear range of offerings under the banner of the '<i>Papworth Improvement Academy</i>'; • Run a rapid quality improvement methodology ward project; • Capture quality improvement work within the Trust in a more formalised way; • Share quality improvement work inside and outside of the Trust. 	<p>continued with next year's priorities</p> <p>In progress</p> <p>In progress</p> <p>Not achieved- to be continued with next year's priorities</p> <p>In progress</p> <p>In progress</p>
--	--	---	---

Priorities for 2017/18

Our priorities for 2017/18 reflect the three domains of quality; patient safety, clinical effectiveness and patient experience. Our priorities are:

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

To determine our priorities for 2017/18, 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 some priorities, the Trust consulted with clinical teams, Governors, the Quality and Risk Committee, Patient and Public Involvement (PPI) Committee before final priorities were selected.

Progress and achievement of goals in relation to all six 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 PPI Committee and Council of Governors.

Priority 1: Sign Up to Safety

Goal

In December 2014 Papworth Hospital joined the national Sign Up To Safety campaign led by NHS England which aimed to achieve a 50% reduction in avoidable harm by 2018. Papworth's aim was to achieve this through focussed work on 5 key areas through a 3 year safety improvement plan. Two work streams have been completed in 2015/16 and 2016/17; and a new work stream has been identified to commence in 2017/18.

Rationale

Patient safety is the top priority for Papworth Hospital. All employees at Papworth have a duty to consider patient safety in relation to their work, with all staff recognising ownership and having a commitment to minimising risk and escalating concerns when appropriate. We therefore, seek to ensure there is a hospital wide patient safety culture, where patient safety is at the heart of everything we do from organisational development, service developments, workforce planning, both for the here and now and in the planning of new Papworth. This will be achieved by:

- Encouraging all staff to have a voice regarding concerns relating to patient safety via robust communication systems;
- Promoting an open culture of identifying and reporting adverse incidents that are managed in a positive way with learning identified and disseminated;
- Promoting a culture of lifelong learning for all staff to ensure continued professional development and evidence based care;
- Communicating openly with patients and the public.

In December 2014 Papworth Hospital joined the national Sign up to Safety campaign led by NHS England which aimed to achieve a 50% reduction in avoidable harm by 2018. Papworth's aim was to achieve this through focussed work on 5 key areas through a 3 year safety improvement plan. One of the work streams (Handover in Thoracic Medicines) has been discontinued in 2016/17 due to the Lead being seconded out of the Trust. The remaining work streams will continue through to 2018.

Goals for 2017/18

Acute Kidney Injury (AKI):

Initial Goals

- 50% of Cardiac surgery and PPCI patients who develop AKI will be managed using the AKI pathway by 2017 which was achieved
- 10% reduction in incidence of AKI in cardiac surgery and PPCI patients by April 2018

Acute Kidney injury remains a priority for Papworth Hospital in ensuring the ongoing safety of our patients. National guidelines and recommendations from NICE is at the heart of the Papworth Acute Kidney Injury pathway developed by the multi-disciplinary team to improve the early recognition, management and treatment of AKI in our patient groups across the trust.

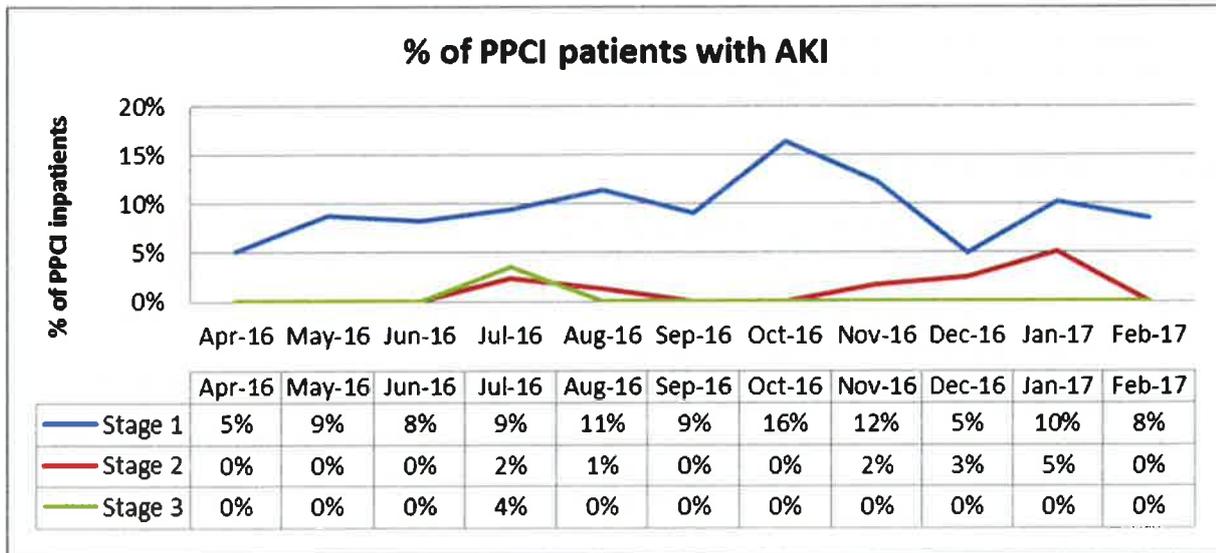
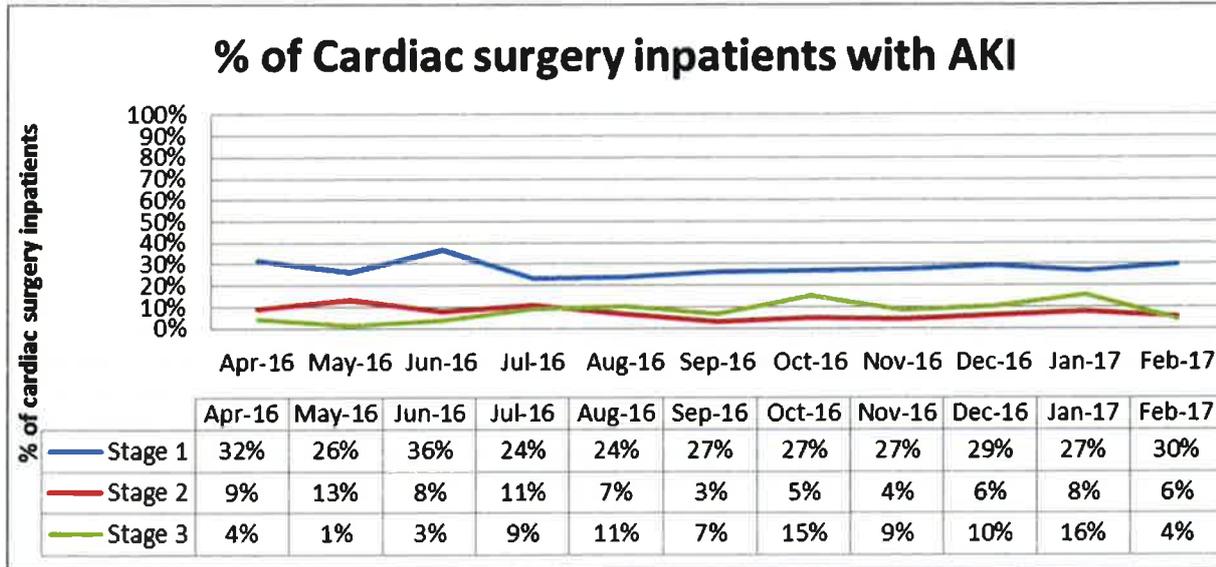
Both Papworth guidelines for AKI and Fluid management are in the process of being updated in line with updated NICE guidelines and Quality measures released in 2017.

Ongoing training is an essential element in keeping staff vigilant and proactive in managing AKI in their patient groups whilst also being able to monitor if the treatment is working and whether to escalate or not. With the continued support from our biochemistry team, Papworth has succeeded in developing an automatic alert when a patient has developed an AKI which enables medical and nursing teams to start immediate closer monitoring and treatment of the AKI to prevent further deterioration.

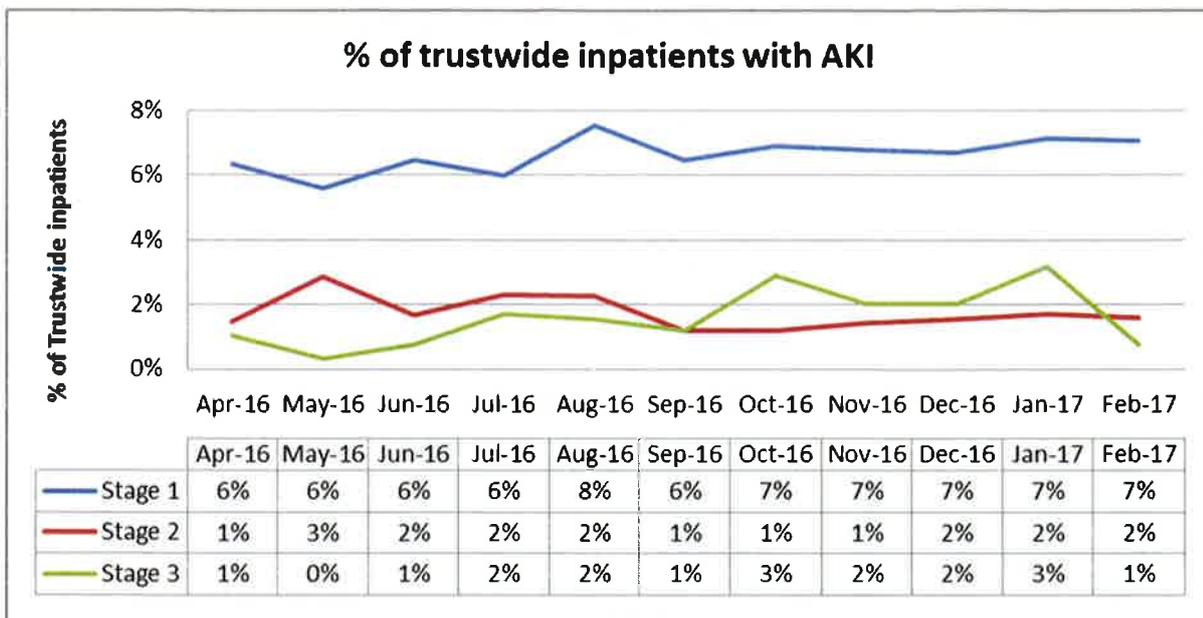
There are now stronger ties with Critical Care (CCA) and the wards in highlighting if a patient had an AKI in CCA, what stage of AKI and how this was managed. Critical Care medical staff now routinely documents an AKI on the discharge paperwork which alerts the nursing staff on the ward as well as the Papworth Alert team, who will ensure that patient is reviewed in a timely manner after arrival to the ward.

The National CQUIN in 2016 emphasised the need to inform the Primary Care sectors of the incidence of an AKI with a patient on discharge. The introduction of the EMR (Electronic Medical Record) enabled a standardised discharge form to be created to allow the nursing and medical teams to identify those patients who had developed an AKI during their hospital stay and to guide the GP's on how to monitor the patient after discharge.

Monthly data is collected and shows us that results continue to fluctuate month by month on the incidence of AKI in both our Cardiology and Cardiothoracic patient populations. Stage 1 AKI remains at around 30% incidence with our cardiothoracic patients and approximately 10% with our Cardiology patients, which is in line with the national average.



If we look at the incidence of AKI across the whole trust, the figures show us that we have a 7% average incidence of Stage 1 AKI.



Monthly data is collected to show compliance with risk assessing all patients who are admitted to Papworth and also compliance with using the AKI pathway – a key element in the management of AKI at Papworth hospital. This is also a key element to the Sign up to Safety campaign. AKI ward rounds were initiated to provide ongoing support for nursing teams in managing patients with AKI. This also allowed for monitoring of compliance with the AKI pathway. Bundle audit data has shown good compliance but requires further encouragement in order to comply with the pledge made for Sign up to Safety.

Acute Kidney Injury (AKI): Goals for 2017/18

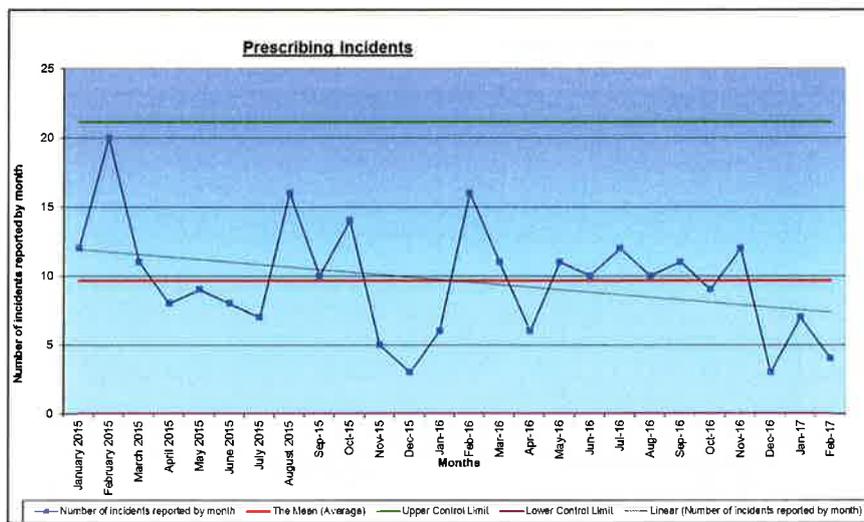
- Formal audit to look at compliance with AKI pathway and risk assessment alongside Sepsis Pathway.
- Ongoing education and training
- Completion of AKI and fluid Management guidelines
- Aim for reduction in incidence of AKI in cardiac surgery and PPCI patients by April 2018

Medicines Safety 1: Goals for 2017/18

The Goal for this work stream was originally to reduce prescription errors by 50% by April 2016 on one ward. During 16/17 this goal has been rolled out across the organisation with a focus on:

- involving Educational Supervisors in reviewing prescribing errors with the prescribers to facilitate and support learning from errors
- Including lessons learnt from prescribing incidents in junior doctor training sessions and News letters to share the learning
- Ward pharmacists continue to support prescribers in the clinical areas with immediate and on the spot advice and notification of errors
- Continuing to empower the nursing staff to have a Zero tolerance to poor prescribing practice
- Increasing the non-medical prescribing work force

All prescribing incidents reported on Datix are reviewed monthly by the Medicines Safety Group (MSG) and appropriately categorised. The overall trend for the last two years of data shows a reduction in reported prescribing errors.



Number of prescribing errors reported on Datix and categorised by the Medicines Safety Group*

This number will differ from Datix reports for the same period as the MSG may categorise a medicines safety incident under more than one category following review.

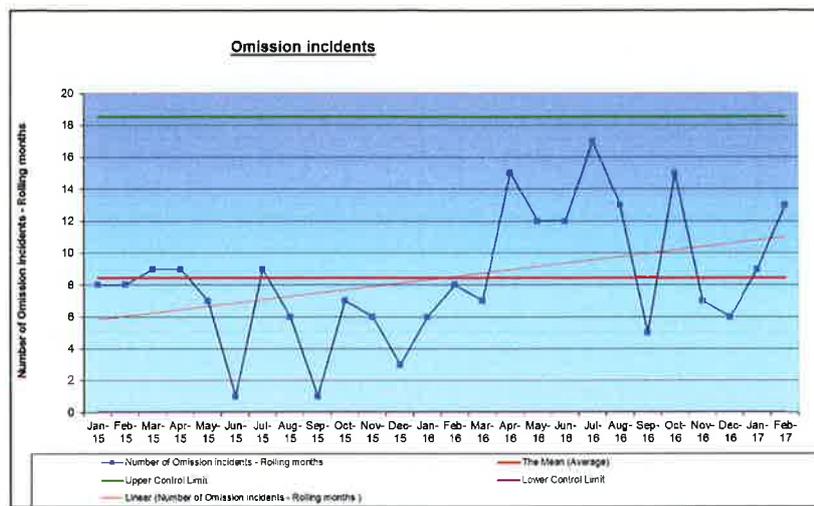
The Goal for 2017/18 is to demonstrate a year on year reduction in prescription errors across the organisation

This will be achieved by continuing the strategies outlined above. The Introduction of Lorenzo Electronic Patient Records in June 2016 will also introduce electronic prescribing. This will bring many safety benefits but in the short term, it is anticipated that we may see an increase in prescribing errors whilst the new system is embedded. This will be a focus of the MSG to monitor and trend to work with the Lorenzo team to ensure timely and effective actions are taken to mitigate this risk. There will also be a programme of audit throughout 2016/17

The goal of this work stream was originally to reduce unintentional omissions by 50% by April 2016 on one ward during 2016/17 this goal has been rolled out across the organisation with a focus on:

- Introduction of the Red BiB / Do Not Disturb tabard across all areas for nurses administering medication
- Introduction of the Buddy System across all areas
- Review of the Self Administration Procedure by the self-medication group
- Revamp of the 24hr prescription charts and roll out to other appropriate areas
- Empowering patients through appropriate use of self-administration
- In depth root cause analysis for unintentional omissions of high risk medication:
- Developing Datix to capture more in-depth information from analysis of omission incidents

All unintentional Omission incidents reported on Datix are reviewed monthly by the Medicines Safety Group (MSG) and appropriately categorised. Unintentional medicines omissions are medicines that are accidentally omitted, i.e. not administered. This can be a number of reasons from the patient being unavailable, i.e. off the ward, to the medicine not being available. We have a buddy system where drug charts are checked at handover, so that where possible this can be put right. The overall trend for the last two years of data shows an increase in reported omissions. This is particularly noticeable in the last year despite the interventions listed above.



Number of unintentional omissions reported on Datix and categorised by the Medicines Safety Group* This number will differ from Datix reports for the same period as the MSG may categorise a medicines safety incident under more than one category following review.

The Goal for 2017/18 is to demonstrate a year on year reduction in unintentional omissions reported across the organisation

This will be achieved by continuing the strategies outlined above. The Introduction of Lorenzo Electronic Patient Records in June 2017 will mitigate some of the risks of unintentional omissions. In the short term, it is anticipated that we may see an increase in administration/ omission errors whilst the new system is embedded. This will be a focus of the MSG to monitor and trend to work with the Lorenzo team to ensure timely and effective actions are taken to mitigate this risk. There will also be a programme of audit throughout 17/18.

Perioperative complications

- Reduce perioperative complications in complex aortic surgery by 50% by April 2018. Progress against baseline will be reported on in March 2017.

Implementation of Safety Briefings in Thoracic

Goal

The aim is to continue to improve the safety culture in the organisation following on from last year. This will be achieved by:-

- Standardising the language related to safety to improve understanding and culture;
- Supporting Trust-wide roll out of safety briefing structure.
- Roll out the safety culture assessment tool across all disciplines and Trust

Rationale

By developing a robust structure to facilitate communication, standardising the language used in this communication and embedding this in everyday actions of staff we aim to develop a positive safety culture within the Thoracic Directorate. It is expected that this structure will be transferable to other settings within the organisation.

Monitoring

- Safety briefings will take place daily in all areas
- Present results of Trust wide safety culture assessment.

The Quality and Risk management Group will receive progress against the goals.

Monitoring

Achievement of goals will be monitored on a quarterly basis and reported annual basis through the Quality Account.

Overall Leads:

Executive Lead:

Director of Nursing

Implementation Lead:

Clinical Governance Lead

Programme Leads:

Assistant Director for Quality and Risk

Priority 2: Recruitment and Retention

Goal

Create a health and wellbeing program for staff.
Become a Nursing Associate role test site.
Exploration of and new role development in band 1-4 non-nursing professions.
Introduce careers at Papworth Hospital focus, bands 5-8.

Rationale

Health and Wellbeing: We understand that there are issues that staff are facing which are affecting their health and wellbeing. We know that best practice to support staff is through good line management practice, which can identify and nip problems in the bud. The key issues being raised which affect staff's health and wellbeing concern the move to the new hospital, work life balance and day to day pressures. The Papworth Staff Engagement Programme mandates that all staff have a line manager, and meet with them a minimum of four times per annum, to touch base and keep staff engaged and informed as we gear up to the move. In addition we want to develop our resources to sign post and guide staff and managers to hints and tips that can promote individual and team well-being. We believe that promoting actions which support this positive culture will be attractive to new staff and also support staff retention.

Exploration of and new role development in band 1-4 non-nursing professions: We know that some staff in administration roles are leaving due to the relocation of the hospital and uncertainty about future job roles. The implementation of Lorenzo will also have an impact on the job role design of some staff, although the impact is unlikely to be known until Summer 2017. We have clear development pathways for Bands 1-4 in nursing roles, and would we like to extend this approach to other clinical professions eg Physiotherapists and Physiology. In addition, the introduction of the Apprenticeship Levy will require review of how and what training is invested in for our Administration staff. Taken together, these developments provide an opportunity to redesign roles and develop new career and training pathways.

Nursing associate role: The creation of the Nursing Associate is a landmark innovation for the nursing and care professions (HEE, 2016), which aims to bridge the gap between the unregulated care assistant and the Registered Nurse workforce (Shape of Caring Review, 2015). Working under the leadership and direction of registered nurses, the nursing associate will work within all aspects of the nursing process providing high quality holistic and person-centred care to individuals and supporting the registered nurse in the assessment, planning and evaluation of care.

Cambridgeshire and Peterborough Associate Nursing Partnership is a joint venture and a first wave pilot site for this innovative programme. NMC registration has been agreed for the role, details are still to be finalized. Nursing Associates will have a supervisor in practice, but this does not have to be a live mentor – it could be any registered nurse who has had coaching training. The first candidates will qualify in Jan 2019 and be able to apply for NMC registration once expectations are finalised.

Careers at Papworth Hospital focus, bands 5-8: There is a greater emphasis in the NHS as a whole on Talent Management and Succession Planning, and Papworth wants to put systems and processes in place which will support us to identify and develop our talent, and ensure key roles have a succession plan. We know from past experience this is required for two reasons: 1) Some staff are being promoted before they are ready; 2) Some, who are ready for promotion, do not put themselves forward because they lack confidence and do not believe they can do the roles.

We therefore want to create greater transparency about what needed at each level, and set out options for development, gaining exposure to wider roles. In addition, the introduction of the Apprenticeship Levy, and the reduction in Continuing Professional Development Funding from Health Education England, means that we will need to review our training and development offering for clinical staff, and think about how we can develop Apprenticeship Training Opportunities for our Nursing staff through this route.

Baseline

Health and Wellbeing: Voluntary turnover for the past six months has been above the target of 13%. The Individual Performance Review (IPR) rate for the past six months has hovered around 73% which is below the target of 905. As part of recruitment process we will highlight the support we provide our staff through good line management practice. Currently there are no readily accessible resources for staff to access to identify how they can develop their own resilience.

Exploration of and new role development in band 1-4 non-nursing professions: We have a development programme in place for nursing roles in Bands 1 -4 and now want to expand the approach to include non-nursing professions in Bands 1- 4 roles.

Careers at Papworth Hospital focus, bands 5-8: There is no clear talent mapping or succession planning process at Papworth. We have proposed an approach to Talent Mapping and Succession Planning which is currently being promoted in the Trust to gain buy-in and support from key managers. The Training Needs Analysis conducted in 2016 identified that Senior Nurses are now looking for clearer skills based training to support people in particular roles.

Goals for 2017/18

Health and wellbeing

- Line management implementation all areas with a view that all line managers know their team, and understand their individual aspirations and development needs.
- Sign post managers to development opportunities to support staff including training and development and structured reflective practice
- Develop a case for sustained investment in resilience courses/ materials that are sign posted on the intra-net.

Exploration of and new role development in band 1-4 non-nursing professions

- Identify teams/ professions, and named leads, to develop career and development pathways (eg House Keepers, Scientists, Administration)
- Agree the job roles and career pathways in a team, with clear team structures in designated teams
- Agree training and development routes, including Apprenticeship Standards
- Agree training providers
- Review and evaluate, and make recommendations for other Teams in the Trust

Nursing Associate Role

- Workforce Plans to be reviewed to include new Nursing Associate role
- Agree clear job roles for Trainee Nursing Associates and on Qualification
- Agree numbers that can be supported in training reflective of other development pathways for Bands 1-4 nursing staff

Careers at Papworth Hospital focus, bands 5-8

- Define expectations and responsibilities of nursing roles at each level.
- Define, in the nursing roles, what each band/ role is managerially responsible for, and show where individuals can get the development from to develop their knowledge, skills and experience appropriate to the role (for nursing).
- Heads of Nursing to ensure Matrons and Sisters talent map and succession plan for their teams on an annual basis.
- Skills based training review of training and development offers to support Bands 5 – 8 programme, with recommendations for training and development options to be provided
- Leadership and Education Teams to promote portfolio based learning and development, which encourage staff to learn and develop whilst on the job to complement programmed study days.
- Identify apprenticeship training routes which might support the Leadership and Management Development in Bands 5 – 8.
- Develop future training and development opportunities based on review.

Monitoring

Health and Wellbeing:

- Crude data in IPR and 1:1 Appraisal Rates, and sharing with Senior Leaders to ensure the conversations are taking place.
- Clinical Supervision Strategy agreed and implemented.
- Resources on website for staff to access to develop and informed approach to managing their own personal health and wellbeing.
- Sustained investment in the training courses and access to resources

Exploration of and new role development in band 1-4 non-nursing professions:

- Team identified to pilot programme with
- Agree team roles, functions and structure
- Agree training and development routes

- Agree training providers

Careers at Papworth Hospital focus, bands 5-8

- Defined roles and expectations
- Reviewed and made recommendations about the training and development
- Implement training and development plan based on recommendations
- Every senior manager to talent map and succession plan in their area on an annual basis
- Plans to be audited by the Leadership Development Team, with recommendations for improvement fed back to the Team/ Manager
- Leadership Development Team to develop a Talent Management Programme to support Talent Development in the Trust

Overall Leads:

Executive Lead: Deputy Director of Nursing

Implementation Lead: Leadership team & Recruitment & Retention Nurse

Programme Leads: Lead Nurse Recruitment and Retention

Priority 3: Quality improvement Capability

Goal

Building continuous Quality Improvement (QI) Capability and Capacity at Papworth Hospital is especially critical as we plan for the new Hospital and its new pathways and processes. These improvements need to be embedded in 2017/18 prior to our move. Our vision is that by 2020 we have a Papworth QI faculty of experts.

Rationale

Keeping the focus on Quality Improvement at a time of transformation is vitally important. With a recent launch of the national framework 'Developing People – Improving Care' on December 2016 which emphasises the delivery of continuous improvements in health care services i.e. build cultures of continuous improvement. The Academy of Medical Royal colleges also say Quality Improvement should be put at the heart of medical training. Limb's report highlights that healthcare professionals should have access to training in quality improvement, which should be made "part of the mindset". Quality Improvement has at least as much potential to improve outcomes for patients as cardio-pulmonary resuscitation, they highlighted.

Demographic pressures, the changing burden of disease and rising patient and public expectations are driving the need to make efficiency savings, integrate and innovate. Making these improvements is dependent upon a workforce that is skilled in Quality Improvement. Healthcare services are facing challenging times and quality improvement is widely viewed as an opportunity to change the way we deliver services and provide high quality care for current and future generations. This is part of our Quality Strategy in building quality improvement capability through staff engagement and empowerment.

Baseline

Since April 2015 every professional update study day for clinical staff has had a 30 minute session on quality improvement. The feedback from these sessions has been mixed – and the interpretation being that the topic is hard to receive in the current climate of staff shortages and pressured workloads. This was a basic awareness to quality improvement methodology. We now want to take this to the next step of 'foundation level'. This is where we want staff members to undertake the Yorkshire and Humber AHSN bronze online training and attend a face to face training day in house. A self-assessment baseline QI survey can be filled out before the start of any QI training.

Goals for 2017/18

- To have QI awareness stand at the mandatory training for the admin and clerical staff members at on the 'CPR' week.
- 80% of staff members to have completed the Yorkshire and Humber AHSN Bronze online training by April 2018.
- Work collaboratively with the EASHN to enhance quality improvement coaching and support with the 'life tool'.
- Run a monthly face to face classroom based QI teaching session.

Monitoring

- Attendance at the QI stand on 'CPR week'.
- Number of staff members completing the Yorkshire and Humber Bronze level of online training.
- Numbers of staff members attending the face to face classroom QI teaching.
- Monitor of live us of the 'LIFE tool'.

Overall Leads:

Executive Lead: Director of Nursing

Implementation Lead: Clinical Lead for Clinical Governance

Programme Leads: Medical Education Fellow

Priority 4: Understanding the Harm caused to Patients

Goal

To continue monthly presentation of surgical morbidity focussing on the 5 recognised complications which impact on patient outcome:

- Stroke
- Bleeding
- Return to theatre
- Acute kidney injury requiring hemofiltration
- Emergency laparotomy

Rationale

Health care is not without risk and we aim to better understand our complication rate to improve outcomes for our patients. We are keen to understand our complications because our death rate is low and complications better allows us to monitor than reporting mortality rates.

Baseline

We have established a robust mechanism to capture and monitor monthly the rates of occurrence for the identified complications detailed above. We are now able to see trends over time and plot any improvement initiatives to evidence impact as part of the quality improvement cycle.

Goals 2017/18

- To develop improvement cycles based on intelligence gathered through monthly monitoring and data capture to improve outcomes for patient and reduce avoidable harm
- To evidence local speciality clinical morbidity monitoring against identified indicators. Reported quarterly through the business unit and Directorate quarterly quality and Risk reports
- Develop the use of Datix to assist in the capture of complications and assessment of avoidability

Monitoring

Achievement of goals will be monitored on a quarterly basis and reported annual basis through the Quality Account.

Overall Leads:

Executive Lead: Medical Director

Implementation Lead: Assistant Director Quality & Risk

Programme Lead: Clinical Lead for Clinical Governance

Priority 5: Realise the Quality Benefits from the EPR Implementation

Goal

In June 2016, Papworth Hospital signed a Memorandum of Understanding with HSCIC (now trading as NHS Digital) for the commercial provision of the Lorenzo Electronic Patient Record (EPR). Papworth Hospital has long-recognised the need for an EPR and this is documented as a Strategic Theme in the Information Communication and Technology Strategy for Papworth Hospital 2015-2020. The implementation of Lorenzo will:

- support the delivery of safe patient care that results in the best outcomes and patient experience;
- enhance staff experience and help staff to be productive and efficient; and
- help improve data confidentiality.

Rationale

The implementation and subsequent use and refinement of an EPR forms an integral part of Papworth's Transformation programmes, namely the Papworth eHealth, New Papworth Hospital and the Cambridge Transition Programmes. It enables the strategic aims of the Trust as follows:

- 1) Provide Safe High Quality Care:
 - Provide complete information that supports clinical decision making.
 - Provide the ability to capture, monitor and audit clinical information electronically.
- 2) Meeting specialist cardiothoracic healthcare needs:
 - Provide technology and information that supports the provision of the right care at the right time in the right location.
 - Deliver systems that distribute information effectively to managers and clinicians across the continuum of care.
- 3) The New Hospital – realising the opportunities:
 - Provide technology that supports personalised, patient centric healthcare.
 - Provision of truly integrated systems that provide fast, reliable information and data.

Baseline

As part of the approvals process for the EPR programme, operational and clinical colleagues identified and baselined the key benefits which will be realised subsequent to the implementation of the EPR. The key benefits were identified as:

- Reducing time spent on manual transcribing from drug charts to dispensing sheet ultimately freeing up pharmacy staff time for additional reconciliation activity;
- Improving overall staff efficiency and through no longer having to access multiple systems and having patient context links, leading to more efficient outpatient activity;
- Reducing the average length of stay for elective patients through improved availability and management of patient information and enabling the Trust to treat more patients per annum;
- Providing greater social value as patients spend fewer days as an inpatient and return to economic activity earlier;
- Reducing staff time spent preparing for MDT meetings, enabling these staff to support increased activity;
- Saving time for prescribers due to standard order sets being available to speed up prescribing and improve accuracy; and
- Saving time for pharmacy staff due to information being recorded electronically, and therefore being faster to access and interrogate.

Goals for end 2017/18

The realisation of benefits has been profiled for all of the areas listed as part of the Baseline and is due to start materialising in the latter part of 2017/18, within 3-6 months of the EPR Go-Live date of 5th June 2017. In some instances, benefits will be realised gradually and will reach 100% in the following year, 2018/19.

1. 75% reduction in the time spent manually transcribing from drug charts to dispensing sheets;
2. 50% improvement in the time estimated being spent on accessing multiple systems;
3. 50% of the forecasted additional income to be achieved through reduction in length of

- stay for agreed specialties will be obtained through improved availability and management of patient information, enabling the Trust to treat more patients per annum;
4. For agreed specialties, 50% of the target of working age patients will return sooner to economic activity;
 5. The time staff spend preparing for MDT meetings will have been reduced by 50%;
 6. 50% of the estimated time savings for prescribers due to standard order sets being available to speed up prescribing and improve accuracy will be achieved; and
 7. Pharmacy staff will have reduced their time spent in chasing information by 75% as information will be available electronically and therefore faster to access and interrogate.

Monitoring

Ownership for benefits realisation post Lorenzo go-live has been agreed with the nominated benefits owners. This will be monitored using the existing mechanisms for the Trust's Service Improvement Programme and the Cost Improvement Programme.

Overall Leads

Executive Lead: Deputy CEO

Implementation Lead: ICT Director

Programme Lead: Deputy Director of Nursing/ Chief Nursing Informatics Officer

2.2 Statements of assurance from the Board

This section contains the statutory statements concerning the quality of services provided by 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 Papworth Hospital. These statements are *italicised* for the benefit of readers of this account.

During 2016/17 Papworth Hospital NHS Foundation Trust provided and/or sub-contracted six relevant health services. 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 2016/17 represents 100% of the total income generated from the provision of relevant health services by Papworth Hospital NHS Foundation Trust for 2016/17.

Full details of our services are available on the Trust web site: 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 2016/17, 16 national clinical audits and 1 national confidential enquiries covered relevant health services that Papworth Hospital NHS Foundation Trust provides. During 2016/17, Papworth Hospital NHS Foundation Trust participated in 16 of the 16 (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 Papworth Hospital NHS Foundation Trust was eligible to participate in during 2016/17 are as follows: **[KPMG – can next 2 tables be 1 table]***

Audit Title	Audit Source
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	National Institute for Cardiovascular Outcomes Research (NICOR)
Adult Cardiac Surgery	National Institute for Cardiovascular Outcomes Research (NICOR)
Cardiac Rhythm Management (CRM)	National Institute for Cardiovascular Outcomes Research (NICOR)
Case Mix Programme (CMP)	Intensive Care National Audit and Research Centre (ICNARC)
Congenital Heart Disease (CHD)	National Institute for Cardiovascular Outcomes Research (NICOR)
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	National Institute for Cardiovascular Outcomes Research (NICOR)
Maternal, Newborn and Infant Clinical Outcome Review Programme	MBRRACE-UK - National Perinatal Epidemiology Unit (NPEU)
Medical and Surgical Clinical Outcome Review Programme	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)
National Audit of Pulmonary Hypertension	Health & Social Care Information Centre (HSCIC)
National Cardiac Arrest Audit (NCAA)	Intensive Care National Audit and Research Centre (ICNARC)
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme	Royal College of Physicians
National Comparative Audit of Blood Transfusion programme	NHS Blood and Transplant
National Emergency Laparotomy Audit (NELA)	The Royal College of Anaesthetists
National Lung Cancer Audit (NLCA)	Royal College of Physicians
UK Cystic Fibrosis Registry	Cystic Fibrosis Trust
Sentinel Stroke National Audit Project (SSNAP)	Royal College of Physicians

The national clinical audits and national confidential enquiries that Papworth Hospital NHS Foundation Trust participated in, and for which data collection was completed during 2016/17, 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.

Participation in clinical audits

Audit Title	Audit Source	Compliance with audit terms
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, Newborn 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 Audit of Pulmonary Hypertension	Health & Social Care Information Centre (HSCIC)	100%
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%
National Lung Cancer Audit (NLCA)	Royal College of Physicians	100%*
UK Cystic Fibrosis Registry	Cystic Fibrosis Trust	100%
Sentinel Stroke National Audit Project (SSNAP)	Royal College of Physicians	100%

* The National lung cancer audit has few implications for Papworth Hospital as this audit records the patients by the hospital in which they were first seen. Since almost no patients are referred direct from their GP to Papworth, the data which is completed by Papworth 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 Papworth Hospital participated in is presented below:

Title	Cases included	Cases excluded	Clinical Q returned	Case notes returned	Organisational questionnaire returned
Mental Health	5	0	5	5	1

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 15 national clinical audits were reviewed by the provider in 2016/17 and 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	Yes
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	Yes
National Audit of Pulmonary Hypertension	Yes
National Cardiac Arrest Audit (NCAA)	Yes
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme	Yes
National Comparative Audit of Blood Transfusion programme	Yes
National Emergency Laparotomy Audit (NELA)	Yes
National Lung Cancer Audit (NLCA)	Yes
UK Cystic Fibrosis Registry	Yes
Sentinel Stroke National Audit Project (SSNAP)	No (not yet published)

Examples of actions include:

The National Congenital Heart Disease Audit – Data Quality Audit

In January 2017 Papworth Hospital had its first data quality validation visit. The data quality indicator score was 83.5% representing a good attempt for a first external validation.

Actions taken as a result:

- Standard Operating Procedure amended for the congenital data collection, including guidance on and exactly who is responsible for:
 - a) Ensuring consent for external validation of hospital notes is obtained prospectively from all patients with congenital heart disease
 - b) Input of the data for each congenital cardiac procedure and at which point of the service delivery
 - c) Validity checking and completeness, and the time intervals for feedback, to responsible clinicians on this, with a clear time scale and line of responsibility for rectifying any omissions or errors in cardiology disciplines
 - d) Making timely submissions (monthly is recommended).

The reports of 189 local clinical audits were reviewed by the provider in 2016/17 and 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:

Appropriate Use of Carbapenem & Piperacillin/Tazobactam

As part of the National 'Reduction In Antibiotic Consumption' CQUIN Papworth was asked to undertake an audit looking at the appropriate use of Carbapenem and Piperacillin/Tazobactam with Surgical and Cardiology patients, following a review of the Trust's Antibiotic policies.

Findings: 93% of antibiotics were administered appropriately.

Areas that were not compliant included:

- Antibiotic prescribed outside of Trust guideline with no appropriate reasoning
- No review/stop date recorded
- No indication for antibiotic recorded

Actions:

- Raise awareness during junior doctors teaching
- Inform junior doctors of availability of Trust guidelines on Microguide

- Ensure Meropenem is not stocked on any ward and is only supplied by Pharmacy on a patient named basis only, following authorisation from ward pharmacist
- Review stop/review dates and indications on a monthly basis and feedback to both senior and junior doctors
- Educate junior doctors during weekly ward rounds.
- Insert yellow stickers/reminders onto drug charts where appropriate
- Inform registered staff of issues during monthly presentations on study days and ask them to challenge prescribers if information is missing on charts
- Electronic prescribing system (Lorenzo) to be introduced in June

Information on participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by Papworth Hospital NHS Foundation Trust in 2016/17 that were recruited during that period to participate in research approved by a research ethics committee was 4,079.

See table below:

Type of research project	No. of participants recruited per financial year			
	2013/14	2014/15	2015/16	2016/17
NIHR portfolio studies	1,363	1,175	1,065	1,376
Non-NIHR portfolio studies	633	367	542	334
Tissue bank studies*	1,245 (1,450)	2,509 (2675)	2,361 (2,659)	2,369 (2,595)
Total	3,241	4,051	3,968	4,079

NIHR = National Institute for Health Research

* Tissue bank studies includes 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 Papworth's commitment to improving the quality of health care.

During 2016/17 the Trust recruited to 60 studies of which 50 were portfolio studies (2015/16: 56 studies and 49 portfolio studies). Participant recruitment figures for NIHR portfolio studies are over 20% higher than the previous 2 years with a similar profile of complex interventional and observational studies.

Papworth recruits to a large number of studies in rare disease groups including pulmonary vascular disease, mesothelioma and idiopathic pulmonary fibrosis. Papworth have a strong research interest in Mesothelioma and have been awarded a £2.5m grant from the British Lung Foundation and Victor Dahdaleh Foundation to support mesothelioma research.

Quality is at the heart of all our research activities and Papworth ranked as the top recruiting site in the UK for approx. 30% and in the top 2 highest recruiters for 44% of the multicentre NIHR portfolio studies we supported. For the fourth year running it was the 5th highest recruiting NHS Acute Trust within the East of England for NIHR portfolio research. 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 Papworth Hospital NHS Foundation Trust's income in 2016/17 was conditional upon achieving quality improvement and innovation goals agreed between 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 agreed goals for 2015/16 and for the following 12 month period are available electronically at <https://www.england.nhs.uk/wp-content/uploads/2016/03/cquin-guidance-16-17-v3.pdf>

The amount of income available in 2016/17 conditional upon achieving quality improvement and innovation goals was £2,373,816 (2015/16: £2,711,909) and the amount received was £2,373,816 [100%] (2015/16: £2,711,909 [100%]).

For further information on CQUIN performance for 2016/17 see Part 3 of the Quality Report. For further information on CQUIN priorities for 2017/18 see Performance Report section of Annual Report.

Care Quality Commission (CQC) registration and reviews

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 Papworth Hospital NHS Foundation Trust during 2016/17. Papworth Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

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

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.

Papworth Hospital NHS Foundation Trust submitted records during 2015/16 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 100% for admitted patient care and in excess of 100% for outpatient care;*
- *which included the patient's valid General Medical Practice Code (code of the GP with which the patient is registered) was 100% for admitted patient care and 100% 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 patients 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 Connecting for Health in order to assess compliance.

Papworth Hospital NHS Foundation Trust's information governance assessment report overall score for 2016/17 was 80% and was graded green. There are 45 standards in the information governance toolkit, 19 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 Health and Social Care Information Centre (HSCIC) website <https://www.igt.hscic.gov.uk/>

Clinical Coding

Papworth Hospital NHS Foundation Trust was not subject to the Payments by Results clinical coding audit during the reporting period by the Audit Commission.

Papworth Hospital's annual clinical coding audit was carried out by D&A Clinical Coding during February 2017.

Papworth Hospital has achieved the following Information Governance levels:

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

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

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

- Continued development of the roles of staff that are responsible for and administer databases;
- Continued refresher training for the clinical coding team;
- Continued recruitment of substantive clinical coding staff;
- Business Support Department to undertake regular monthly audits to check for consistency and accuracy in case notes and clinical coding;
- Business Support Department to continue to review data quality issues;
- Individuals making repeated errors will be identified and their line manager will be offered re-training for them;
- The above arrangements will be formalised in a Data Quality Strategy and Policy.

Papworth Hospital was announced as the winner of a prestigious CHKS award in May 2016. The category was CHKS Data Quality (Specialist) Award and recognises the importance of clinical coding and data quality, and the essential role they play in ensuring appropriate patient care and financial reimbursement from commissioners.

Performance against the national quality indicators

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

Indicator	2015/16 (or latest reporting period available)	2016/17 (or latest reporting period available)	Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...	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 patients aged 16 or over readmitted to the hospital within 28 days of discharge from the hospital ^{Note1} [this indicator was last updated in December 2013 and future releases have been temporarily suspended pending a methodology review]</p>	<p>Trust rate was 9.46% for 2010/11 placing the Trust in Band B1. National average was 11.43%. Highest rate for an acute specialist trust was 17.10%. Lowest rate for an acute specialist trust was 0.00%.</p>	<p>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%.</p>	<p>Readmission rates are low due to the quality of care provided.</p>	<p>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.</p>
<p>The trust's responsiveness to personal needs of its patients during the reporting period [Data from National Inpatient Survey]</p>	<p>Trust score was 80.3 in the 2014 survey. National average score was 68.9. National highest score was 86.1. National lowest score was 59.1.</p>	<p>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.</p>	<p>Trust achieves results in the top 20% of trusts in the inpatient survey.</p>	<p>We will continue to use data from the inpatient survey to identify areas for improvement. See Part 3 for information on headline results of the latest survey 2016 (provisional date for publication May 2017).</p>

Indicator	2015/16 (or latest reporting period available)	2016/17 (or latest reporting period available)	Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...	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>93% of the staff employed by, or under contract to, the trust in the 2015 staff survey would recommend the trust as a provider of care to their family or friends.</p> <p>Average for acute specialist trusts was 89%.</p> <p>The Highest scoring specialist trust was 93%.</p> <p>The Lowest scoring specialist trust was 80%.</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>It is recognised by the Trust that due to a large organisational change to the new site and the implementation of the new EPR system there is the potential that this has had a negative impact</p>	<p>Use of staff engagement champions to disseminate key information; engagement of staff in department organisational readiness. It is recognised that the move may not be a positive experience for all.</p> <p>See Annual Report – Staff Report section for other information on the 2016 Staff Survey.</p>
<p>Friends and Family Test – Patient</p> <p>NOT STATUTORY REQUIREMENT</p>	<p>Month 1-12 2015/16</p> <p>95.5% of our patients would recommend our service.</p> <p>Average for acute specialist trusts was 95.7%.</p> <p>The Highest scoring acute specialist trust was 99.2%.</p> <p>The Lowest scoring acute specialist trust was 74.5%.</p>	<p>Month 1-10 2016/17</p> <p>97.8% of our patients would recommend our service.</p> <p>Average for acute specialist trusts was 95.9%.</p> <p>The Highest scoring acute specialist trust was 99.4%.</p> <p>The Lowest scoring acute specialist trust was 74.2%.</p>	<p>Low score Oct/Nov 2015 reduced the overall 2015/16 total.</p>	<p>Changes to food delivery were introduced.</p>

Indicator	2015/16 (or latest reporting period available)	2016/17 (or latest reporting period available)	Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...	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 patients who were admitted to hospital and were risk assessed for VTE during the reporting period</p> <p>[Since Apr 2015 data published quarterly not monthly]</p>	<p>Trust achieved 98.1% for Q1 to Q4 2015/16.</p> <p>Acute Trust average was 95.7% for Q1 to Q4 15/16.</p> <p>Highest acute provider 100%.</p> <p>Lowest acute provider 79.9%.</p>	<p>Trust achieved 97.6% for Q1 to Q3 2016/17.</p> <p>Acute Trust average was 95.6% for Q1 to Q3 2016/17.</p> <p>Highest acute provider 100%.</p> <p>Lowest acute provider 78.7%.</p> <p>For Trust internal data on percentage for Q4 2016/17 see Part 3- Other Information – patient Safety Domain.</p>	<p>Trust wide education and the inclusion of the VTE risk assessment form within the drug chart have led to a robust process for ensuring that patients are risk assessed. This is now well embedded in clinical practice. In addition the Safety Thermometer has also raised awareness.</p>	<p>The delivery of harm free care is well established and will continue through 2016/17. VTE prevention and prophylaxis will continue to be closely monitored and reported by exception to the Quality and Risk Management Group. VTE events which occur within 90 days of discharge from hospital will continue to be subject to a route cause analysis.</p>
<p>The rate per 100,000 bed days of cases of C.difficile infection reported within the trust during the reporting period ^{Note 2}</p>	<p>Trust rate was 10.5 in 2015/16 for Trust apportioned patients aged 2 years and over (7 cases). [only 3 cases on Papworth trajectory]</p>	<p>Trust rate was 3.1 in 2016/17 for Trust apportioned patients aged 2 years and over (2 cases). [0 cases on Papworth trajectory]</p>	<p>Trust rate and number of cases for 2014/15 and 2015/16 includes 4 cases which the Scrutiny Panel confirmed were not the fault of Papworth and were therefore removed from the trajectory (final number = 3 cases for both years)</p> <p>Infection prevention and control is a key priority for the Trust.</p>	<p>See Part 3 of report – Other Information.</p>

Indicator	2015/16 (or latest reporting period available)	2016/17 (or latest reporting period available)	Papworth Hospital NHS Foundation Trust considers that this score or rate is as described for the following reasons...	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 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 ^{Note 3}</p>	<p>(i) Trust number for 2014/15 was 2342.</p> <p>The Acute Specialist Trust highest total was 5291, the lowest was 85 and the average was 2048.</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) 1 resulted in severe harm/death equal to 0.04% of the number of patient safety incidents.</p> <p>The highest Acute Specialist Trust % of incidents resulting in severe harm/death was 4.18%, the lowest was 0% and the average was 0.47%.</p>	<p>(i) Trust number for 2015/16 was 2346.</p> <p>The Acute Specialist Trust highest total was 4781, the lowest was 681 and the average was 2450.</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) 3 resulted in severe harm/death equal to 0.13% of the number of patient safety incidents.</p> <p>The highest Acute Specialist Trust % of incidents resulting in severe harm/death was 0.97%, the lowest was 0% and the average was 0.17%.</p>	<p>Data is submitted to the National Reporting and Learning System in accordance with national reporting requirements.</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>

Data Source: Health and Social Care Information Centre portal as at 04/04 2017 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. This was not selected as zero apportioned to Papworth Hospital NHS FT.

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

Review of quality performance 2016/17

2016/17 has been another busy year for Papworth Hospital and its staff, with the Hospital treating over 25,000 inpatient/day cases and over 92,500 outpatient episodes in 2016/17 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 2016/17. 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 2015/16 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 2016/17 where these have not been carried forward as key priorities for 2017/18. Pulmonary endarterectomy has been included as 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 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 has been reviewed and refreshed 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 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 continues
 - 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

- 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 Papworth QI academy

The quality 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 NHS Standard Contract *SC35 Duty of Candour* specifically requires NHS provider organisations to implement and measure the principles of Being Open under a contractual Duty of Candour which is further underpinned by the QCQ Regulation 20 which places a statutory Duty of Candour on all NHS organisations.

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 has embedded the principles of Being Open and Duty of Candour and believes that engaging with the patient and or their family when they have been harmed as a result of their care delivery is fundamental to the ethos of our organisation. The Trust measures compliance against this requirement through the Quality and Risk Management Group, providing assurance to the Trust board and 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. 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

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 Papworth Hospital throughout 2016/17 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.

Hand hygiene remains an important infection prevention and control measure to reduce the risk of spread of infection, including MRSA, on the hands of healthcare workers. This was audited continuously in 2016/17 and the overall hand hygiene compliance by staff was greater than 95% at the time of writing. In addition, many other measures are taken to prevent the spread of MRSA infection including MRSA screening of patients admitted as in-patients to the hospital, treatment of MRSA carriers, isolation of patients and cleaning of both the environment and equipment across the Trust.

During 2016/17 the total number of *Clostridium difficile* cases on our trajectory was zero, against a ceiling of five, and the total number of MRSA bacteraemias was zero, against a ceiling of zero. All MRSA bacteraemias and cases of *C. difficile* are reported to our Commissioners. We perform root cause analysis on each case to review the events and enable continuous improvement of practice. Any subsequent lessons learned are shared with the Commissioners and if the root cause analysis 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.

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.

MRSA bacteraemia and C. difficile infection rates

Goals 2014/15	Outcome 2014/15	Goals 2015/16	Outcome 2015/16	Goals 2016/17	Outcome 2016/17	Goals 2017/18
No MRSA bacteraemia	Total for year = 1	No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia	No MRSA bacteraemia
No more than 4 <i>C. difficile</i> cases	Total for year =3	No more than 5 <i>C. difficile</i> cases *	Total for year =3	No more than 5 <i>C. difficile</i> cases *	Total for year to date = 0	No more than 5 <i>C. difficile</i> cases *
Achieve 100% MRSA screening of all patients	Average 98.5%	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% for first three quarters	Achieve 100% MRSA screening of patients according to agreed screening risk assessment

Data Source: Mandatory Enhanced Surveillance System (MESS)

* Method for counting changed from 2015/16

Infection Control Practices in the Cystic Fibrosis Unit

In 2012/13 the Trust reported on the increase of infections caused by the antibiotic-resistant bacterial species *Mycobacterium abscessus* (*M. abscessus*). *M. abscessus* is distantly related to the bacterium that causes Tuberculosis and is usually found in water and soil. This is of concern particularly in the cystic fibrosis population due to their susceptibility to serious infections.

The teams at Papworth Hospital, the University of Cambridge and the Wellcome Trust Sanger Institute have continued with their research into this area and are linking with other centres across the world to further understand this species and its transmission.

As a result of their initial findings a new cystic fibrosis clinic has been established specifically for patients with *M. abscessus* in order to ensure enhanced infection prevention precautions for this group of patients. Investigations into the possible routes of transmission are being undertaken. New cleaning regimes and new procedures regarding the wearing of personal protective equipment have been introduced in both inpatient and outpatient facilities for all cystic fibrosis patients to reduce the risk of cross infection.

Carbapenemase Producing Enterobacteriaceae (CPE) in Cambridge University Hospitals (CUH) NHS Trust

In December 2016, it became apparent that there had been cases of CPE at CUH, which led to an increase in the screening programme that is undertaken for patients admitted to Papworth. The decision was made to screen all patients admitted for an overnight stay to Papworth who had been in-patients at CUH in the last year; this required careful thought with regard to the management of the patients, staff education and management of the extra screens. To date, there has been one positive case of CPE identified from the enhanced screening programme – this patient was identified as high risk and cared for appropriately from admission.

Infections Related to Heater Cooler Units

A Public Health investigation was commenced in the UK in February 2015 following reports of infections in some European countries which were caused by an unusual bacterial organism, *Mycobacterium chimaera*. These infections were related to previous cardiothoracic surgery. They are serious infections of the deep tissues around the heart, or of the heart valves and can occur up to ten years after the surgery took place.

Similar infections were subsequently identified in a small number of patients in the UK. The infections are thought to be acquired during the operation due to air contamination from water tanks in equipment used for the surgery. The equipment, a heater cooler unit, is used to warm and cool the body during surgery.

A review of patients who have had cardiothoracic surgery at Papworth Hospital was performed and no infections with this organism have been detected so far. However, in the UK a total of 26 cases were detected by February 2017, 15 of whom have died. Given that around 35,000 heart operations are performed each year in the UK, this represents a very small risk.

Papworth Hospital has fully participated in this investigation and has introduced prevention measures as advised by Public Health England and the equipment manufacturer. These measures include regular disinfection of the heater coolers, frequent draining and replacement of the water in the tanks and microbiological testing of the water. Patients are fully informed of this infection risk and are advised on how to find further information in a written letter provided to them before surgery takes place.

Public Health England published a new guidance on 20 February 2017: "Mycobacterium chimaera infections: guidance for secondary care" and "Infections associated with heater cooler units used in cardiopulmonary bypass and ECMO". The guidance explains how healthcare providers should mitigate risks associated with the use of heater cooler units for cardiopulmonary bypass and extracorporeal membrane oxygenation. Papworth Hospital is currently considering the ways of implementing the guidance into practice.

Influenza

The Trust continues to be committed to providing a comprehensive flu vaccination programme for staff and the uptake for 2016/17 was 75%. Vaccines have been ordered for the 2017/18 season with a plan to recommence the programme in October 2017. In 2016 -17 11 patients with Influenza were admitted to Papworth; two of these cases were level 2/3/ECMO patients.

Sepsis

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.

The report below is the first clinical audit report since the adoption of the sepsis care bundle at Papworth and was completed 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. A further audit has been delayed whilst waiting for the NICE national guidelines to be published in 2016. The aim is now to introduce quarterly audits starting by the end of quarter one of 2017/18.

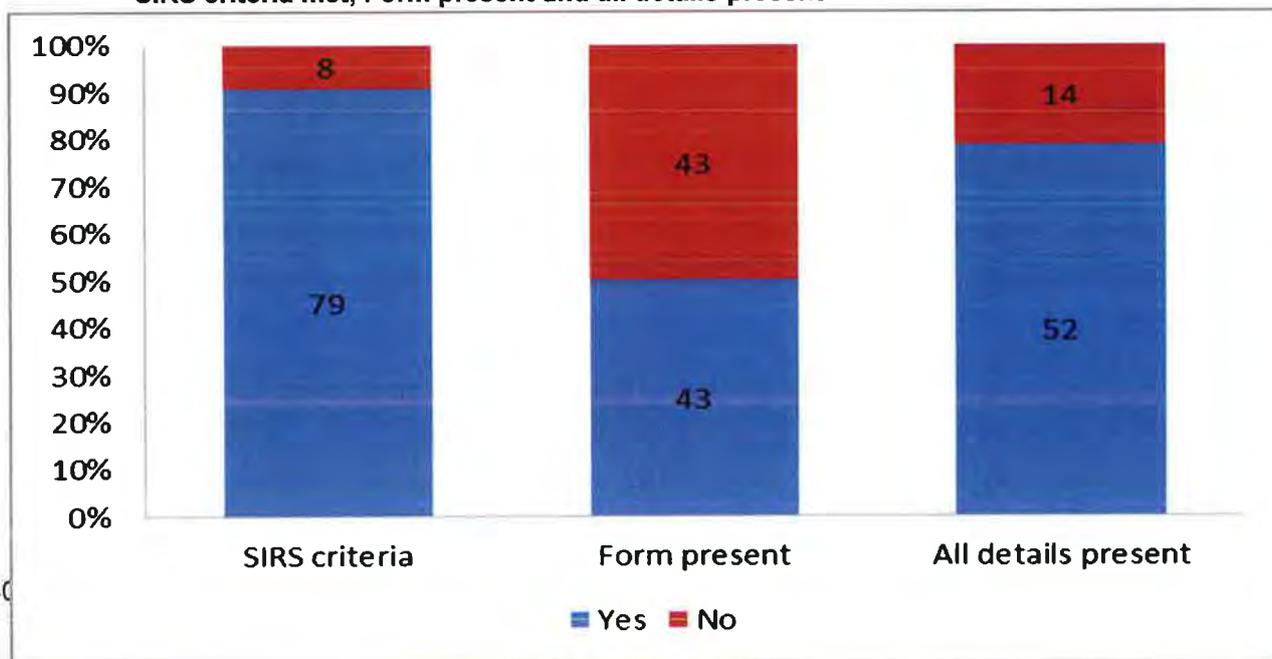
Standards

	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
1	SIRS criteria to be met for all patients referred for Sepsis	100%	91%
2	Sepsis 6 care bundle to be present in patient notes	100%	50%
3	Sepsis 6 care bundle documentation to be complete	100%	79%
4	IV Abx to be commenced within one hour of referral	100%	89%
5	ABG/Lactate measured within one hour of referral	100%	84%
6	Blood cultures to be taken within one hour of referral	100%	91%
7	Fluid challenge administered within one hour of referral	100%	76%
8	High Flow Oxygen administered within one hour of referral	100%	62%
9	FBC/Catheterisation commenced	100%	87%
10	Care bundle used until resolved	100%	16%

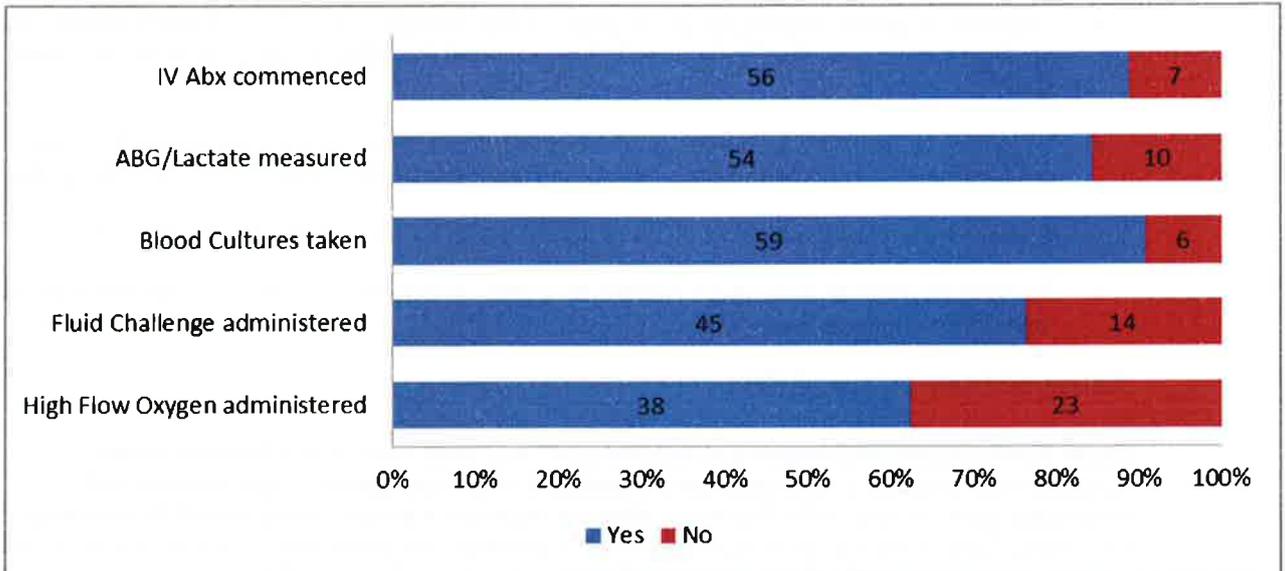
SIRS criteria met, Form present and all details present



*Note that SIRS criteria and Form present was taken from a total of 89 patients, All details present was taken from 70 patients

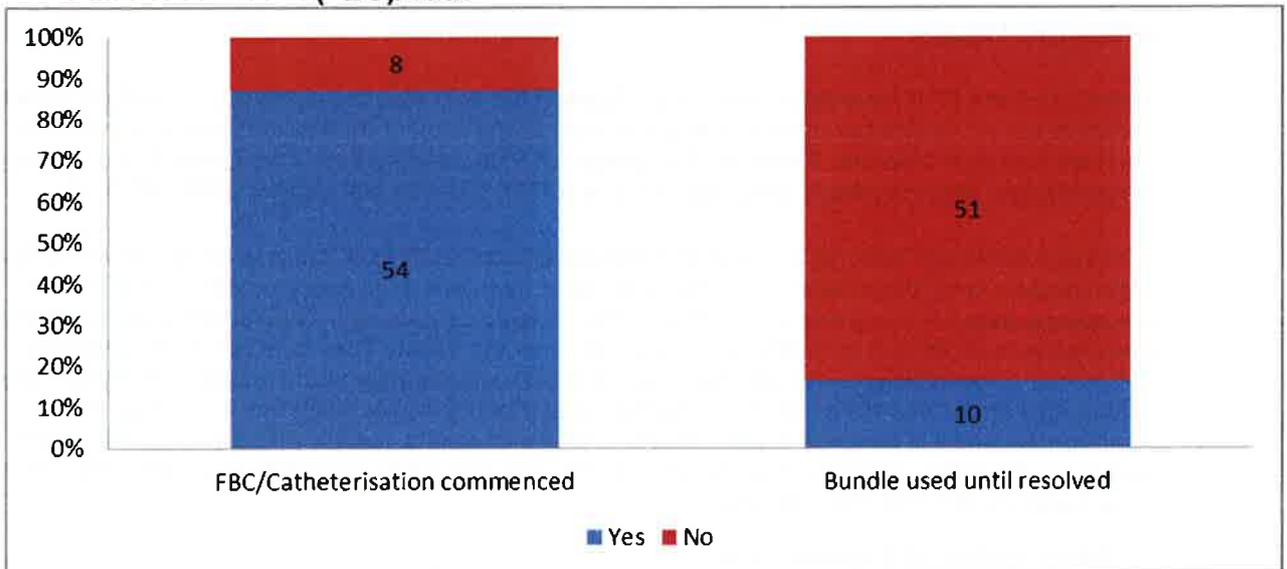
High compliance is seen for meeting the SIRS criteria (91%) and good compliance for all details being present (79%). However, only half the forms were present (50%).

Actions taken within one hour



Areas of high compliance here are in regards to IV Abx being commenced (89%) and blood cultures being taken (91%). Both ABG/Lactate measured and Fluid Challenge administered showed good compliance at 76% and 76% respectively. High flow oxygen being administered is sitting at 60% compliant.

Full Blood Count (FBC)/Catheterisation and use of Care Bundle



The commencement of FBC/Catheterisation showed high compliance at 87% which differed greatly from the use of the Bundle which was only used until resolved in 16% of cases.

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 our audit have highlighted failures in achieving 100% in all the set standards supporting the concerns of the SSC national audit results. The highlighted areas that need significant improvement are ensuring the form is present, ensuring High Flow Oxygen is administered within 1 hour and the use of the Bundle until the situation is resolved. It was noted during the audit that all ward areas file patient data / care plans differently making it difficult to find the forms in the patient folders/ notes. The lack of standardisation of filing of care plans in patient folders in this trust could be viewed as having contributed to the

failings in the documentation of care given and ensuring of the use of bundle until symptoms have resolved. Other areas that were found to be reasonably compliant but that could still be improved upon were; ensuring all details were present, administering Fluid Challenge within 1 hour and measuring ABG/Lactate 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 introduce Sepsis Link nurses on the wards who will update their teams on any new developments, education of their teams and also ensuring that standards are being met
- Standardisation of the filing of all patient care plans for ease of access of all forms
- 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 (AKI) became a national and Trust wide priority as it became widely accepted that this was a real issue which impacted on patient safety in both primary and secondary care. In July 2016, Papworth Hospital received a patient safety award in the category of Cardiac Care. This was in recognition of the Trust wide initiatives which had been introduced to tackle the problem of AKI. Papworth had been working hard to introduce measures to ensure the early recognition and treatment of AKI including early risk assessment of all patients who had the potential to develop AKI post cardiac surgery or cardiology procedures. The pathways and policies put in place followed national guidelines from NICE which had been introduced at the end of 2015. In presenting the award, the judges said: This is a well-recognised problem and a priority across the NHS. Papworth demonstrated they had a clear solution in place to ensure patient safety."

Pressure Ulcers

Pressure ulcers (PU) have been defined as ulcers of the skin due to the effect 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) (new for last quarter 2016, 2016/17).

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, 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 reported 2016/17 - figures up to end of Jan.	25 (20 unavoidable, 5 avoidable)	0	0	16 (12 unavoidable, 4 avoidable)
Number reported 2015/16	30 (18 unavoidable, 12 avoidable)	2 (1 unavoidable, 1 avoidable)	0	6 (5 unavoidable, 1 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 critical care. 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.

Initiatives for 2017/18 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 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 speciality.

Goal 2016/17	Outcome	Goal 2017/18	Outcome
To clearly identify in the reporting system pressure ulcers that are medical device related or developed on ECMO patients	Achieved, and on-going	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
Introduce reporting of Grade 2 pressure ulcers admitted to the Trust that were developed outside of the Trust	Achieved, and 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
To continue the Pressure ulcer prevalence audit 6 monthly and increase to x 3 per/year, to run alongside Safety Thermometer monthly audits	Achieved, and on-going	To continue the Pressure ulcer prevalence audit and increase to quarterly, to run alongside Safety Thermometer monthly audits	Achieved, and on-going

Safety, Communication, Organisational Reliability, Resilience/Burnout & Engagement

The development of a positive safety culture within NHS organisations where people felt safe to highlight and learn from incidents was considered a priority in the report to Government by Don Berwick in 2013. One of the recommendations of this report was that organisations undertake a safety culture survey in order to inform the development and implementation of strategies to improve their culture. In 2014 the Trust utilised the Manchester Patient Safety Framework (MaPSaF) survey (NPSA 2006) which highlighted some areas of potential development for the Trust. This implementation of this tool required multiple facilitated discussion groups which proved challenging to repeat in the current climate therefore an alternative tool was sought. We have worked with the East Anglian Health Scientific Network (EAHSN) who recommended the Safety, Communication, Organisational Reliability, Resilience/Burnout and Engagement (SCORE) tool which was developed by the US based Safe and Reliable Healthcare and has been piloted in the UK by the South West

HSN in multiple NHS settings. There has been DH funding to roll it out across the country and we were one of the first to pick it up.

The SCORE tool (2017) is an integrated survey which provides in depth and actionable insights into organisational clinical and operational performance and risk. It is administered by following a web link to a questionnaire which takes about 10 minutes to complete. The Trust has provided an iPad to RSSC as well as sending out links in emails to get the best uptake possible from all clinical and admin staff.

Patient Safety Incidents – Severity

Severity	15/16 Q4	16/17 Q1	16/17 Q2	16/17 Q3	Total
Near Miss	21	98	98	80	297
No harm	475	433	397	337	1642
Low harm	128	146	129	132	535
Moderate harm	7	5	3	11	26
Severe harm	0	2	0	0	2
Death caused by the incident	1	0	0	2	3
Death UNRELATED to the incident	2	4	3	8	17
Total	634	688	630	570*	2522

Table 3c – Incidents by Severity (Data source: DATIX 30/01/17)

*Incidents still under investigation have not yet been graded

Consistent numbers of patient safety incidents are graded as near miss, no/low harm over the last 12 months (98%) which demonstrates the willingness to report and learn from all types of incidents. There has also been a small increase in the number of incidents being reported linked to “known complications” that have been graded as “death unrelated to the incident”.

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 30/1/2017. 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.

Never Events

Introduced by the Department of Health, a “Never Event” is defined as serious, largely preventable incidents that should never happen if the right measures are in place. As with all serious incidents these events need prompt reporting and detailed investigation. In January 2017 the Trust reported a Never Event patient safety Incident relating to a misplaced Naso-Gastric tube (NG). This has been subject to a full Root Cause Analysis investigation and the report was finalised in March. There was no harm to the patient. 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. Compliance with the NHS Patients Safety Alert concerning nasogastric tube displacement: *Nasogastric tube misplacement: continuing risk of death and severe harm* 22 July 2016 NHS/PSA/RE/2016/006 was reviewed as part of the investigation and the Trust is compliant. Further recommendations include:

- Improving handover between care settings with amendments to the handover checklist
- Raising awareness of the importance of compliance with NG bundle.

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" carryout "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 reports 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 2016/17 to identify themes and recommendations to be discussed at the Falls MDT group.

The root cause identified was that all patients who fell were mobilising independently at the time. A number of contributory factors were identified through the review:

- Patients had identified mobility problems
- The majority of patients were post-surgery
- Unfamiliar environment was also a factor

There were 2 falls that required a serious incident investigation in 2016/17. A number of actions were addressed as a result of the investigations.

- Falls mats with a risk assessment were introduced
- Falls procedure in relation to risk assessment was reviewed
- Findings of MDT members post fall assessment being communicated to team.
- Ensuring appropriate rostering of staff including skill mix
- 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
2013/2014	54	33	34	35	156
2014/2015*	44	42	46	63	195
2015/2016	54	38	44	50	186
2016/2017	57	39	55		

Data source: DATIX™ 5/4/2017

Falls incident data by location 1/4/2016 – 1/4/2017

Incidents by Severity											
	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Total
Cardiology	4	2	8	3	2	3	7	5	5	2	41
Surgery	6	7	10	3	10	4	11	6	9	1	67
Theatres, Critical Care and Anaesthesia	0	0	1	1	0	0	0	0	0	0	2
Thoracic	5	6	8	5	4	4	4	4	3	3	46
Transplant	0	0	0	0	0	0	0	0	1	1	2
Total	15	15	27	12	16	11	22	15	18	7	158

Data source: DATIX™ 5/4/2017

Work is ongoing to help with reducing the number of patient falls in the Trust. Other initiatives underway include:

- Addition of extra fields on Datix to provide more intelligence on reasons for patients falling
- Understanding time of day of when most falls occur
- Introduction of enhanced care guidelines for high risk patients.

Prevention of venous thromboembolism (VTE)

The prevention of hospital associated thrombosis (HAT) was named by NHS England Medical Director Sir Bruce Keogh as his number one clinical priority. Substantial progress has been made in supporting best practice for preventing HAT over the past 10 years through the work of the National VTE Prevention Programme and there is evidence to suggest that fewer people are now dying from HAT (All-Party Parliamentary Thrombosis Group Annual Review, November 2017 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>) issued in June 2010. VTE prevention remains a clinical priority at Papworth Hospital and these quality standards are incorporated in the Trust procedure on VTE prevention. VTE prevention is well established in the daily clinical care of patients within the Trust.

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 has conducted RCAs on all VTE events known to the Trust to date since September 2010. In 2016/17, 29 VTE events were subject to RCA (compared with 38 in 2015/16), of which 28 were deemed to be unavoidable. 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;
- changes in the nursing documentation 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.

It is acknowledged nationally that the ability to monitor hospital acquired thrombosis and identify the critical underlying reasons is heavily reliant on manual processes. Furthermore, the lack of standardisation makes national data collection and interpretation challenging. As an Exemplar Centre for VTE prevention, 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 NNMN meet twice annually and last year was pleased to welcome Jacqueline McKenna Director of Nursing for Professional Leadership and Practice for NHS Improvement to their October meeting.

The table below illustrates the percentage of patients who were risk assessed for VTE on admission to Papworth Hospital:

		% of In-Patients Risk Assessed for VTE	Quarterly %
April 2016	Q1	97.3	
May 2016		97.0	
June 2016	Q2	97.9	97.4
July 2016		98.1	
August 2016	Q3	97.9	
September 2016		97.9	98.0
October 2016		97.0	
November 2016	Q4	97.4	
December 2016		97.3	97.2
January 2017		97.0	
February 2017		97.5	
March 2017		97.0	97.1

Data source: UNIFY database as reported in Quality and Risk Management Group Report

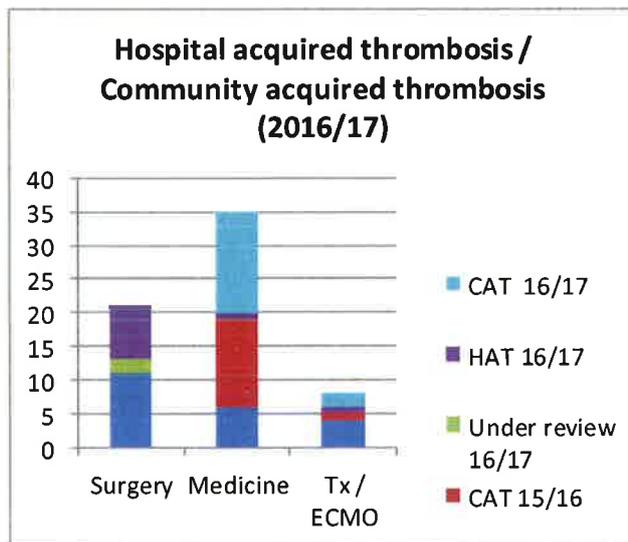
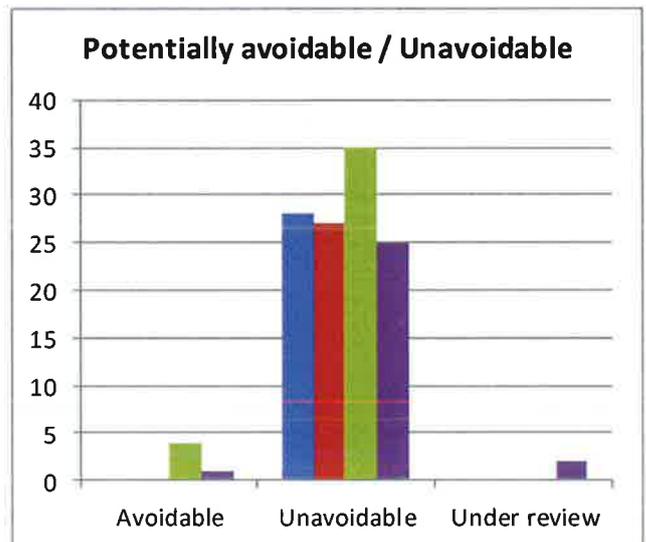
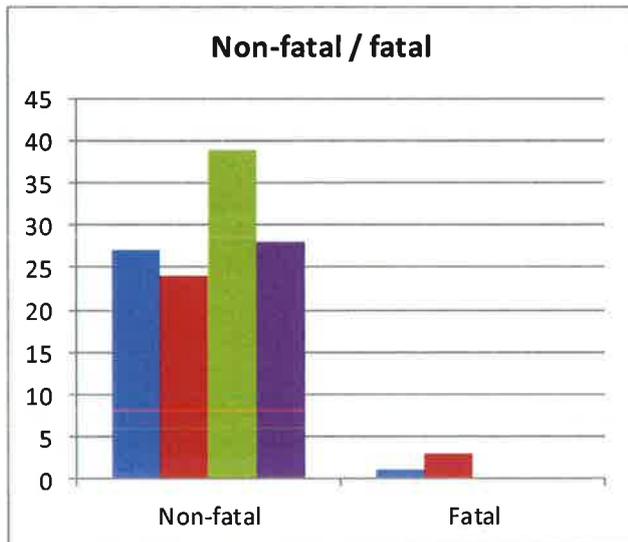
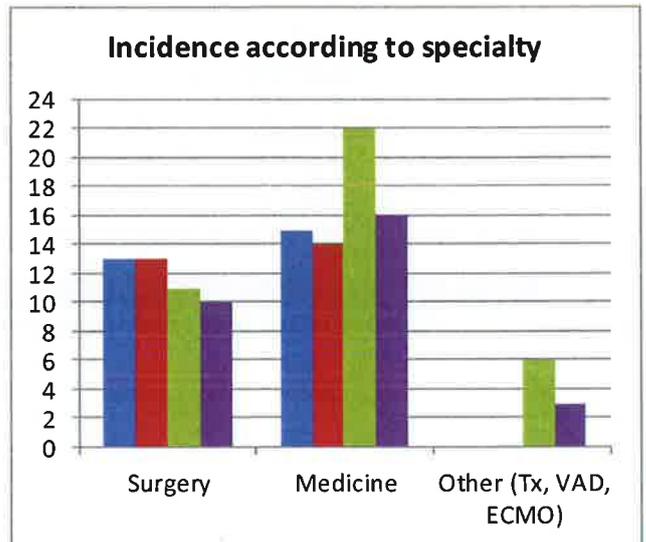
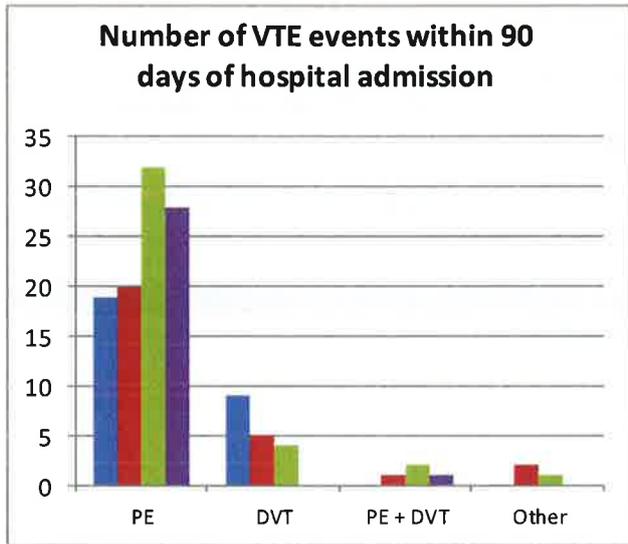
Monthly prevalence audit of the appropriateness of VTE prophylaxis is ongoing and reported quarterly to the Quality and Risk Management Group. As illustrated in the table below, 278 patient records have been reviewed between April 2016 to March 2017 and all patients were considered to have received appropriate prophylaxis.

Quarter	Month 16/17	% Appropriate prophylaxis	Average over quarter
1	April	100	Q 1: 73 sets of notes reviewed
	May	100	
	June	100	
2	July	100	Q 2: 71 sets of notes reviewed
	August	100	
	September	100	
3	October	100	Q3: 78 sets of notes reviewed
	November	100	
	December	100	
4	January 2017	100	Q4: 56 sets of notes reviewed
	February	100	
	March	100	

Reported in Quality and Risk Management Group Report

VTE Annual Report 2016/17

2013/14 ■ 2014/15 ■ 2015/16 ■ 2016/17 ■ 2017/18



Key points:

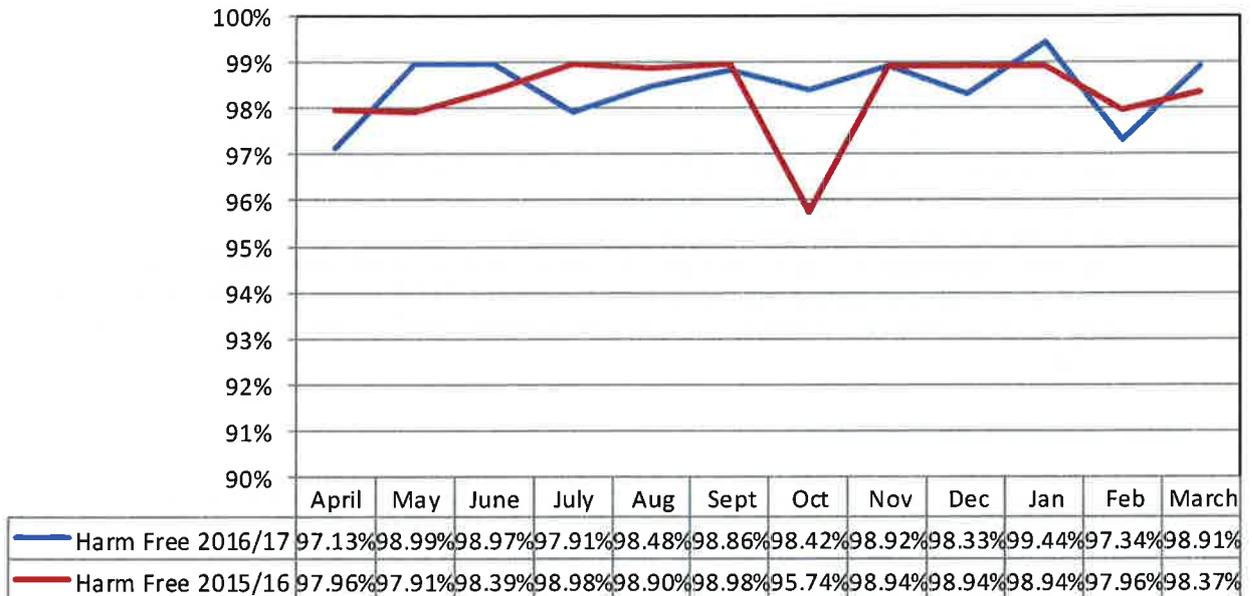
- Over 97% patients were risk assessed for VTE on admission to Papworth Hospital in 2016/17
- Prevalence audit of 278 patient records show patients received appropriate VTE prophylaxis
- All VTE events are subject to root cause analysis (RCA) and findings reported back to the accountable consultant and disseminated to appropriate clinical teams
- In line with the Trust Being Open & Duty of Candour Policy DN153, where it is considered that not all measures were taken to reduce the risk of VTE the event is reported as potentially avoidable and RCA findings are discussed with the patient
- Use of Intermittent Pneumatic Compression for VTE prevention has increased around the Trust as evidenced by the growing number of requests and requirement to hire more devices

All the VTE events in surgical patients were hospital acquired as opposed to those that occurred in medical patients whereby 68% were community acquired. This is not an unexpected finding due to the additional risks associated with surgery.

Delivery of Harm Free Care

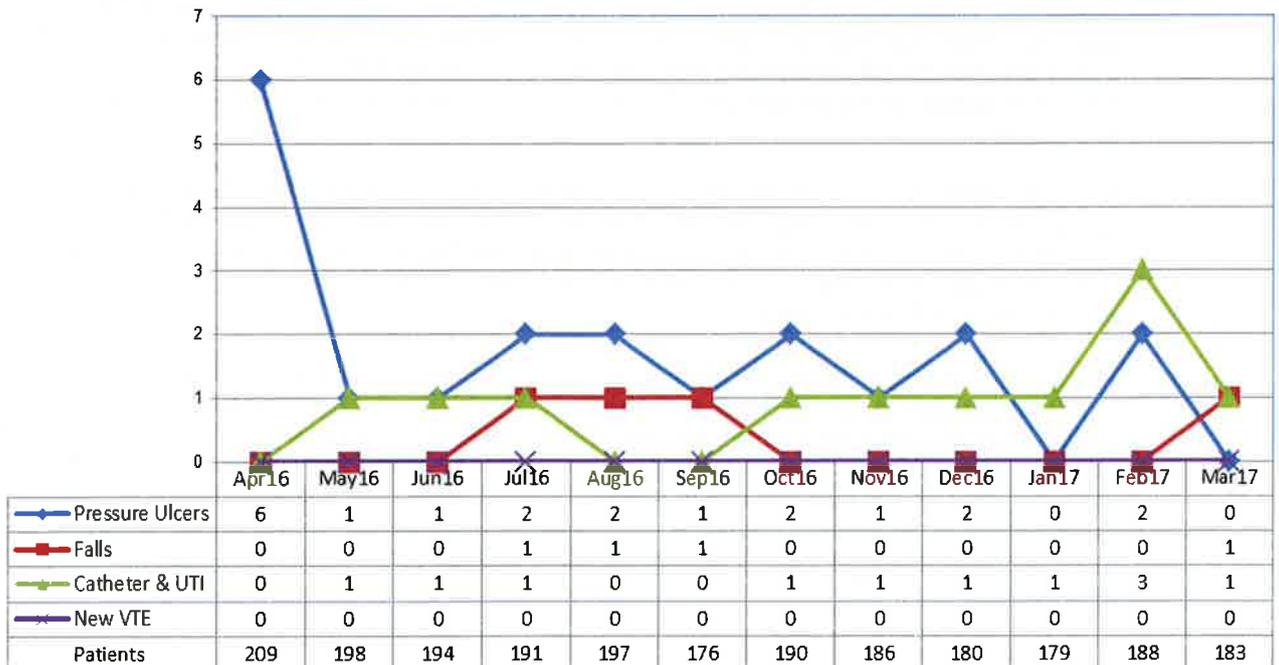
Harm free care is defined by the absence of pressure ulcers, falls, venous thromboembolism (VTE) and catheter-associated urinary tract infections (CAUTI). The Trust continues to use the NHS Safety Thermometer (a point of care survey instrument) whereby teams measure and report harm and the proportion of patients that are "harm-free" during one day each month.

The Table below demonstrates 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. All nurses are informed by the NMC of their impending Revalidation date and need to comply with the new regulations. It is the individuals' responsibility to provide the evidence that they comply with the regulations and need to complete the revalidation document on-line stating that they have met the requirements. Nurses at Papworth Hospital NHS Trust will have had a meeting (prior to their revalidation date) with their line manager / senior nurse in their Department to show their portfolio and demonstrate they have met the requirements.

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 via the NMC on-line.

Status report

- 100% compliance with Nurse Revalidation
- As of March 2017 there are 671 nurses in substantive posts, 166 nurses have successfully revalidated between April 2016 and February 2017. None of these nurses have been asked to submit any further data to support their application.
- 69 nurses are due to revalidate between March and June 2017.
- 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

Following the reports of the Francis Inquiry and the Berwick Review into Patient Safety, the Chief Nursing Officer for England has worked with the National Quality Board (NQB) to produce a guide to nursing, midwifery and care staffing capacity and capability.

The NQB set out the immediate expectations of NHS providers in providing safe staffing levels. The guide brings together tools, resources and examples of good practice as a practical guide to help NHS providers and commissioners ensure that the right people, with the right skills are in the right place at the right time.

The Trust continues to successfully complete all returns to Unify for safer staffing with the compliance target of 90% fill rate achieved 100% of the time as an average across the Trust. Monthly reports from the ward areas are scrutinised when staffing levels are either below 90% or over 100% fill rate with exceptions documented in returns to UNIFY. The Board of Directors receives a monthly update of the percentage of vacancies and a report about initiatives to continuously improve this.

Red flag events have developed thereby giving ward managers and Matrons an early indication of safety being potentially compromised. All areas comply with displaying expected and actual staffing numbers in public areas and have started to report red flag events. Ongoing work is in progress to further triangulate red flag data and safer staffing data to allow for a more real time indication of staffing and ward performance.

Regular monitoring of the wards is done to ensure effective and timely data entry of bed occupancy, to inform decisions around staffing requirements. The Matrons are responsible for the review and assessment of Care Hours per Patient day (CHPPD) data on a daily basis to highlight concerns and take appropriate action to ensure effective staff utilisation. Red Flag, CHPPD analysis and staff utilisation reports are sent to the Nurse Advisory Committee on a monthly basis and actions are taken following review and discussion. Key Performance Indicator meetings are carried out to monitor and review roster effectiveness and staff utilisation for the Nurse clinical rosters, to ensure safe staffing.

The Trust has continued to carry out formal establishment reviews bi-annually, using the CHPPD tool, thereby validating the safer staffing tool. Any establishment changes/roster template changes which impact on CHPPD to be reviewed before changes agreed. The bi-annual ward establishment reviews continue to sense check data on Healthroster and report to the board. The use of CHPPD has also helped inform nursing staff requirements for New Papworth Hospital.

Patient Safety Rounds

Patient safety is the number one priority for all staff; yet some report a dissociation between frontline staff and patient safety experts. Bridging this gap is one way of promoting patient safety within an organisation. Patient safety rounds have been used as a tool to promote engagement of frontline clinical staff and improve overall patient safety culture. At Papworth, patient safety rounds have been in place since October 2015 and take place on a monthly basis.

The patient safety team includes representation from Consultant patient safety leads, area managers, Pharmacists, Matrons, Executive Directors and more recently an ex-patient. A set of ten questions are used to facilitate discussion between the team members and staff. Key topics include, communication, understanding recent harm, leadership, incident reporting, areas of good practice, concerns from staff patients and relatives, teamwork and current barriers to safe care.

Since October 2015 a total of 14 patient safety rounds have taken place. The positive themes were the high levels of communication amongst staff, the positive leadership that was evident, feedback from both staff and patients being followed up and evidence of a great safety culture. Areas that were highlighted as requiring attention were the timings of ward rounds, inadequate staffing levels and issues with equipment; either not enough supplies or current equipment not being fit for purpose.

Following each patient safety round immediate feedback was given to the person in charge of the ward or department. This was followed up by a written report which was owned by the ward /department and actioned through the relevant business unit. The reports were also made available to the quality and risk management group. Some actions that were taken have included:

Cleaning standards addressed
Faulty equipment replaced.
Storage of medicines addressed
Written information given to patient more streamlined.
Work on timings of ward rounds ongoing.
Staffing levels being assessed a number of times per day.

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 2016/17 the patient experience group have worked on identifying what our Always Events should be. The patient experience group have sought feedback from patients through patient listening event held in November 2016 and through feedback from patient stories. Going forward the Trust is committed to agreeing and embedding Always Events in 2017/18.

Patient Stories at Board

Non-Executive Directors (NEDs) have been supported in capturing patient stories to present at the start of the Board meeting since early 2016 and four of the six NEDs have completed this process which was evaluated in December 2016. A short survey was sent out via email and the responses were summarised as follows:

- Three of the four NEDs that responded had carried out patient stories.

- The number of stories per NED ranged from one to two and, in total; five patient stories have been captured.
- Of the three NEDs who captured the stories all found the process valuable because:
 - 'Extremely powerful'
 - 'I think it helps connect me to the purpose of the organisation in a very direct way'
 - 'Introduction to life on the ward as experienced by patients, particularly a blind patient and the impact of operations being cancelled'
- Three of the four NEDs found the presentation of the patient stories useful and suggested:
 - 'it sets the right tone for the meeting, surfaces some issues of note and helps build a picture of the organisation in day to day reality'
 - 'the learning of small points but every improvement helps patients'
 - 'It is valuable for information to get directly from bed to the board. It is also useful to spend more time with staff during this process'
- Three of the NEDs felt that the Board should continue to start with a patient story; the fourth understood the value that other NEDs may derive so supported the continuation.

The Outcome of the evaluation was the recommendation for the NED patient stories to continue to be captured and presented to the Board at the start of each meeting which was agreed.

Patient Stories-Matrons

The Matron's stories have been reviewed and the responses have been themed. The Matron will liaise with the ward team to find patient who would be willing to spend some time reflecting on their experience with the Matron. 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
- Very efficient service by all staff

What is the worst thing about your stay?

- No intranet signal
- Frequency of staff changes
- Night time disturbances
- Lack of privacy
- 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?

- Internet connection
- Rest times to be observed
- Less noise at night
- Would have liked eye pads and ear plugs
- New hospital to have green spaces

Actions taken from the patients stories:

- Group set up to look at the hospital at night
- Eye pads and ear plugs available

A question was added to the templates in October 2016 to ask What would you want us ALWAYS to do?

- Always give us privacy
- Always ensure that the patient is listened to
- Always ensure that the buzzers are answered as soon as possible

- Always include family and friends in care planning
- Always be honest and open about things
- Always ensure that a CF consultant can be contacted in order to contribute to the patients care plan
- Always ensure that the environment is clean

Dementia

The quality care delivery for every patient, every time, is at the heart of all we do at Papworth Hospital NHS Foundation Trust. The publication by the Alzheimer's Society, 'Fix Dementia Care: Hospitals' January 2016, sets out recommendations for the NHS and regulators to improve the experience of people affected by dementia in hospitals. We at Papworth have incorporated the recommendations into our strategy for Dementia care and are reporting to Quality and Risk on a quarterly basis on progress.

We recognise that patients with a diagnosis of dementia have specialist needs and we must ensure that as well as doing 'no harm' whilst the patient is within our care, the patient and carer experience needs to be enhanced.

Patients with a diagnosis of dementia are highlighted at the daily patient safety brief and operational meeting. The named nurse for Dementia and Matrons follow up these patients ensuring staff are supported and educated on ensuring an individualised care plan is in place, that reasonable adjustments are made and that discharge planning is proactive allowing patients to return to their place of residence as safely and as quickly as possible.

In 2016/17 we have focused on capturing feedback from patients with Dementia and their carers. Feedback and lessons learnt has been shared with ward teams and Matrons with wider dissemination being shared through safeguarding newsletter. Our Datix reporting system has been adjusted to ensure we capture incidents with harm to patients with Dementia. There have been no reported incidents with harm to patients with dementia in 2016/17.

Learning disabilities

A learning disability affects the way a person understands information and how they communicate. Around 1.5m people in the UK have one. This means they can have difficulty:

- understanding new or complex information
- learning new skills
- coping independently

It is thought that up to 350,000 people have severe learning disabilities. This figure is increasing. Development of leaflets and providing information in an easy to understand format is essential to ensure patients with learning disabilities are informed in a way they understand. To that end the Trust through the named nurse for learning disabilities and the safeguarding group have begun to develop a series of leaflets to advise patients, carers and staff. The first two leaflets have been written and are directed towards all staff - working with people who have Autism and learning disabilities: Your patient has a learning disability; PALS "We're here to help". Going forward to 2017/18 the focus will be on developing the public internet site to include prompts regarding information about disability access and where they can find leaflets to support their stay at Papworth

CQUIN Related Patient Experience Data

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
No. of patients admitted with a diagnosis of dementia	6	5	6	13	18	10	10	13	13	10	13	10
Carers provided with questionnaire	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

The survey given to carers of dementia patients continues to be circulated. The Trust is exploring ways to improve the return rate as it is the last Hospital that patients attend on their patient pathway.

Frailty

Frailty is a distinctive health state related to the aging process in which multiple body systems gradually lose their in-built reserves. Around 10% of people aged over 65yrs have frailty, rising to between a quarter and a half of those aged over 85 years. It is recognised that there is a need to consider frailty when assessing patient's suitability for eg cardiac surgery and to make improvements to the consenting process.

Our local commissioners set a CQUIN for 2016-17 which sets out requirements relating to the proactive management of frailty.

Progress in 2016/17 included:

- Stakeholder Task and Finish group set up (June 2016).
- Project leads visited the CUH PRIME clinic (pre-operative frailty clinic)
- Development of pre assessment questionnaire in the form of 'All About Me' booklet.
- All patients attending preadmission clinic are being assessed for frailty using the Rockwood frailty score (August 2016).
- Audit of 100 patients completed looking at frailty assessment and outcomes in patients for isolated CABG and isolated AVR.

Next steps for 2017/18:

- Promote the use of frailty scoring to encompass all surgical patients including IHU patients
- Evaluate the use of 'All about Me' booklet. (January 2017)
- Present results of audit at surgical audit meeting to inform the use of frailty scoring in cardiac surgery for the future (April 2017).

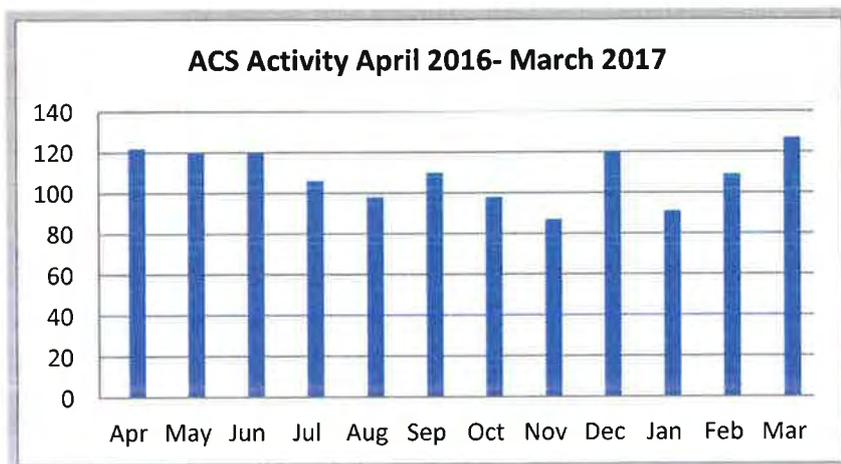
Acute Coronary Syndrome (ACS) Activity

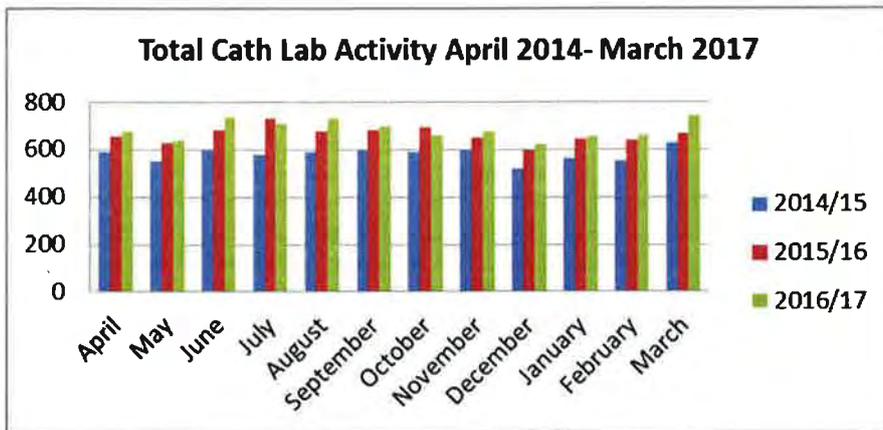
March 2017 saw the highest level of ACS activity (127 patients) put through the Cath Labs during 2016/17. This equated to a 14% increase on February 2017 activity and 27% increase on January 2017 activity. This impacted on routine RTT treatment as these were cancelled to accommodate urgent ACS procedures. The service was under considerable pressure with inpatient bed closures due to Norovirus and a number of contingency changes were implemented for this period as outlined below:

- Ad hoc extended weekend lists, lists extended from scheduled finish of 1pm to 5pm and ad hoc evening lists extended beyond 8pm
- A number of pre and post ACS patients admitted to the Day ward
- Extended day ward opening hours (on a Saturday)
- Continual cross cover of the cath labs by consultants
- A greater number of day case patients consented by a specialist nurse saving consultant time
- Cancellation of elective cardiology list to ACS list.

Recent ongoing changes within the Cath Lab have further supported the additional activity and include:

- Procedure times (PCI, EP< diagnostic) reviewed to allow greater throughput of patients during the same opening hours
- Lab leader role created to encourage efficient turnaround time of the Cath Labs





Theatre Cancellations

There were 34 theatre cancellations in February 2017 following 54 theatre cancellations in January 2017. Occupancy in CCA in January was 94% (target figure for CCA occupancy is 85%). This was despite reduced admissions and elective cardiac surgery activity (compared to previous months – excluding December) and indicative of length of stay (LOS) remaining high. Median LOS was high in patients under the care of Transplant/VAD, respiratory ECMO and respiratory medicine.

Key Actions undertaken:

- Work with surgical and nursing teams to ensure patient flow from critical care is as efficient as possible in order to minimise the number of ward patients on the unit.
- Proactive management of repatriations through Critical Care network, NHS England if a specialist service and Executive Director to Executive Director at receiving Trust.
- Review the mix of cases and number of cases on a daily basis to try and minimise the number of cancellations.

Patient Led Assessments of the Care Environment (PLACE) Programme 2016

PLACE was introduced in 2013 as the new system for assessing the quality of the patient environment, replacing the former Patient Environment Action Team (PEAT) inspections. The assessments apply to both the NHS and independent/private healthcare sector in England. The PLACE programme aims to promote the principles and values of the NHS in England established in the NHS Constitution including:

- Putting patients first;
- Actively encouraging feedback from the public, patients and staff to help improve services;
- Striving to get the basics of quality of care right;
- A commitment to ensure that services are provided in a clean and safe environment that is fit for purpose.

The assessments are undertaken on an annual basis focusing on the areas which patients say matter and encourage the involvement of patients, Governors, the public and other bodies with an interest in healthcare (e.g. Local Healthwatch). They go into hospitals as part of a team to assess how the environment supports patients' privacy and dignity, food, cleanliness and general building maintenance. It focuses entirely on the care environment and does not cover clinical care provision or how well staff are doing their job. The last assessment took place on 13th April 2016 and the inspection team consisted of a mix of patient assessors and Trust staff including Matrons.

Papworth Hospital results

Food

This area once again has improved from last year with a score 5.1 %, above the national average.

Condition, Appearance and Maintenance

This area has improved from last year with a score 8.5 %, above the national average.

Due to the relocation of Papworth to Cambridge maintenance works carried out on the site have been of a reactive nature rather than the previous proactive approach,

Despite this it is clear from the scores that we have not only maintained the site above any legal or statutory requirements but have increased our national average.

In terms of the general site this was very well received, a comment from one of our external assessors was "Although some cosmetic changes would make things 100% - currently 99% and echoed by the patient I spoke to. Congratulations on keeping the hospital "floating" so well". There were some negative comments in relation to lack of storage, which is an ongoing issue but will be reviewed and picked up with Matrons. The maintenance works picked up were very minor, we have reviewed these few issues and captured them within the action plan.

Privacy, Dignity and Wellbeing

Within the Privacy, Dignity and Wellbeing section the provision for patients to have minor procedures/wound dressings in a separate treatment room, was an area where points were missed.

Points were also lost for not having single rooms and access to individual patient entertainment (TV and Radio); these areas are unlikely to be remedied till the move to Cambridge.

Dementia

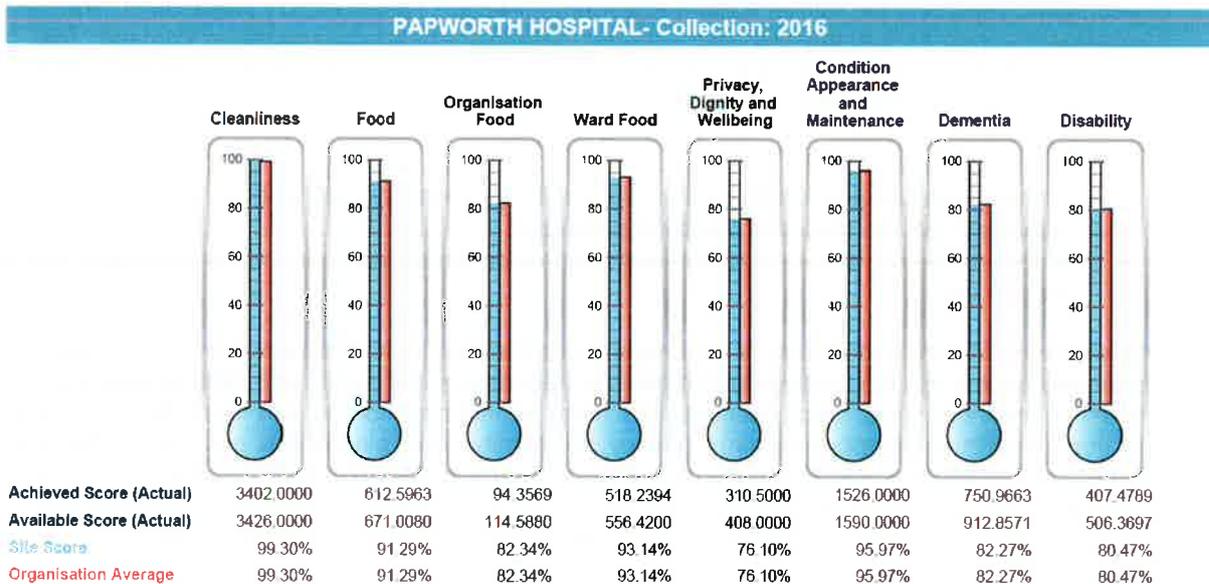
The latest guidance in relation to dementia care environment such as clearly defined and signed entrances to all ward, is difficult to achieve within the current Hospital. Where possible we will aim to achieve these standards, but some of these will continue to be difficult until the new Hospital is opened in April 2018.

Cleaning

We continue to perform well above the national average in terms of cleanliness, with a further improvement from last year scoring 0.34% above the national average.

In addition to the above, the results from this audit have been reviewed by the Operational Support Team, with any defects or areas of concern being rectified. The whole site continues to be monitored on a regular rolling basis.

The results below show Papworth Hospital's scores (in blue) and the national average (in pink). Actions identified have been reported to the Trust's Operational Executive Group and monitored through contract meetings.



Source: Health and Social Care Information Centre

More information can be obtained on the Health and Social Care Information website

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 2016/17 Papworth Hospital received 57 formal Complaints (61 in 2015/16) requiring investigation (36 inpatient and 21 outpatient

complaints). 54 were relating to NHS provided services with 3 complaints relating to private patient services at Papworth Hospital. The overall numbers of complaints received has decreased on the numbers received during the previous year when 61 complaints were received (7% decrease). 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 26 Enquiries in 2016/17. 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.

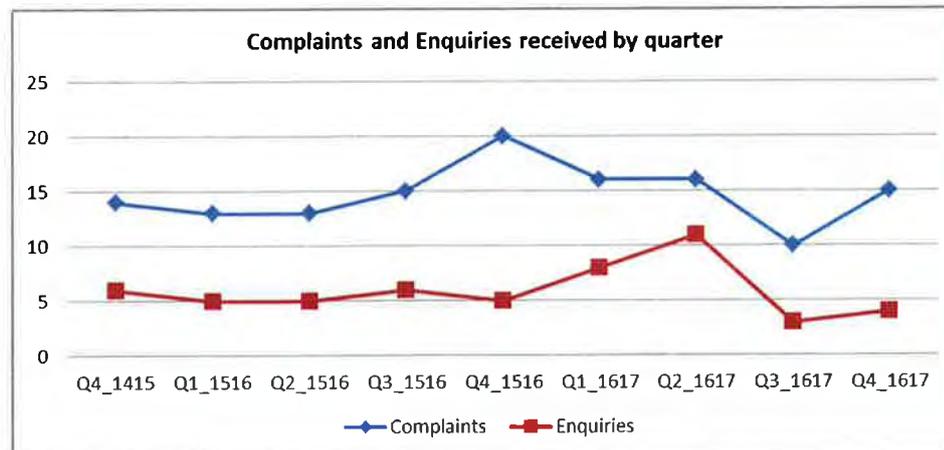


Figure 1: Trend of formal complaints and enquiries received by quarter

	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 15/16	27,310	13	0.5	7
Q2 15/16	29,155	13	0.4	9
Q3 15/16	28,850	15	0.5	10
Q4 16/16	28,743	20	0.7	9*
Total 15/16	114,058	61	0.5	35*
Private Patients Only (In-patients and Out Patients)				
Total 15/16	4,950	3	0.6	2
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	2*
Total 16/17	120,102	57	0.5	27**
Private Patients Only (In-patients and Out Patients)				
Total 16/17	5,142	3	0.6	2

Number of complaints reported and upheld per 1,000 patient episodes

* Some of the complaints received in Q4 2015/16 were not resolved at the time of reporting – this data has been updated with correct end of year figures – Data source DATIX™ as at 03/04/2017. ** Some of the complaint in Q4 2016/17 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 03/04/2016

Out of the 57 complaints received in 2016/17, 47% were upheld or partly upheld following investigation (2015/16: 57%). Clinical care and Communication / Information categories remain the highest reason for complaints. As the overall number remains low, it is difficult to extract meaningful trends from the data. Following is a comparison of complaints raised by primary subject by year.

Complaints received by primary subject	2016/17	2015/15	2014/15	2013/14
Verbal or physical abuse	0	0	0	1
Admission arrangements	0	0	1	4

Staff attitude	5	4	4	4
Clinical Care	17	21	20	16
Nursing Care	4	6	2	2
Catering	1	0	1	0
Patient charges	1	0	1	0
Communication/Information	18	20	8	12
Delay in diagnosis/treatment or referral	6	4	6	8
Discharge Arrangements	2	2	0	4
Equipment Issues	1	0	0	3
Parking	0	0	0	0
Lost Property	0	0	0	0
Environment - External	1	0	0	0
Medication issues	0	2	0	1
Medical Records	0	0	0	0
Transport Issues	1	2	0	0
Totals	57	61	43	56

Complaints by primary subject (Data source DATIX™ as at 03/04/2016)

Selection of actions taken as a result of upheld and part upheld complaints – 2016/17
Improving communication with referring and receiving hospitals by improved documentation. Improving the standard of discharge summaries
We have undertaken an audit of the quality of TTO letters
We have reviewed the admission and communication process for patients with progressive lung disease admitted for bronchoscopy. The admission list now contains detail of patient procedure and timings
Nursing staff are now attending interactions between doctors and patients wherever possible to improve communication about the planned care and treatment for the patient
We have reinforced the Housekeeper training on Mallard Ward. Food hygiene training has been offered to all housekeeping and healthcare support workers who are involved in food production etc. this will be ongoing training managed by the education team.
We have nurse education regarding care of PICC lines. All RN's work through Trust procedure (DN555) and complete a self-assessment.
We have clearly defined the purpose of the telephone appointment in correspondence being sent to the patients
We have implemented a patient tracker for all secretarial offices
We have developed a formal mechanism within the Transplant Business Unit to log and track patients awaiting in-patient transfer to Papworth. The Transplant Business Unit to develop minimum data set for in-patient transfer to ensure patient safety.
In relation to MRI reporting capacity challenges: Patients will be informed of realistic time frames for receiving results, in line with current reporting timeframes to meet the patient's expectations.

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

Care Quality Commission (CQC) Inspections

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 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

The ratings for 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

The Trust has run two internal mock CQC inspections during 2016/17.

The internal inspection team rated the hospital as 'Good' overall on May 5th 2016 and 'Good' overall on November 21st 2016. On both occasions the internal inspection indicated an 'Outstanding' rating for Care.

The November inspection included 4 external colleagues from neighbouring organisations. The internal contribution was made up of 3 Doctors, 3 students (1 of which is one of our own Healthcare Support Worker on an Open University program), 1 pharmacist, 2 managers (radiographer and CCA), and 1 Social worker with the rest nursing staff.

And areas that required improvement were:

- CCA – medicines management
- Cardiology – sedation incident, lack of shared learning evidence
- Surgery – unwarranted variation

Detailed action plans have been worked through with Directorate teams with a view to moving from 'Good' to 'Outstanding'

Clinical effectiveness of care domain

Non-heart beating donors (DCD) procedure

In response to the worldwide shortage of donor hearts for transplantation, a research team at Papworth Hospital has developed a new technique that significantly increases 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 good organs shrink. This innovative technique has enabled surgeons at Papworth to utilise donor hearts which were previously considered unsuitable to transplant. This procedure is proving to be so successful at Papworth, that the hospital has been able to increase the number of people receiving a heart transplant by almost 50% - since the inception of the programme in 2015 there have been 27 DCD Heart Transplants. As a consequence of this increase Papworth is performing 50 or more Heart Transplants per year which means we are the busiest UK unit and one of the busiest in the world. Each DCD Heart Transplant also means that another patient will benefit from a traditionally procured organ when it becomes available.

MICRA transcatheter pacing system

On 24 February 2017, Papworth performed its first surgical implant of a MICRA transcatheter pacing system. Presenting with atrial fibrillation and bradycardia (slow heart rate), the three patients treated on the day, were ideal candidates for a single chamber pacemaker. Recently launched in 2015, MICRA is 93% smaller than traditional pacemakers. Its size enables a minimally invasive approach, by implanting the pacemaker into the heart through a vein in the leg. Its leadless design also leaves no visible protrusion under the skin, an inevitable occurrence for patients with traditional pacemakers, which can be prone to trauma, discomfort and unsightly scars. Dr David Begley commented: "Infection is a major risk of traditional systems; by using a self-contained device, implanted entirely in the heart, you can reduce the risk of superficial and systemic infection. This goes a long way in delivering a higher standard of care for our patients, and improving their quality of life post-surgery." The team involved in the exciting procedure included Dr Patrick Heck, Sandra Silva, Marca Nuues, Josefina Villaflor, Stephen Clark from Medtronic, Alaina Yardley, Dr Paul Cacciottolo, Steven Foster, Tony Keohane, and Dr Florian Falter.

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. 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 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 Papworth 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.

Papworth Hospital is the tertiary centre 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 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 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, Papworth is expected to treat 85% of patients referred on this pathway within 62 days of referral. For the purposes of cancer waiting times 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 Papworth is not the first Trust to see any patients and therefore Papworth is only accountable for 50% of any pathway where the patient is treated here. This means the numbers of treatments Papworth records is very small. Where patients are referred to Papworth late in the pathway, the Network has an agreement that these breaches can 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 Papworth's figures because they are both first seen and treated elsewhere. New guidelines on allocations for beaches between hospitals were introduced from April 2016 but this is not currently reportable through Open Exeter.

Performance against the 62-day target

For 2016/17, Papworth is likely to achieve its cancer waiting time target (CWT) for 62-day patients after reallocations, subject to March data being confirmed (see figures for 2016/17 and comparative figures for 2015/16 below). For each patient for whom the target was breached, a full root cause analysis was undertaken to understand the reasons for the breach. In June 2016 Papworth agreed a Rapid Action Plan and local monitoring to achieve 85% for the 62 day target by February 2017. The Rapid Action Plan included:

- Meeting referring DGHs to facilitate early referral to 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;
- 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.

Performance – 2016/17

CWI 2016/17										
February 2017 (Updated 27/03/17)										
62 day waits										
	1. 62 day patients (Urgent GP Referral)			2. 62 day patients (including re-allocations)			3. 62 day patients (Consultant Upgrade)			Comments
	Target = 85%			Target = 85%			Target = 90%			
	Total treated	Breaches	%	Total treated	Breaches	%	Total treated	Breaches	%	
Apr-16	5.0	2.5	50.0%	5.0	2.5	50.0%	0.0	0.0	n/a	confirmed
May-16	3.5	1.5	57.1%	3.5	1.5	57.1%	0.0	0.0	n/a	confirmed
Jun-16	3.5	0.5	85.7%	3.5	0.0	100.0%	0.0	0.0	n/a	confirmed
Q1	12.0	4.5	62.5%	12	4	66.7%	0	0	n/a	confirmed
Jul-16	6.5	1.5	76.9%	6.5	1.0	84.6%	0.0	0.0	n/a	confirmed
Aug-16	4.5	1.5	66.7%	4.5	0.0	100.0%	0.0	0.0	n/a	confirmed
Sep-16	5.5	1.0	81.8%	5.5	0.0	100.0%	0.0	0.0	n/a	confirmed
Q2	16.5	4.0	75.8%	16.5	1.0	93.9%	0.0	0.0	n/a	
Oct-16	5.5	1	81.8%	5.5	0.0	100.0%	0.0	0.0	n/a	confirmed
Nov-16	5.5	1.0	81.8%	5.5	0.5	90.9%	0.0	0.0	n/a	confirmed
Dec-16	2.5	0.0	100.0%	2.5	0.0	100.0%	0.5	0.0	100.0%	confirmed
Q3	13.5	2	85.2%	13.5	0.5	96.3%	0.5	0.0	100.0%	
Jan-17	2.5	0.5	80.0%	2.5	0.5	80.0%	0.5	0.0	100.0%	confirmed
Feb-17	2.5	0	100.0%	2.5	0.0	100.0%	0.0	0.0	100.0%	confirmed
Mar-17	5.5	1.0	81.8%	5.0	0.5	90.0%	0.0	0.0	n/a	provisional
Q4	10.5	1.5	85.7%	10.0	1.0	90.0%	0.5	0.0	100.0%	provisional
YEAR	52.5	12.0	77.1%	52.0	6.5	87.5%	1.0	0.0	50.0%	

Data Source: Column 1 – Results as reported on Open Exeter (as of 01/04/2017). Column 2 reflects reallocations which have been agreed under the Anglia Cancer Network Inter Provider Transfer Policy, which are not included in Open Exeter.

Performance – 2015/16

	1. 62 day patients (Urgent GP Referral)			2. 62 day patients (including re-allocations)		
	Target = 85%			Target = 85%		
	Total treated	Breaches	%	Total treated	Breaches	%
Q1	8.5	3.0	64.7%	9.5	3.5	63.2%
Q2	7.5	3.5	53.3%	7.0	3.0	57.1%
Q3	8.0	3.0	62.5%	8.0	3.0	62.5%
Q4	7.0	3.0	57.1%	6.0	2.0	71.4%
YEAR	31.5	12.5	60.3%	30.5	11.5	62.3%

Data Source: Column 1 – Results as reported on Open Exeter (as of 05/05/16). Column 2 reflects reallocations which have been agreed under the Anglia Cancer Network Inter Provider Transfer Policy, which are not included in Open Exeter.

Papworth Leads in Transplant Survival Rates

Papworth Hospital achieved a first among UK's 7 cardiothoracic transplant centres, having topped the tables across all six measures for patient survival post-surgery, highlighted by NHS Blood and Transplant's (NHSBT) Annual Report 2015/16.

Papworth Celebrate 21 Years of Thoracic Oncology Unit

Papworth colleagues were joined by friends and supporters to mark the 21st anniversary of the Thoracic Oncology Unit at Papworth Hospital, at a celebratory dinner in Queens College, Cambridge. Key speakers including Mr Francis Wells, Dr David Gilligan and Dr Robert Rintoul, shared the pivotal milestones in the service's history that have shaped its success. This ranged

from the innovative Two-Stop Clinic set up by Mr Francis Wells, Director of Thoracic Services, in 1995; to the £2.5m grant from the British Lung Foundation (BLF) and Victor Dahdaleh Charitable Foundation in 2016 - the largest grant ever awarded to Papworth, for mesothelioma research. The occasion also honoured colleagues, past and present, who have been central to the growth and success of the oncology service.

Organ Matching App Wins Innovation Award

An App developed at Papworth that automatically matches organ donors to an ideal recipient from a pool of potential candidates without the need for manual selection has been named winner of the Software/ICT/Assistive Technology category in the NHS Innovation Competition run by Health Enterprise East. Jas Parmar says: "We were delighted to receive this award. Like most good ideas, this app is a simple solution to a real world problem. Donor offers invariably arrive in the middle of the night and involve multiple conversations about potential recipients for the donor lungs on offer. This is a very complex and time constrained process that requires careful attention to detail and we hope this working prototype will improve the opportunity of a transplant and also add to patient safety." The team, which includes Harikrishna Doshi, David Yan, Pedro Catarino and input from Marie Findlay in Transplant, plan to invest the award in the development of the app and to extend it to other organs and centres.

Respiratory Extra Corporeal Membrane Oxygenator (ECMO)

Papworth Hospital is one of five centres in the country to provide the highly specialised Respiratory Extra-Corporeal Membrane Oxygenation (ECMO) service, including specialised retrieval of patients from referring hospitals.

ECMO supports adults 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.

ECMO is a technique that oxygenates blood outside the body. It can be used in potentially reversible severe respiratory failure when conventional 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 ventilation. It is high risk and is only used as a matter of last resort in difficult cases. 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 specialists, cardiothoracic surgeons, 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.

As a tertiary cardiothoracic centre, Papworth Hospital has been providing specialist ECMO services (both respiratory and cardiac) for a number of years to patients such as those undergoing heart or lung transplantation. 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 Papworth ECMO course that attracts national and international delegates, with more than 300 delegates from 5 continents having attended too far.

From December 2011 the service provided by Papworth became part of the national network of services across England, and now provides a year-round ECMO service, including the retrieval on ECMO of patients from the referring hospital by a dedicated team. Papworth works very closely with the other 4 national ECMO centres to ensure all patients in England have immediate access, all week long and at any time of the day or night, irrespective of their location. The consultant Intensivist provides 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 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, Papworth is now inviting team members of all referring intensive care units to attend an annual meeting to review indications and outcomes, and

share areas of best practice. The last annual meeting was held in Cambridge in November 2016. 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. In 2016 the National Respiratory ECMO service undertook a detailed peer review of each centre, assessing them against the National Standards set by the Critical Care Reference Group (NHS England). Papworth received a positive report with excellent comments on the quality of the nurse education programs and the documentation of retrieval of ECMO patients.

In the past year Papworth ECMO Service received international attention when a patient asked HRH Prince Harry to present her Invictus Games gold medal to the hospital as a symbol of her gratitude for saving her life in 2014. The medal will be put on display in the Critical Care Area. This attracted an unprecedented amount of publicity with the news being shared by all major Networks.

Summary of ECMO activity at Papworth Hospital since December 2011 - March 2017

*discharge from 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%

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 2016 a survival of 66% for patients supported with respiratory ECMO.

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 only form of PH that is potentially curable. 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. 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. The operation is complex and requires a long time on the heart lung bypass machine with the patient cooled to half normal body temperature. During the critical part of the surgery where the clots and scarring are removed the heart-lung bypass machine is turned off for up to 20 minutes to create a bloodless field. The bypass machine is then turned back on to re-perfuse the body's organs again before it is turned off to remove the clots and scarring from the other lung.

Since 2000 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 Papworth and the hospital has been at the forefront of developments in

this field with multiple research publications and participation in international conferences. Doctors from all over the world visit regularly to learn the operation and Papworth Hospital surgeons have also travelled to assist surgeons in their own hospitals. There is annual 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. A change has been successfully introduced to the patient care management in the critical care setting post operatively with those patients who are stable being weaned from sedation and ventilation so allowing return to the progressive care unit within a day of surgery.

The introduction of a progressive care unit (PCU) within the surgical care pathway has benefitted the PEA patients in providing an environment where there is a high dependency care provision but in a less intimidating and less intensive care area which has been of benefit to the experience of both patient and their families.

In 2016 Papworth performed 174 PTE, (27 with additional cardiac procedure), with an in-hospital mortality of 3.4%.

A Papworth development that has been of benefit to patients nationally is the status of Papworth as a specialist centre for ECMO. Prior to this last year two patients were retrieved on ECMO from other centres with severe CTEPH, undergone PEA surgery and experienced uneventful post-operative recoveries and subsequent discharge home.

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. Following setting up of this algorithm, an auditing has been carried out to identify if there are any non-clinical reasons for delays in discharge and it showed that all the delays were genuine and clinical. This development has helped the MDT to recognise and anticipate delays in discharge and has improved the patient experience through better communication. This learning has informed the development of the PEA check list which is expected to be implemented early in 2017.

The Trust quality account for 2014/15 included a priority to provide high quality care and follow-up for patients who have complex discharge needs following Pulmonary Thromboendarterectomy surgery (PEA). A multi-disciplinary group formed to project manage the priority and following a year's hard work the last action from the project was completed with the creation of a video to prepare patients and their families preparing to undergo the surgery, and also preparing them as to what to expect after operation so that they will be confident in taking the patients home. Thanks to the patients and their family members who contributed to this film.

A Patient Reported Outcome Measure (PROM) was completed within the PEA service in the previous year, and the collated report was shared with service stakeholders. The information is being used to drive service improvement further for users of the service and from lessons learnt, PROMs is being currently repeated.

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. Dr Stephen Hoole, Consultant Interventional Cardiologist, commented:

“Our BPA service offers new hope for some patients who cannot have surgery. We have now completed 45 procedures to support 16 CTEPH patients. Of those we have followed up with so far, there has been a significant reduction in pulmonary pressure by 30% and better average walking distances at six minutes.”

As we await NHS England's decision on commissioning of the national service, we continue to work with Papworth Hospital Charity, who has entirely funded the procedure, to help improve the lives of these selected CTEPH patients.

Advanced Nurse Practitioners (ANP)

Following the successful pilot of the Ward Based Advanced Nurse Practitioner (ANP) role, agreement was reached to expand the team to enable more surgical wards to be covered on a day to day basis Monday to Friday. Two new staff were recruited into the team in July and August of 2016. We have just recruited two more staff to the team; one is qualified to fulfil all aspects of the role immediately, the other nurse has been recruited in a developmental role. It is hoped that she will complete the necessary qualifications of Non-Medical Prescribing and Advanced Skills in Clinical Assessment in the coming year which are essential elements of the role. The role of ward based ANP has been very favourably received by the medical teams and, since February, with the reduced number of junior doctors, the role has been essential in order to maintain the continued recovery of many patients and has assisted in the transition of patients from recovery to discharge.

With the ever increasing pressure placed on the Trust in ensuring we have the capacity to perform our elective and In House Urgent caseloads, the Discharge lounge has supported early patient discharge from the ward on the day of discharge, rather than have the beds occupied, on occasions until late in the day, whilst patients waited for relatives or friends to come and collect. The nursing staff in the lounge are supported by the ANP and the Senior Sister. The Ward based ANP role has also been instrumental in providing support to the new initiative of an Admission and Discharge Lounge which began in 2016. Patients admitted to the Trust on the day before surgery have often waited for long periods of time in ward day rooms until a bed has become available. Their prompt clerking has been delayed which has impacted on other essential services such as blood transfusion. To overcome this problem and provide a more streamlined admission process, the ANP on the Admission Lounge is responsible for the clerking and processing of patients through the initial investigations and admission paperwork. Once completed, the patients are then free to go to the restaurant for lunch until such time as the bed is available on the ward, which can be later in the day. The ANP role has prevented unnecessary delays in this process and also provided some on hand support for many very anxious patients.

Since the beginning of February, the ANP's are now rostered to work a Sunday clerking shift, a shift that has historically always been provided by the junior doctor teams. Again the role of the ANP has enabled pre surgical patients to be seen and prepared for surgery in a timely manner and this has prevented unnecessary delays in this process which has been welcomed by the medical teams. Surgical teams are now supported by the ANPs on the ward in the absence of a junior doctor for the day. The ANP provides the continuity of care previously provided by the junior doctor and is relied upon to liaise with senior medical staff and other agencies to ensure patients are continued on their path to recovery and not prevented in doing so by the absence of a doctor.

There have been recent updates to the In House Urgent (IHU)/Acute Coronary Syndrome (ACS) Pathway team. From the beginning of March, a new ANP commences. This role is essential in supporting the IHU Pathway ANP already post. The two roles will allow for timelier triaging of patient referrals from external DGH's. Working closely with the bed managers, these roles enable more timely admissions with a focus on prioritising each case individually to ensure the sickest patients are referred and treated first and in a timescale that meets with government expected targets and ACS CQUIN. A second ACS / IHU nurse is required to support this team and the admitted cardiology patients on the ward. Whilst there has been a delay in recruiting into this post, the ANP team have provided support in the absence of the IHU ANP to ensure daily IHU MDT meetings are held every day as planned and patients are presented in a timely manner.

Much work has been undertaken to enable closer working relationships are forged and maintained between Papworth and out DGH colleagues. Two meetings have now been held which have provided really opportunities to share; learn and improve the referral, admission and repatriation process. These meetings have been held and initiated by Papworth IHU team and have been very well received. It is hoped the will continue to be a regular occurrence so that all specialist teams can support each other in the months ahead and during the time of transition for Papworth Hospital from the current site to the new Biomedical Campus at CUH next April.

Patients admitted through the IHU pathway, are reviewed and clerked on the wards in preparation for theatre by either the Ward based ANP or IHU Pathway Nurse. This has enabled a more timely admission process so that if there are complications, they are dealt with earlier, to prevent unacceptable cancellations. The ANP attempts to clerk patients as soon as they arrive at Papworth so that should the need arise to expedite surgery; this is possible as all necessary investigations are completed. Data collection is continuous with IHU / ACS referrals to provide up to date information on whether Papworth is achieving and maintaining acceptable targets and timeframes. In doing so, patients can be assured that we are doing our utmost in ensuring their procedures are not being

unnecessarily delayed.

Looking ahead, we are preparing as a team for the move to the new Papworth site, and looking at our ways of working, our shift patterns and our continued delivery of the ANP role to our patients, our medical colleagues and to Papworth Hospital in ensuring the role continues to provide the necessary support to prevent delayed discharges, delayed referrals and timely repatriations to allow expected levels of activity to continue within our Cardiac, Thoracic and Cardiology specialities.

Morbidity and Mortality Monitoring

The Rapid Case Note Review process has been subject to a pilot and will begin in earnest from 1 April 2017. Clinical morbidity measures for each specialty have also been agreed and these will be reported through future Business Unit and Directorate Quality and Risk Reports from April 2017.

Lorenzo

Lorenzo is a nationally available EPR system that is already live in 16 NHS organisations with a further five planning to deploy over the next year. After a process of clinical evaluation from our staff, and financial evaluation, Papworth chose the Lorenzo system and have been successful in our bid for funding. A great amount of work has been undertaken by staff across all departments including IT, clinical teams, finance and other departments who have supported it through the many stages to get to this position.

Our technology transformation programme is now fully underway following our bid for Department of Health funding to support the deployment of the new Lorenzo Electronic Patient Record (EPR) system. The new EPR is one part of a multi-faceted programme which will revolutionise how patient care is delivered over the coming years at the Trust. Currently there are a number of different patient record systems used within the Trust. In future, the new system will bring together the various pieces of information held about a patient, putting it directly at our fingertips. It will replace the iPM PAS system and see a significant shift away from paper-based records towards electronic records. Good use of IT can help improve care for patients. At the moment the efficiency of our teams across the hospitals can be hindered by some of the IT systems which we have had in place for many years. That can impact on the quality of the patient experience and we now have the opportunity to change that. Implementation work has now started with CSC – the company that provides Lorenzo - and a go-live date for the first phase of the system is planned for the 5th of June 2017, this will be followed by an optimisation phase in readiness for the move to the new hospital in 2018.

Quality Performance against NHS Improvement selected metrics

Throughout 2016/17 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 Papworth.

Operational performance Metrics

Indicator	Plan	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	YTD Actual
18 weeks Referral to Treatment (RTT)	92%	93.7%	93.78%	93.45%	93.65%	93.76%	93.76%	93.96%	93.66%	93.15%	92.70%	92.96%	92.53%	
62 day cancer wait*	85%	50%	57.1%	100%	84.6%	100%	100%	90%	90.9%	100%	83%	100%	90%**	87.5%**
31 day cancer wait	96%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6 week wait for diagnostic	>99%	99.3%	99.1%	99.3%	99.38%	99.49%	99.38%	99.40%	99.30%	99.27%	99.18%	99.32%	99.29%	99.31%
C. difficile (sanctioned)	5	0	0	0	0	0	0	0	0	0	0	0	0	0

*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.

**provisional May 2017

A listening organisation

What our patients say about us

2016 National Adult Inpatient Survey

The 2016 inpatient survey demonstrates that we continue to deliver an excellent patient experience. As well as having the best response rate in the region, we continue to be one of the top performing trusts nationally.

Overall

96.5% of patients felt they were treated with dignity whilst in hospital

95.8% of patients felt well looked after by hospital staff

Admission

Papworth was the highest scoring Trust within the survey, with 92.5% of patients not having to wait to get to a bed

Doctors

95.9% of our patients trusted their doctors

99% felt they received understandable answers to their questions about treatment

Nurses

We were also the highest scoring Trust across all areas of Nursing, including: 91.7% patients receiving understandable answers to their questions about treatment

95.1% of patients trusted their nurses

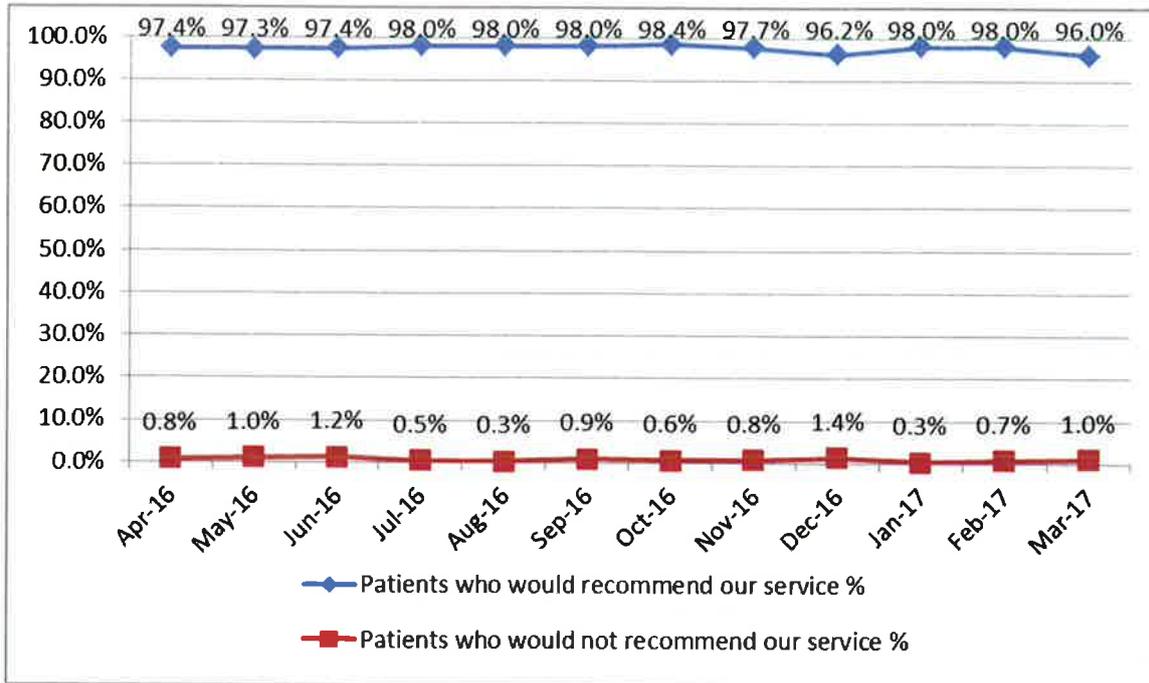
94.2% of patients felt their nurses didn't talk about them as if they weren't there

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 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 2016/17



"Neither" or "don't know" excluded from numerator

www.england.nhs.uk/statistics/statistical-work-areas/friends-and-family-test/

Patient support groups

Papworth has several patient support groups, which include:

The Papworth Mesothelioma Support Group – PMSG (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 Wimpole Hall or a cruise along the River Ouse. 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.

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 a year now and is currently chair of the social group.

February 2017 saw the 'relaunch' of the group. We changed our name from 'support group' to 'social group'. This was to reflect the friendly and sociable nature of the group. The relaunch day was very well attended by members old and new, and we welcomed Dr Robert Rintoul, Lead Chest physician at Papworth Hospital and Claire Tripp, the deputy Chief Executive to deliver talks. We have a new website, Facebook page and twitter accounts now – keeping up with the times!

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 will again be marked by PMSG on 7th July 2017. This will take place at Hemingford Abbots Village Hall and involve offering information, raising public and health professional awareness of the disease, and education. There will be a release of doves at this event. 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 two PVDU Consultants speaking on the new procedure Balloon Pulmonary Angioplasty for some patients and the latest research in PH; the Director of Nursing at Papworth gave a talk on the nursing plan and New Papworth; there was again a tour of the pathology department for patients to see what happens to their blood samples etc; and there were Specialist Nurse Q&A sessions.

Planned speakers for the next twelve months include a talk by a clinical trials coordinator and a presentation by the Director of the PEA service.

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 seven 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 Papworth PH Support Group for a number of years and have benefited in a number of ways from the understanding and empathy of those who have PH or have undergone a PTE procedure. The support given to new members is invaluable in helping them understand that they are not alone and they can have an open discussion with those who have PH and that there is ongoing research into new ways of combating an extremely rare condition. The presentation at the PH meetings given by guest speakers gives us an insight into the research and development that is being undertaken. Thank you to the Papworth PH Support Group”

“To me the support group is a place where you can go and find out about others experiences and how we all differ. We all have a goal to support one another because we have been through similar difficulties. There is also a very positive side to the group, with the speakers that are booked for us and of course the Christmas party to make us all feel good.

It is a shame that we cannot get outside financial support as this would open up the group further and allow us to achieve more, but as it stands now the group has a solid and strong sense of community. I am so glad it was recommended to me and will always make the effort to attend.”

“The PH support Group is such an important resource for patients with PH. It provides us with information, support and reassurance whilst undergoing treatment for an often unrecognised condition. The opportunity to make contact with others with the same condition is very helpful and supportive”.

“The Papworth Support Group is unique in that it supports many Pulmonary Hypertension patients. I think it is the largest support group for PH patients. I've been a member for many years now and one thing I found when I first attended was a form of relief that you are meeting other sufferers and you gain so much information and you feel much better about your situation.

People who are recently diagnosed with PH gain such a lot of from meeting patients who are further down the road in their treatment. The organising committee work very hard to organise the meetings, arrange food and drinks and speakers who keep us up to date with developments in research. Also the Christmas Party is great and my Grandchildren love to come. There is a friendly, happy atmosphere and it's like your catching up with old friends again."

"We have been part of the support group for nearly 14 years, and have had lots of support and help over the years. We also like to feel that we can provide the support to newer members now. Many thanks to the members who arrange and coordinate all the visitors, speakers and lovely refreshments."

The 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 with 91 transplant including 47 Hearts and 44 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 28 Heart Transplants, with 14 of these this year. Alongside this our patient outcomes are held up as internationally outstanding and coupled with the National Cardiothoracic Transplant Peer review scoring 87% compliance against standards we can be assured of not only the quantity but quality of the service we deliver to our patients.

This year the Transplant Patients Support Group has continued to meet 4 times a year and now produces its own Newsletter and has a very active Facebook page. The patient group took an active role in the Peer review process and a Patient Satisfaction survey has also been undertaken to ensure we are capturing the views of our patients. We also held an annual patient get together in October 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.

Award for Best Heart & Lung Team at British Transplant Games

The Papworth Transplant Sport Team was presented with the trophy for the Best Heart and Lung Team at the Westfield Health British Transplant Games in Liverpool. It was the largest team Papworth have had at the games, with 28 competitors including 12 new athletes and 26 enthusiastic supporters. The Games celebrate the new lease of life patients are given following their transplant and the annual event, which first began in 1978, encourages transplant patients to live a physical and active life. The team manager said that 'Winning the Best Heart & Lung Trophy is due reward for the outstanding effort and commitment from all our athletes at the competition. I'm so proud of each and every one of them.' Just two weeks before the British

Transplant Games in Liverpool, eight members of the Papworth Transplant Sport Team also competed at the European Heart and Lung Championships in Finland.

What our staff say about us

Staff Survey 2016

NHS Improvement's Quality Report requirements state that the two following indicators are reported on within the Quality Report.

Subject Questions	2015	2016	% change
KF21: Percentage of staff believing that the organization provides equal opportunities for career progression or promotion	89%	89%	=
KF26: Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	25%	25%	=

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.

Papworth Life Staff Achievement Awards and Long Service Awards

Papworth staff were recognised for their dedication and hard work at the Papworth Life Annual Staff Achievement Awards in September 2016. A total of 48 awards were given out in seven categories judged by the Patient and Public Involvement Committee. The awards honoured both individuals and teams in categories that included Leading with Care, Instilling Innovation, Feeling Valued, Encouraging Excellence Working in Partnership, Volunteer of the Year and the Chairman's Award for Outstanding Achievement.

At the same event, 73 of Papworth Hospital's longest serving members of staff were commended for their dedication to patients at the Trust. The awards ceremony saw staff being honoured with awards for 15, 20, 25 and 30 years of service. This included members of staff across all disciplines. Staff received pin badges, awards and certificates marking their years of service.

Care Makers Certificate

The Care Makers certificate was introduced to recognise the valuable contribution staff make to Papworth Hospital. The certificate is presented on the basis of the 6 C's: Care, Compassion, Competence, Courage, Communication, and Commitment. Gill Wright, Senior Sister, Mallard Ward was the first person to receive a certificate for compassion, commitment and courage.

Valuing Volunteers

We continue to be indebted to our volunteers, approximately 100 at present. 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 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 2016/17

		% weighting	Performance in 2016/17
National CQUINs			
1	TR1: Adult Critical Care timely discharge	10	Partially achieved. As per the partial payment rules, this will attract a 75% payment.
2	GE2: Activation System for Patients with Long Term Conditions	6	100% Q3, Q4 tbc
3	IM1: Reducing Cardiac Surgery Non-Elective Inpatient Waiting	6	100% Q1&2; Q4 tbc
4	GE4: Clinically Optimal Device	15	Achieved
5	New Papworth Hospital	63	Achieved
CCG CQUINs			
6	1a: Introduction of Health and Wellbeing Initiatives – Option B	10	Achieved
7	1b: Healthy food for NHS staff, visitors and patients	10	Achieved
8	1c: Improving the uptake of flu vaccinations for front line clinical staff	10	Achieved
9	4a: Reduction in antibiotic consumption Improving the uptake of flu vaccinations for front line clinical staff	8	Achieved
10	4b: Empiric review of antibiotic prescriptions	2	Achieved
11	Engagement and Participation in Local System	24	Achieved
12	UEC4: Proactive management of Frailty	12	Achieved
13	PCP1: Dementia Discharge Summaries	12	Achieved
13	Building Quality Improvement (QI) Capability	12	Achieved

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 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

NHS Specialised Commissioning East of England Hub Statement Response 2016/17

The Trust has not received a response to date

Cambridgeshire and Peterborough Clinical Commissioning Group

Cambridgeshire and Peterborough Clinical Commissioning Group (the CCG) has reviewed the Quality Account produced by Papworth Hospital NHS Foundation Trust (Papworth) for 2016/17.

The CCG and NHS England work closely together with Papworth to review performance against quality indicators and ensure any concerns are addressed. There is a structure of regular meetings in place to ensure the quality of Papworth services is reviewed continuously with commissioners throughout the year.

The Papworth Hospital Quality Account 2016/17 clearly demonstrates that quality and patient safety is central to the care they deliver to patients and families. The priorities and the focus remains clear as outlined in the report, but this is contrasted against the challenges the trust have in key areas such as staffing and the ambition of the trust as a national and international lead in cardiac and respiratory medicine.

What comes across strongly in this report and in discussion with the trust is that quality is everybody's business and that there is a developing safety culture to support this. How the trust are continuing to embed this is a really strong thread running through the report and it will be interesting to see the impact the roll out of the Safety Culture Assessment Tool has in practice, supported within a wider structure of Quality Improvement and links to partner organisations.

Regarding safe staffing the fact that the trust continues to meet the national compliance target of 90% fill rate for registered nurses and healthcare assistants, achieved 100% of the time as an average across the trust belies the challenges that the trust face on a daily basis in terms of ensuring areas are well staffed. The discussion of increased referrals to the Acute Coronary Syndrome in the report is an example of the way the trust and its staff has to flex and adapt to meet the needs of patients, despite bed closures and increasing demand.

There is a robust and innovative recruitment and retention plan in place for both nursing and medical staffing to minimise vacancies but there is no doubt this challenge will continue, hopefully only in the short and medium term, as Papworth transitions towards moving to the new site at Cambridge Biomedical Campus next year and in line with global challenges facing the professions. From a nursing perspective the fact that the trust is leading the way in Associate Practitioner and Advanced Nurse Practitioner roles is really positive and great news for patients.

In 2016/17 Papworth reported 7 Serious Incidents (SIs) and 1 Never Event related to a misplaced naso-gastric tube. Their Root Cause Analysis reports are reviewed by the CCG and continue to be of a particularly high standard demonstrating high level of engagement from clinical staff and sensitivity regarding exercising Duty of Candour requirements with patients and families. Papworth are key contributors to the CCG SI Learning Events to support sharing across all NHS organisations in Cambridgeshire and Peterborough.

This high standard is also apparent in the trust management of complaints. The low ratio of complaints to compliments reported each month is an excellent barometer of the quality of care that is being delivered, however all complaints are investigated and the CCG continue to be assured that learning is put into practice. This is very important to patients and families that have taken the time and trouble to complain.

Other information that adds to the picture of Papworth delivering high standards of care are the National Adult Inpatient Survey (2016) and the Friends and Family Test results as outlined in the report. As a CCG we were really impressed by the 'mock' CQC inspection process undertaken by the trust in November 2016 (the last CQC Inspection was at the end of 2014). An unannounced inspection which included clinicians from other trusts was an open and transparent way of developing trust mapping itself according to the CCG domains, and identifying areas of excellent practice as well as improvement. We are pleased to see that this process will be repeated.

Papworth takes great pride in clinical outcomes for patients. Much of this is in its role as a national referral centre with the best cardiac and transplant outcomes for patients nationally as evidenced in the report. A key focus for the trust during 2016/17 has been ensuring there is a robust process in place for mortality reviews, and there is a lot of energy around this extended to better understanding of surgical complications. Concerns were raised by the CQC in September 2016 regarding the possibility of Papworth as an outlier for coronary atherosclerosis and other heart disease. The trust responded quickly and undertook a robust review of 30 patients. After reviewing the evidence the CQC recognised the impact of their methodology on cardiothoracic specialist centres, there were no concerns raised about the quality of care that had been delivered and the outlier alert was closed.

What is also important to Papworth is getting the basics right. The continued focus on harm free care domains is sustaining high levels of patient care and the trust demonstrates they are quick to learn from incidents such as the 2 SIs related to falls. It is also clear that infection control remains a priority and the trust acknowledge that embedding requirements around Sepsis continues to be a challenge, but they have a good handle on what the issues are and a plan in place. The trust has also focussed on Antimicrobial Stewardship, piloting a new IT audit tool in 2016/17 which is able to present real time intelligence to prescribers.

What was heartening reading the Papworth Quality Account was the amount of work Papworth, and its patients and families are doing together to improve the well-being of patients. This is not always discussed in formal quality meetings with the trust but it is obviously one of Papworth's key strengths that goes beyond the walls of the building including the DVD developed by the Mesothelioma Support Group and the testimonials from the 'Pulmonary Hypertension Matters' and the 'Papworth Pulmonary Fibrosis Support' groups. Congratulations also to the Papworth Transplant Sport Team on their achievement at the British Transplant Games!

Healthwatch Cambridgeshire

We are pleased to be able to comment on the Quality Accounts for 2016/17. The Trust's responsiveness to concerns raised is very welcome and indicative of the increasingly positive and constructive relationship with the Trust.

We noted in our statement in the 2015/16 Quality Account that patient stories were firmly embedded within the Trust and these have continued to focus the Trust Board's deliberations throughout 2016/17.

We look forward to seeing the results of the new tool being piloted in May 2017 to reduce medication incidents related to self-administration of medicines and welcome the evidence of progress being made in reducing the incidence of medicine errors and improving safety culture in the organization. We also would want to see an improvement in the level of all unintentional omission incidents reported which has shown an increase over the last two years. We note the Trust has embedded the principles of Being Open and Duty of Candour for the benefit of the patient and their families.

It is good to see that the Trust has learnt from the Never Event reported earlier in the year and provided full disclosure to the patient, putting in place an action plan based on the recommendations. We note that falls remain a top priority for the Trust and look forward to seeing a reduction of reported incidents in the coming year. The progress made by the Trust in understanding complication rates is welcomed.

Following the increase in complaints about Communication and Information last year we note there has been a slight decrease and commend the Trust on the actions taken and hope to see a further decrease next year. It is disappointing to see that there is no mention of the services provided by the

Patient Advice and Liaison (PALs) no data relating to this service. It would be useful to know where this service is now located and how it is promoted to patients.

We note the introduction of the rapid action plan and appointed cancer pathway tracker, which has led to the improvement on last year's Cancer 62-day wait for first treatment from urgent GP referral. The indicators, pending the final data, are on track to achieve the 85% target.

We congratulate the Trust on achieving first amongst the UK's seven cardiothoracic transplant centres for patient survival post-surgery and for the development of an award-winning App for matching organ donors to an ideal recipient.

The Trust is to be commended on its balloon pulmonary angioplasty (BPA) service which has given new hope to inoperable chronic thromboembolic pulmonary hypertension (CTEPH) patients. We will wait with interest to hear NHS England's decision on the commissioning of this national service.

The Patient Experience Group has worked closely with patients and family members to identify aspects of care that are very important to a patient's experience. Always Events have now been identified and will be agreed and embedded by the Trust during 2017/18. It is good to note that the Patient Experience Group, Patient and Public Involvement Group and other patient groups are being consulted on the design and style of the internal fixings in the new Papworth Hospital.

Challenges ahead include the electronic patient record (Lorenzo) which is being phased in from June 2017 to transform the way patients are cared for and the move to the Biomedical Campus, Cambridge mid-2018.

Cambridgeshire County Council, Health Committee

The Trust has not received a response to date

Patient and Public Involvement Committee (PPI) Committee of the Council of Governors

The PPI Committee is pleased to note that Papworth has had another year of excellent quality results. During the year there have been New Papworth key milestone events, the Annual Members' Meeting and the 6th Papworth People Annual Staff Achievement Awards Ceremony, all of which were well supported by Staff and Governors. The Committee would like to congratulate the team for winning the Patient Safety Award for Acute Kidney Injury.

The Committee notes the lung cancer achievement figures for 2016/17 and thanks all the Staff involved in the improvement from 2015/16 for this complex cancer pathway.

The Committee congratulates Papworth on its excellent cardiothoracic surgical outcomes for April 2012 - March 2015, which were published in September 2016 and its continued development of the non-beating heart donors (DCD) procedure.

The Committee thanks everyone involved with delivering the performance priorities for 2016/17 and supports the work that is still ongoing on the sign up to safety pledges and other priorities for 2017/18.

Annex 2: Statement of Directors' responsibilities in respect of the Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 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 2016 to 22 May 2017
 - Papers relating to quality reported to the Board over the period April 2014 to 22 May 2017
 - Feedback from Cambridge and Peterborough Clinical Commissioning Group dated 17 May 2017
 - Feedback from NHS Specialised Commissioning East of England has not been received to date
 - Feedback from the Patient and Public Involvement Committee (PPI) Committee of the Council of Governors dated 17 May 2017
 - Feedback from Healthwatch Cambridgeshire dated 18 May 2017
 - The Trust's "Quality and Safety Report: Quarter 4 and annual Summary 2017";
 - The 2016 National Inpatient Survey
 - The 2016 National Staff Survey
 - The Trust's Annual Governance Statement 2016/17
 - The Head of Internal Audit's annual opinion of the Trust's control environment dated 4 May 2017
 - 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: 22 May 2017

Date: 22 May 2017


Chairman


Chief Executive

Annex 3: Limited Assurance Report on the content of the Quality Report and Mandated Performance Indicators

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF PAPWORTH HOSPITAL NHS FOUNDATION TRUST ON THE QUALITY REPORT

We have been engaged by the Board of Governors of Papworth Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Papworth Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2017 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2017 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 2016/17* ('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 2016/17*.

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 2016 to May 2017;
- papers relating to quality reported to the board over the period April 2016 to May 2017;
- feedback from commissioners;
- feedback from governors;
- feedback from local Healthwatch organisations;
- feedback from Safety and Quality Governance Committee;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;

- the national patient survey;
- the national staff survey;
- Care Quality Commission Inspection, dated 20 December 2016;
- the 2016/17 Head of Internal Audit's annual opinion over the trust's control environment; 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 Board of Governors of Papworth Hospital NHS Foundation Trust as a body, to assist the Board 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 2017, to enable the Board 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 Board of Governors as a body and Papworth Hospital 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 Papworth Hospital 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 2017:

- 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

23 May 2017

Annex 4: Mandatory performance indicator definitions

The following indicator definitions are based on Department of Health guidance, including the 'NHS Outcomes Framework 2013/14 Technical Appendix'. NHS Improvement does not set definitions for indicators but, for convenience and to address potential inconsistencies between sources, it has provided definitions for the mandated quality report indicators and requires that these are used for 2016/17 quality reports.

To improve the consistency in indicator definitions, NHS Digital has published an Indicator Portal available at <https://indicators.ic.nhs.uk/webview/>. Where relevant this is referred to in the definitions provided below but where NHS Digital does not provide a detailed definition of the indicator older sources of indicator definitions are used.

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

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 (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 descriptor¹

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).

¹ 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

ANNEX 5 Glossary

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. www.cqc.org.uk
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)	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. There are ceiling targets to measure the number of C. difficile infections which occur in hospital.
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. www.dh.gov.uk/

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. Papworth Hospital became a Foundation Trust on 1 July 2004.

G

Governors Foundation trusts have a Council of Governors. For Papworth the Council consists of 18 Public Governors elected by public members, 7 Staff Governors elected by the staff membership and 2 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 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 meticillin-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.
N	
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 http://www.nice.org.uk/
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"> • Monitor • NHS Trust Development Authority • Patient Safety winow, including the National Reporting and Learning System • Advancing Change Team • Intensive Support Teams 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) offers confidential advice, support and information on health-related matters. They provide a point of contact for patients, their families and their carers.
Papworth Hospital or Papworth	Papworth Hospital NHS Foundation Trust.
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.

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.
<https://www.england.nhs.uk/wp-content/uploads/2015/04/serious-incident-framwrk-upd.pdf>

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.

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.

**Papworth Hospital
NHS Foundation Trust**

**Group accounts for the
year ended
31 March 2017**

Presented to Parliament pursuant to
Schedule 7, paragraphs 24 and 25 of the
National Health Service Act 2006



Independent auditor's report

to the Board of Governors of Papworth
Hospital NHS Foundation Trust only

Opinions and conclusions
arising from our audit

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Papworth Hospital NHS Foundation Trust for the year ended 31 March 2017 set out on pages 6 to 47. 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 2017 and of the Group and the Trust's income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Department of Health's Group Accounting Manual 2016/17.

Overview

Materiality:	£2.9m (2015/16: £2.9m)
Group financial statements taken as a whole	2% (2015/16: 2%) of income from operations

Risks of material misstatement vs 2015/16

Recurring risks	Valuation of land and buildings	◀▶
	Recognition of NHS and non-NHS income	◀▶

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risks of material misstatement that had the greatest effect on our audit, in decreasing order of audit significance, were as follows:

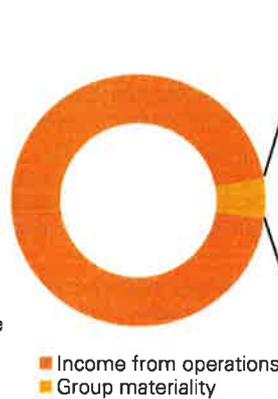
The risk	Our response
<p>Property, plant and equipment</p> <p>Property, plant and equipment: £37 million; 2015/16: £38 million) – of which £30 million; 2015/16: £33 million relate to land and buildings.</p> <p><i>Refer to pages 12 to 16 (accounting policy) and pages 34 to 36 (financial disclosures).</i></p>	<p>Valuation of land and buildings:</p> <p>Land and buildings are required to be held at fair value.</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 is being built under the Public Finance Initiative (PFI). The move is expected to occur in April 2018.</p> <p>The Trust's accounting policy is that revaluations are performed on at least a five yearly basis, with an interim valuation every three years. The timing of these valuations will be adjusted to become more or less frequent, depending on the situation in the market.</p> <p>In 2015, the land and buildings on the Papworth Everard site were revalued by the Trust's external valuer, Boshier & Co, and this valuation took into account the proposed move and resulting reduced useful lives of the majority of buildings..</p> <p>Subsequently, the Trust has annually obtained a letter from Boshier & Co, setting out their view on movements in land and building values in the area. The director's have used this information to consider if any adjustment to the valuation of land and buildings would be required.</p> <p>There is a risk that asset values are not kept up to date, therefore our work focused on whether the director's valuation as at 31 March 2017 is appropriate.</p>
<p>NHS and non-NHS income and receivables</p> <p>Income: £153 million; 2015/16: £146 million.</p> <p>Receivables: £49 million; 2015/16: £15 million.</p> <p><i>Refer to pages 12 (accounting policy) and pages 24 to 27 and 37 to 38 (financial disclosures).</i></p>	<p>Recognition of NHS and non-NHS income:</p> <p>£124 million (81%) of the Trust's income came from commissioners (Clinical Commissioning Groups (CCGs) and NHS England). The majority of this income is contracted on an annual basis, however actual achievement is based on completing the planned level of activity and achieving key performance indicators (KPIs). If the Trust does not meet its contracted KPIs then commissioners are able to impose fines, reducing the level of income achievement.</p> <p>In 2016/17, the Trust received transformation funding from NHS Improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis. The Trust was allocated £2.97 million of transformation funding.</p> <p>There is a risk providers recognise income to which they are not entitled and that cannot be supported by actual activity levels undertaken during the year. Insufficient provision may be made for potential fines levied by commissioners, especially where agreement has not been reached during the year</p> <p>An agreement of balances exercise is undertaken between all NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. 'Mismatch' reports are available setting out discrepancies between the submitted balances from each party in transactions and variances over £250,000 are required to be reported to the National Audit Office to inform the audit of the Department of Health consolidated accounts.</p> <p>The Trust reported income of £17m from other activities, primarily education and training, research and development, or other activities. There is a greater risk that the income has not been recognised under the accruals basis, and instead on a cash basis.</p>
	<p>Our procedures included:</p> <ul style="list-style-type: none"> — Valuation: We assessed the director's valuation of the Trust's land and buildings by: <ul style="list-style-type: none"> • assessing the qualifications and experience of the Trusts external valuers, Boshier & Co, and critically appraising the information provided by them to the Trust based on our knowledge of the client and experience of the industry in which it operates; and • considering the appropriateness of the asset lives to ensure it reflects the current expectations in respect of the move. <p>In addition, we have considered the carrying value of the land contributed as part of the new PFI hospital.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> — Contract agreement: We confirmed that signed contracts were in place for the four largest commissioners of the Trust; — Agreement of balances: We obtained the outcome of the agreement of balances exercise with other NHS bodies. Where there were mismatches over £250,000 we sought explanations and supporting evidence from the director's of the level of income they were entitled to; — Transformation funding: We checked the Trust's performance against targets used in determining receipt of transformation funding against the Trust's management information. We re-performed the calculation of the funding payable and agreed this to the amount recorded in the accounts; and — Other income: We tested a sample of income from other activities to supporting documentation and/or cash receipts.

3. Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements was set at £2.9 million (2015/16: £2.9 million), determined with reference to a benchmark of income from operations (of which it represents approximately 2%). We consider income from operations to be more stable than a surplus-related benchmark. We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £145,000, in addition to other identified misstatements that warrant reporting on qualitative grounds.

The Group comprises the Trust and its charity (Papworth Hospital NHS Foundation Trust Charity). In auditing the Group financial statements a materiality has been set for the Trust and Charity based on Group materiality

Income from operations
£153m (2015/16: £146m)



Materiality

£2.9m
Whole financial statements materiality (2015/16: £2.9m)

£0.145m
Misstatements reported to the Audit Committee (2015/16: £0.145m)

4. Our opinion on other matters prescribed by the Code of Audit Practice is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2016/17; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5. We have nothing to report in respect of the matters on which we are required to report by exception

We are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable; or
- the Audit Committee's commentary of the Annual Report does not appropriately address matters communicated by us to the Audit Committee.

Under the Code of Audit Practice we are required to report to you if, in our opinion:

- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2016/17, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.
- The Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

In addition we are required 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 respect of the above responsibilities.

6. We have completed our audit

We certify that we have completed the audit of the accounts of 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.

Scope and responsibilities

As described more fully in the Statement of Accounting Officer's Responsibilities on page 80 of the annual report the accounting officer is responsible for the preparation of financial statements that give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the UK Ethical Standards for Auditors. A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2014. This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its 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 its 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 its 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, as to whether the Trust has 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. Based on our risk assessment, we undertook such work as we considered necessary.

This report is made solely to the Board of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Board of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Governors of the Trust as a body, for our audit work, for this report or for the opinions we have formed.

S Beavis

Stephanie Beavis

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Botanic House, 100 Hills Road, Cambridge, CB2 1AR

23 May 2017

FOREWORD TO THE ACCOUNTS

PAPWORTH HOSPITAL NHS FOUNDATION TRUST

These accounts for the year ended 31st March 2017 have been prepared by the 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: 22 May 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

		Group 2016/17	Trust 2016/17	Group 2015/16	Trust 2015/16
	NOTE	£000	£000	£000	£000
OPERATING INCOME					
Operating income from patient care activities	2	135,513	135,513	133,628	133,628
Other operating income	3	17,444	15,928	12,563	11,724
TOTAL OPERATING INCOME FROM CONTINUING OPERATIONS		152,957	151,441	146,191	145,352
Operating expenses	4-6	(147,777)	(147,099)	(151,834)	(150,960)
OPERATING SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS		5,180	4,342	(5,643)	(5,608)
Finance Income	7	564	86	210	124
Public Dividend Capital dividends payable	22	(1,818)	(1,818)	(1,416)	(1,416)
NET FINANCE COSTS		(1,254)	(1,732)	(1,206)	(1,292)
Gains/(losses) on disposal of non-current assets		1	1	-	-
Movement in fair value of investments	10	1,022	-	(246)	-
SURPLUS/(DEFICIT) FOR THE YEAR		4,949	2,611	(7,095)	(6,900)
OTHER COMPREHENSIVE INCOME					
Will not be reclassified to income and expenditure					
Gain on revaluations	9.1/9.2	13	13	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		4,962	2,624	(7,095)	(6,900)

The notes on pages 10 to 47 form part of these accounts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	NOTE	Group 31 March 2017 £000	Trust 31 March 2017 £000	Group 31 March 2016 £000	Trust 31 March 2016 £000
NON-CURRENT ASSETS					
Intangible assets	8	621	621	836	836
Property, plant and equipment	9	37,136	36,908	37,687	37,455
Investments	10	8,805	-	7,356	-
Trade and other receivables	12	97	97	7,120	7,120
Total non-current assets		46,659	37,626	52,999	45,411
CURRENT ASSETS					
Inventories	11	3,977	3,962	4,599	4,579
Trade and other receivables	12	48,889	49,256	14,962	15,326
Non-current assets for sale	13	19	19	20	20
Cash and cash equivalents	14	36,716	34,721	38,797	37,693
Total current assets		89,601	87,958	58,378	57,618
TOTAL ASSETS		136,260	125,584	111,377	103,029
CURRENT LIABILITIES					
Trade and other payables	15	(16,736)	(16,715)	(18,720)	(18,689)
Other liabilities	16	(19)	(19)	(342)	(342)
Provisions	18	(42)	(42)	(43)	(43)
Total current liabilities		(16,797)	(16,776)	(19,105)	(19,074)
TOTAL ASSETS LESS CURRENT LIABILITIES		119,463	108,808	92,272	83,955
NON-CURRENT LIABILITIES					
Borrowings	17	(10,000)	(10,000)	-	-
Provisions	18	(412)	(412)	(383)	(383)
Total non-current liabilities		(10,412)	(10,412)	(383)	(383)
TOTAL ASSETS EMPLOYED		109,051	98,396	91,889	83,572
FINANCED BY:					
TAXPAYERS' EQUITY					
Public dividend capital	22	76,410	76,410	64,210	64,210
Revaluation reserve		8,844	8,844	8,831	8,831
Income and expenditure reserve		13,142	13,142	10,531	10,531
OTHERS' EQUITY					
Charitable fund reserves	30	10,655	-	8,317	-
TOTAL TAX PAYERS' AND OTHER'S EQUITY		109,051	98,396	91,889	83,572

The financial accounts on pages 6 to 47 were approved by the Board on 22 May 2017 and signed on its behalf by:

Signed: 

Stephen Posey
Chief Executive
Date: 22 May 2017

**CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Trust			Total Reserves £000	Charitable Fund Reserves £000	Group Total Reserves £000
	Public Income and Dividend Capital £000	Expenditure Reserve £000	Revaluation Reserve £000			
Taxpayers' and others' equity at 1 April 2015	53,410	17,431	8,831	79,672	8,512	88,184
Changes in taxpayers' equity for 2015/16						
Deficit for the year	-	(6,900)	-	(6,900)	(195)	(7,095)
Public dividend capital received	10,800	-	-	10,800	-	10,800
Taxpayers' and others' equity at 31 March 2016	64,210	10,531	8,831	83,572	8,317	91,889
Taxpayers' and others' equity at 1 April 2016	64,210	10,531	8,831	83,572	8,317	91,889
Changes in taxpayers' equity for 2016/17						
Surplus for the year	-	2,611	-	2,611	2,338	4,949
Revaluation - Property, Plant and Equipment	-	-	13	13	-	13
Public dividend capital received	12,200	-	-	12,200	-	12,200
Taxpayers' and others' equity at 31 March 2017	76,410	13,142	8,844	98,396	10,655	109,051

The notes on pages 10 to 47 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	NOTE	Group 2016/17 £000	Group 2015/16 £000	Trust 2016/17 £000	Trust 2015/16 £000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating surplus/(deficit)		5,180	(5,643)	4,342	(5,608)
NON CASH INCOME AND EXPENSE:					
Depreciation and amortisation	8/9	4,578	4,678	4,578	4,678
Net Impairments	5	17	4,546	17	4,546
Income recognised in respect of capital donations		(40)	-	(40)	-
(Increase)/decrease in inventories		617	(277)	617	(277)
(Increase)/decrease in receivables and other assets		3,580	(7,133)	3,408	(7,133)
Increase/(decrease) in trade and other payables		(1,772)	1,556	(1,600)	1,556
Decrease and other liabilities		(323)	(5)	(323)	(5)
Increase/(decrease) in provisions		28	(25)	28	(25)
Loss on disposal of property, plant and equipment and tangibles		-	2	-	2
NHS Charitable fund – net movements in working capital, non-cash transactions, non operating cash flows		9	114	-	-
Net cash generated from / (used in) operating activities		11,874	(2,187)	11,027	(2,266)
Cash flows from investing activities					
Interest received		86	125	86	125
Payments for land, property, plant and equipment		(3,868)	(1,960)	(3,868)	(1,960)
Proceeds from disposal of property, plant and equipment		1	9	1	9
Receipt of cash donations to purchase capital assets		40	-	40	-
Payments for intangible assets		(144)	(228)	(144)	(228)
Prepayment PFI capital contribution cash		(30,312)	-	(30,312)	-
NHS Charitable fund – net cash flows from investing activities		44	3	-	-
Net cash used in investing activities		(34,153)	(2,051)	(34,197)	(2,054)
Net cash outflow before financing		(22,279)	(4,238)	(23,170)	(4,320)
Cash flows from financing activities					
Public dividend capital received		12,200	10,800	12,200	10,800
Other loans received		10,000	-	10,000	-
PDC dividends paid		(2,002)	(866)	(2,002)	(866)
Other loans repaid		-	(32)	-	(32)
Net cash generated from financing activities		20,198	9,902	20,198	9,902
Increase / (decrease) in cash and cash equivalents		(2,081)	5,664	(2,972)	5,582
Cash and cash equivalents at 1 April		38,797	33,133	37,693	32,111
Cash and cash equivalents at 31 March	14	36,716	38,797	34,721	37,693

The notes on pages 10 to 47 form part of these accounts

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2016/17 issued by the Department of Health. 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. 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 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 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 surplus of £2.61m for the 2016/17 financial year;
- The Trust's Operational Plan for 2017/18 – 2018/19 indicates a £1.06m deficit pre impairment in 2017/18 (deficit of £29.06m post impairment) and a £12.08m deficit in 2018/19 (deficit of £14.31m post impairment);
- To achieve the deficit positions highlighted above the Trust will be required to achieve CIP of £6.0m in 2017/18 and an additional £6.8m in 2018/19;
- The Trust is planning to have cash balances of £16.9m at the end of 2017/18 and £12.0m 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 2017/18 and 2018/19;
- The Trust will be entering into a PFI for a new Hospital in February 2018 and linked to this will be a disposal of the current site.

After making enquiries, the Directors have a reasonable expectation that 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.

1.1 Consolidation of Subsidiary

The NHS Foundation Trust is the Corporate Trustee of the 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, certainty 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. 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 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 9.

Non-Specialist assets on the existing 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 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 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 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 Foundation Trust Annual Reporting Manual, 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 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. The assets contributed (cash payments) by the Trust to the PFI operator before the asset is brought into use are recognised as prepayments during the construction phase of the contract.

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:

	Min Life	Max Life
	Years	Years
Buildings	2	35
Dwellings	3	39

Leaseholds are depreciated over primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset using the following lives:

	Min Life	Max Life
	Years	Years
Medical Equipment and Engineering Plant 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 Trust intends to complete the asset and sell or use it
- the 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 Trust to complete the development and sell or use the asset and
- the 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 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 market value 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 of 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:

	Min Life	Max Life
	Years	Years
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 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.

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 27). 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.

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 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 0.24% (2015/16: 1.37%) in real terms.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. The contribution is charged to expenditure. The NHSLA is administratively responsible for all clinical negligence cases although legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 18, 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 Trust pays an annual contribution to the NHS Litigation Authority 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 19 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 sufficiently 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.

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

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 2017 or prior periods.

1.19 Foreign exchange

The functional and presentational currencies of the 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 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 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 (FRoM). See note 27.

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 28.

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 2016/17.

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 Foundation Trust cannot adopt new standards unless they have been adopted in the FT ARM issued by Monitor. The FT ARM 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 FT ARM 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 but not yet adopted

- 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 DH 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.

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 12.2 and 12.3.

2. OPERATING INCOME FROM PATIENT CARE ACTIVITIES**2.1 Patient income by source**

	2016/17	2015/16
	£000	£000
NHS Foundation Trusts	51	2
NHS Trusts	19	7
NHS England	89,794	90,217
Clinical Commissioning Groups	34,601	31,838
NHS Other	2,006	2,940
Non NHS:		
- Private patients	8,985	7,453
- Overseas chargeable patients	50	48
- Uniting Care Partnerships	-	1,090
- Other	7	33
Total revenue from patient care activities	135,513	133,628

Income of £807k relating to patient treatment spells which were partially complete at 31 March 2017 (£873k – 31 March 2016) has been recognised in the 2016/17 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

	2016/17			2015/16		
	Inpatients £000	Outpatients £000	Total £000	Inpatients £000	Outpatients £000	Total £000
Cardiology	32,789	8,612	41,401	30,608	7,556	38,164
Cardiac surgery	22,103	1,013	23,116	22,336	985	23,321
Thoracic surgery	8,511	297	8,808	8,065	317	8,382
Respiratory support and sleep centre	7,699	4,543	12,242	7,689	4,112	11,801
Thoracic medicine	13,394	3,367	16,761	13,265	3,690	16,955
Transplant/Ventricular assist devices	12,192	-	12,192	11,927	-	11,927
Clinical and diagnostics	15,519	-	15,519	17,734	-	17,734
Total of income from reporting segments	112,207	17,832	130,039	111,624	16,660	128,284
Other patient related activity			77			43
Market Forces Factor (inpatients and outpatients)			5,397			5,301
Total revenue from patient care activities per note 2.1			135,513			133,628

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:

	2016/17	2015/16
	£000	£000
NHS England	89,794	90,217
Cambridgeshire and Peterborough CCG	14,273	12,301
West Suffolk CCG	4,631	4,452
West Norfolk CCG	3,414	3,262
Ipswich & East Suffolk CCG	1,668	1,608
Bedfordshire CCG	2,013	2,234
East and North Hertfordshire CCG	1,416	1,292
South Lincolnshire CCG	1,408	1,147
West Essex CCG	1,267	1,303
South Norfolk CCG	676	735
Great Yarmouth and Waveney CCG	373	411
North Norfolk CCG	275	229
North East Essex CCG	313	323
Other CCGs	2,874	2,514
Other NHS	1,211	1,976
Subtotal	125,606	124,004
Welsh Health Boards	690	814
Scottish Health Board	22	59
Northern Ireland Health Boards	83	92
Private patients	8,985	7,453
Uniting Care Partnerships	-	1,090
Other non-NHS	57	73
Total patient service income	135,443	133,585
Other patient related activity	70	43
Total revenue from patient care activities per note 2.1	135,513	133,628

Overseas Visitors (included in Other non-NHS)

	2016/17	2015/16
	£000	£000
Income recognised this year	50	48
Payments received in the year	54	3
Amounts added to provision for impairment of receivables	7	36
Amounts written off in the year	8	-

2.3 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	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Research and development NHS Levy	1,022	875	1,022	875
Education and training	3,436	3,414	3,440	3,414
Charitable and other contributions to expenditure	40	21	899	542
Non-patient care services to other bodies	-	40	-	40
Merit award funding	1,112	1,046	1,112	1,046
Staff lodging	463	505	463	505
Staff recharges*	2,156	911	2,192	911
Research and development gross up**	2,235	1,883	2,445	2,427
NHS Charitable income:				
Incoming resource excluding investment income	2,716	2,316	-	-
Sustainability and transformation fund income	2,970	-	2,970	-
Other income	1,294	1,535	1,385	1,947
	17,444	12,546	15,928	11,707

* 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	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Purchase of healthcare from non NHS bodies	-	49	-	49
Executive Directors' costs*	1,023	894	1,023	894
Non-Executive Directors' costs	118	118	118	118
Staff costs	83,439	81,299	83,439	81,266
Drug costs	5,838	6,318	5,838	6,318
Supplies and services - clinical	36,485	37,895	36,485	37,891
Supplies and services - general	5,127	4,979	5,127	4,954
Establishment	1,801	2,618	1,801	2,597
Research & Development	789	683	789	684
Transport	485	581	485	581
Premises	3,156	3,004	3,168	3,016
Increase/(decrease) in provision for impairments of receivables	580	63	580	63
Depreciation of property, plant and equipment	4,289	4,365	4,285	4,361
Amortisation of intangible assets	293	317	293	317
Net impairments of property, plant and equipment	10	197	10	197
Net impairments of intangibles	7	4,366	7	4,366
Audit services - statutory audit	48	48	48	48
Other auditors remuneration	10	13	10	13
NHS Charitable Funds - statutory audit services	4	4	-	-
Consultancy	345	646	345	646
Internal audit and counter fraud services	64	58	64	58
Clinical negligence	499	447	499	447
Loss on disposal of property, plant and equipment	-	2	-	2
Other	2,685	2,080	2,685	2,074
NHS Charitable Funds - other resources expended	682	790	-	-
	147,777	151,834	147,099	150,960

* Includes third party agency fees for interim services of Director of Operations (value is gross of VAT)

4.2 Audit services

The Council of Governors has appointed KPMG LLP (KPMG) as external auditors of the Trust from 1 April 2015. The audit fee for the statutory audit is £47,500 (2015/16: £47,500), excluding VAT. This is the fee for an audit in accordance with the Audit Code issued by Monitor in March 2011. A further £10,400 (2015/16: £13,400) has been paid for other services in relation to the Quality Report opinion, £7,400 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 (2015/16: £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

	2016/17 £000	2015/16 £000
Minimum lease payments	<u>1,303</u>	<u>1,182</u>

Total future minimum lease payments

	2016/17 £000	2015/16 £000
Payable:		
Not later than one year	1,133	960
Between one and five years	1,834	2,218
After five years	-	78
	<u>2,967</u>	<u>3,256</u>

The NHS Foundation Trust has entered into a number of leases for medical equipment, land and property.

There are 2 (2015/16: nil) 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 (2015/16: 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.

4.3.2 As lessor

Rental revenue

	2016/17 £000	2015/16 £000
Other	11	23
Total rental revenue	<u>11</u>	<u>23</u>

Total future minimum lease payments

	2016/17 £000	2015/16 £000
Receivable:		
Not later than one year	14	6

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 31 December 2017.

5. IMPAIRMENT OF ASSETS

	2016/17 £000	2015/16 £000
Net impairments charged to operating surplus/(deficit) resulting from:		
Loss or damage from normal operations	10	3
Abandonment of assets in course of construction	-	52
Unforeseen obsolescence	7	161
Other:		
Electronic Patient Record System	-	4,347
	<u>17</u>	<u>4,563</u>

6. EMPLOYEE COSTS AND NUMBERS

6.1 Employee costs

	Group		Trust	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Salaries and wages	* 65,507	64,391	65,507	64,364
Social security costs	* 6,895	5,524	6,895	5,524
Employer contributions to NHS Pensions Agency	7,877	7,888	7,877	7,888
Temporary staff (including agency)	4,183	4,390	4,183	4,390
Employee benefit expenses	* <u>84,462</u>	82,193	<u>84,462</u>	82,166

All employee benefit expenses have been charged to revenue. The total employer pension contributions paid for the year is £7,872k (2015/16: £7,816k).

* 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017 is based on valuation data as at 31 March 2016, updated to 31 March 2017 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

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

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 1/80th for the 1995 section and of the best of the last three years' pensionable pay for each year of service, and 1/60th 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 30th 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.

6.2 Retirements due to ill-health

In the year to 31 March 2017, there were 2 early retirements agreed on the grounds of ill-health (31 March 2016: 2). The estimated additional pension liability in respect of early retirements agreed on the grounds of ill-health is £115k (31 March 2016: £120k); the cost of which is borne by the NHS Business Services Authority – Pensions Division. This information has been supplied by NHS Pensions.

6.3 Directors' remuneration

The aggregate amounts payable to directors were:

	Group		Trust	
	2016/17	2015/16	2016/17	2015/16
	Total	Total	Total	Total
	£000	£000	£000	£000
Salary	958	843	958	843
Taxable benefits	3	2	3	2
Employer's pension contributions	90	73	90	73
Total	1,051	918	1,051	918

Further details of directors' remuneration can be found in the remuneration report.

7. FINANCE INCOME

	Group		Trust	
	2016/17	2015/16	2016/17	2015/16
	£000	£000	£000	£000
Investment revenue:				
Investments in listed equities	475	81	-	-
Interest revenue:				
Short term investments and deposits	82	110	80	107
Bank accounts	7	19	6	17
	564	210	86	124

8. INTANGIBLE ASSETS

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	85	-	85
Disposal	(21)	-	(21)
Gross cost at 31 March 2017	3,502	-	3,502
Accumulated amortisation at 1 April 2016	2,602	-	2,602
Provided during the year	293	-	293
Disposal	(14)	-	(14)
Accumulated amortisation at 31 March 2017	2,881	-	2,881
Net book value			
- Purchased at 31 March 2017	565	-	565
- Donated at 31 March 2017	56	-	56
Total at 31 March 2017	621	-	621

2015/16	Computer Software Purchased £000	Intangible Assets Under Construction £000	Total Intangible Assets £000
Gross cost at 1 April 2015	3,140	4,353	7,493
Additions purchased	253	-	253
Impairment charged to operating expenses	(33)	(4,347)	(4,380)
Reclassifications	78	(6)	72
Gross cost at 31 March 2016	3,438	-	3,438
Accumulated amortisation at 1 April 2015	2,299	-	2,299
Provided during the year	317	-	317
Impairment charged to operating expenses	(14)	-	(14)
Accumulated amortisation at 31 March 2016	2,602	-	2,602
Net book value			
- Purchased at 31 March 2016	799	-	799
- Donated at 31 March 2016	37	-	37
Total at 31 March 2016	836	-	836

9. PROPERTY, PLANT AND EQUIPMENT**9.1 Property, plant and equipment at the financial year end comprise the following elements:***9.1 Property, plant and equipment*

2016/17	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
Cost/valuation at 1 April 2016	24,421	9,760	928	625	28,722	154	3,958	257	68,825
Additions purchased	-	(17)	-	2,967	558	8	217	-	3,733
Impairments charged to operating expenses	-	-	-	-	(23)	-	-	-	(23)
Revaluations	-	13	-	-	-	-	-	-	13
Disposals	-	-	-	-	(12)	(36)	-	-	(48)
At 31 March 2017	24,421	9,756	928	3,592	29,245	126	4,175	257	72,500
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)
Accumulated depreciation at 31 March 2017	-	5,063	152	-	26,345	111	3,478	215	35,364
Net book value									
- 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
Total at 31 March 2017	24,421	4,693	776	3,592	2,900	15	697	42	37,136

9.2 Property, plant and equipment at the financial year end comprise the following elements:

2015/16	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Cost/valuation at 1 April 2015	24,421	9,168	928	115	28,355	154	3,738	257	67,136
Additions purchased	(12)	787	-	619	706	-	220	-	2,320
Impairments charged to operating expenses	-	(193)	-	(24)	(6)	-	-	-	(223)
Reversal of impairments credited to operating in	12	5	-	-	-	-	-	-	17
Reclassifications	-	13	-	(85)	-	-	-	-	(72)
Transfer to assets held for sale	-	(20)	-	-	-	-	-	-	(20)
Disposals	-	-	-	-	(333)	-	-	-	(333)
At 31 March 2016	24,421	9,760	928	625	28,722	154	3,958	257	68,825
Accumulated depreciation at 1 April 2015	-	-	-	-	23,869	130	2,932	191	27,122
Provided during the year	-	2,499	75	-	1,485	8	286	12	4,365
Impairments charged to operating expenses	-	(23)	-	-	(3)	-	-	-	(26)
Disposals	-	-	-	-	(323)	-	-	-	(323)
Accumulated depreciation at 31 March 2016	-	2,476	75	-	25,028	138	3,218	203	31,138
Net book value									
- Purchased at 31 March 2016 - Trust	23,537	5,877	452	625	3,071	12	727	45	34,346
- Purchased at 31 March 2016 - NHS Charity	85	-	147	-	-	-	-	-	232
- Government granted at 31 March 2016	-	1,009	-	-	-	-	-	-	1,009
- Donated at 31 March 2016	799	398	254	-	623	4	13	9	2,100
Total at 31 March 2016	24,421	7,284	853	625	3,694	16	740	54	37,687

In March 2015 the NHS Foundation Trust achieved financial closure on the plans to go ahead with the construction of the New 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 2017.

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 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 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 Trust's land, buildings and dwellings have not therefore been revalued in year.

10. 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.

	31 March 2017 £000	31 March 2016 £000
Investment Managers		
Market value at 1 April	6,713	6,968
Add: Additions of shares	747	1,765
Less: Disposals at carrying value	(2,120)	(1,774)
Net gain on revaluation	1,022	(246)
Market value at 31 March	<u>6,362</u>	<u>6,713</u>
Historic cost at 31 March	4,662	5,938
Cash held with Investment Managers at 31 March	2,443	643

The valuation of the investments is at 31 March 2017 and may not be realised at the date the investments are disposed of.

At 31 March 2017 5,000 (31 March 2016: 6,350) shares were held with a market value of £370,288 (31 March 2016: £363,507) 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 Trust's Investment Managers. The historic cost represents the value of shares after purchases and sales at 31 March 2017 before the shares were revalued.

Cash held with the 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 Trust's Investment managers for re-investment is all held within the UK.

11. INVENTORIES

	Group		Trust	
	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000
Drugs	411	462	411	462
Consumables	3,551	4,117	3,551	4,117
NHS Charity - gift shop	15	20	-	-
TOTAL	3,977	4,599	3,962	4,579

The cost of inventories recognised as an expense and included in 'operating expenses' amounted to £24,115k (2015/16: £24,835k).

An additional £9k (2015/16: £43k) was recognised as a write-down expense.

12. TRADE AND OTHER RECEIVABLES

Current	Group		Trust	
	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000
NHS trade receivables	3,493	8,961	3,493	8,961
Other trade receivables	2,922	2,158	3,321	2,654
VAT receivables	1,439	1,496	1,439	1,496
Accrued income	2,438	1,376	2,406	1,244
Provision for the impairment of receivables	(746)	(183)	(746)	(183)
PDC dividend receivable	176	-	176	-
Prepayments other	1,735	1,154	1,735	1,154
PFI prepayment - Capital contributions	37,432	-	37,432	-
TOTAL	48,889	14,962	49,256	15,326
Non-current				
Prepayments other	97	-	97	-
PFI prepayment - Capital contributions	-	7,120	-	7,120
TOTAL	97	7,120	97	7,120

12.1 Provision for impairment of receivables

	Total trade receivables £000	NHS trade receivables £000	Other trade receivables £000
At 1 April 2016	183	-	183
Provision for impairment of receivables	640	-	640
Receivables written off during the year as uncollectable	(17)	-	(17)
Unused amounts reversed	(60)	-	(60)
At 31 March 2017	746	-	746

	Total trade receivables £000	NHS trade receivables £000	Other trade receivables £000
At 1 April 2015	497	377	120
Provision for impairment of receivables	133	-	133
Receivables written off during the year as uncollectable	(70)	-	(70)
Unused amounts reversed	(377)	(377)	-
At 31 March 2016	183	-	183

12.2 Analysis of impaired receivables

	31 March 2017 £000	31 March 2016 £000
Ageing of impaired receivables		
Current	25	-
0 - 30 days	73	-
30 - 60 days	24	-
60 - 90 days	33	-
90 - 180 days	195	52
Over 180 days	396	131
TOTAL	746	183

12.3 Analysis of non-impaired receivables

	31 March 2017 £000	31 March 2016 £000
Ageing of non-impaired receivables		
Current	1,211	3,999
0 - 30 days	2,772	3,778
30 - 60 days	637	2,807
60 - 90 days	534	112
90 - 180 days	621	146
Over 180 days	640	277
TOTAL	6,415	11,119

13. NON-CURRENT ASSETS HELD FOR SALE

	Group	Trust
	Most recently held as:	
	Buildings excluding dwellings	Buildings excluding dwellings
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April 2016	20	20
Plus assets classified as available for sale in the year	(1)	(1)
NBV of non-current assets for sale and assets in disposal groups at 1 April 2017	19	19

The Asset Held for Sale relates to surface matting purchased during 2015/16 to surface a new offsite car park. The matting proved to be not fit for purpose. The Trust is actively seeking to sell the matting as it is surplus to the Trust's requirements. The effect of reclassifying the matting is to reduce the value of the matting by £161k, resulting in an impairment which was charged to operating expenses during 2015/16.

14. CASH AND CASH EQUIVALENTS

	Group		Trust	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	£000	£000	£000	£000
At 1 April	38,797	33,133	37,693	32,111
Net change in year	(2,081)	5,664	(2,972)	5,582
Balance at 31 March	36,716	38,797	34,721	37,693
Made up of:				
Government Banking Services	720	2,345	720	2,345
National Loan Fund	27,500	31,000	27,500	31,000
Cash at commercial banks and in hand	8,496	5,452	6,501	4,348
Cash and cash equivalents as in statement of cash flows	36,716	38,797	34,721	37,693

The change to the calculation of net cash balances used when calculating the PDC dividend restricts the Trust's investment options. The Trust's surplus cash is invested in short term deposits with the National Loans Fund. 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 2017 £27.5m was held on short term deposit (31 March 2016: £31m) by the Trust and £0.2m (31 March 2016: £0.4m) was held on short term deposit by the NHS Charity.

15. TRADE AND OTHER PAYABLES

Current	Group		Trust	
	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000
NHS Payables - revenue	1,720	2,046	1,720	2,046
Other trade payables - revenue	4,113	4,990	4,092	4,959
Other trade payables - capital	545	739	545	739
Receipts in advance	3,068	3,362	3,068	3,362
Other taxes payable	1,768	1,587	1,768	1,587
Accruals	4,412	4,755	4,412	4,755
PDC dividend payable	-	8	-	8
Other payables	1,110	1,233	1,110	1,233
TOTAL	16,736	18,720	16,715	18,689

Non-current:

The Group has no non-current trade and other payables.

Outstanding pension contributions of £1,110k falling within one year are included within 'Other payables' for the year to 31 March 2017 (31 March 2016: £1,106k).

16. OTHER LIABILITIES

	Current	
	31 March 2017 £000	31 March 2016 £000
Deferred Income	19	342

17. BORROWINGS

	Current		Non-current	
	31 March 2017 £000	31 March 2016 £000	31 March 2017 £000	31 March 2016 £000
Other loan	-	-	10,000	-

The other loan represents a bridging loan from the Secretary of State for Health against the sale of land at the existing 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%.

18. PROVISIONS

	31 March 2017	31 March 2016
	Total Pensions relating to other staff £000	Total Pensions relating to other staff £000
At 1 April	426	451
Utilised during the year	(34)	(35)
Change in the discount rate	62	10
At 31 March	454	426

Expected timing of cash flows:

Within one year	42	43
Between one and five years	119	118
Greater than five years	293	265

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 the NHS Litigation Authority at 31 March 2017 in respect of clinical negligence liabilities of the NHS Foundation Trust is £9,517k (31 March 2016: £2,091k).

19. CONTINGENT ASSETS AND LIABILITIES

The value of contingent liabilities in respect of NHS Litigation Authority legal claims at 31 March 2017 is £5k (31 March 2016: £16k).

There are no contingent assets.

20. CAPITAL AND CONTRACTUAL COMMITMENTS

The value of commitments under capital expenditure contracts at the end of the financial year was £11.3m (31 March 2016: £nil). There were no commitments under finance leases at the end of the financial year (31 March 2016: £nil). The PFI contract for New Papworth Hospital, which was signed in March 2015, is not included as a capital commitment as it is not a capital purchase. It will be accounted for as a prepayment until the asset is complete and handed over to the Trust. This is in line with note 1.9. The NHS Foundation Trust is committed to making prepayments on the contract of £58m over a 25 month period, commencing August 2015.

Details of commitments in respect of operating leases can be found at note 4.3.1.

21. EVENTS AFTER THE REPORTING YEAR

There have been no events after the reporting year end that require disclosure in these accounts.

22. 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 1.20).

An additional £12,200k of public dividend capital has been drawn down during the year to fund capital injection payments for the New Papworth Hospital.

23. RELATED PARTY TRANSACTIONS

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 Trust. The total number of Directors to whom benefits are accruing under a defined benefit scheme is 6 (2015/16: 5).

	2016/17	2015/16
	£000	£000
Remuneration payment *	958	843
Employer contribution to the NHS Pension Scheme	90	73
	<u>1,048</u>	<u>916</u>

* 2016/17 includes third party agency fees for interim services of Director of Operations (value is gross of VAT)

The remuneration payment relating to the highest paid director is £167k (2015/16: £178k). The highest paid director had an amount of £36k accrued pension and an amount of £107k accrued lump sum at the year end. Further information is available in the Remuneration Report, which is included within the 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.

The East of England Collaborative Procurement Hub (EoECPH) is regarded as a related party of the NHS Foundation Trust. The NHS Foundation Trust cancelled its membership of the EoECPH for 2016/17. The NHS Foundation Trust made payments to the EoECPH of £nil (2015/16: £24k) for the procurement service provided by the EoECPH.

At the 31 March 2017 the NHS Foundation Trust has amounts owing to the EoECPH of £nil (31 March 2016: £4.4k). There were no amounts written off during the year and there are no provisions for doubtful debts at 31 March 2017 (31 March 2016: £nil) in respect of the EoECPH.

Dr S Lintott, a Non-Executive Director of the 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 £224k (2015/16: £240k) for staff recharges relating to medical staff. At the 31 March 2017 the NHS Foundation Trust has £235k (31 March 2016: £150k) owing to the University of Cambridge relating to staff recharges.

Mr M Millar a Non-Executive Director of the 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 £233k (2015/16: £309k). At the 31 March 2017 the NHS Foundation Trust has £58k (31 March 2016: £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 (2015/16: £103k) to the CUHP for its share of the CUHP running costs. At 31 March 2017 there was £52k owing by the NHS Foundation Trust to CUHP (31 March 2016: £25.8k). There were no amounts written off during the year and there are no provisions for doubtful debts at 31 March 2017 in respect of CUHP (31 March 2016: £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 is regarded as a related party. During the year 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	
	2016/17	2015/16	At 31 March 2017	At 31 March 2016
	£000	£000	£000	£000
NHS England	94,210	91,462	1,374	6,812
NHS Cambridgeshire and Peterborough CCG	14,273	12,336	296	306
NHS West Suffolk CCG	4,649	4,460	-	-
NHS West Norfolk CCG	3,414	3,268	-	-
Health Education England	3,247	3,238	858	735
NHS Bedfordshire CCG	2,013	2,244	-	2
Department of Health	2,013	528	1,443	-
NHS Ipswich and East Suffolk CCG	1,668	1,617	4	-
NHS East and North Hertfordshire CCG	1,415	1,301	-	13
NHS South Lincolnshire CCG	1,408	1,147	7	16
NHS Blood and Transplant	1,287	2,035	46	304
NHS West Essex CCG	1,267	1,311	-	65

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 2017 is greater than £1,000k.

Under the new reforms, the 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 £100.8m for 2017/18 and £103.1m for 2018/19.

	Expenditure		Current Payables	
	2016/17	2015/16	At 31 March 2017	At 31 March 2016
	£000	£000	£000	£000
Cambridge University Hospitals NHS Foundation Trust - medical, staffing, pathology and other services	1,841	2,114	838	1,332
Public Health England (was Health Protection Agency)	530	581	-	70
HM Revenue & Customs - NI Contributions	6,918	5,531	1,768	1,572
NHS Pension Scheme	7,872	7,888	1,110	1,106
NHS Blood and Transplant	353	1,205	59	64
NHS Litigation Authority	505	471	31	40
South Cambridgeshire District Council	665	550	-	-

The related party organisations listed above are those where expenditure for the year to 31 March 2017 is greater than £500k.

The NHS Foundation Trust is the Corporate Trustee of the 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 Trust. The NHS Foundation Trust has consolidated the NHS Charity into the Trust's accounts (see note 1.1).

24. 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 12 '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.

25. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

Financial assets

	Group		Trust	
	Total £000	Loans & receivables £000	Total £000	Loans & receivables £000
NHS receivables (net of provision for impaired debts)	3,493	3,493	3,493	3,493
Accrued income	2,438	1,851	2,406	1,836
Other receivables	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
Total at 31 March 2017	55,067	54,479	44,634	43,662
NHS receivables (net of provision for impaired debts)	8,961	8,961	8,961	8,961
Accrued income	1,376	1,376	1,244	1,244
Other receivables	3,471	3,471	3,453	3,453
Cash at bank and in hand	38,797	38,797	37,693	37,693
Total at 31 March 2016	52,605	52,605	51,351	51,351

Financial liabilities (all denominations in £ sterling)

	Group		Trust	
	Total £000	Other financial liabilities £000	Total £000	Other financial liabilities £000
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
Total at 31 March 2017	24,122	24,122	24,101	24,101
NHS payables	2,046	2,046	2,046	2,046
Other payables	8,549	8,549	8,518	8,518
Accruals	4,755	4,755	4,755	4,755
Provisions under contract	426	426	426	426
Total at 31 March 2016	15,776	15,776	15,745	15,745

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.

26. MATURITY OF FINANCIAL LIABILITIES

	Group		Trust	
	At 31 March 2017 £000	At 31 March 2016 £000	At 31 March 2017 £000	At 31 March 2016 £000
Less than one year	23,711	15,394	23,690	15,363
In more than one year but not more than two years	34	34	34	34
In more than two years but not more than five years	85	86	85	86
Greater than five years	292	262	292	262
	24,122	15,776	24,101	15,745

27. THIRD PARTY ASSETS

The NHS Foundation Trust held £227k cash at bank at 31 March 2017 (31 March 2016: £227k) relating to Health Enterprise East, a research and development company limited by guarantee for which the 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. In addition the Trust held £nil (31 March 2016: £66k) cash at bank relating to PrescQIPP, an organisation that the Trust hosted during 2016/17. These balances are excluded from the cash and cash equivalents figure reported in the Trust's Statement of Financial Position. £nil cash at bank and in hand at 31 March 2017 (31 March 2016: £nil) was held by the Trust on behalf of patients.

28. LOSSES AND SPECIAL PAYMENTS

	2016/17		2015/16	
	No. of cases	Value of cases £000	No. of cases	Value of cases £000
Losses:				
Overpayment of salaries	11	9	-	-
Private patients	7	1	4	1
Overseas visitors	1	8	-	-
Other	10	1	-	-
Total losses	29	19	4	1
Special payments:				
Loss of personal effects	5	3	8	6
Other	-	-	3	1
Total special payments	5	3	11	7
Total	34	22	15	8

These payments are calculated on an accruals basis but exclude provisions for future losses. There were no individual cases in 2016/17 (2015/16: nil) where a debt write off exceeded £100k.

29. FOREIGN CURRENCY

During the year income with a value of £nil was received in foreign currency (2015/16: £4k) and expenditure with a value of £202k was paid to suppliers in foreign currency (2015/16: £295k).

30. CHARITABLE FUND RESERVE

	Balance 1 April 2016 £000	Incoming Resources £000	Resources Expenses £000	Revaluation Loss £000	Balance 31 March 2017 £000
Restricted Fund Balance	4,086	635	(252)	470	4,939
Unrestricted Fund Balance	4,231	2,650	(1,717)	552	5,716
Total	8,317	3,285	(1,969)	1,022	10,655

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 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 Foundation Trust and future payments for the direct benefit of the staff and patients within the Foundation Trust.

A member of



CAMBRIDGE UNIVERSITY
Health Partners

Knowledge-based healthcare

Papworth Hospital NHS Foundation Trust
Papworth Everard | Cambridge | CB23 3RE

Tel: 01480 830541 | Fax: 01480 831315 | www.papworthhospital.nhs.uk